



## 103RD GENERAL ASSEMBLY

### State of Illinois

2023 and 2024

HB5909

Introduced 11/12/2024, by Rep. Stephanie A. Kifowit

#### SYNOPSIS AS INTRODUCED:

See Index

Amends the Illinois Pension Code. Makes changes to Tier 2 benefits, including changing the amount of the automatic annual increase to 3% of the originally granted retirement annuity or 3% of the retirement annuity then being paid for the General Assembly and Judges Articles, changing the limit on the amount of salary for annuity purposes to the Social Security wage base, changing the calculation of final average salary to the Tier 1 calculation for persons who are active members on or after January 1, 2025, and changing the retirement age. Establishes an accelerated pension benefit payment option for the General Assembly, Chicago Teachers, and Judges Articles of the Code. Provides that, with regard to persons subject to the Tier 2 provisions, a security employee of the Department of Human Services, a security employee of the Department of Corrections or the Department of Juvenile Justice, an investigator for the Department of the Lottery, or a State highway worker is entitled to an annuity calculated under the alternative retirement annuity provisions of the State Employee Article of the Code. Authorizes the conversion of service to eligible creditable service. Provides that the Retirement Systems Reciprocal Act (Article 20 of the Code) is adopted and made a part of the Downstate Police, Downstate Firefighter, Chicago Police, and Chicago Firefighter Articles. Authorizes SLEP status under the Illinois Municipal Retirement Fund for a person who is a county correctional officer or probation officer and for a person who participates in IMRF and qualifies as a firefighter under the Public Safety Employee Benefits Act. In the Downstate Firefighter Article, includes a de facto firefighter in the definition of "firefighter". Defines "de facto firefighter". Provides that the monthly pension of a firefighter who is receiving a disability pension shall be increased at the rate of 3% of the original monthly pension. Makes changes to the minimum retirement annuity payable to a firefighter with 20 or more years of creditable service, the minimum disability pension, and the minimum surviving spouse's pension. Makes other changes. Amends the State Mandates Act to require implementation without reimbursement by the State. Effective immediately.

LRB103 43117 RPS 76377 b

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 Article 1.

5 Section 1-5. The Illinois Pension Code is amended by  
6 changing Sections 1-160, 2-108.1, and 18-125 and by adding  
7 Sections 1-163, 3-153, 4-145, 5-239, 6-231, 7-226, 8-251.5,  
8 9-242, 10-110, 11-233, 12-196, 13-217, 14-157, 15-203, 16-207,  
9 17-160, and 18-175 as follows:

10 (40 ILCS 5/1-160)

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

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

13 (a) The provisions of this Section apply to a person who,  
14 on or after January 1, 2011, first becomes a member or a  
15 participant under any reciprocal retirement system or pension  
16 fund established under this Code, other than a retirement  
17 system or pension fund established under Article 2, 3, 4, 5, 6,  
18 7, 15, or 18 of this Code, notwithstanding any other provision  
19 of this Code to the contrary, but do not apply to any  
20 self-managed plan established under this Code or to any  
21 participant of the retirement plan established under Section  
22 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 (b-10) Beginning on January 1, 2024, for all purposes  
23 under this Code (including, without limitation, the  
24 calculation of benefits and employee contributions), the  
25 annual earnings, salary, or wages (based on the plan year) of a  
26 member or participant under Article 9 to whom this Section

1 applies shall include an annual earnings, salary, or wage cap  
2 that tracks the Social Security wage base. Maximum annual  
3 earnings, wages, or salary shall be the annual contribution  
4 and benefit base established for the applicable year by the  
5 Commissioner of the Social Security Administration under the  
6 federal Social Security Act.

7 However, in no event shall the annual earnings, salary, or  
8 wages for the purposes of this Article and Article 9 exceed any  
9 limitation imposed on annual earnings, salary, or wages under  
10 Section 1-117. Under no circumstances shall the maximum amount  
11 of annual earnings, salary, or wages be greater than the  
12 amount set forth in this subsection (b-10) as a result of  
13 reciprocal service or any provisions regarding reciprocal  
14 services, nor shall the Fund under Article 9 be required to pay  
15 any refund as a result of the application of this maximum  
16 annual earnings, salary, and wage cap.

17 Nothing in this subsection (b-10) shall cause or otherwise  
18 result in any retroactive adjustment of any employee  
19 contributions. Nothing in this subsection (b-10) shall cause  
20 or otherwise result in any retroactive adjustment of  
21 disability or other payments made between January 1, 2011 and  
22 January 1, 2024.

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

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

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

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

25 (d) The retirement annuity of a member or participant who  
26 is retiring after attaining age 62 (age 60, with respect to



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

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

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

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

1 contributions for age and service annuities provided in  
2 subsection (a-5) of Section 8-174 of this Code (for  
3 service under Article 8) or subsection (a-5) of Section  
4 11-170 of this Code (for service under Article 11); or

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

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

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

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

1 participant agreeing to the increase in employee  
2 contributions for service annuities specified in  
3 subsection (b) of Section 12-150; or

4 (ii) to not agree to item (i) of this subsection  
5 (d-15), in which case the member or participant shall not  
6 be eligible for the reduced retirement age specified in  
7 subsections (c) and (d) of this Section and shall not be  
8 subject to the increase in employee contributions for  
9 service annuities specified in subsection (b) of Section  
10 12-150.

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

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

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

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

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

24 (f) The initial survivor's or widow's annuity of an  
25 otherwise eligible survivor or widow of a retired member or  
26 participant who first became a member or participant on or

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

25 (g) The benefits in Section 14-110 apply if the person is a  
26 fire fighter in the fire protection service of a department, a

1 security employee of the Department of Corrections or the  
2 Department of Juvenile Justice, or a security employee of the  
3 Department of Innovation and Technology, as those terms are  
4 defined in subsection (b) and subsection (c) of Section  
5 14-110. A person who meets the requirements of this Section is  
6 entitled to an annuity calculated under the provisions of  
7 Section 14-110, in lieu of the regular or minimum retirement  
8 annuity, only if the person has withdrawn from service with  
9 not less than 20 years of eligible creditable service and has  
10 attained age 60, regardless of whether the attainment of age  
11 60 occurs while the person is still in service.

12 (g-5) The benefits in Section 14-110 apply if the person  
13 is a State 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 (j) In the case of a conflict between the provisions of  
9 this Section and any other provision of this Code, except for  
10 Section 1-163, the 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; 102-719, eff.  
13 5-6-22; 103-529, eff. 8-11-23.)

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

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 (b-10) Beginning on January 1, 2024, for all purposes  
23 under this Code (including, without limitation, the  
24 calculation of benefits and employee contributions), the  
25 annual earnings, salary, or wages (based on the plan year) of a  
26 member or participant under Article 9 to whom this Section

1 applies shall include an annual earnings, salary, or wage cap  
2 that tracks the Social Security wage base. Maximum annual  
3 earnings, wages, or salary shall be the annual contribution  
4 and benefit base established for the applicable year by the  
5 Commissioner of the Social Security Administration under the  
6 federal Social Security Act.

7 However, in no event shall the annual earnings, salary, or  
8 wages for the purposes of this Article and Article 9 exceed any  
9 limitation imposed on annual earnings, salary, or wages under  
10 Section 1-117. Under no circumstances shall the maximum amount  
11 of annual earnings, salary, or wages be greater than the  
12 amount set forth in this subsection (b-10) as a result of  
13 reciprocal service or any provisions regarding reciprocal  
14 services, nor shall the Fund under Article 9 be required to pay  
15 any refund as a result of the application of this maximum  
16 annual earnings, salary, and wage cap.

17 Nothing in this subsection (b-10) shall cause or otherwise  
18 result in any retroactive adjustment of any employee  
19 contributions. Nothing in this subsection (b-10) shall cause  
20 or otherwise result in any retroactive adjustment of  
21 disability or other payments made between January 1, 2011 and  
22 January 1, 2024.

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

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

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

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

25 (d) The retirement annuity of a member or participant who  
26 is retiring after attaining age 62 (age 60, with respect to

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

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

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

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

1 contributions for age and service annuities provided in  
2 subsection (a-5) of Section 8-174 of this Code (for  
3 service under Article 8) or subsection (a-5) of Section  
4 11-170 of this Code (for service under Article 11); or

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

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

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

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



1 participant agreeing to the increase in employee  
2 contributions for service annuities specified in  
3 subsection (b) of Section 12-150; or

4 (ii) to not agree to item (i) of this subsection  
5 (d-15), in which case the member or participant shall not  
6 be eligible for the reduced retirement age specified in  
7 subsections (c) and (d) of this Section and shall not be  
8 subject to the increase in employee contributions for  
9 service annuities specified in subsection (b) of Section  
10 12-150.

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

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

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

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

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

24 (f) The initial survivor's or widow's annuity of an  
25 otherwise eligible survivor or widow of a retired member or  
26 participant who first became a member or participant on or

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

25 (g) The benefits in Section 14-110 apply only if the  
26 person is a State policeman, a fire fighter in the fire

1 protection service of a department, a conservation police  
2 officer, an investigator for the Secretary of State, an arson  
3 investigator, a Commerce Commission police officer,  
4 investigator for the Department of Revenue or the Illinois  
5 Gaming Board, a security employee of the Department of  
6 Corrections or the Department of Juvenile Justice, or a  
7 security employee of the Department of Innovation and  
8 Technology, as those terms are defined in subsection (b) and  
9 subsection (c) of Section 14-110. A person who meets the  
10 requirements of this Section is entitled to an annuity  
11 calculated under the provisions of Section 14-110, in lieu of  
12 the regular or minimum retirement annuity, only if the person  
13 has withdrawn from service with not less than 20 years of  
14 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 (j) In the case of a conflict between the provisions of  
26 this Section and any other provision of this Code, except for

1 Section 1-163, the provisions of this Section shall control.

2 (Source: P.A. 101-610, eff. 1-1-20; 102-16, eff. 6-17-21;  
3 102-210, eff. 1-1-22; 102-263, eff. 8-6-21; 102-813, eff.  
4 5-13-22; 103-529, eff. 8-11-23.)

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

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

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

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

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

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

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

23 This Section does not apply to a person who first becomes a  
24 member or participant of an affected pension fund on or after 6  
25 months after the resolution or ordinance date, as defined in  
26 Section 1-162, unless that person elects under subsection (c)

1 of Section 1-162 to receive the benefits provided under this  
2 Section and the applicable provisions of the Article under  
3 which he or she is a member or participant.

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

17 (1) (Blank).

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

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

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

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

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



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

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

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

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

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

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

13 (b-10) Beginning on January 1, 2024, for all purposes  
14 under this Code (including, without limitation, the  
15 calculation of benefits and employee contributions), the  
16 annual earnings, salary, or wages (based on the plan year) of a  
17 member or participant under Article 9 to whom this Section  
18 applies shall include an annual earnings, salary, or wage cap  
19 that tracks the Social Security wage base. Maximum annual  
20 earnings, wages, or salary shall be the annual contribution  
21 and benefit base established for the applicable year by the  
22 Commissioner of the Social Security Administration under the  
23 federal Social Security Act.

24 However, in no event shall the annual earnings, salary, or  
25 wages for the purposes of this Article and Article 9 exceed any  
26 limitation imposed on annual earnings, salary, or wages under

1 Section 1-117. Under no circumstances shall the maximum amount  
2 of annual earnings, salary, or wages be greater than the  
3 amount set forth in this subsection (b-10) as a result of  
4 reciprocal service or any provisions regarding reciprocal  
5 services, nor shall the Fund under Article 9 be required to pay  
6 any refund as a result of the application of this maximum  
7 annual earnings, salary, and wage cap.

8 Nothing in this subsection (b-10) shall cause or otherwise  
9 result in any retroactive adjustment of any employee  
10 contributions. Nothing in this subsection (b-10) shall cause  
11 or otherwise result in any retroactive adjustment of  
12 disability or other payments made between January 1, 2011 and  
13 January 1, 2024.

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) The benefits in Section 14-110 apply only if the  
17 person is a State policeman, a fire fighter in the fire  
18 protection service of a department, a conservation police  
19 officer, an investigator for the Secretary of State, an  
20 investigator for the Office of the Attorney General, an arson  
21 investigator, a Commerce Commission police officer,  
22 investigator for the Department of Revenue or the Illinois  
23 Gaming Board, a security employee of the Department of  
24 Corrections or the Department of Juvenile Justice, or a  
25 security employee of the Department of Innovation and  
26 Technology, as those terms are defined in subsection (b) and

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

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

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

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

16 (i) (Blank).

17 (j) In the case of a conflict between the provisions of  
18 this Section and any other provision of this Code, except for  
19 Section 1-163, the provisions of this Section shall control.

20 (Source: P.A. 102-16, eff. 6-17-21; 102-210, eff. 1-1-22;  
21 102-263, eff. 8-6-21; 102-956, eff. 5-27-22; 103-529, eff.  
22 8-11-23.)

23 (40 ILCS 5/1-163 new)

24 Sec. 1-163. Limitation on annual earnings, salary, or  
25 wages for pension purposes for certain persons who first

1 become participants on or after January 1, 2011.

2 (a) Notwithstanding any provision of law to the contrary,  
3 including Section 1-160, this Section applies to a person who,  
4 on or after January 1, 2011, first becomes a member or  
5 participant under a pension fund or retirement system  
6 established under any of Articles 3 through 17 of this Code. To  
7 the extent that any provision of this Section conflicts with  
8 any other provision of this Code, this Section controls,  
9 except for a conflict that would diminish or impair a benefit  
10 of membership in a pension or retirement system of the State.

11 (b) Beginning on January 1, 2025, for all purposes under  
12 this Code (including, without limitation, the calculation of  
13 benefits and employee contributions), the annual earnings,  
14 salary, or wages (based on the plan year) of a member or  
15 participant to whom this Section applies shall not exceed the  
16 Social Security wage base for the applicable plan year. In  
17 this subsection, "Social Security wage base" means the  
18 contribution and benefit base calculated for the calendar year  
19 in question by the Commissioner of Social Security under  
20 Section 230 of the federal Social Security Act (42 U.S.C.  
21 430).

22 However, in no event shall the annual earnings, salary, or  
23 wages for the purposes of this Code exceed any limitation  
24 imposed on annual earnings, salary, or wages under Section  
25 1-117. Under no circumstances shall the maximum amount of  
26 annual earnings, salary, or wages be greater than the amount

1 set forth in this subsection as a result of reciprocal service  
2 or any provisions regarding reciprocal services, nor shall the  
3 retirement system or pension fund be required to pay any  
4 refund as a result of the application of this maximum annual  
5 earnings, salary, and wage cap.

6 Nothing in this Section shall cause or otherwise result in  
7 any retroactive adjustment of any employee contributions.  
8 Nothing in this Section shall cause or otherwise result in any  
9 retroactive adjustment of benefit payments made between  
10 January 1, 2011 and January 1, 2025.

11 (c) With regard to a member's or participant's earnings,  
12 salary, or wages received on or after January 1, 2011 and  
13 before January 1, 2025, the limitation on annual earnings,  
14 salary, or wages shall be retroactively increased to an amount  
15 equal to the Social Security wage base for that year. This  
16 subsection does not require a member or participant to make  
17 any additional contribution to the pension fund or retirement  
18 system for the period from January 1, 2011 to January 1, 2025.  
19 This subsection applies only to a person who, on or after  
20 January 1, 2025, is an active member or active participant of a  
21 pension fund or retirement system established under this Code.

22 (40 ILCS 5/2-108.1) (from Ch. 108 1/2, par. 2-108.1)

23 (Text of Section WITHOUT the changes made by P.A. 98-599,  
24 which has been held unconstitutional)

25 Sec. 2-108.1. Highest salary for annuity purposes.

1 (a) "Highest salary for annuity purposes" means whichever  
2 of the following is applicable to the participant:

3 For a participant who first becomes a participant of this  
4 System before August 10, 2009 (the effective date of Public  
5 Act 96-207):

6 (1) For a participant who is a member of the General  
7 Assembly on his or her last day of service: the highest  
8 salary that is prescribed by law, on the participant's  
9 last day of service, for a member of the General Assembly  
10 who is not an officer; plus, if the participant was  
11 elected or appointed to serve as an officer of the General  
12 Assembly for 2 or more years and has made contributions as  
13 required under subsection (d) of Section 2-126, the  
14 highest additional amount of compensation prescribed by  
15 law, at the time of the participant's service as an  
16 officer, for members of the General Assembly who serve in  
17 that office.

18 (2) For a participant who holds one of the State  
19 executive offices specified in Section 2-105 on his or her  
20 last day of service: the highest salary prescribed by law  
21 for service in that office on the participant's last day  
22 of service.

23 (3) For a participant who is Clerk or Assistant Clerk  
24 of the House of Representatives or Secretary or Assistant  
25 Secretary of the Senate on his or her last day of service:  
26 the salary received for service in that capacity on the

1 last day of service, but not to exceed the highest salary  
2 (including additional compensation for service as an  
3 officer) that is prescribed by law on the participant's  
4 last day of service for the highest paid officer of the  
5 General Assembly.

6 (4) For a participant who is a continuing participant  
7 under Section 2-117.1 on his or her last day of service:  
8 the salary received for service in that capacity on the  
9 last day of service, but not to exceed the highest salary  
10 (including additional compensation for service as an  
11 officer) that is prescribed by law on the participant's  
12 last day of service for the highest paid officer of the  
13 General Assembly.

14 For a participant who first becomes a participant of this  
15 System on or after August 10, 2009 (the effective date of  
16 Public Act 96-207) and before January 1, 2011 (the effective  
17 date of Public Act 96-889), the average monthly salary  
18 obtained by dividing the total salary of the participant  
19 during the period of: (1) the 48 consecutive months of service  
20 within the last 120 months of service in which the total  
21 compensation was the highest, or (2) the total period of  
22 service, if less than 48 months, by the number of months of  
23 service in that period.

24 For a participant who first becomes a participant of this  
25 System on or after January 1, 2011 (the effective date of  
26 Public Act 96-889), the average monthly salary obtained by

1 dividing the total salary of the participant during the 96  
2 consecutive months of service within the last 120 months of  
3 service in which the total compensation was the highest by the  
4 number of months of service in that period; however, beginning  
5 January 1, 2011 and until January 1, 2025, the highest salary  
6 for annuity purposes may not exceed \$106,800, except that that  
7 amount shall annually thereafter be increased by the lesser of  
8 (i) 3% of that amount, including all previous adjustments, or  
9 (ii) the annual unadjusted percentage increase (but not less  
10 than zero) in the consumer price index-u for the 12 months  
11 ending with the September preceding each November 1. "Consumer  
12 price index-u" means the index published by the Bureau of  
13 Labor Statistics of the United States Department of Labor that  
14 measures the average change in prices of goods and services  
15 purchased by all urban consumers, United States city average,  
16 all items, 1982-84 = 100. The new amount resulting from each  
17 annual adjustment shall be determined by the Public Pension  
18 Division of the Department of Insurance and made available to  
19 the Board by November 1 of each year.

20 Beginning January 1, 2025, the highest salary for annuity  
21 purposes shall not exceed the Social Security wage base for  
22 the applicable plan year. In this subsection, "Social Security  
23 wage base" means the contribution and benefit base calculated  
24 for the calendar year in question by the Commissioner of  
25 Social Security under Section 230 of the federal Social  
26 Security Act (42 U.S.C. 430). However, in no event shall the



1 highest salary for annuity purposes exceed any limitation  
2 imposed on annual salary under Section 1-117. Under no  
3 circumstances shall the maximum amount of annual earnings,  
4 salary, or wages be greater than the amount set forth in this  
5 subsection as a result of reciprocal service or any provisions  
6 regarding reciprocal services, nor shall the System be  
7 required to pay any refund as a result of the application of  
8 the limitation on highest salary for annuity purposes.

9 Nothing in the changes made to this Section by this  
10 amendatory Act of the 103rd General Assembly shall cause or  
11 otherwise result in any retroactive adjustment of any employee  
12 contributions. Nothing in this Section shall cause or  
13 otherwise result in any retroactive adjustment of benefit  
14 payments made between January 1, 2011 and January 1, 2025.

15 With regard to a participant's salary received on or after  
16 January 1, 2011 and before January 1, 2025, if the participant  
17 is in service on or after January 1, 2025, then the limitation  
18 on highest salary for annuity purposes shall be retroactively  
19 increased to an amount equal to the Social Security wage base  
20 for that year. The retroactive increase in the salary  
21 limitation under this paragraph does not require a participant  
22 to make any additional contribution to the System.

23 (b) The earnings limitations of subsection (a) apply to  
24 earnings under any other participating system under the  
25 Retirement Systems Reciprocal Act that are considered in  
26 calculating a proportional annuity under this Article, except

1 in the case of a person who first became a member of this  
2 System before August 22, 1994 and has not, on or after the  
3 effective date of this amendatory Act of the 97th General  
4 Assembly, irrevocably elected to have those limitations apply.  
5 The limitations of subsection (a) shall apply, however, to  
6 earnings under any other participating system under the  
7 Retirement Systems Reciprocal Act that are considered in  
8 calculating the proportional annuity of a person who first  
9 became a member of this System before August 22, 1994 if, on or  
10 after the effective date of this amendatory Act of the 97th  
11 General Assembly, that member irrevocably elects to have those  
12 limitations apply.

13 (c) In calculating the subsection (a) earnings limitation  
14 to be applied to earnings under any other participating system  
15 under the Retirement Systems Reciprocal Act for the purpose of  
16 calculating a proportional annuity under this Article, the  
17 participant's last day of service shall be deemed to mean the  
18 last day of service in any participating system from which the  
19 person has applied for a proportional annuity under the  
20 Retirement Systems Reciprocal Act.

21 (Source: P.A. 96-207, eff. 8-10-09; 96-889, eff. 1-1-11;  
22 96-1490, eff. 1-1-11; 97-967, eff. 8-16-12.)

23 (40 ILCS 5/3-153 new)

24 Sec. 3-153. Application of Section 1-163. To the extent  
25 that any provision of this Article conflicts with Section

1 1-163, Section 1-163 controls, except for a conflict that  
2 would diminish or impair a benefit of membership in a pension  
3 or retirement system of the State.

4 (40 ILCS 5/4-145 new)

5 Sec. 4-145. Application of Section 1-163. To the extent  
6 that any provision of this Article conflicts with Section  
7 1-163, Section 1-163 controls, except for a conflict that  
8 would diminish or impair a benefit of membership in a pension  
9 or retirement system of the State.

10 (40 ILCS 5/5-239 new)

11 Sec. 5-239. Application of Section 1-163. To the extent  
12 that any provision of this Article conflicts with Section  
13 1-163, Section 1-163 controls, except for a conflict that  
14 would diminish or impair a benefit of membership in a pension  
15 or retirement system of the State.

16 (40 ILCS 5/6-231 new)

17 Sec. 6-231. Application of Section 1-163. To the extent  
18 that any provision of this Article conflicts with Section  
19 1-163, Section 1-163 controls, except for a conflict that  
20 would diminish or impair a benefit of membership in a pension  
21 or retirement system of the State.

22 (40 ILCS 5/7-226 new)

1       Sec. 7-226. Application of Section 1-163. To the extent  
2 that any provision of this Article conflicts with Section  
3 1-163, Section 1-163 controls, except for a conflict that  
4 would diminish or impair a benefit of membership in a pension  
5 or retirement system of the State.

6           (40 ILCS 5/8-251.5 new)

7       Sec. 8-251.5. Application of Section 1-163. To the extent  
8 that any provision of this Article conflicts with Section  
9 1-163, Section 1-163 controls, except for a conflict that  
10 would diminish or impair a benefit of membership in a pension  
11 or retirement system of the State.

12           (40 ILCS 5/9-242 new)

13       Sec. 9-242. Application of Section 1-163. To the extent  
14 that any provision of this Article conflicts with Section  
15 1-163, Section 1-163 controls, except for a conflict that  
16 would diminish or impair a benefit of membership in a pension  
17 or retirement system of the State.

18           (40 ILCS 5/10-110 new)

19       Sec. 10-110. Application of Section 1-163. To the extent  
20 that any provision of this Article conflicts with Section  
21 1-163, Section 1-163 controls, except for a conflict that  
22 would diminish or impair a benefit of membership in a pension  
23 or retirement system of the State.

1 (40 ILCS 5/11-233 new)

2 Sec. 11-233. Application of Section 1-163. To the extent  
3 that any provision of this Article conflicts with Section  
4 1-163, Section 1-163 controls, except for a conflict that  
5 would diminish or impair a benefit of membership in a pension  
6 or retirement system of the State.

7 (40 ILCS 5/12-196 new)

8 Sec. 12-196. Application of Section 1-163. To the extent  
9 that any provision of this Article conflicts with Section  
10 1-163, Section 1-163 controls, except for a conflict that  
11 would diminish or impair a benefit of membership in a pension  
12 or retirement system of the State.

13 (40 ILCS 5/13-217 new)

14 Sec. 13-217. Application of Section 1-163. To the extent  
15 that any provision of this Article conflicts with Section  
16 1-163, Section 1-163 controls, except for a conflict that  
17 would diminish or impair a benefit of membership in a pension  
18 or retirement system of the State.

19 (40 ILCS 5/14-157 new)

20 Sec. 14-157. Application of Section 1-163. To the extent  
21 that any provision of this Article conflicts with Section  
22 1-163, Section 1-163 controls, except for a conflict that

1 would diminish or impair a benefit of membership in a pension  
2 or retirement system of the State.

3 (40 ILCS 5/15-203 new)

4 Sec. 15-203. Application of Section 1-163. To the extent  
5 that any provision of this Article conflicts with Section  
6 1-163, Section 1-163 controls, except for a conflict that  
7 would diminish or impair a benefit of membership in a pension  
8 or retirement system of the State.

9 (40 ILCS 5/16-207 new)

10 Sec. 16-207. Application of Section 1-163. To the extent  
11 that any provision of this Article conflicts with Section  
12 1-163, Section 1-163 controls, except for a conflict that  
13 would diminish or impair a benefit of membership in a pension  
14 or retirement system of the State.

15 (40 ILCS 5/17-160 new)

16 Sec. 17-160. Application of Section 1-163. To the extent  
17 that any provision of this Article conflicts with Section  
18 1-163, Section 1-163 controls, except for a conflict that  
19 would diminish or impair a benefit of membership in a pension  
20 or retirement system of the State.

21 (40 ILCS 5/18-125) (from Ch. 108 1/2, par. 18-125)

22 Sec. 18-125. Retirement annuity amount.

1           (a) The annual retirement annuity for a participant who  
2 terminated service as a judge prior to July 1, 1971 shall be  
3 based on the law in effect at the time of termination of  
4 service.

5           (b) Except as provided in subsection (b-5), effective July  
6 1, 1971, the retirement annuity for any participant in service  
7 on or after such date shall be 3 1/2% of final average salary,  
8 as defined in this Section, for each of the first 10 years of  
9 service, and 5% of such final average salary for each year of  
10 service in excess of 10.

11           For purposes of this Section, final average salary for a  
12 participant who first serves as a judge before August 10, 2009  
13 (the effective date of Public Act 96-207) shall be:

14           (1) the average salary for the last 4 years of  
15 credited service as a judge for a participant who  
16 terminates service before July 1, 1975.

17           (2) for a participant who terminates service after  
18 June 30, 1975 and before July 1, 1982, the salary on the  
19 last day of employment as a judge.

20           (3) for any participant who terminates service after  
21 June 30, 1982 and before January 1, 1990, the average  
22 salary for the final year of service as a judge.

23           (4) for a participant who terminates service on or  
24 after January 1, 1990 but before July 14, 1995 (the  
25 effective date of Public Act 89-136), the salary on the  
26 last day of employment as a judge.

1           (5) for a participant who terminates service on or  
2           after July 14, 1995 (the effective date of Public Act  
3           89-136), the salary on the last day of employment as a  
4           judge, or the highest salary received by the participant  
5           for employment as a judge in a position held by the  
6           participant for at least 4 consecutive years, whichever is  
7           greater.

8           However, in the case of a participant who elects to  
9           discontinue contributions as provided in subdivision (a)(2) of  
10          Section 18-133, the time of such election shall be considered  
11          the last day of employment in the determination of final  
12          average salary under this subsection.

13          For a participant who first serves as a judge on or after  
14          August 10, 2009 (the effective date of Public Act 96-207) and  
15          before January 1, 2011 (the effective date of Public Act  
16          96-889), final average salary shall be the average monthly  
17          salary obtained by dividing the total salary of the  
18          participant during the period of: (1) the 48 consecutive  
19          months of service within the last 120 months of service in  
20          which the total compensation was the highest, or (2) the total  
21          period of service, if less than 48 months, by the number of  
22          months of service in that period.

23          The maximum retirement annuity for any participant shall  
24          be 85% of final average salary.

25          (b-5) Notwithstanding any other provision of this Article,  
26          for a participant who first serves as a judge on or after



1 January 1, 2011 (the effective date of Public Act 96-889), the  
2 annual retirement annuity is 3% of the participant's final  
3 average salary for each year of service. The maximum  
4 retirement annuity payable shall be 60% of the participant's  
5 final average salary.

6 For a participant who first serves as a judge on or after  
7 January 1, 2011 (the effective date of Public Act 96-889),  
8 final average salary shall be the average monthly salary  
9 obtained by dividing the total salary of the judge during the  
10 96 consecutive months of service within the last 120 months of  
11 service in which the total salary was the highest by the number  
12 of months of service in that period; however, beginning  
13 January 1, 2011 and until January 1, 2025, the annual salary  
14 may not exceed \$106,800, except that that amount shall  
15 annually thereafter be increased by the lesser of (i) 3% of  
16 that amount, including all previous adjustments, or (ii) the  
17 annual unadjusted percentage increase (but not less than zero)  
18 in the consumer price index-u for the 12 months ending with the  
19 September preceding each November 1. "Consumer price index-u"  
20 means the index published by the Bureau of Labor Statistics of  
21 the United States Department of Labor that measures the  
22 average change in prices of goods and services purchased by  
23 all urban consumers, United States city average, all items,  
24 1982-84 = 100. The new amount resulting from each annual  
25 adjustment shall be determined by the Public Pension Division  
26 of the Department of Insurance and made available to the Board

1 by November 1st of each year.

2 Beginning January 1, 2025, for a participant who first  
3 serves as a judge on or after January 1, 2011, the annual  
4 salary shall not exceed the Social Security wage base for the  
5 applicable plan year. In this subsection, "Social Security  
6 wage base" means the contribution and benefit base calculated  
7 for the calendar year in question by the Commissioner of  
8 Social Security under Section 230 of the federal Social  
9 Security Act (42 U.S.C. 430). However, in no event shall the  
10 highest salary for annuity purposes exceed any limitation  
11 imposed on annual salary under Section 1-117. Under no  
12 circumstances shall the maximum amount of annual salary be  
13 greater than the amount set forth in this subsection as a  
14 result of reciprocal service or any provisions regarding  
15 reciprocal services, nor shall the System be required to pay  
16 any refund as a result of the application of the limitation on  
17 annual salary.

18 Nothing in the changes made to this Section by this  
19 amendatory Act of the 103rd General Assembly shall cause or  
20 otherwise result in any retroactive adjustment of any employee  
21 contributions. Nothing in this Section shall cause or  
22 otherwise result in any retroactive adjustment of benefit  
23 payments made between January 1, 2011 and January 1, 2025.

24 With regard to a participant's salary received on or after  
25 January 1, 2011 and before January 1, 2025, if the participant  
26 is in service on or after January 1, 2025, then the limitation

1 on highest salary for annuity purposes shall be retroactively  
2 increased to an amount equal to the Social Security wage base  
3 for that year. The retroactive increase in the salary  
4 limitation under this paragraph does not require a participant  
5 to make any additional contribution to the System.

6 (c) The retirement annuity for a participant who retires  
7 prior to age 60 with less than 28 years of service in the  
8 System shall be reduced 1/2 of 1% for each month that the  
9 participant's age is under 60 years at the time the annuity  
10 commences. However, for a participant who retires on or after  
11 December 10, 1999 (the effective date of Public Act 91-653),  
12 the percentage reduction in retirement annuity imposed under  
13 this subsection shall be reduced by 5/12 of 1% for every month  
14 of service in this System in excess of 20 years, and therefore  
15 a participant with at least 26 years of service in this System  
16 may retire at age 55 without any reduction in annuity.

17 The reduction in retirement annuity imposed by this  
18 subsection shall not apply in the case of retirement on  
19 account of disability.

20 (d) Notwithstanding any other provision of this Article,  
21 for a participant who first serves as a judge on or after  
22 January 1, 2011 (the effective date of Public Act 96-889) and  
23 who is retiring after attaining age 62, the retirement annuity  
24 shall be reduced by 1/2 of 1% for each month that the  
25 participant's age is under age 67 at the time the annuity  
26 commences.

1 (Source: P.A. 100-201, eff. 8-18-17.)

2 Article 2.

3 Section 2-5. The Illinois Pension Code is amended by  
4 changing Sections 1-160, 2-108.1, 3-111, 4-109, 5-238, 6-229,  
5 7-116, 7-142.1, 15-112, and 18-125 as follows:

6 (40 ILCS 5/1-160)

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

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

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

1 7-109.4 of this Code or who participated in a retirement  
2 system under Article 15 prior to January 1, 2011 shall be  
3 deemed a person who first became a member or participant prior  
4 to January 1, 2011 under any retirement system or pension fund  
5 subject to this Section. The changes made to this Section by  
6 Public Act 98-596 are a clarification of existing law and are  
7 intended to be retroactive to January 1, 2011 (the effective  
8 date of Public Act 96-889), notwithstanding the provisions of  
9 Section 1-103.1 of this Code.

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

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

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

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

8           (a-5) In this Section, "affected member or participant"  
9 means a member or participant to whom this Section applies and  
10 who is an active member or participant on or after January 1,  
11 2025; except that "affected member or participant" does not  
12 include a member or participant under Article 22.

13           (b) For a person who is not an affected member or  
14 participant, "final ~~Final~~ average salary" means, except as  
15 otherwise provided in this subsection, the average monthly (or  
16 annual) salary obtained by dividing the total salary or  
17 earnings calculated under the Article applicable to the member  
18 or participant during the 96 consecutive months (or 8  
19 consecutive years) of service within the last 120 months (or  
20 10 years) of service in which the total salary or earnings  
21 calculated under the applicable Article was the highest by the  
22 number of months (or years) of service in that period. For the  
23 purposes of a person who is not an affected member or  
24 participant ~~first becomes a member or participant of any~~  
25 ~~retirement system or pension fund to which this Section~~  
26 ~~applies on or after January 1, 2011, in this Code, "final~~

1 average salary" shall be substituted for the following:

2 (1) (Blank).

3 (2) In Articles 8, 9, 10, 11, and 12, "highest average  
4 annual salary for any 4 consecutive years within the last  
5 10 years of service immediately preceding the date of  
6 withdrawal".

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

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

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

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

12 For an affected member or participant, "final average  
13 salary" means:

14 (1) For Articles 8, 9, 10, 11, and 12, the highest  
15 average annual salary for any 4 consecutive years within  
16 the last 10 years of service immediately preceding the  
17 date of withdrawal.

18 (2) For Article 13, the highest average monthly salary  
19 as calculated by accumulating the salary for the highest  
20 520 consecutive paid days of service within the last 10  
21 years of service immediately preceding the date of  
22 retirement and dividing by 24. If the employee is paid for  
23 any portion of a workday, the fraction of the day worked  
24 and the salary for that fraction of the day shall be  
25 counted in accordance with the administrative rules of the  
26 Fund established under Article 13.

1           (3) For Article 14, unless the member or participant  
2           is entitled to an annuity under Section 14-110 and has at  
3           least 20 years of eligible creditable service as defined  
4           in Section 14-110, the monthly compensation obtained by  
5           dividing the total compensation of an employee during the  
6           period of: (1) the 48 consecutive months of service within  
7           the last 120 months of service in which the total  
8           compensation was the highest or (2) the total period of  
9           service, if less than 48 months, by the number of months of  
10           service in such period; however, for purposes of a  
11           retirement annuity, the average compensation for the last  
12           12 months of the 48-month period shall not exceed the  
13           final average compensation by more than 25%.

14           (4) For Article 14, if the member or participant is  
15           entitled to an annuity under Section 14-110 and has at  
16           least 20 years of eligible creditable service as defined  
17           in Section 14-110, the monthly rate of compensation  
18           received by the member or participant on the last day of  
19           eligible creditable service (but not to exceed 115% of the  
20           average monthly compensation received by the member or  
21           participant for the last 24 months of service) or the  
22           average monthly compensation received by the member or  
23           participant for the last 48 months of service prior to  
24           retirement, whichever is greater.

25           (5) For Article 17, the average annual rate of salary  
26           for the 4 consecutive years of validated service within



1       the last 10 years of service when such average annual rate  
2       was highest.

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

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

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

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

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

5 For the purposes of this Section, "consumer price index-u"  
6 means the index published by the Bureau of Labor Statistics of  
7 the United States Department of Labor that measures the  
8 average change in prices of goods and services purchased by  
9 all urban consumers, United States city average, all items,  
10 1982-84 = 100. The new amount resulting from each annual  
11 adjustment shall be determined by the Public Pension Division  
12 of the Department of Insurance and made available to the  
13 boards of the retirement systems and pension funds by November  
14 1 of each year.

15 (b-10) Beginning on January 1, 2024, for all purposes  
16 under this Code (including, without limitation, the  
17 calculation of benefits and employee contributions), the  
18 annual earnings, salary, or wages (based on the plan year) of a  
19 member or participant under Article 9 to whom this Section  
20 applies shall include an annual earnings, salary, or wage cap  
21 that tracks the Social Security wage base. Maximum annual  
22 earnings, wages, or salary shall be the annual contribution  
23 and benefit base established for the applicable year by the  
24 Commissioner of the Social Security Administration under the  
25 federal Social Security Act.

26 However, in no event shall the annual earnings, salary, or

1 wages for the purposes of this Article and Article 9 exceed any  
2 limitation imposed on annual earnings, salary, or wages under  
3 Section 1-117. Under no circumstances shall the maximum amount  
4 of annual earnings, salary, or wages be greater than the  
5 amount set forth in this subsection (b-10) as a result of  
6 reciprocal service or any provisions regarding reciprocal  
7 services, nor shall the Fund under Article 9 be required to pay  
8 any refund as a result of the application of this maximum  
9 annual earnings, salary, and wage cap.

10 Nothing in this subsection (b-10) shall cause or otherwise  
11 result in any retroactive adjustment of any employee  
12 contributions. Nothing in this subsection (b-10) shall cause  
13 or otherwise result in any retroactive adjustment of  
14 disability or other payments made between January 1, 2011 and  
15 January 1, 2024.

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

25 A member or participant who has attained age 62 (age 60,  
26 with respect to service under Article 12 that is subject to

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

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

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

1 service under Article 12 that is subject to this Section, for a  
2 member or participant under Article 12 who first becomes a  
3 member or participant under Article 12 on or after January 1,  
4 2022 or who makes the election under item (i) of subsection  
5 (d-15) of this Section).

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

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

16 (i) to be eligible for the reduced retirement age  
17 provided in subsections (c-5) and (d-5) of this Section,  
18 the eligibility for which is conditioned upon the member  
19 or participant agreeing to the increases in employee  
20 contributions for age and service annuities provided in  
21 subsection (a-5) of Section 8-174 of this Code (for  
22 service under Article 8) or subsection (a-5) of Section  
23 11-170 of this Code (for service under Article 11); or

24 (ii) to not agree to item (i) of this subsection  
25 (d-10), in which case the member or participant shall  
26 continue to be subject to the retirement age provisions in

1 subsections (c) and (d) of this Section and the employee  
2 contributions for age and service annuity as provided in  
3 subsection (a) of Section 8-174 of this Code (for service  
4 under Article 8) or subsection (a) of Section 11-170 of  
5 this Code (for service under Article 11).

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

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

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

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

1 subject to the increase in employee contributions for  
2 service annuities specified in subsection (b) of Section  
3 12-150.

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

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

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

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

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

17 (f) The initial survivor's or widow's annuity of an  
18 otherwise eligible survivor or widow of a retired member or  
19 participant who first became a member or participant on or  
20 after January 1, 2011 shall be in the amount of 66 2/3% of the  
21 retired member's or participant's retirement annuity at the  
22 date of death. In the case of the death of a member or  
23 participant who has not retired and who first became a member  
24 or participant on or after January 1, 2011, eligibility for a  
25 survivor's or widow's annuity shall be determined by the  
26 applicable Article of this Code. The initial benefit shall be



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

18 (g) The benefits in Section 14-110 apply if the person is a  
19 fire fighter in the fire protection service of a department, a  
20 security employee of the Department of Corrections or the  
21 Department of Juvenile Justice, or a security employee of the  
22 Department of Innovation and Technology, as those terms are  
23 defined in subsection (b) and subsection (c) of Section  
24 14-110. A person who meets the requirements of this Section is  
25 entitled to an annuity calculated under the provisions of  
26 Section 14-110, in lieu of the regular or minimum retirement

1 annuity, only if the person has withdrawn from service with  
2 not less than 20 years of eligible creditable service and has  
3 attained age 60, regardless of whether the attainment of age  
4 60 occurs while the person is still in service.

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

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

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

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

26 (i) (Blank).

1 (j) In the case of a conflict between the provisions of  
2 this Section and any other provision of this Code, the  
3 provisions of this Section shall control.

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

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

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

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

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

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

15 This Section does not apply to a person who first becomes a  
16 member or participant under Article 16 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 elects under  
23 subsection (c-5) of Section 1-161 to receive the benefits  
24 under Section 1-161.

25 This Section does not apply to a person who first becomes a  
26 member or participant of an affected pension fund on or after 6

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

6 (a-5) In this Section, "affected member or participant"  
7 means a member or participant to whom this Section applies and  
8 who is an active member or participant on or after January 1,  
9 2025; except that "affected member or participant" does not  
10 include a member or participant under Article 22.

11 (b) For a person who is not an affected member or  
12 participant, "final "Final average salary" means, except as  
13 otherwise provided in this subsection, the average monthly (or  
14 annual) salary obtained by dividing the total salary or  
15 earnings calculated under the Article applicable to the member  
16 or participant during the 96 consecutive months (or 8  
17 consecutive years) of service within the last 120 months (or  
18 10 years) of service in which the total salary or earnings  
19 calculated under the applicable Article was the highest by the  
20 number of months (or years) of service in that period. For the  
21 purposes of a person who is not an affected member or  
22 participant ~~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 For an affected member or participant, "final average  
11 salary" means:

12 (1) For Articles 8, 9, 10, 11, and 12, the highest  
13 average annual salary for any 4 consecutive years within  
14 the last 10 years of service immediately preceding the  
15 date of withdrawal.

16 (2) For Article 13, the highest average monthly salary  
17 as calculated by accumulating the salary for the highest  
18 520 consecutive paid days of service within the last 10  
19 years of service immediately preceding the date of  
20 retirement and dividing by 24. If the employee is paid for  
21 any portion of a workday, the fraction of the day worked  
22 and the salary for that fraction of the day shall be  
23 counted in accordance with the administrative rules of the  
24 Fund established under Article 13.

25 (3) For Article 14, unless the member or participant  
26 is entitled to an annuity under Section 14-110 and has at

1       least 20 years of eligible creditable service as defined  
2       in Section 14-110, the monthly compensation obtained by  
3       dividing the total compensation of an employee during the  
4       period of: (1) the 48 consecutive months of service within  
5       the last 120 months of service in which the total  
6       compensation was the highest or (2) the total period of  
7       service, if less than 48 months, by the number of months of  
8       service in such period; however, for purposes of a  
9       retirement annuity, the average compensation for the last  
10       12 months of the 48-month period shall not exceed the  
11       final average compensation by more than 25%.

12       (4) For Article 14, if the member or participant is  
13       entitled to an annuity under Section 14-110 and has at  
14       least 20 years of eligible creditable service as defined  
15       in Section 14-110, the monthly rate of compensation  
16       received by the member or participant on the last day of  
17       eligible creditable service (but not to exceed 115% of the  
18       average monthly compensation received by the member or  
19       participant for the last 24 months of service) or the  
20       average monthly compensation received by the member or  
21       participant for the last 48 months of service prior to  
22       retirement, whichever is greater.

23       (5) For Article 17, the average annual rate of salary  
24       for the 4 consecutive years of validated service within  
25       the last 10 years of service when such average annual rate  
26       was highest.



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

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

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

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

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

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

13 (b-10) Beginning on January 1, 2024, for all purposes  
14 under this Code (including, without limitation, the  
15 calculation of benefits and employee contributions), the  
16 annual earnings, salary, or wages (based on the plan year) of a  
17 member or participant under Article 9 to whom this Section  
18 applies shall include an annual earnings, salary, or wage cap  
19 that tracks the Social Security wage base. Maximum annual  
20 earnings, wages, or salary shall be the annual contribution  
21 and benefit base established for the applicable year by the  
22 Commissioner of the Social Security Administration under the  
23 federal Social Security Act.

24 However, in no event shall the annual earnings, salary, or  
25 wages for the purposes of this Article and Article 9 exceed any  
26 limitation imposed on annual earnings, salary, or wages under

1 Section 1-117. Under no circumstances shall the maximum amount  
2 of annual earnings, salary, or wages be greater than the  
3 amount set forth in this subsection (b-10) as a result of  
4 reciprocal service or any provisions regarding reciprocal  
5 services, nor shall the Fund under Article 9 be required to pay  
6 any refund as a result of the application of this maximum  
7 annual earnings, salary, and wage cap.

8 Nothing in this subsection (b-10) shall cause or otherwise  
9 result in any retroactive adjustment of any employee  
10 contributions. Nothing in this subsection (b-10) shall cause  
11 or otherwise result in any retroactive adjustment of  
12 disability or other payments made between January 1, 2011 and  
13 January 1, 2024.

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) The benefits in Section 14-110 apply only if the  
17 person is a State policeman, a fire fighter in the fire  
18 protection service of a department, a conservation police  
19 officer, an investigator for the Secretary of State, an arson  
20 investigator, a Commerce Commission police officer,  
21 investigator for the Department of Revenue or the Illinois  
22 Gaming Board, a security employee of the Department of  
23 Corrections or the Department of Juvenile Justice, or a  
24 security employee of the Department of Innovation and  
25 Technology, as those terms are defined in subsection (b) and  
26 subsection (c) of Section 14-110. A person who meets the

1 requirements of this Section is entitled to an annuity  
2 calculated under the provisions of Section 14-110, in lieu of  
3 the regular or minimum retirement annuity, only if the person  
4 has withdrawn from service with not less than 20 years of  
5 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 (j) In the case of a conflict between the provisions of  
17 this Section and any other provision of this Code, the  
18 provisions of this Section shall control.

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

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

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

24 (a) The provisions of this Section apply to a person who,  
25 on or after January 1, 2011, first becomes a member or a

1 participant under any reciprocal retirement system or pension  
2 fund established under this Code, other than a retirement  
3 system or pension fund established under Article 2, 3, 4, 5, 6,  
4 7, 15, or 18 of this Code, notwithstanding any other provision  
5 of this Code to the contrary, but do not apply to any  
6 self-managed plan established under this Code or to any  
7 participant of the retirement plan established under Section  
8 22-101; except that this Section applies to a person who  
9 elected to establish alternative credits by electing in  
10 writing after January 1, 2011, but before August 8, 2011,  
11 under Section 7-145.1 of this Code. Notwithstanding anything  
12 to the contrary in this Section, for purposes of this Section,  
13 a person who is a Tier 1 regular employee as defined in Section  
14 7-109.4 of this Code or who participated in a retirement  
15 system under Article 15 prior to January 1, 2011 shall be  
16 deemed a person who first became a member or participant prior  
17 to January 1, 2011 under any retirement system or pension fund  
18 subject to this Section. The changes made to this Section by  
19 Public Act 98-596 are a clarification of existing law and are  
20 intended to be retroactive to January 1, 2011 (the effective  
21 date of Public Act 96-889), notwithstanding the provisions of  
22 Section 1-103.1 of this Code.

23 This Section does not apply to a person who first becomes a  
24 noncovered employee under Article 14 on or after the  
25 implementation date of the plan created under Section 1-161  
26 for that Article, unless that person elects under subsection

1 (b) of Section 1-161 to instead receive the benefits provided  
2 under this Section and the applicable provisions of that  
3 Article.

4 This Section does not apply to a person who first becomes a  
5 member or participant under Article 16 on or after the  
6 implementation date of the plan created under Section 1-161  
7 for that Article, unless that person elects under subsection  
8 (b) of Section 1-161 to instead receive the benefits provided  
9 under this Section and the applicable provisions of that  
10 Article.

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

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

21 (a-5) In this Section, "affected member or participant"  
22 means a member or participant to whom this Section applies and  
23 who is an active member or participant on or after January 1,  
24 2025; except that "affected member or participant" does not  
25 include a member or participant under Article 22.

26 (b) For a person who is not an affected member or

1 participant, "final ~~"Final~~ average salary" means, except as  
2 otherwise provided in this subsection, the average monthly (or  
3 annual) salary obtained by dividing the total salary or  
4 earnings calculated under the Article applicable to the member  
5 or participant during the 96 consecutive months (or 8  
6 consecutive years) of service within the last 120 months (or  
7 10 years) of service in which the total salary or earnings  
8 calculated under the applicable Article was the highest by the  
9 number of months (or years) of service in that period. For the  
10 purposes of a person who is not an affected member or  
11 participant ~~first becomes a member or participant of any~~  
12 ~~retirement system or pension fund to which this Section~~  
13 ~~applies on or after January 1, 2011,~~ in this Code, "final  
14 average salary" shall be substituted for the following:

15 (1) (Blank).

16 (2) In Articles 8, 9, 10, 11, and 12, "highest average  
17 annual salary for any 4 consecutive years within the last  
18 10 years of service immediately preceding the date of  
19 withdrawal".

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

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

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

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

25 For an affected member or participant, "final average  
26 salary" means:

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

5           (2) For Article 13, the highest average monthly salary  
6           as calculated by accumulating the salary for the highest  
7           520 consecutive paid days of service within the last 10  
8           years of service immediately preceding the date of  
9           retirement and dividing by 24. If the employee is paid for  
10           any portion of a workday, the fraction of the day worked  
11           and the salary for that fraction of the day shall be  
12           counted in accordance with the administrative rules of the  
13           Fund established under Article 13.

14           (3) For Article 14, unless the member or participant  
15           is entitled to an annuity under Section 14-110 and has at  
16           least 20 years of eligible creditable service as defined  
17           in Section 14-110, the monthly compensation obtained by  
18           dividing the total compensation of an employee during the  
19           period of: (1) the 48 consecutive months of service within  
20           the last 120 months of service in which the total  
21           compensation was the highest or (2) the total period of  
22           service, if less than 48 months, by the number of months of  
23           service in such period; however, for purposes of a  
24           retirement annuity, the average compensation for the last  
25           12 months of the 48-month period shall not exceed the  
26           final average compensation by more than 25%.

1           (4) For Article 14, if the member or participant is  
2           entitled to an annuity under Section 14-110 and has at  
3           least 20 years of eligible creditable service as defined  
4           in Section 14-110, the monthly rate of compensation  
5           received by the member or participant on the last day of  
6           eligible creditable service (but not to exceed 115% of the  
7           average monthly compensation received by the member or  
8           participant for the last 24 months of service) or the  
9           average monthly compensation received by the member or  
10           participant for the last 48 months of service prior to  
11           retirement, whichever is greater.

12           (5) For Article 17, the average annual rate of salary  
13           for the 4 consecutive years of validated service within  
14           the last 10 years of service when such average annual rate  
15           was highest.

16           A member of the Teachers' Retirement System of the State  
17           of Illinois who retires on or after June 1, 2021 and for whom  
18           the 2020-2021 school year is used in the calculation of the  
19           member's final average salary shall use the higher of the  
20           following for the purpose of determining the member's final  
21           average salary:

22           (A) the amount otherwise calculated under the first  
23           paragraph of this subsection; or

24           (B) an amount calculated by the Teachers' Retirement  
25           System of the State of Illinois using the average of the  
26           monthly (or annual) salary obtained by dividing the total



1 salary or earnings calculated under Article 16 applicable  
2 to the member or participant during the 96 months (or 8  
3 years) of service within the last 120 months (or 10 years)  
4 of service in which the total salary or earnings  
5 calculated under the Article was the highest by the number  
6 of months (or years) of service in that period.

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

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

1 1 of each year.

2 (b-10) Beginning on January 1, 2024, for all purposes  
3 under this Code (including, without limitation, the  
4 calculation of benefits and employee contributions), the  
5 annual earnings, salary, or wages (based on the plan year) of a  
6 member or participant under Article 9 to whom this Section  
7 applies shall include an annual earnings, salary, or wage cap  
8 that tracks the Social Security wage base. Maximum annual  
9 earnings, wages, or salary shall be the annual contribution  
10 and benefit base established for the applicable year by the  
11 Commissioner of the Social Security Administration under the  
12 federal Social Security Act.

13 However, in no event shall the annual earnings, salary, or  
14 wages for the purposes of this Article and Article 9 exceed any  
15 limitation imposed on annual earnings, salary, or wages under  
16 Section 1-117. Under no circumstances shall the maximum amount  
17 of annual earnings, salary, or wages be greater than the  
18 amount set forth in this subsection (b-10) as a result of  
19 reciprocal service or any provisions regarding reciprocal  
20 services, nor shall the Fund under Article 9 be required to pay  
21 any refund as a result of the application of this maximum  
22 annual earnings, salary, and wage cap.

23 Nothing in this subsection (b-10) shall cause or otherwise  
24 result in any retroactive adjustment of any employee  
25 contributions. Nothing in this subsection (b-10) shall cause  
26 or otherwise result in any retroactive adjustment of

1 disability or other payments made between January 1, 2011 and  
2 January 1, 2024.

3 (c) A member or participant is entitled to a retirement  
4 annuity upon written application if he or she has attained age  
5 67 (age 65, with respect to service under Article 12 that is  
6 subject to this Section, for a member or participant under  
7 Article 12 who first becomes a member or participant under  
8 Article 12 on or after January 1, 2022 or who makes the  
9 election under item (i) of subsection (d-15) of this Section)  
10 and has at least 10 years of service credit and is otherwise  
11 eligible under the requirements of the applicable Article.

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

22 (c-5) A person who first becomes a member or a participant  
23 subject to this Section on or after July 6, 2017 (the effective  
24 date of Public Act 100-23), notwithstanding any other  
25 provision of this Code to the contrary, is entitled to a  
26 retirement annuity under Article 8 or Article 11 upon written

1 application if he or she has attained age 65 and has at least  
2 10 years of service credit and is otherwise eligible under the  
3 requirements of Article 8 or Article 11 of this Code,  
4 whichever is applicable.

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

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

24 (d-10) Each person who first became a member or  
25 participant under Article 8 or Article 11 of this Code on or  
26 after January 1, 2011 and prior to July 6, 2017 (the effective

1 date of Public Act 100-23) shall make an irrevocable election  
2 either:

3 (i) to be eligible for the reduced retirement age  
4 provided in subsections (c-5) and (d-5) of this Section,  
5 the eligibility for which is conditioned upon the member  
6 or participant agreeing to the increases in employee  
7 contributions for age and service annuities provided in  
8 subsection (a-5) of Section 8-174 of this Code (for  
9 service under Article 8) or subsection (a-5) of Section  
10 11-170 of this Code (for service under Article 11); or

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

19 The election provided for in this subsection shall be made  
20 between October 1, 2017 and November 15, 2017. A person  
21 subject to this subsection who makes the required election  
22 shall remain bound by that election. A person subject to this  
23 subsection who fails for any reason to make the required  
24 election within the time specified in this subsection shall be  
25 deemed to have made the election under item (ii).

26 (d-15) Each person who first becomes a member or

1 participant under Article 12 on or after January 1, 2011 and  
2 prior to January 1, 2022 shall make an irrevocable election  
3 either:

4 (i) to be eligible for the reduced retirement age  
5 specified in subsections (c) and (d) of this Section, the  
6 eligibility for which is conditioned upon the member or  
7 participant agreeing to the increase in employee  
8 contributions for service annuities specified in  
9 subsection (b) of Section 12-150; or

10 (ii) to not agree to item (i) of this subsection  
11 (d-15), in which case the member or participant shall not  
12 be eligible for the reduced retirement age specified in  
13 subsections (c) and (d) of this Section and shall not be  
14 subject to the increase in employee contributions for  
15 service annuities specified in subsection (b) of Section  
16 12-150.

17 The election provided for in this subsection shall be made  
18 between January 1, 2022 and April 1, 2022. A person subject to  
19 this subsection who makes the required election shall remain  
20 bound by that election. A person subject to this subsection  
21 who fails for any reason to make the required election within  
22 the time specified in this subsection shall be deemed to have  
23 made the election under item (ii).

24 (e) Any retirement annuity or supplemental annuity shall  
25 be subject to annual increases on the January 1 occurring  
26 either on or after the attainment of age 67 (age 65, with

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

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

25 For the purposes of Section 1-103.1 of this Code, the  
26 changes made to this Section by Public Act 100-23 are

1 applicable without regard to whether the employee was in  
2 active service on or after July 6, 2017 (the effective date of  
3 Public Act 100-23).

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



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

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

24 (h) If a person who first becomes a member or a participant  
25 of a retirement system or pension fund subject to this Section  
26 on or after January 1, 2011 is receiving a retirement annuity

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

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

1 required to pay a fine of \$1,000. Upon termination of that  
2 contractual employment, the person's retirement annuity or  
3 retirement pension payments shall resume and, if appropriate,  
4 be recalculated under the applicable provisions of this Code.

5 (i) (Blank).

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

9 (Source: P.A. 102-16, eff. 6-17-21; 102-210, eff. 1-1-22;  
10 102-263, eff. 8-6-21; 102-956, eff. 5-27-22; 103-529, eff.  
11 8-11-23.)

12 (40 ILCS 5/2-108.1) (from Ch. 108 1/2, par. 2-108.1)

13 (Text of Section WITHOUT the changes made by P.A. 98-599,  
14 which has been held unconstitutional)

15 Sec. 2-108.1. Highest salary for annuity purposes.

16 (a) "Highest salary for annuity purposes" means whichever  
17 of the following is applicable to the participant:

18 For a participant who first becomes a participant of this  
19 System before August 10, 2009 (the effective date of Public  
20 Act 96-207):

21 (1) For a participant who is a member of the General  
22 Assembly on his or her last day of service: the highest  
23 salary that is prescribed by law, on the participant's  
24 last day of service, for a member of the General Assembly  
25 who is not an officer; plus, if the participant was

1       elected or appointed to serve as an officer of the General  
2       Assembly for 2 or more years and has made contributions as  
3       required under subsection (d) of Section 2-126, the  
4       highest additional amount of compensation prescribed by  
5       law, at the time of the participant's service as an  
6       officer, for members of the General Assembly who serve in  
7       that office.

8           (2) For a participant who holds one of the State  
9       executive offices specified in Section 2-105 on his or her  
10      last day of service: the highest salary prescribed by law  
11      for service in that office on the participant's last day  
12      of service.

13          (3) For a participant who is Clerk or Assistant Clerk  
14      of the House of Representatives or Secretary or Assistant  
15      Secretary of the Senate on his or her last day of service:  
16      the salary received for service in that capacity on the  
17      last day of service, but not to exceed the highest salary  
18      (including additional compensation for service as an  
19      officer) that is prescribed by law on the participant's  
20      last day of service for the highest paid officer of the  
21      General Assembly.

22          (4) For a participant who is a continuing participant  
23      under Section 2-117.1 on his or her last day of service:  
24      the salary received for service in that capacity on the  
25      last day of service, but not to exceed the highest salary  
26      (including additional compensation for service as an

1           officer) that is prescribed by law on the participant's  
2           last day of service for the highest paid officer of the  
3           General Assembly.

4           For a participant who first becomes a participant of this  
5           System on or after August 10, 2009 (the effective date of  
6           Public Act 96-207) and before January 1, 2011 (the effective  
7           date of Public Act 96-889), the average monthly salary  
8           obtained by dividing the total salary of the participant  
9           during the period of: (1) the 48 consecutive months of service  
10          within the last 120 months of service in which the total  
11          compensation was the highest, or (2) the total period of  
12          service, if less than 48 months, by the number of months of  
13          service in that period.

14          For a participant who first becomes a participant of this  
15          System on or after January 1, 2011 (the effective date of  
16          Public Act 96-889) and who is not in service on or after  
17          January 1, 2025, the average monthly salary obtained by  
18          dividing the total salary of the participant during the 96  
19          consecutive months of service within the last 120 months of  
20          service in which the total compensation was the highest by the  
21          number of months of service in that period; however, beginning  
22          January 1, 2011, the highest salary for annuity purposes may  
23          not exceed \$106,800, except that that amount shall annually  
24          thereafter be increased by the lesser of (i) 3% of that amount,  
25          including all previous adjustments, or (ii) the annual  
26          unadjusted percentage increase (but not less than zero) in the

1 consumer price index-u for the 12 months ending with the  
2 September preceding each November 1. "Consumer price index-u"  
3 means the index published by the Bureau of Labor Statistics of  
4 the United States Department of Labor that measures the  
5 average change in prices of goods and services purchased by  
6 all urban consumers, United States city average, all items,  
7 1982-84 = 100. The new amount resulting from each annual  
8 adjustment shall be determined by the Public Pension Division  
9 of the Department of Insurance and made available to the Board  
10 by November 1 of each year.

11 Subject to any applicable limitation on the highest salary  
12 for annuity purposes, for a participant who first becomes a  
13 participant of this System on or after January 1, 2011 and who  
14 is in service on or after January 1, 2025, "highest salary for  
15 annuity purposes" means:

16 (1) For a participant who is a member of the General  
17 Assembly on his or her last day of service: the highest  
18 salary that is prescribed by law, on the participant's  
19 last day of service, for a member of the General Assembly  
20 who is not an officer; plus, if the participant was  
21 elected or appointed to serve as an officer of the General  
22 Assembly for 2 or more years and has made contributions as  
23 required under subsection (d) of Section 2-126, the  
24 highest additional amount of compensation prescribed by  
25 law, at the time of the participant's service as an  
26 officer, for members of the General Assembly who serve in

1       that office.

2       (2) For a participant who holds one of the State  
3       executive offices specified in Section 2-105 on his or her  
4       last day of service: the highest salary prescribed by law  
5       for service in that office on the participant's last day  
6       of service.

7       (3) For a participant who is Clerk or Assistant Clerk  
8       of the House of Representatives or Secretary or Assistant  
9       Secretary of the Senate on his or her last day of service:  
10       the salary received for service in that capacity on the  
11       last day of service, but not to exceed the highest salary  
12       (including additional compensation for service as an  
13       officer) that is prescribed by law on the participant's  
14       last day of service for the highest paid officer of the  
15       General Assembly.

16       (4) For a participant who is a continuing participant  
17       under Section 2-117.1 on his or her last day of service:  
18       the salary received for service in that capacity on the  
19       last day of service, but not to exceed the highest salary  
20       (including additional compensation for service as an  
21       officer) that is prescribed by law on the participant's  
22       last day of service for the highest paid officer of the  
23       General Assembly.

24       (b) The earnings limitations of subsection (a) apply to  
25       earnings under any other participating system under the  
26       Retirement Systems Reciprocal Act that are considered in

1 calculating a proportional annuity under this Article, except  
2 in the case of a person who first became a member of this  
3 System before August 22, 1994 and has not, on or after the  
4 effective date of this amendatory Act of the 97th General  
5 Assembly, irrevocably elected to have those limitations apply.  
6 The limitations of subsection (a) shall apply, however, to  
7 earnings under any other participating system under the  
8 Retirement Systems Reciprocal Act that are considered in  
9 calculating the proportional annuity of a person who first  
10 became a member of this System before August 22, 1994 if, on or  
11 after the effective date of this amendatory Act of the 97th  
12 General Assembly, that member irrevocably elects to have those  
13 limitations apply.

14 (c) In calculating the subsection (a) earnings limitation  
15 to be applied to earnings under any other participating system  
16 under the Retirement Systems Reciprocal Act for the purpose of  
17 calculating a proportional annuity under this Article, the  
18 participant's last day of service shall be deemed to mean the  
19 last day of service in any participating system from which the  
20 person has applied for a proportional annuity under the  
21 Retirement Systems Reciprocal Act.

22 (Source: P.A. 96-207, eff. 8-10-09; 96-889, eff. 1-1-11;  
23 96-1490, eff. 1-1-11; 97-967, eff. 8-16-12.)

24 (40 ILCS 5/3-111) (from Ch. 108 1/2, par. 3-111)  
25 Sec. 3-111. Pension.



1           (a) A police officer age 50 or more with 20 or more years  
2 of creditable service, who is not a participant in the  
3 self-managed plan under Section 3-109.3 and who is no longer  
4 in service as a police officer, shall receive a pension of 1/2  
5 of the salary attached to the rank held by the officer on the  
6 police force for one year immediately prior to retirement or,  
7 beginning July 1, 1987 for persons terminating service on or  
8 after that date, the salary attached to the rank held on the  
9 last day of service or for one year prior to the last day,  
10 whichever is greater. The pension shall be increased by 2.5%  
11 of such salary for each additional year of service over 20  
12 years of service through 30 years of service, to a maximum of  
13 75% of such salary.

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

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

1 that date. If the minimum pension established in Section  
2 3-113.1 is greater than the minimum provided in this  
3 subsection, the Section 3-113.1 minimum controls.

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

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

26 (c) A police officer no longer in service who has at least

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

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

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

24 A police officer age 55 or more who has 10 or more years of  
25 service in that capacity shall be entitled at his option to  
26 receive a monthly pension for his service as a police officer

1 computed by multiplying 2.5% for each year of such service by  
2 his or her final average salary.

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

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

9 For the purposes of this subsection (d), "final average  
10 salary" means, for a police officer who is not an active police  
11 officer on or after January 1, 2025, the greater of: (i) the  
12 average monthly salary obtained by dividing the total salary  
13 of the police officer during the 48 consecutive months of  
14 service within the last 60 months of service in which the total  
15 salary was the highest by the number of months of service in  
16 that period; or (ii) the average monthly salary obtained by  
17 dividing the total salary of the police officer during the 96  
18 consecutive months of service within the last 120 months of  
19 service in which the total salary was the highest by the number  
20 of months of service in that period. For the purposes of this  
21 subsection (d), "final average salary" means, for a police  
22 officer who is an active police officer on or after January 1,  
23 2025, the salary attached to the rank held by the officer on  
24 the police force for one year immediately prior to retirement  
25 or the salary attached to the rank held on the last day of  
26 service or for one year prior to the last day, whichever is

1 greater.

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

13       Nothing in this amendatory Act of the 101st General  
14 Assembly shall cause or otherwise result in any retroactive  
15 adjustment of any employee contributions.

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

17 (40 ILCS 5/4-109) (from Ch. 108 1/2, par. 4-109)

18 Sec. 4-109. Pension.

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

24       The monthly pension shall be increased by 1/12 of 2.5% of  
25 such monthly salary for each additional month over 20 years of

1 service through 30 years of service, to a maximum of 75% of  
2 such monthly salary.

3 The changes made to this subsection (a) by this amendatory  
4 Act of the 91st General Assembly apply to all pensions that  
5 become payable under this subsection on or after January 1,  
6 1999. All pensions payable under this subsection that began on  
7 or after January 1, 1999 and before the effective date of this  
8 amendatory Act shall be recalculated, and the amount of the  
9 increase accruing for that period shall be payable to the  
10 pensioner in a lump sum.

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

20 For 10 years of service, 15% of salary;  
21 For 11 years of service, 17.6% of salary;  
22 For 12 years of service, 20.4% of salary;  
23 For 13 years of service, 23.4% of salary;  
24 For 14 years of service, 26.6% of salary;  
25 For 15 years of service, 30% of salary;  
26 For 16 years of service, 33.6% of salary;

1 For 17 years of service, 37.4% of salary;

2 For 18 years of service, 41.4% of salary;

3 For 19 years of service, 45.6% of salary.

4 (c) Notwithstanding any other provision of this Article,  
5 the provisions of this subsection (c) apply to a person who  
6 first becomes a firefighter under this Article on or after  
7 January 1, 2011.

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

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

17 The maximum pension under this subsection (c) shall be 75%  
18 of final average salary.

19 For the purposes of this subsection (c), "final average  
20 salary" means, for a firefighter who is not an active  
21 firefighter on or after January 1, 2025, the greater of: (i)  
22 the average monthly salary obtained by dividing the total  
23 salary of the firefighter during the 48 consecutive months of  
24 service within the last 60 months of service in which the total  
25 salary was the highest by the number of months of service in  
26 that period; or (ii) the average monthly salary obtained by

1 dividing the total salary of the firefighter during the 96  
2 consecutive months of service within the last 120 months of  
3 service in which the total salary was the highest by the number  
4 of months of service in that period. For the purposes of this  
5 subsection (c), "final average salary" means, for a  
6 firefighter who is an active firefighter on or after January  
7 1, 2025, the monthly salary attached to the rank held by him or  
8 her in the fire service at the date of retirement.

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

20 Nothing in this amendatory Act of the 101st General  
21 Assembly shall cause or otherwise result in any retroactive  
22 adjustment of any employee contributions.

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

24 (40 ILCS 5/5-238)

25 Sec. 5-238. Provisions applicable to new hires; Tier 2.



1 (a) Notwithstanding any other provision of this Article,  
2 the provisions of this Section apply to a person who first  
3 becomes a policeman under this Article on or after January 1,  
4 2011, and to certain qualified survivors of such a policeman.  
5 Such persons, and the benefits and restrictions that apply  
6 specifically to them under this Article, may be referred to as  
7 "Tier 2".

8 (b) A policeman who has withdrawn from service, has  
9 attained age 50 or more, and has 10 or more years of service in  
10 that capacity shall be entitled, upon proper application being  
11 received by the Fund, to receive a Tier 2 monthly retirement  
12 annuity for his service as a police officer. The Tier 2 monthly  
13 retirement annuity shall be computed by multiplying 2.5% for  
14 each year of such service by his or her final average salary,  
15 subject to an annuity reduction factor of one-half of 1% for  
16 each month that the police officer's age at retirement is  
17 under age 55. The Tier 2 monthly retirement annuity is in lieu  
18 of any age and service annuity or other form of retirement  
19 annuity under this Article.

20 The maximum retirement annuity under this subsection (b)  
21 shall be 75% of final average salary.

22 For the purposes of this subsection (b), "final average  
23 salary" means, for a policeman who is not an active policeman  
24 on or after January 1, 2025, the average monthly salary  
25 obtained by dividing the total salary of the policeman during  
26 the 96 consecutive months of service within the last 120

1 months of service in which the total salary was the highest by  
2 the number of months of service in that period. For the  
3 purposes of this subsection (b), for a policeman who is an  
4 active policeman on or after January 1, 2025, "final average  
5 salary" means the average of the highest 4 consecutive years  
6 of salary within the last 10 years of service.

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

18 (c) Notwithstanding any other provision of this Article,  
19 for a person who first becomes a policeman under this Article  
20 on or after January 1, 2011, eligibility for and the amount of  
21 the annuity to which the qualified surviving spouse, children,  
22 and parents are entitled under this subsection (c) shall be  
23 determined as follows:

24 (1) The surviving spouse of a deceased policeman to  
25 whom this Section applies shall be deemed qualified to  
26 receive a Tier 2 surviving spouse's annuity under this

1 paragraph (1) if: (i) the deceased policeman meets the  
2 requirements specified under subdivision (A), (B), (C), or  
3 (D) of this paragraph (1); and (ii) the surviving spouse  
4 would not otherwise be excluded from receiving a widow's  
5 annuity under the eligibility requirements for a widow's  
6 annuity set forth in Section 5-146. The Tier 2 surviving  
7 spouse's annuity is in lieu of the widow's annuity  
8 determined under any other Section of this Article and is  
9 subject to the requirements of Section 5-147.1.

10 As used in this subsection (c), "earned annuity" means  
11 a Tier 2 monthly retirement annuity determined under  
12 subsection (b) of this Section, including any increases  
13 the policeman had received pursuant to Section 5-167.1.

14 (A) If the deceased policeman was receiving an  
15 earned annuity at the date of his or her death, the  
16 Tier 2 surviving spouse's annuity under this paragraph  
17 (1) shall be in the amount of 66 2/3% of the  
18 policeman's earned annuity at the date of death.

19 (B) If the deceased policeman was not receiving an  
20 earned annuity but had at least 10 years of service at  
21 the time of death, the Tier 2 surviving spouse's  
22 annuity under this paragraph (1) shall be the greater  
23 of: (i) 30% of the annual maximum salary attached to  
24 the classified civil service position of a first class  
25 patrolman at the time of his death; or (ii) 66 2/3% of  
26 the Tier 2 monthly retirement annuity that the

1           deceased policeman would have been eligible to receive  
2           under subsection (b) of this Section, based upon the  
3           actual service accrued through the day before the  
4           policeman's death, but determined as though the  
5           policeman was at least age 55 on the day before his or  
6           her death and retired on that day.

7           (C) If the deceased policeman was an active  
8           policeman with at least 1 1/2 but less than 10 years of  
9           service at the time of death, the Tier 2 surviving  
10          spouse's annuity under this paragraph (1) shall be in  
11          the amount of 30% of the annual maximum salary  
12          attached to the classified civil service position of a  
13          first class patrolman at the time of his death.

14          (D) If the performance of an act or acts of duty  
15          results directly in the death of a policeman subject  
16          to this Section, or prevents him from subsequently  
17          resuming active service in the police department, and  
18          if the policeman's Tier 2 surviving spouse would  
19          otherwise meet the eligibility requirements for a  
20          compensation annuity or supplemental annuity granted  
21          under Section 5-144, then in addition to the Tier 2  
22          surviving spouse's annuity provided under subdivision  
23          (A), (B), or (C) of this paragraph (1), whichever  
24          applies, the Tier 2 surviving spouse shall be  
25          qualified to receive compensation annuity or  
26          supplemental annuity, as would be provided under

1 Section 5-144, in order to bring the total benefit up  
2 to the applicable 75% salary limitation provided in  
3 that Section, but subject to the Tier 2 salary cap  
4 provided under subsection (b) of this Section; except  
5 that no such annuity shall be paid to the surviving  
6 spouse of a policeman who dies while in receipt of  
7 disability benefits when the policeman's death was  
8 caused by an intervening illness or injury unrelated  
9 to the illness or injury that had prevented him from  
10 subsequently resuming active service in the police  
11 department.

12 (E) Notwithstanding any other provision of this  
13 Article, the monthly Tier 2 surviving spouse's annuity  
14 under subdivision (A) or (B) of this paragraph (1)  
15 shall be increased on the January 1 next occurring  
16 after (i) attainment of age 60 by the recipient of the  
17 Tier 2 surviving spouse's annuity or (ii) the first  
18 anniversary of the Tier 2 surviving spouse's annuity  
19 start date, whichever is later, and on each January 1  
20 thereafter, by 3% or one-half the annual unadjusted  
21 percentage increase (but not less than zero) in the  
22 consumer price index-u for the 12 months ending with  
23 the September preceding each November 1, whichever is  
24 less, of the originally granted Tier 2 surviving  
25 spouse's annuity. If the unadjusted percentage change  
26 in the consumer price index-u for a 12-month period

1 ending in September is zero or, when compared with the  
2 preceding period, decreases, then the annuity shall  
3 not be increased.

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

14 (F) Notwithstanding the other provisions of this  
15 paragraph (1), for a qualified surviving spouse who is  
16 entitled to a Tier 2 surviving spouse's annuity under  
17 subdivision (A), (B), (C), or (D) of this paragraph  
18 (1), that Tier 2 surviving spouse's annuity shall not  
19 be less than the amount of the minimum widow's annuity  
20 established from time to time under Section 5-167.4.

21 (2) Surviving children of a deceased policeman subject  
22 to this Section who would otherwise meet the eligibility  
23 requirements for a child's annuity set forth in Sections  
24 5-151 and 5-152 shall be deemed qualified to receive a  
25 Tier 2 child's annuity under this subsection (c), which  
26 shall be in lieu of, but in the same amount and paid in the

1 same manner as, the child's annuity provided under those  
2 Sections; except that any salary used for computing a Tier  
3 2 child's annuity shall be subject to the Tier 2 salary cap  
4 provided under subsection (b) of this Section. For  
5 purposes of determining any pro rata reduction in child's  
6 annuities under this subsection (c), references in Section  
7 5-152 to the combined annuities of the family shall be  
8 deemed to refer to the combined Tier 2 surviving spouse's  
9 annuity, if any, and the Tier 2 child's annuities payable  
10 under this subsection (c).

11 (3) Surviving parents of a deceased policeman subject  
12 to this Section who would otherwise meet the eligibility  
13 requirements for a parent's annuity set forth in Section  
14 5-152 shall be deemed qualified to receive a Tier 2  
15 parent's annuity under this subsection (c), which shall be  
16 in lieu of, but in the same amount and paid in the same  
17 manner as, the parent's annuity provided under Section  
18 5-152.1; except that any salary used for computing a Tier  
19 2 parent's annuity shall be subject to the Tier 2 salary  
20 cap provided under subsection (b) of this Section. For the  
21 purposes of this Section, a reference to "annuity" in  
22 Section 5-152.1 includes: (i) in the context of a widow, a  
23 Tier 2 surviving spouse's annuity and (ii) in the context  
24 of a child, a Tier 2 child's annuity.

25 (d) The General Assembly finds and declares that the  
26 provisions of this Section, as enacted by Public Act 96-1495,

1 require clarification relating to necessary eligibility  
2 standards and the manner of determining and paying the  
3 intended Tier 2 benefits and contributions in order to enable  
4 the Fund to unambiguously implement and administer benefits  
5 for Tier 2 members. The changes to this Section and the  
6 conforming changes to Sections 5-153, 5-155, 5-163, 5-167.1  
7 (except for the changes to subsection (a) of that Section),  
8 5-169, and 5-170 made by this amendatory Act of the 99th  
9 General Assembly are enacted to clarify the provisions of this  
10 Section as enacted by Public Act 96-1495, and are hereby  
11 declared to represent and be consistent with the original and  
12 continuing intent of this Section and Public Act 96-1495.

13 (e) The changes to Sections 5-153, 5-155, 5-163, 5-167.1  
14 (except for the changes to subsection (a) of that Section),  
15 5-169, and 5-170 made by this amendatory Act of the 99th  
16 General Assembly are intended to be retroactive to January 1,  
17 2011 (the effective date of Public Act 96-1495) and, for the  
18 purposes of Section 1-103.1 of this Code, they apply without  
19 regard to whether the relevant policeman was in service on or  
20 after the effective date of this amendatory Act of the 99th  
21 General Assembly.

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

23 (40 ILCS 5/6-229)

24 Sec. 6-229. Provisions applicable to new hires; Tier 2.

25 (a) Notwithstanding any other provision of this Article,



1 the provisions of this Section apply to a person who first  
2 becomes a fireman under this Article on or after January 1,  
3 2011, and to certain qualified survivors of such a fireman.  
4 Such persons, and the benefits and restrictions that apply  
5 specifically to them under this Article, may be referred to as  
6 "Tier 2".

7 (b) A fireman who has withdrawn from service, has attained  
8 age 50 or more, and has 10 or more years of service in that  
9 capacity shall be entitled, upon proper application being  
10 received by the Fund, to receive a Tier 2 monthly retirement  
11 annuity for his service as a fireman. The Tier 2 monthly  
12 retirement annuity shall be computed by multiplying 2.5% for  
13 each year of such service by his or her final average salary,  
14 subject to an annuity reduction factor of one-half of 1% for  
15 each month that the fireman's age at retirement is under age  
16 55. The Tier 2 monthly retirement annuity is in lieu of any age  
17 and service annuity or other form of retirement annuity under  
18 this Article.

19 The maximum retirement annuity under this subsection (b)  
20 shall be 75% of final average salary.

21 For the purposes of this subsection (b), "final average  
22 salary" means, for a fireman who is not an active fireman on or  
23 after January 1, 2025, the greater of (1) the average monthly  
24 salary obtained by dividing the total salary of the fireman  
25 during the 96 consecutive months of service within the last  
26 120 months of service in which the total salary was the highest

1 by the number of months of service in that period or (2) the  
2 average monthly salary obtained by dividing the total salary  
3 of the fireman during the 48 consecutive months of service  
4 within the last 60 months of service in which the total salary  
5 was the highest by the number of months of service in that  
6 period. For the purposes of this subsection (b), for a fireman  
7 who is an active fireman on or after January 1, 2025, "final  
8 average salary" means the average of the fireman's highest 4  
9 consecutive years of salary within the last 10 years of  
10 service.

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

22 (b-5) For the purposes of this Section, "consumer price  
23 index-u" means the index published by the Bureau of Labor  
24 Statistics of the United States Department of Labor that  
25 measures the average change in prices of goods and services  
26 purchased by all urban consumers, United States city average,

1 all items, 1982-84 = 100. The new amount resulting from each  
2 annual adjustment shall be determined by the Public Pension  
3 Division of the Department of Insurance and made available to  
4 the boards of the retirement systems and pension funds by  
5 November 1 of each year.

6 (c) Notwithstanding any other provision of this Article,  
7 for a person who first becomes a fireman under this Article on  
8 or after January 1, 2011, eligibility for and the amount of the  
9 annuity to which the qualified surviving spouse, children, and  
10 parents of the fireman are entitled under this subsection (c)  
11 shall be determined as follows:

12 (1) The surviving spouse of a deceased fireman to whom  
13 this Section applies shall be deemed qualified to receive  
14 a Tier 2 surviving spouse's annuity under this paragraph  
15 (1) if: (i) the deceased fireman meets the requirements  
16 specified under subdivision (A), (B), (C), or (D) of this  
17 paragraph (1); and (ii) the surviving spouse would not  
18 otherwise be excluded from receiving a widow's annuity  
19 under the eligibility requirements for a widow's annuity  
20 set forth in Section 6-142. The Tier 2 surviving spouse's  
21 annuity is in lieu of the widow's annuity determined under  
22 any other Section of this Article and is subject to the  
23 requirements of Section 6-143.2.

24 As used in this subsection (c), "earned pension" means  
25 a Tier 2 monthly retirement annuity determined under  
26 subsection (b) of this Section, including any increases

1 the fireman had received pursuant to Section 6-164.

2 (A) If the deceased fireman was receiving an  
3 earned pension at the date of his or her death, the  
4 Tier 2 surviving spouse's annuity under this paragraph  
5 (1) shall be in the amount of 66 2/3% of the fireman's  
6 earned pension at the date of death.

7 (B) If the deceased fireman was not receiving an  
8 earned pension but had at least 10 years of service at  
9 the time of death, the Tier 2 surviving spouse's  
10 annuity under this paragraph (1) shall be the greater  
11 of: (i) 30% of the salary attached to the rank of first  
12 class firefighter in the classified career service at  
13 the time of the fireman's death; or (ii) 66 2/3% of the  
14 Tier 2 monthly retirement annuity that the deceased  
15 fireman would have been eligible to receive under  
16 subsection (b) of this Section, based upon the actual  
17 service accrued through the day before the fireman's  
18 death, but determined as though the fireman was at  
19 least age 55 on the day before his or her death and  
20 retired on that day.

21 (C) If the deceased fireman was an active fireman  
22 with at least 1 1/2 but less than 10 years of service  
23 at the time of death, the Tier 2 surviving spouse's  
24 annuity under this paragraph (1) shall be in the  
25 amount of 30% of the salary attached to the rank of  
26 first class firefighter in the classified career

1 service at the time of the fireman's death.

2 (D) Notwithstanding subdivisions (A), (B), and (C)  
3 of this paragraph (1), if the performance of an act or  
4 acts of duty results directly in the death of a fireman  
5 subject to this Section, or prevents him from  
6 subsequently resuming active service in the fire  
7 department, then a surviving spouse who would  
8 otherwise meet the eligibility requirements for a  
9 death in the line of duty widow's annuity granted  
10 under Section 6-140 shall be deemed to be qualified  
11 for a Tier 2 surviving spouse's annuity under this  
12 subdivision (D); except that no such annuity shall be  
13 paid to the surviving spouse of a fireman who dies  
14 while in receipt of disability benefits when the  
15 fireman's death was caused by an intervening illness  
16 or injury unrelated to the illness or injury that had  
17 prevented him from subsequently resuming active  
18 service in the fire department. The Tier 2 surviving  
19 spouse's annuity calculated under this subdivision (D)  
20 shall be in lieu of, but in the same amount and paid in  
21 the same manner as, the widow's annuity provided under  
22 Section 6-140; except that the salary used for  
23 computing a Tier 2 surviving spouse's annuity under  
24 this subdivision (D) shall be subject to the Tier 2  
25 salary cap provided under subsection (b) of this  
26 Section.

1           (E) Notwithstanding any other provision of this  
2 Article, the monthly Tier 2 surviving spouse's annuity  
3 under subdivision (A) or (B) of this paragraph (1)  
4 shall be increased on the January 1 next occurring  
5 after (i) attainment of age 60 by the recipient of the  
6 Tier 2 surviving spouse's annuity or (ii) the first  
7 anniversary of the Tier 2 surviving spouse's annuity  
8 start date, whichever is later, and on each January 1  
9 thereafter, by 3% or one-half the annual unadjusted  
10 percentage increase in the consumer price index-u for  
11 the 12 months ending with September preceding each  
12 November 1, whichever is less, of the originally  
13 granted Tier 2 surviving spouse's annuity. If the  
14 annual unadjusted percentage change in the consumer  
15 price index-u for a 12-month period ending in  
16 September is zero or, when compared with the preceding  
17 period, decreases, then the annuity shall not be  
18 increased.

19           (F) Notwithstanding the other provisions of this  
20 paragraph (1), for a qualified surviving spouse who is  
21 entitled to a Tier 2 surviving spouse's annuity under  
22 subdivision (A), (B), (C), or (D) of this paragraph  
23 (1), that Tier 2 surviving spouse's annuity shall not  
24 be less than the amount of the minimum widow's annuity  
25 established from time to time under Section 6-128.4.

26           (2) Surviving children of a deceased fireman subject

1 to this Section who would otherwise meet the eligibility  
2 requirements for a child's annuity set forth in Sections  
3 6-147 and 6-148 shall be deemed qualified to receive a  
4 Tier 2 child's annuity under this subsection (c), which  
5 shall be in lieu of, but in the same amount and paid in the  
6 same manner as, the child's annuity provided under those  
7 Sections; except that any salary used for computing a Tier  
8 2 child's annuity shall be subject to the Tier 2 salary cap  
9 provided under subsection (b) of this Section. For  
10 purposes of determining any pro rata reduction in child's  
11 annuities under this subsection (c), references in Section  
12 6-148 to the combined annuities of the family shall be  
13 deemed to refer to the combined Tier 2 surviving spouse's  
14 annuity, if any, and the Tier 2 child's annuities payable  
15 under this subsection (c).

16 (3) Surviving parents of a deceased fireman subject to  
17 this Section who would otherwise meet the eligibility  
18 requirements for a parent's annuity set forth in Section  
19 6-149 shall be deemed qualified to receive a Tier 2  
20 parent's annuity under this subsection (c), which shall be  
21 in lieu of, but in the same amount and paid in the same  
22 manner as, the parent's annuity provided under Section  
23 6-149; except that any salary used for computing a Tier 2  
24 parent's annuity shall be subject to the Tier 2 salary cap  
25 provided under subsection (b) of this Section. For the  
26 purposes of this Section, a reference to "annuity" in

1 Section 6-149 includes: (i) in the context of a widow, a  
2 Tier 2 surviving spouse's annuity and (ii) in the context  
3 of a child, a Tier 2 child's annuity.

4 (d) The General Assembly finds and declares that the  
5 provisions of this Section, as enacted by Public Act 96-1495,  
6 require clarification relating to necessary eligibility  
7 standards and the manner of determining and paying the  
8 intended Tier 2 benefits and contributions in order to enable  
9 the Fund to unambiguously implement and administer benefits  
10 for Tier 2 members. The changes to this Section and the  
11 conforming changes to Sections 6-150, 6-158, 6-164 (except for  
12 the changes to subsection (a) of that Section), 6-166, and  
13 6-167 made by this amendatory Act of the 99th General Assembly  
14 are enacted to clarify the provisions of this Section as  
15 enacted by Public Act 96-1495, and are hereby declared to  
16 represent and be consistent with the original and continuing  
17 intent of this Section and Public Act 96-1495.

18 (e) The changes to Sections 6-150, 6-158, 6-164 (except  
19 for the changes to subsection (a) of that Section), 6-166, and  
20 6-167 made by this amendatory Act of the 99th General Assembly  
21 are intended to be retroactive to January 1, 2011 (the  
22 effective date of Public Act 96-1495) and, for the purposes of  
23 Section 1-103.1 of this Code, they apply without regard to  
24 whether the relevant fireman was in service on or after the  
25 effective date of this amendatory Act of the 99th General  
26 Assembly.



1 (Source: P.A. 103-579, eff. 12-8-23.)

2 (40 ILCS 5/7-116) (from Ch. 108 1/2, par. 7-116)

3 Sec. 7-116. "Final rate of earnings":

4 (a) For retirement and survivor annuities, the monthly  
5 earnings obtained by dividing the total earnings received by  
6 the employee during the period of either (1) for Tier 1 regular  
7 employees or Tier 2 regular employees who are in active  
8 employment on or after January 1, 2025, the 48 consecutive  
9 months of service within the last 120 months of service in  
10 which his total earnings were the highest, (2) for Tier 2  
11 regular employees who are not in active employment on or after  
12 January 1, 2025, the 96 consecutive months of service within  
13 the last 120 months of service in which his total earnings were  
14 the highest, or (3) the employee's total period of service, by  
15 the number of months of service in such period.

16 (b) For death benefits, the higher of the rate determined  
17 under paragraph (a) of this Section or total earnings received  
18 in the last 12 months of service divided by twelve. If the  
19 deceased employee has less than 12 months of service, the  
20 monthly final rate shall be the monthly rate of pay the  
21 employee was receiving when he began service.

22 (c) For disability benefits, the total earnings of a  
23 participating employee in the last 12 calendar months of  
24 service prior to the date he becomes disabled divided by 12.

25 (d) In computing the final rate of earnings: (1) the

1 earnings rate for all periods of prior service shall be  
2 considered equal to the average earnings rate for the last 3  
3 calendar years of prior service for which creditable service  
4 is received under Section 7-139 or, if there is less than 3  
5 years of creditable prior service, the average for the total  
6 prior service period for which creditable service is received  
7 under Section 7-139; (2) for out of state service and  
8 authorized leave, the earnings rate shall be the rate upon  
9 which service credits are granted; (3) periods of military  
10 leave shall not be considered; (4) the earnings rate for all  
11 periods of disability shall be considered equal to the rate of  
12 earnings upon which the employee's disability benefits are  
13 computed for such periods; (5) the earnings to be considered  
14 for each of the final three months of the final earnings period  
15 for persons who first became participants before January 1,  
16 2012 and the earnings to be considered for each of the final 24  
17 months for participants who first become participants on or  
18 after January 1, 2012 shall not exceed 125% of the highest  
19 earnings of any other month in the final earnings period; and  
20 (6) the annual amount of final rate of earnings shall be the  
21 monthly amount multiplied by the number of months of service  
22 normally required by the position in a year.

23 (Source: P.A. 102-210, eff. 1-1-22.)

24 (40 ILCS 5/7-142.1) (from Ch. 108 1/2, par. 7-142.1)

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

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

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

12           Any sheriff's law enforcement employee who has 20 or more  
13 years of service in that capacity and who terminates service  
14 on or after January 1, 1988 and before July 1, 2004 shall be  
15 entitled at his option to receive a monthly retirement annuity  
16 for his service as a sheriff's law enforcement employee  
17 computed by multiplying 2.5% for each year of such service up  
18 to 20 years, 2% for each year of such service above 20 years  
19 and up to 30 years, and 1% for each year of such service above  
20 30 years, by his annual final rate of earnings and dividing by  
21 12.

22           Any sheriff's law enforcement employee who has 20 or more  
23 years of service in that capacity and who terminates service  
24 on or after July 1, 2004 shall be entitled at his or her option  
25 to receive a monthly retirement annuity for service as a  
26 sheriff's law enforcement employee computed by multiplying

1 2.5% for each year of such service by his annual final rate of  
2 earnings and dividing by 12.

3 If a sheriff's law enforcement employee has service in any  
4 other capacity, his retirement annuity for service as a  
5 sheriff's law enforcement employee may be computed under this  
6 Section and the retirement annuity for his other service under  
7 Section 7-142.

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

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

24 (c) A sheriff's law enforcement employee who began service  
25 in that capacity prior to the effective date of this  
26 amendatory Act of the 97th General Assembly and who has

1 service in any other capacity may convert up to 10 years of  
2 that service into service as a sheriff's law enforcement  
3 employee by paying to the Fund an amount equal to (1) the  
4 additional employee contribution required under Section  
5 7-173.1, plus (2) the additional employer contribution  
6 required under Section 7-172, plus (3) interest on items (1)  
7 and (2) at the prescribed rate from the date of the service to  
8 the date of payment. Application must be received by the Board  
9 while the employee is an active participant in the Fund.  
10 Payment must be received while the member is an active  
11 participant, except that one payment will be permitted after  
12 termination of participation.

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

22 (e) Any elected county officer who was entitled to receive  
23 a stipend from the State on or after July 1, 2009 and on or  
24 before June 30, 2010 may establish earnings credit for the  
25 amount of stipend not received, if the elected county official  
26 applies in writing to the fund within 6 months after the

1 effective date of this amendatory Act of the 96th General  
2 Assembly and pays to the fund an amount equal to (i) employee  
3 contributions on the amount of stipend not received, (ii)  
4 employer contributions determined by the Board equal to the  
5 employer's normal cost of the benefit on the amount of stipend  
6 not received, plus (iii) interest on items (i) and (ii) at the  
7 actuarially assumed rate.

8 (f) Notwithstanding any other provision of this Article,  
9 the provisions of this subsection (f) apply to a person who  
10 first becomes a sheriff's law enforcement employee under this  
11 Article on or after January 1, 2011.

12 A sheriff's law enforcement employee age 55 or more who  
13 has 10 or more years of service in that capacity shall be  
14 entitled at his option to receive a monthly retirement annuity  
15 for his or her service as a sheriff's law enforcement employee  
16 computed by multiplying 2.5% for each year of such service by  
17 his or her final rate of earnings.

18 The retirement annuity of a sheriff's law enforcement  
19 employee who is retiring after attaining age 50 with 10 or more  
20 years of creditable service shall be reduced by one-half of 1%  
21 for each month that the sheriff's law enforcement employee's  
22 age is under age 55.

23 The maximum retirement annuity under this subsection (f)  
24 shall be 75% of final rate of earnings.

25 For the purposes of this subsection (f), "final rate of  
26 earnings" means, for a sheriff's law enforcement employee who

1 is not an active sheriff's law enforcement employee on or  
2 after January 1, 2025, the average monthly earnings obtained  
3 by dividing the total salary of the sheriff's law enforcement  
4 employee during the 96 consecutive months of service within  
5 the last 120 months of service in which the total earnings was  
6 the highest by the number of months of service in that period.  
7 For the purposes of this subsection (f) "final rate of  
8 earnings" means, for a sheriff's law enforcement employee who  
9 is an active sheriff's law enforcement employee on or after  
10 January 1, 2025, the 48 consecutive months of service within  
11 the last 120 months of service in which the sheriff's law  
12 enforcement employee's total earnings were the highest.

13 Notwithstanding any other provision of this Article,  
14 beginning on January 1, 2011, for all purposes under this Code  
15 (including without limitation the calculation of benefits and  
16 employee contributions), the annual earnings of a sheriff's  
17 law enforcement employee to whom this Section applies shall  
18 not include overtime and shall not exceed \$106,800; however,  
19 that amount shall annually thereafter be increased by the  
20 lesser of (i) 3% of that amount, including all previous  
21 adjustments, or (ii) one-half the annual unadjusted percentage  
22 increase (but not less than zero) in the consumer price  
23 index-u for the 12 months ending with the September preceding  
24 each November 1, including all previous adjustments.

25 (g) Notwithstanding any other provision of this Article,  
26 the monthly annuity of a person who first becomes a sheriff's

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

14 (h) Notwithstanding any other provision of this Article,  
15 for a person who first becomes a sheriff's law enforcement  
16 employee under this Article on or after January 1, 2011, the  
17 annuity to which the surviving spouse, children, or parents  
18 are entitled under this subsection (h) shall be in the amount  
19 of 66 2/3% of the sheriff's law enforcement employee's earned  
20 annuity at the date of death.

21 (i) Notwithstanding any other provision of this Article,  
22 the monthly annuity of a survivor of a person who first becomes  
23 a sheriff's law enforcement employee under this Article on or  
24 after January 1, 2011 shall be increased on the January 1 after  
25 attainment of age 60 by the recipient of the survivor's  
26 annuity and each January 1 thereafter by 3% or one-half the



1 annual unadjusted percentage increase in the consumer price  
2 index-u for the 12 months ending with the September preceding  
3 each November 1, whichever is less, of the originally granted  
4 pension. If the annual unadjusted percentage change in the  
5 consumer price index-u for a 12-month period ending in  
6 September is zero or, when compared with the preceding period,  
7 decreases, then the annuity shall not be increased.

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

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

18 (40 ILCS 5/15-112) (from Ch. 108 1/2, par. 15-112)

19 Sec. 15-112. Final rate of earnings. "Final rate of  
20 earnings":

21 (a) This subsection (a) applies only to a Tier 1 member or  
22 a Tier 2 member who receives earnings on or after January 1,  
23 2025.

24 For an employee who is paid on an hourly basis or who  
25 receives an annual salary in installments during 12 months of

1 each academic year, the average annual earnings during the 48  
2 consecutive calendar month period ending with the last day of  
3 final termination of employment or the 4 consecutive academic  
4 years of service in which the employee's earnings were the  
5 highest, whichever is greater. For any other employee, the  
6 average annual earnings during the 4 consecutive academic  
7 years of service in which his or her earnings were the highest.  
8 For an employee with less than 48 months or 4 consecutive  
9 academic years of service, the average earnings during his or  
10 her entire period of service. The earnings of an employee with  
11 more than 36 months of service under item (a) of Section  
12 15-113.1 prior to the date of becoming a participant are, for  
13 such period, considered equal to the average earnings during  
14 the last 36 months of such service.

15 (b) This subsection (b) applies to a Tier 2 member who does  
16 not receive earnings on or after January 1, 2025.

17 For an employee who is paid on an hourly basis or who  
18 receives an annual salary in installments during 12 months of  
19 each academic year, the average annual earnings obtained by  
20 dividing by 8 the total earnings of the employee during the 96  
21 consecutive months in which the total earnings were the  
22 highest within the last 120 months prior to termination.

23 For any other employee, the average annual earnings during  
24 the 8 consecutive academic years within the 10 years prior to  
25 termination in which the employee's earnings were the highest.  
26 For an employee with less than 96 consecutive months or 8

1 consecutive academic years of service, whichever is necessary,  
2 the average earnings during his or her entire period of  
3 service.

4 (c) For an employee on leave of absence with pay, or on  
5 leave of absence without pay who makes contributions during  
6 such leave, earnings are assumed to be equal to the basic  
7 compensation on the date the leave began.

8 (d) For an employee on disability leave, earnings are  
9 assumed to be equal to the basic compensation on the date  
10 disability occurs or the average earnings during the 24 months  
11 immediately preceding the month in which disability occurs,  
12 whichever is greater.

13 (e) For a Tier 1 member who retires on or after August 22,  
14 1997 (the effective date of Public Act 90-511) ~~this amendatory~~  
15 ~~Act of 1997~~ with at least 20 years of service as a firefighter  
16 or police officer under this Article, the final rate of  
17 earnings shall be the annual rate of earnings received by the  
18 participant on his or her last day as a firefighter or police  
19 officer under this Article, if that is greater than the final  
20 rate of earnings as calculated under the other provisions of  
21 this Section.

22 (f) If a Tier 1 member is an employee for at least 6 months  
23 during the academic year in which his or her employment is  
24 terminated, the annual final rate of earnings shall be 25% of  
25 the sum of (1) the annual basic compensation for that year, and  
26 (2) the amount earned during the 36 months immediately

1 preceding that year, if this is greater than the final rate of  
2 earnings as calculated under the other provisions of this  
3 Section.

4 (g) In the determination of the final rate of earnings for  
5 an employee, that part of an employee's earnings for any  
6 academic year beginning after June 30, 1997, which exceeds the  
7 employee's earnings with that employer for the preceding year  
8 by more than 20% ~~20 percent~~ shall be excluded; in the event  
9 that an employee has more than one employer this limitation  
10 shall be calculated separately for the earnings with each  
11 employer. In making such calculation, only the basic  
12 compensation of employees shall be considered, without regard  
13 to vacation or overtime or to contracts for summer employment.  
14 Beginning September 1, 2024, this subsection (g) also applies  
15 to an employee who has been employed at 1/2 time or less for 3  
16 or more years.

17 (h) The following are not considered as earnings in  
18 determining the final rate of earnings: (1) severance or  
19 separation pay, (2) retirement pay, (3) payment for unused  
20 sick leave, and (4) payments from an employer for the period  
21 used in determining the final rate of earnings for any purpose  
22 other than (i) services rendered, (ii) leave of absence or  
23 vacation granted during that period, and (iii) vacation of up  
24 to 56 work days allowed upon termination of employment; except  
25 that, if the benefit has been collectively bargained between  
26 the employer and the recognized collective bargaining agent

1 pursuant to the Illinois Educational Labor Relations Act,  
2 payment received during a period of up to 2 academic years for  
3 unused sick leave may be considered as earnings in accordance  
4 with the applicable collective bargaining agreement, subject  
5 to the 20% increase limitation of this Section. Any unused  
6 sick leave considered as earnings under this Section shall not  
7 be taken into account in calculating service credit under  
8 Section 15-113.4.

9 (i) Intermittent periods of service shall be considered as  
10 consecutive in determining the final rate of earnings.

11 (Source: P.A. 103-548, eff. 8-11-23; revised 7-18-24.)

12 (40 ILCS 5/18-125) (from Ch. 108 1/2, par. 18-125)

13 Sec. 18-125. Retirement annuity amount.

14 (a) The annual retirement annuity for a participant who  
15 terminated service as a judge prior to July 1, 1971 shall be  
16 based on the law in effect at the time of termination of  
17 service.

18 (b) Except as provided in subsection (b-5), effective July  
19 1, 1971, the retirement annuity for any participant in service  
20 on or after such date shall be 3 1/2% of final average salary,  
21 as defined in this Section, for each of the first 10 years of  
22 service, and 5% of such final average salary for each year of  
23 service in excess of 10.

24 For purposes of this Section, final average salary for a  
25 participant who first serves as a judge before August 10, 2009

1 (the effective date of Public Act 96-207) shall be:

2 (1) the average salary for the last 4 years of  
3 credited service as a judge for a participant who  
4 terminates service before July 1, 1975.

5 (2) for a participant who terminates service after  
6 June 30, 1975 and before July 1, 1982, the salary on the  
7 last day of employment as a judge.

8 (3) for any participant who terminates service after  
9 June 30, 1982 and before January 1, 1990, the average  
10 salary for the final year of service as a judge.

11 (4) for a participant who terminates service on or  
12 after January 1, 1990 but before July 14, 1995 (the  
13 effective date of Public Act 89-136), the salary on the  
14 last day of employment as a judge.

15 (5) for a participant who terminates service on or  
16 after July 14, 1995 (the effective date of Public Act  
17 89-136), the salary on the last day of employment as a  
18 judge, or the highest salary received by the participant  
19 for employment as a judge in a position held by the  
20 participant for at least 4 consecutive years, whichever is  
21 greater.

22 However, in the case of a participant who elects to  
23 discontinue contributions as provided in subdivision (a)(2) of  
24 Section 18-133, the time of such election shall be considered  
25 the last day of employment in the determination of final  
26 average salary under this subsection.

1 For a participant who first serves as a judge on or after  
2 August 10, 2009 (the effective date of Public Act 96-207) and  
3 before January 1, 2011 (the effective date of Public Act  
4 96-889), final average salary shall be the average monthly  
5 salary obtained by dividing the total salary of the  
6 participant during the period of: (1) the 48 consecutive  
7 months of service within the last 120 months of service in  
8 which the total compensation was the highest, or (2) the total  
9 period of service, if less than 48 months, by the number of  
10 months of service in that period.

11 The maximum retirement annuity for any participant shall  
12 be 85% of final average salary.

13 (b-5) Notwithstanding any other provision of this Article,  
14 for a participant who first serves as a judge on or after  
15 January 1, 2011 (the effective date of Public Act 96-889), the  
16 annual retirement annuity is 3% of the participant's final  
17 average salary for each year of service. The maximum  
18 retirement annuity payable shall be 60% of the participant's  
19 final average salary.

20 For a participant who first serves as a judge on or after  
21 January 1, 2011 (the effective date of Public Act 96-889) and  
22 who does not serve as a judge on or after January 1, 2025,  
23 final average salary shall be the average monthly salary  
24 obtained by dividing the total salary of the judge during the  
25 96 consecutive months of service within the last 120 months of  
26 service in which the total salary was the highest by the number

1 of months of service in that period; however, beginning  
2 January 1, 2011, the annual salary may not exceed \$106,800,  
3 except that that amount shall annually thereafter be increased  
4 by the lesser of (i) 3% of that amount, including all previous  
5 adjustments, or (ii) the annual unadjusted percentage increase  
6 (but not less than zero) in the consumer price index-u for the  
7 12 months ending with the September preceding each November 1.  
8 "Consumer price index-u" means the index published by the  
9 Bureau of Labor Statistics of the United States Department of  
10 Labor that measures the average change in prices of goods and  
11 services purchased by all urban consumers, United States city  
12 average, all items, 1982-84 = 100. The new amount resulting  
13 from each annual adjustment shall be determined by the Public  
14 Pension Division of the Department of Insurance and made  
15 available to the Board by November 1st of each year.

16 Subject to any applicable limitation on final average  
17 salary, for a participant who first serves as a judge on or  
18 after January 1, 2011 and serves as a judge on or after January  
19 1, 2025, final average salary shall be the salary on the last  
20 day of employment as a judge or the highest salary received by  
21 the participant for employment as a judge in a position held by  
22 the participant for at least 4 consecutive years, whichever is  
23 greater.

24 (c) The retirement annuity for a participant who retires  
25 prior to age 60 with less than 28 years of service in the  
26 System shall be reduced 1/2 of 1% for each month that the



1 participant's age is under 60 years at the time the annuity  
2 commences. However, for a participant who retires on or after  
3 December 10, 1999 (the effective date of Public Act 91-653),  
4 the percentage reduction in retirement annuity imposed under  
5 this subsection shall be reduced by 5/12 of 1% for every month  
6 of service in this System in excess of 20 years, and therefore  
7 a participant with at least 26 years of service in this System  
8 may retire at age 55 without any reduction in annuity.

9 The reduction in retirement annuity imposed by this  
10 subsection shall not apply in the case of retirement on  
11 account of disability.

12 (d) Notwithstanding any other provision of this Article,  
13 for a participant who first serves as a judge on or after  
14 January 1, 2011 (the effective date of Public Act 96-889) and  
15 who is retiring after attaining age 62, the retirement annuity  
16 shall be reduced by 1/2 of 1% for each month that the  
17 participant's age is under age 67 at the time the annuity  
18 commences.

19 (Source: P.A. 100-201, eff. 8-18-17.)

20 Article 3.

21 Section 3-5. The Illinois Pension Code is amended by  
22 changing Sections 1-160, 2-119.1, 3-111.1, 4-109.1, 5-167.1,  
23 6-164, 7-142, 7-142.1, 15-136, and 18-125.1 as follows:

1 (40 ILCS 5/1-160)

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

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

4 (a) The provisions of this Section apply to a person who,  
5 on or after January 1, 2011, first becomes a member or a  
6 participant under any reciprocal retirement system or pension  
7 fund established under this Code, other than a retirement  
8 system or pension fund established under Article 2, 3, 4, 5, 6,  
9 7, 15, or 18 of this Code, notwithstanding any other provision  
10 of this Code to the contrary, but do not apply to any  
11 self-managed plan established under this Code or to any  
12 participant of the retirement plan established under Section  
13 22-101; except that this Section applies to a person who  
14 elected to establish alternative credits by electing in  
15 writing after January 1, 2011, but before August 8, 2011,  
16 under Section 7-145.1 of this Code. Notwithstanding anything  
17 to the contrary in this Section, for purposes of this Section,  
18 a person who is a Tier 1 regular employee as defined in Section  
19 7-109.4 of this Code or who participated in a retirement  
20 system under Article 15 prior to January 1, 2011 shall be  
21 deemed a person who first became a member or participant prior  
22 to January 1, 2011 under any retirement system or pension fund  
23 subject to this Section. The changes made to this Section by  
24 Public Act 98-596 are a clarification of existing law and are  
25 intended to be retroactive to January 1, 2011 (the effective  
26 date of Public Act 96-889), notwithstanding the provisions of

1 Section 1-103.1 of this Code.

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

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

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

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

26 (b) "Final average salary" means, except as otherwise

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

13 (1) (Blank).

14 (2) In Articles 8, 9, 10, 11, and 12, "highest average  
15 annual salary for any 4 consecutive years within the last  
16 10 years of service immediately preceding the date of  
17 withdrawal".

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

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

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

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

23 A member of the Teachers' Retirement System of the State  
24 of Illinois who retires on or after June 1, 2021 and for whom  
25 the 2020-2021 school year is used in the calculation of the  
26 member's final average salary shall use the higher of the

1 following for the purpose of determining the member's final  
2 average salary:

3 (A) the amount otherwise calculated under the first  
4 paragraph of this subsection; or

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

14 (b-5) Beginning on January 1, 2011, for all purposes under  
15 this Code (including without limitation the calculation of  
16 benefits and employee contributions), the annual earnings,  
17 salary, or wages (based on the plan year) of a member or  
18 participant to whom this Section applies shall not exceed  
19 \$106,800; however, that amount shall annually thereafter be  
20 increased by the lesser of (i) 3% of that amount, including all  
21 previous adjustments, or (ii) one-half the annual unadjusted  
22 percentage increase (but not less than zero) in the consumer  
23 price index-u for the 12 months ending with the September  
24 preceding each November 1, including all previous adjustments.

25 For the purposes of this Section, "consumer price index-u"  
26 means the index published by the Bureau of Labor Statistics of

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

9 (b-10) Beginning on January 1, 2024, for all purposes  
10 under this Code (including, without limitation, the  
11 calculation of benefits and employee contributions), the  
12 annual earnings, salary, or wages (based on the plan year) of a  
13 member or participant under Article 9 to whom this Section  
14 applies shall include an annual earnings, salary, or wage cap  
15 that tracks the Social Security wage base. Maximum annual  
16 earnings, wages, or salary shall be the annual contribution  
17 and benefit base established for the applicable year by the  
18 Commissioner of the Social Security Administration under the  
19 federal Social Security Act.

20 However, in no event shall the annual earnings, salary, or  
21 wages for the purposes of this Article and Article 9 exceed any  
22 limitation imposed on annual earnings, salary, or wages under  
23 Section 1-117. Under no circumstances shall the maximum amount  
24 of annual earnings, salary, or wages be greater than the  
25 amount set forth in this subsection (b-10) as a result of  
26 reciprocal service or any provisions regarding reciprocal

1 services, nor shall the Fund under Article 9 be required to pay  
2 any refund as a result of the application of this maximum  
3 annual earnings, salary, and wage cap.

4 Nothing in this subsection (b-10) shall cause or otherwise  
5 result in any retroactive adjustment of any employee  
6 contributions. Nothing in this subsection (b-10) shall cause  
7 or otherwise result in any retroactive adjustment of  
8 disability or other payments made between January 1, 2011 and  
9 January 1, 2024.

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

19 A member or participant who has attained age 62 (age 60,  
20 with respect to service under Article 12 that is subject to  
21 this 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) of this Section) and has at least 10 years  
25 of service credit and is otherwise eligible under the  
26 requirements of the applicable Article may elect to receive

1 the lower retirement annuity provided in subsection (d) of  
2 this Section.

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

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

26 (d-5) The retirement annuity payable under Article 8 or



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

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

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

18 (ii) to not agree to item (i) of this subsection  
19 (d-10), in which case the member or participant shall  
20 continue to be subject to the retirement age provisions in  
21 subsections (c) and (d) of this Section and the employee  
22 contributions for age and service annuity as provided in  
23 subsection (a) of Section 8-174 of this Code (for service  
24 under Article 8) or subsection (a) of Section 11-170 of  
25 this Code (for service under Article 11).

26 The election provided for in this subsection shall be made

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

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

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

17 (ii) to not agree to item (i) of this subsection  
18 (d-15), in which case the member or participant shall not  
19 be eligible for the reduced retirement age specified in  
20 subsections (c) and (d) of this Section and shall not be  
21 subject to the increase in employee contributions for  
22 service annuities specified in subsection (b) of Section  
23 12-150.

24 The election provided for in this subsection shall be made  
25 between January 1, 2022 and April 1, 2022. A person subject to  
26 this subsection who makes the required election shall remain

1 bound by that election. A person subject to this subsection  
2 who fails for any reason to make the required election within  
3 the time specified in this subsection shall be deemed to have  
4 made the election under item (ii).

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

1       Beginning January 1, 2025, for persons to whom this  
2       Section applies, each annual increase in a retirement annuity  
3       or supplemental annuity shall be calculated at 3% of the  
4       originally granted retirement annuity.

5       For the purposes of Section 1-103.1 of this Code, the  
6       changes made to this subsection by this amendatory Act of the  
7       103rd General Assembly are applicable without regard to  
8       whether the employee was in active service on or after the  
9       effective date of this amendatory Act of the 103rd General  
10       Assembly.

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

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

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

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

22 (g) The benefits in Section 14-110 apply if the person is a  
23 fire fighter in the fire protection service of a department, a  
24 security employee of the Department of Corrections or the  
25 Department of Juvenile Justice, or a security employee of the  
26 Department of Innovation and Technology, as those terms are

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

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

23 (h) If a person who first becomes a member or a participant  
24 of a retirement system or pension fund subject to this Section  
25 on or after January 1, 2011 is receiving a retirement annuity  
26 or retirement pension under that system or fund and becomes a

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

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

1 contractual employment, the person's retirement annuity or  
2 retirement pension payments shall resume and, if appropriate,  
3 be recalculated under the applicable provisions of this Code.

4 (i) (Blank).

5 (j) In the case of a conflict between the provisions of  
6 this Section and any other provision of this Code, the  
7 provisions of this Section shall control.

8 (Source: P.A. 101-610, eff. 1-1-20; 102-16, eff. 6-17-21;  
9 102-210, eff. 1-1-22; 102-263, eff. 8-6-21; 102-719, eff.  
10 5-6-22; 103-529, eff. 8-11-23.)

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

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

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



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

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

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

26 This Section does not apply to a person who elects under

1 subsection (c-5) of Section 1-161 to receive the benefits  
2 under Section 1-161.

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

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

23 (1) (Blank).

24 (2) In Articles 8, 9, 10, 11, and 12, "highest average  
25 annual salary for any 4 consecutive years within the last  
26 10 years of service immediately preceding the date of

1 withdrawal".

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

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

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

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

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

13 (A) the amount otherwise calculated under the first  
14 paragraph of this subsection; or

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

24 (b-5) Beginning on January 1, 2011, for all purposes under  
25 this Code (including without limitation the calculation of  
26 benefits and employee contributions), the annual earnings,

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

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

19 (b-10) Beginning on January 1, 2024, for all purposes  
20 under this Code (including, without limitation, the  
21 calculation of benefits and employee contributions), the  
22 annual earnings, salary, or wages (based on the plan year) of a  
23 member or participant under Article 9 to whom this Section  
24 applies shall include an annual earnings, salary, or wage cap  
25 that tracks the Social Security wage base. Maximum annual  
26 earnings, wages, or salary shall be the annual contribution

1 and benefit base established for the applicable year by the  
2 Commissioner of the Social Security Administration under the  
3 federal Social Security Act.

4 However, in no event shall the annual earnings, salary, or  
5 wages for the purposes of this Article and Article 9 exceed any  
6 limitation imposed on annual earnings, salary, or wages under  
7 Section 1-117. Under no circumstances shall the maximum amount  
8 of annual earnings, salary, or wages be greater than the  
9 amount set forth in this subsection (b-10) as a result of  
10 reciprocal service or any provisions regarding reciprocal  
11 services, nor shall the Fund under Article 9 be required to pay  
12 any refund as a result of the application of this maximum  
13 annual earnings, salary, and wage cap.

14 Nothing in this subsection (b-10) shall cause or otherwise  
15 result in any retroactive adjustment of any employee  
16 contributions. Nothing in this subsection (b-10) shall cause  
17 or otherwise result in any retroactive adjustment of  
18 disability or other payments made between January 1, 2011 and  
19 January 1, 2024.

20 (c) A member or participant is entitled to a retirement  
21 annuity upon written application if he or she has attained age  
22 67 (age 65, with respect to service under Article 12 that is  
23 subject to this Section, for a member or participant under  
24 Article 12 who first becomes a member or participant under  
25 Article 12 on or after January 1, 2022 or who makes the  
26 election under item (i) of subsection (d-15) of this Section)

1 and has at least 10 years of service credit and is otherwise  
2 eligible under the requirements of the applicable Article.

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

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

22 (d) The retirement annuity of a member or participant who  
23 is retiring after attaining age 62 (age 60, with respect to  
24 service under Article 12 that is subject to this Section, for a  
25 member or participant under Article 12 who first becomes a  
26 member or participant under Article 12 on or after January 1,

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

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

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

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

1 11-170 of this Code (for service under Article 11); or

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

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

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

21 (i) to be eligible for the reduced retirement age  
22 specified in subsections (c) and (d) of this Section, the  
23 eligibility for which is conditioned upon the member or  
24 participant agreeing to the increase in employee  
25 contributions for service annuities specified in  
26 subsection (b) of Section 12-150; or



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

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

15          (e) Any retirement annuity or supplemental annuity shall  
16          be subject to annual increases on the January 1 occurring  
17          either on or after the attainment of age 67 (age 65, with  
18          respect to service under Article 12 that is subject to this  
19          Section, for a member or participant under Article 12 who  
20          first becomes a member or participant under Article 12 on or  
21          after January 1, 2022 or who makes the election under item (i)  
22          of subsection (d-15); and beginning on July 6, 2017 (the  
23          effective date of Public Act 100-23), age 65 with respect to  
24          service under Article 8 or Article 11 for eligible persons  
25          who: (i) are subject to subsection (c-5) of this Section; or  
26          (ii) made the election under item (i) of subsection (d-10) of

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

11 Beginning January 1, 2025, for persons to whom this  
12 Section applies, each annual increase in a retirement annuity  
13 or supplemental annuity shall be calculated at 3% of the  
14 originally granted retirement annuity.

15 For the purposes of Section 1-103.1 of this Code, the  
16 changes made to this subsection by this amendatory Act of the  
17 103rd General Assembly are applicable without regard to  
18 whether the employee was in active service on or after the  
19 effective date of this amendatory Act of the 103rd General  
20 Assembly.

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

26 For the purposes of Section 1-103.1 of this Code, the

1 changes made to this Section by Public Act 100-23 are  
2 applicable without regard to whether the employee was in  
3 active service on or after July 6, 2017 (the effective date of  
4 Public Act 100-23).

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

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

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

24 (h) If a person who first becomes a member or a participant  
25 of a retirement system or pension fund subject to this Section  
26 on or after January 1, 2011 is receiving a retirement annuity

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

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

1 required to pay a fine of \$1,000. Upon termination of that  
2 contractual employment, the person's retirement annuity or  
3 retirement pension payments shall resume and, if appropriate,  
4 be recalculated under the applicable provisions of this Code.

5 (i) (Blank).

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

9 (Source: P.A. 101-610, eff. 1-1-20; 102-16, eff. 6-17-21;  
10 102-210, eff. 1-1-22; 102-263, eff. 8-6-21; 102-813, eff.  
11 5-13-22; 103-529, eff. 8-11-23.)

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

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  
25 writing after January 1, 2011, but before August 8, 2011,

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

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

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

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

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

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

24           (1) (Blank).

25           (2) In Articles 8, 9, 10, 11, and 12, "highest average  
26           annual salary for any 4 consecutive years within the last



1 10 years of service immediately preceding the date of  
2 withdrawal".

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

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

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

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

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

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

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

25 (b-5) Beginning on January 1, 2011, for all purposes under  
26 this Code (including without limitation the calculation of

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

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

20 (b-10) Beginning on January 1, 2024, for all purposes  
21 under this Code (including, without limitation, the  
22 calculation of benefits and employee contributions), the  
23 annual earnings, salary, or wages (based on the plan year) of a  
24 member or participant under Article 9 to whom this Section  
25 applies shall include an annual earnings, salary, or wage cap  
26 that tracks the Social Security wage base. Maximum annual

1 earnings, wages, or salary shall be the annual contribution  
2 and benefit base established for the applicable year by the  
3 Commissioner of the Social Security Administration under the  
4 federal Social Security Act.

5 However, in no event shall the annual earnings, salary, or  
6 wages for the purposes of this Article and Article 9 exceed any  
7 limitation imposed on annual earnings, salary, or wages under  
8 Section 1-117. Under no circumstances shall the maximum amount  
9 of annual earnings, salary, or wages be greater than the  
10 amount set forth in this subsection (b-10) as a result of  
11 reciprocal service or any provisions regarding reciprocal  
12 services, nor shall the Fund under Article 9 be required to pay  
13 any refund as a result of the application of this maximum  
14 annual earnings, salary, and wage cap.

15 Nothing in this subsection (b-10) shall cause or otherwise  
16 result in any retroactive adjustment of any employee  
17 contributions. Nothing in this subsection (b-10) shall cause  
18 or otherwise result in any retroactive adjustment of  
19 disability or other payments made between January 1, 2011 and  
20 January 1, 2024.

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 Beginning January 1, 2025, for persons to whom this  
13 Section applies, each annual increase in a retirement annuity  
14 or supplemental annuity shall be calculated at 3% of the  
15 originally granted retirement annuity.

16 For the purposes of Section 1-103.1 of this Code, the  
17 changes made to this subsection by this amendatory Act of the  
18 103rd General Assembly are applicable without regard to  
19 whether the employee was in active service on or after the  
20 effective date of this amendatory Act of the 103rd General  
21 Assembly.

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



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

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

7 (g) The benefits in Section 14-110 apply only if the  
8 person is a State policeman, a fire fighter in the fire  
9 protection service of a department, a conservation police  
10 officer, an investigator for the Secretary of State, an  
11 investigator for the Office of the Attorney General, an arson  
12 investigator, a Commerce Commission police officer,  
13 investigator for the Department of Revenue or the Illinois  
14 Gaming Board, a security employee of the Department of  
15 Corrections or the Department of Juvenile Justice, or a  
16 security employee of the Department of Innovation and  
17 Technology, as those terms are defined in subsection (b) and  
18 subsection (c) of Section 14-110. A person who meets the  
19 requirements of this Section is entitled to an annuity  
20 calculated under the provisions of Section 14-110, in lieu of  
21 the regular or minimum retirement annuity, only if the person  
22 has withdrawn from service with not less than 20 years of  
23 eligible creditable service and has attained age 60,  
24 regardless of whether the attainment of age 60 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 (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. 102-16, eff. 6-17-21; 102-210, eff. 1-1-22;  
12 102-263, eff. 8-6-21; 102-956, eff. 5-27-22; 103-529, eff.  
13 8-11-23.)

14 (40 ILCS 5/2-119.1) (from Ch. 108 1/2, par. 2-119.1)

15 (Text of Section WITHOUT the changes made by P.A. 98-599,  
16 which has been held unconstitutional)

17 Sec. 2-119.1. Automatic increase in retirement annuity.

18 (a) A participant who retires after June 30, 1967, and who  
19 has not received an initial increase under this Section before  
20 the effective date of this amendatory Act of 1991, shall, in  
21 January or July next following the first anniversary of  
22 retirement, whichever occurs first, and in the same month of  
23 each year thereafter, but in no event prior to age 60, have the  
24 amount of the originally granted retirement annuity increased  
25 as follows: for each year through 1971, 1 1/2%; for each year

1 from 1972 through 1979, 2%; and for 1980 and each year  
2 thereafter, 3%. Annuitants who have received an initial  
3 increase under this subsection prior to the effective date of  
4 this amendatory Act of 1991 shall continue to receive their  
5 annual increases in the same month as the initial increase.

6 (b) Beginning January 1, 1990, for eligible participants  
7 who remain in service after attaining 20 years of creditable  
8 service, the 3% increases provided under subsection (a) shall  
9 begin to accrue on the January 1 next following the date upon  
10 which the participant (1) attains age 55, or (2) attains 20  
11 years of creditable service, whichever occurs later, and shall  
12 continue to accrue while the participant remains in service;  
13 such increases shall become payable on January 1 or July 1,  
14 whichever occurs first, next following the first anniversary  
15 of retirement. For any person who has service credit in the  
16 System for the entire period from January 15, 1969 through  
17 December 31, 1992, regardless of the date of termination of  
18 service, the reference to age 55 in clause (1) of this  
19 subsection (b) shall be deemed to mean age 50.

20 This subsection (b) does not apply to any person who first  
21 becomes a member of the System after the effective date of this  
22 amendatory Act of the 93rd General Assembly.

23 (b-5) Notwithstanding any other provision of this Article,  
24 a participant who first becomes a participant on or after  
25 January 1, 2011 (the effective date of Public Act 96-889)  
26 shall, in January or July next following the first anniversary

1 of retirement, whichever occurs first, and in the same month  
2 of each year thereafter, but in no event prior to age 67, have  
3 the amount of the retirement annuity then being paid increased  
4 by 3% or the annual unadjusted percentage increase in the  
5 Consumer Price Index for All Urban Consumers as determined by  
6 the Public Pension Division of the Department of Insurance  
7 under subsection (a) of Section 2-108.1, whichever is less;  
8 except that, beginning January 1, 2025, each annual increase  
9 under this subsection shall be calculated at 3% of the amount  
10 of the retirement annuity then being paid.

11 For the purposes of Section 1-103.1 of this Code, the  
12 changes made to this subsection by this amendatory Act of the  
13 103rd General Assembly are applicable without regard to  
14 whether the employee was in active service on or after the  
15 effective date of this amendatory Act of the 103rd General  
16 Assembly.

17 (c) The foregoing provisions relating to automatic  
18 increases are not applicable to a participant who retires  
19 before having made contributions (at the rate prescribed in  
20 Section 2-126) for automatic increases for less than the  
21 equivalent of one full year. However, in order to be eligible  
22 for the automatic increases, such a participant may make  
23 arrangements to pay to the system the amount required to bring  
24 the total contributions for the automatic increase to the  
25 equivalent of one year's contributions based upon his or her  
26 last salary.

1 (d) A participant who terminated service prior to July 1,  
2 1967, with at least 14 years of service is entitled to an  
3 increase in retirement annuity beginning January, 1976, and to  
4 additional increases in January of each year thereafter.

5 The initial increase shall be 1 1/2% of the originally  
6 granted retirement annuity multiplied by the number of full  
7 years that the annuitant was in receipt of such annuity prior  
8 to January 1, 1972, plus 2% of the originally granted  
9 retirement annuity for each year after that date. The  
10 subsequent annual increases shall be at the rate of 2% of the  
11 originally granted retirement annuity for each year through  
12 1979 and at the rate of 3% for 1980 and thereafter.

13 (e) Beginning January 1, 1990, all automatic annual  
14 increases payable under this Section shall be calculated as a  
15 percentage of the total annuity payable at the time of the  
16 increase, including previous increases granted under this  
17 Article.

18 (Source: P.A. 96-889, eff. 1-1-11; 96-1490, eff. 1-1-11.)

19 (40 ILCS 5/3-111.1) (from Ch. 108 1/2, par. 3-111.1)

20 Sec. 3-111.1. Increase in pension.

21 (a) Except as provided in subsection (e), the monthly  
22 pension of a police officer who retires after July 1, 1971, and  
23 prior to January 1, 1986, shall be increased, upon either the  
24 first of the month following the first anniversary of the date  
25 of retirement if the officer is 60 years of age or over at

1 retirement date, or upon the first day of the month following  
2 attainment of age 60 if it occurs after the first anniversary  
3 of retirement, by 3% of the originally granted pension and by  
4 an additional 3% of the originally granted pension in January  
5 of each year thereafter.

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

14 (c) The monthly pension of a police officer who retires on  
15 disability or is retired for disability shall be increased in  
16 January of the year following the year of attaining age 60, by  
17 3% of the original grant of pension for each year he or she  
18 received pension payments. In each January thereafter, the  
19 police officer shall receive an additional increase of 3% of  
20 the original pension.

21 (d) The monthly pension of a police officer who retires  
22 after January 1, 1986, shall be increased, upon either the  
23 first of the month following the first anniversary of the date  
24 of retirement if the officer is 55 years of age or over, or  
25 upon the first day of the month following attainment of age 55  
26 if it occurs after the first anniversary of retirement, by



1 1/12 of 3% of the originally granted pension for each full  
2 month that has elapsed since the pension began, and by an  
3 additional 3% of the originally granted pension in January of  
4 each year thereafter.

5 The changes made to this subsection (d) by this amendatory  
6 Act of the 91st General Assembly apply to all initial  
7 increases that become payable under this subsection on or  
8 after January 1, 1999. All initial increases that became  
9 payable under this subsection on or after January 1, 1999 and  
10 before the effective date of this amendatory Act shall be  
11 recalculated and the additional amount accruing for that  
12 period, if any, shall be payable to the pensioner in a lump  
13 sum.

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

1 (f) Notwithstanding the other provisions of this Section,  
2 beginning with increases granted on or after July 1, 1993, the  
3 second and all subsequent automatic annual increases granted  
4 under subsection (a), (b), (d), or (e) of this Section shall be  
5 calculated as 3% of the amount of pension payable at the time  
6 of the increase, including any increases previously granted  
7 under this Section, rather than 3% of the originally granted  
8 pension amount. Section 1-103.1 does not apply to this  
9 subsection (f).

10 (g) Notwithstanding any other provision of this Article,  
11 the monthly pension of a person who first becomes a police  
12 officer under this Article on or after January 1, 2011 shall be  
13 increased on the January 1 occurring either on or after the  
14 attainment of age 60 or the first anniversary of the pension  
15 start date, whichever is later. Each annual increase shall be  
16 calculated at 3% or one-half the annual unadjusted percentage  
17 increase (but not less than zero) in the consumer price  
18 index-u for the 12 months ending with the September preceding  
19 each November 1, whichever is less, of the originally granted  
20 pension; except that, beginning January 1, 2025, each annual  
21 increase under this subsection shall be calculated at 3% of  
22 the amount of the originally granted pension. If the annual  
23 unadjusted percentage change in the consumer price index-u for  
24 a 12-month period ending in September is zero or, when  
25 compared with the preceding period, decreases, then the  
26 pension shall not be increased.

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

10 For the purposes of Section 1-103.1 of this Code, the  
11 changes made to this subsection by this amendatory Act of the  
12 103rd General Assembly are applicable without regard to  
13 whether the employee was in active service on or after the  
14 effective date of this amendatory Act of the 103rd General  
15 Assembly.

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

17 (40 ILCS 5/4-109.1) (from Ch. 108 1/2, par. 4-109.1)

18 Sec. 4-109.1. Increase in pension.

19 (a) Except as provided in subsection (e), the monthly  
20 pension of a firefighter who retires after July 1, 1971 and  
21 prior to January 1, 1986, shall, upon either the first of the  
22 month following the first anniversary of the date of  
23 retirement if 60 years of age or over at retirement date, or  
24 upon the first day of the month following attainment of age 60  
25 if it occurs after the first anniversary of retirement, be

1 increased by 2% of the originally granted monthly pension and  
2 by an additional 2% in each January thereafter. Effective  
3 January 1976, the rate of the annual increase shall be 3% of  
4 the originally granted monthly pension.

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

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

23 (c-1) On January 1, 1998, every child's disability benefit  
24 payable on that date under Section 4-110 or 4-110.1 shall be  
25 increased by an amount equal to 1/12 of 3% of the amount of the  
26 benefit, multiplied by the number of months for which the

1 benefit has been payable. On each January 1 thereafter, every  
2 child's disability benefit payable under Section 4-110 or  
3 4-110.1 shall be increased by 3% of the amount of the benefit  
4 then being paid, including any previous increases received  
5 under this Article. These increases are not subject to any  
6 limitation on the maximum benefit amount included in Section  
7 4-110 or 4-110.1.

8 (c-2) On July 1, 2004, every pension payable to or on  
9 behalf of a minor or disabled surviving child that is payable  
10 on that date under Section 4-114 shall be increased by an  
11 amount equal to 1/12 of 3% of the amount of the pension,  
12 multiplied by the number of months for which the benefit has  
13 been payable. On July 1, 2005, July 1, 2006, July 1, 2007, and  
14 July 1, 2008, every pension payable to or on behalf of a minor  
15 or disabled surviving child that is payable under Section  
16 4-114 shall be increased by 3% of the amount of the pension  
17 then being paid, including any previous increases received  
18 under this Article. These increases are not subject to any  
19 limitation on the maximum benefit amount included in Section  
20 4-114.

21 (d) The monthly pension of a firefighter who retires after  
22 January 1, 1986, shall, upon either the first of the month  
23 following the first anniversary of the date of retirement if  
24 55 years of age or over, or upon the first day of the month  
25 following attainment of age 55 if it occurs after the first  
26 anniversary of retirement, be increased by 1/12 of 3% of the

1 originally granted monthly pension for each full month that  
2 has elapsed since the pension began, and by an additional 3% in  
3 each January thereafter.

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

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

25 (f) In July 2009, the monthly pension of a firefighter who  
26 retired before July 1, 1977 shall be recalculated and

1 increased to reflect the amount that the firefighter would  
2 have received in July 2009 had the firefighter been receiving  
3 a 3% compounded increase for each year he or she received  
4 pension payments after January 1, 1986, plus any increases in  
5 pension received for each year prior to January 1, 1986. In  
6 each January thereafter, he or she shall receive an additional  
7 increase of 3% of the amount of the pension then being paid.  
8 The changes made to this Section by this amendatory Act of the  
9 96th General Assembly apply without regard to whether the  
10 firefighter was in service on or after its effective date.

11 (g) Notwithstanding any other provision of this Article,  
12 the monthly pension of a person who first becomes a  
13 firefighter under this Article on or after January 1, 2011  
14 shall be increased on the January 1 occurring either on or  
15 after the attainment of age 60 or the first anniversary of the  
16 pension start date, whichever is later. Each annual increase  
17 shall be calculated at 3% or one-half the annual unadjusted  
18 percentage increase (but not less than zero) in the consumer  
19 price index-u for the 12 months ending with the September  
20 preceding each November 1, whichever is less, of the  
21 originally granted pension; except that, beginning January 1,  
22 2025, each annual increase under this subsection shall be  
23 calculated at 3% of the amount of the originally granted  
24 pension. If the annual unadjusted percentage change in the  
25 consumer price index-u for a 12-month period ending in  
26 September is zero or, when compared with the preceding period,

1 decreases, then the pension shall not be increased.

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

11 For the purposes of Section 1-103.1 of this Code, the  
12 changes made to this subsection by this amendatory Act of the  
13 103rd General Assembly are applicable without regard to  
14 whether the employee was in active service on or after the  
15 effective date of this amendatory Act of the 103rd General  
16 Assembly.

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

18 (40 ILCS 5/5-167.1) (from Ch. 108 1/2, par. 5-167.1)

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

21 (a) A policeman who retires from service after September  
22 1, 1967 with at least 20 years of service credit shall, upon  
23 either the first of the month following the first anniversary  
24 of his date of retirement if he is age 55 or over on that  
25 anniversary date, or upon the first of the month following his



1 attainment of age 55 if it occurs after the first anniversary  
2 of his retirement date, have his then fixed and payable  
3 monthly annuity increased by 3% and such first fixed annuity  
4 as granted at retirement increased by an additional 3% in  
5 January of each year thereafter.

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

16 Any policeman born before January 1, 1950 who qualifies  
17 for a minimum annuity and retires after September 1, 1967 but  
18 has not received the initial increase under this subsection  
19 before January 1, 2000 is entitled to receive the initial  
20 increase under this subsection on (1) January 1, 2000, (2) the  
21 first anniversary of the date of retirement, or (3) attainment  
22 of age 55, whichever occurs last. The changes to this Section  
23 made by this amendatory Act of the 92nd General Assembly apply  
24 without regard to whether the policeman or annuitant  
25 terminated service before the effective date of this  
26 amendatory Act.

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

12 Any policeman born before January 1, 1966 who qualifies  
13 for a minimum annuity and retires after September 1, 1967 but  
14 has not received the initial increase under this subsection  
15 before January 1, 2017 is entitled to receive an initial  
16 increase under this subsection on (1) January 1, 2017, (2) the  
17 first anniversary of the date of retirement, or (3) attainment  
18 of age 55, whichever occurs last, in an amount equal to 3% for  
19 each complete year following the date of retirement or  
20 attainment of age 55, whichever occurs later. The changes to  
21 this subsection made by this amendatory Act of the 99th  
22 General Assembly apply without regard to whether the policeman  
23 or annuitant terminated service before the effective date of  
24 this amendatory Act.

25 Any policeman born on or after January 1, 1966 who  
26 qualifies for a minimum annuity and retires after September 1,

1 1967 but has not received the initial increase under this  
2 subsection before January 1, 2023 is entitled to receive the  
3 initial increase under this subsection on (1) January 1, 2023,  
4 (2) the first anniversary of the date of retirement, or (3)  
5 attainment of age 55, whichever occurs last. The changes to  
6 this Section made by this amendatory Act of the 103rd General  
7 Assembly apply without regard to whether the policeman or  
8 annuitant terminated service before the effective date of this  
9 amendatory Act of the 103rd General Assembly.

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

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

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

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

1 of 3% per annum.

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

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

14 (d) Notwithstanding any other provision of this Article,  
15 the Tier 2 monthly retirement annuity of a person who first  
16 becomes a policeman under this Article on or after the  
17 effective date of this amendatory Act of the 97th General  
18 Assembly shall be increased on the January 1 occurring either  
19 on or after (i) the attainment of age 60 or (ii) the first  
20 anniversary of the annuity start date, whichever is later.  
21 Each annual increase shall be calculated at 3% or one-half the  
22 annual unadjusted percentage increase (but not less than zero)  
23 in the consumer price index-u for the 12 months ending with the  
24 September preceding each November 1, whichever is less, of the  
25 originally granted retirement annuity; except that, beginning  
26 January 1, 2025, each annual increase under this subsection

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

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

15 For the purposes of Section 1-103.1 of this Code, the  
16 changes made to this subsection by this amendatory Act of the  
17 103rd General Assembly are applicable without regard to  
18 whether the employee was in active service on or after the  
19 effective date of this amendatory Act of the 103rd General  
20 Assembly.

21 (Source: P.A. 103-582, eff. 12-8-23.)

22 (40 ILCS 5/6-164) (from Ch. 108 1/2, par. 6-164)

23 Sec. 6-164. Automatic annual increase; retirement after  
24 September 1, 1959.

25 (a) A fireman qualifying for a minimum annuity who retires

1 from service after September 1, 1959 shall, upon either the  
2 first of the month following the first anniversary of his date  
3 of retirement if he is age 55 or over on that anniversary date,  
4 or upon the first of the month following his attainment of age  
5 55 if that occurs after the first anniversary of his  
6 retirement date, have his then fixed and payable monthly  
7 annuity increased by 1 1/2%, and such first fixed annuity as  
8 granted at retirement increased by an additional 1 1/2% in  
9 January of each year thereafter up to a maximum increase of  
10 30%. Beginning July 1, 1982 for firemen born before January 1,  
11 1930, and beginning January 1, 1990 for firemen born after  
12 December 31, 1929 and before January 1, 1940, and beginning  
13 January 1, 1996 for firemen born after December 31, 1939 but  
14 before January 1, 1945, and beginning January 1, 2004, for  
15 firemen born after December 31, 1944 but before January 1,  
16 1955, and beginning January 1, 2017, for firemen born after  
17 December 31, 1954, such increases shall be 3% and such firemen  
18 shall not be subject to the 30% maximum increase.

19 Any fireman born before January 1, 1945 who qualifies for  
20 a minimum annuity and retires after September 1, 1967 but has  
21 not received the initial increase under this subsection before  
22 January 1, 1996 is entitled to receive the initial increase  
23 under this subsection on (1) January 1, 1996, (2) the first  
24 anniversary of the date of retirement, or (3) attainment of  
25 age 55, whichever occurs last. The changes to this Section  
26 made by this amendatory Act of 1995 apply beginning January 1,

1 1996 and apply without regard to whether the fireman or  
2 annuitant terminated service before the effective date of this  
3 amendatory Act of 1995.

4 Any fireman born before January 1, 1955 who qualifies for  
5 a minimum annuity and retires after September 1, 1967 but has  
6 not received the initial increase under this subsection before  
7 January 1, 2004 is entitled to receive the initial increase  
8 under this subsection on (1) January 1, 2004, (2) the first  
9 anniversary of the date of retirement, or (3) attainment of  
10 age 55, whichever occurs last. The changes to this Section  
11 made by this amendatory Act of the 93rd General Assembly apply  
12 without regard to whether the fireman or annuitant terminated  
13 service before the effective date of this amendatory Act.

14 Any fireman born after December 31, 1954 but before  
15 January 1, 1966 who qualifies for a minimum annuity and  
16 retires after September 1, 1967 is entitled to receive an  
17 increase under this subsection on (1) January 1, 2017, (2) the  
18 first anniversary of the date of retirement, or (3) attainment  
19 of age 55, whichever occurs last, in an amount equal to an  
20 increase of 3% of his then fixed and payable monthly annuity  
21 upon the first of the month following the first anniversary of  
22 his date of retirement if he is age 55 or over on that  
23 anniversary date or upon the first of the month following his  
24 attainment of age 55 if that date occurs after the first  
25 anniversary of his retirement date and such first fixed  
26 annuity as granted at retirement shall be increased by an

1 additional 3% in January of each year thereafter. In the case  
2 of a fireman born after December 31, 1954 but before January 1,  
3 1966 who received an increase in any year of 1.5%, that fireman  
4 shall receive an increase for any such year so that the total  
5 increase is equal to 3% for each year the fireman would have  
6 been otherwise eligible had the fireman not received any  
7 increase. The changes to this subsection made by this  
8 amendatory Act of the 99th General Assembly apply without  
9 regard to whether the fireman or annuitant terminated service  
10 before the effective date of this amendatory Act. The changes  
11 to this subsection made by this amendatory Act of the 100th  
12 General Assembly are a declaration of existing law and shall  
13 not be construed as a new enactment.

14 Any fireman who qualifies for a minimum annuity and  
15 retires after September 1, 1967 is entitled to receive an  
16 increase under this subsection on (1) January 1, 2020, (2) the  
17 first anniversary of the date of retirement, or (3) attainment  
18 of age 55, whichever occurs last, in an amount equal to an  
19 increase of 3% of his or her then fixed and payable monthly  
20 annuity upon the first of the month following the first  
21 anniversary of his or her date of retirement if he or she is  
22 age 55 or over on that anniversary date or upon the first of  
23 the month following his or her attainment of age 55 if that  
24 date occurs after the first anniversary of his or her  
25 retirement date and such first fixed annuity as granted at  
26 retirement shall be increased by an additional 3% in January



1 of each year thereafter. In the case of a fireman who received  
2 an increase in any year of 1.5%, that fireman shall receive an  
3 increase for any such year so that the total increase is equal  
4 to 3% for each year the fireman would have been otherwise  
5 eligible had the fireman not received any increase. The  
6 changes to this subsection made by this amendatory Act of the  
7 101st General Assembly apply without regard to whether the  
8 fireman or annuitant terminated service before the effective  
9 date of this amendatory Act of the 101st General Assembly.

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

12 (c) To help defray the cost of such increases in annuity,  
13 there shall be deducted, beginning September 1, 1959, from  
14 each payment of salary to a fireman,  $1/8$  of 1% of each such  
15 salary payment and an additional  $1/8$  of 1% beginning on  
16 September 1, 1961, and September 1, 1963, respectively,  
17 concurrently with and in addition to the salary deductions  
18 otherwise made for annuity purposes.

19 Each such additional  $1/8$  of 1% deduction from salary which  
20 shall, on September 1, 1963, result in a total increase of  $3/8$   
21 of 1% of salary, shall be credited to the Automatic Increase  
22 Reserve, to be used, together with city contributions as  
23 provided in this Article, to defray the cost of the annuity  
24 increments specified in this Section. Any balance in such  
25 reserve as of the beginning of each calendar year shall be  
26 credited with interest at the rate of 3% per annum.

1           The salary deductions provided in this Section are not  
2 subject to refund, except to the fireman himself in any case in  
3 which: (i) the fireman withdraws prior to qualification for  
4 minimum annuity or Tier 2 monthly retirement annuity and  
5 applies for refund, (ii) the fireman applies for an annuity of  
6 a type that is not subject to annual increases under this  
7 Section, or (iii) a term annuity becomes payable. In such  
8 cases, the total of such salary deductions shall be refunded  
9 to the fireman, without interest, and charged to the  
10 aforementioned 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 fireman under this Article on or after January 1,  
14 2011 shall be increased on the January 1 occurring either on or  
15 after (i) the attainment of age 60 or (ii) the first  
16 anniversary of the annuity start date, whichever is later.  
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 retirement annuity; except that, beginning  
22 January 1, 2025, each annual increase under this subsection  
23 shall be calculated at 3% of the originally granted retirement  
24 annuity. If the annual unadjusted percentage change in the  
25 consumer price index-u for a 12-month period ending in  
26 September is zero or, when compared with the preceding period,

1 decreases, then the annuity shall not be increased.

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

11 For the purposes of Section 1-103.1 of this Code, the  
12 changes made to this subsection by this amendatory Act of the  
13 103rd General Assembly are applicable without regard to  
14 whether the employee was in active service on or after the  
15 effective date of this amendatory Act of the 103rd General  
16 Assembly.

17 (Source: P.A. 100-23, eff. 7-6-17; 100-539, eff. 11-7-17;  
18 101-673, eff. 4-5-21.)

19 (40 ILCS 5/7-142) (from Ch. 108 1/2, par. 7-142)

20 Sec. 7-142. Retirement annuities; amount annuities  
21 Amount.

22 (a) The amount of a retirement annuity shall be the sum of  
23 the following, determined in accordance with the actuarial  
24 tables in effect at the time of the grant of the annuity:

25 1. For Tier 1 regular employees with 8 or more years of

1 service or for Tier 2 regular employees, an annuity  
2 computed pursuant to subparagraphs a or b of this  
3 subparagraph 1, whichever is the higher, and for employees  
4 with less than 8 or 10 years of service, respectively, the  
5 annuity computed pursuant to subparagraph a:

6 a. The monthly annuity which can be provided from  
7 the total accumulated normal, municipality and prior  
8 service credits, as of the attained age of the  
9 employee on the date the annuity begins provided that  
10 such annuity shall not exceed 75% of the final rate of  
11 earnings of the employee.

12 b. (i) The monthly annuity amount determined as  
13 follows by multiplying (a)  $1\frac{2}{3}\%$  for annuitants with  
14 not more than 15 years or (b)  $1\frac{2}{3}\%$  for the first 15  
15 years and 2% for each year in excess of 15 years for  
16 annuitants with more than 15 years by the number of  
17 years plus fractional years, prorated on a basis of  
18 months, of creditable service and multiply the product  
19 thereof by the employee's final rate of earnings.

20 (ii) For the sole purpose of computing the formula  
21 (and not for the purposes of the limitations  
22 hereinafter stated) \$125 shall be considered the final  
23 rate of earnings in all cases where the final rate of  
24 earnings is less than such amount.

25 (iii) The monthly annuity computed in accordance  
26 with this subparagraph b, shall not exceed an amount

1 equal to 75% of the final rate of earnings.

2 (iv) For employees who have less than 35 years of  
3 service, the annuity computed in accordance with this  
4 subparagraph b (as reduced by application of  
5 subparagraph (iii) above) shall be reduced by 0.25%  
6 thereof (0.5% if service was terminated before January  
7 1, 1988 or if the employee is a Tier 2 regular  
8 employee) for each month or fraction thereof (1) that  
9 the employee's age is less than 60 years for Tier 1  
10 regular employees, (2) that the employee's age is less  
11 than 67 years for Tier 2 regular employees, or (3) if  
12 the employee has at least 30 years of service credit,  
13 that the employee's service credit is less than 35  
14 years, whichever is less, on the date the annuity  
15 begins.

16 2. The annuity which can be provided from the total  
17 accumulated additional credits as of the attained age of  
18 the employee on the date the annuity begins.

19 (b) If payment of an annuity begins prior to the earliest  
20 age at which the employee will become eligible for an old age  
21 insurance benefit under the Federal Social Security Act, he  
22 may elect that the annuity payments from this fund shall  
23 exceed those payable after his attaining such age by an  
24 amount, computed as determined by rules of the Board, but not  
25 in excess of his estimated Social Security Benefit, determined  
26 as of the effective date of the annuity, provided that in no

1 case shall the total annuity payments made by this fund exceed  
2 in actuarial value the annuity which would have been payable  
3 had no such election been made.

4 (c) Beginning January 1, 1984 and each January 1  
5 thereafter, the retirement annuity of a Tier 1 regular  
6 employee shall be increased by 3% each year, not compounded.  
7 This increase shall be computed from the effective date of the  
8 retirement annuity, the first increase being 0.25% of the  
9 monthly amount times the number of months from the effective  
10 date to January 1. This increase shall not be applicable to  
11 annuitants who are not in service on or after September 8,  
12 1971.

13 A retirement annuity of a Tier 2 regular employee shall  
14 receive annual increases on the January 1 occurring either on  
15 or after the attainment of age 67 or the first anniversary of  
16 the annuity start date, whichever is later. Each annual  
17 increase shall be calculated at the lesser of 3% or one-half  
18 the annual unadjusted percentage increase (but not less than  
19 zero) in the consumer price index-u for the 12 months ending  
20 with the September preceding each November 1 of the originally  
21 granted retirement annuity; except that, beginning January 1,  
22 2025, each annual increase under this subsection shall be  
23 calculated at 3% of the amount of the originally granted  
24 retirement annuity. If the annual unadjusted percentage change  
25 in the consumer price index-u for the 12 months ending with the  
26 September preceding each November 1 is zero or there is a

1 decrease, then the annuity shall not be increased.

2 For the purposes of Section 1-103.1 of this Code, the  
3 changes made to this subsection by this amendatory Act of the  
4 103rd General Assembly are applicable without regard to  
5 whether the employee was in active service on or after the  
6 effective date of this amendatory Act of the 103rd General  
7 Assembly.

8 (d) Any elected county officer who was entitled to receive  
9 a stipend from the State on or after July 1, 2009 and on or  
10 before June 30, 2010 may establish earnings credit for the  
11 amount of stipend not received, if the elected county official  
12 applies in writing to the fund within 6 months after the  
13 effective date of this amendatory Act of the 96th General  
14 Assembly and pays to the fund an amount equal to (i) employee  
15 contributions on the amount of stipend not received, (ii)  
16 employer contributions determined by the Board equal to the  
17 employer's normal cost of the benefit on the amount of stipend  
18 not received, plus (iii) interest on items (i) and (ii) at the  
19 actuarially assumed rate.

20 (Source: P.A. 102-210, eff. 1-1-22.)

21 (40 ILCS 5/7-142.1) (from Ch. 108 1/2, par. 7-142.1)

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

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

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

9 A sheriff's law enforcement employee age 55 or more who  
10 has 10 or more years of service in that capacity shall be  
11 entitled at his option to receive a monthly retirement annuity  
12 for his or her service as a sheriff's law enforcement employee  
13 computed by multiplying 2.5% for each year of such service by  
14 his or her final rate of earnings.

15 The retirement annuity of a sheriff's law enforcement  
16 employee who is retiring after attaining age 50 with 10 or more  
17 years of creditable service shall be reduced by one-half of 1%  
18 for each month that the sheriff's law enforcement employee's  
19 age is under age 55.

20 The maximum retirement annuity under this subsection (f)  
21 shall be 75% of final rate of earnings.

22 For the purposes of this subsection (f), "final rate of  
23 earnings" means the average monthly earnings obtained by  
24 dividing the total salary of the sheriff's law enforcement  
25 employee during the 96 consecutive months of service within  
26 the last 120 months of service in which the total earnings was

1 the highest by the number of months of service in that period.

2 Notwithstanding any other provision of this Article,  
3 beginning on January 1, 2011, for all purposes under this Code  
4 (including without limitation the calculation of benefits and  
5 employee contributions), the annual earnings of a sheriff's  
6 law enforcement employee to whom this Section applies shall  
7 not include overtime and shall not exceed \$106,800; however,  
8 that amount shall annually thereafter be increased by the  
9 lesser of (i) 3% of that amount, including all previous  
10 adjustments, or (ii) one-half the annual unadjusted percentage  
11 increase (but not less than zero) in the consumer price  
12 index-u for the 12 months ending with the September preceding  
13 each November 1, including all previous adjustments.

14 (g) Notwithstanding any other provision of this Article,  
15 the monthly annuity of a person who first becomes a sheriff's  
16 law enforcement employee under this Article on or after  
17 January 1, 2011 shall be increased on the January 1 occurring  
18 either on or after the attainment of age 60 or the first  
19 anniversary of the annuity start date, whichever is later.  
20 Each annual increase shall be calculated at 3% or one-half the  
21 annual unadjusted percentage increase (but not less than zero)  
22 in the consumer price index-u for the 12 months ending with the  
23 September preceding each November 1, whichever is less, of the  
24 originally granted retirement annuity; except that, beginning  
25 January 1, 2025, each annual increase under this subsection  
26 shall be calculated at 3% of the amount of the originally

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

6 For the purposes of Section 1-103.1 of this Code, the  
7 changes made to this subsection by this amendatory Act of the  
8 103rd General Assembly are applicable without regard to  
9 whether the employee was in active service on or after the  
10 effective date of this amendatory Act of the 103rd General  
11 Assembly.

12 (h) Notwithstanding any other provision of this Article,  
13 for a person who first becomes a sheriff's law enforcement  
14 employee under this Article on or after January 1, 2011, the  
15 annuity to which the surviving spouse, children, or parents  
16 are entitled under this subsection (h) shall be in the amount  
17 of 66 2/3% of the sheriff's law enforcement employee's earned  
18 annuity at the date of death.

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

1 each November 1, whichever is less, of the originally granted  
2 pension. If the annual unadjusted percentage change in the  
3 consumer price index-u for a 12-month period ending in  
4 September is zero or, when compared with the preceding period,  
5 decreases, then the annuity shall not be increased.

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

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

16 (40 ILCS 5/15-136) (from Ch. 108 1/2, par. 15-136)

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

23 (a) The amount of a participant's retirement annuity,  
24 expressed in the form of a single-life annuity, shall be  
25 determined by whichever of the following rules is applicable

1 and provides the largest annuity:

2 Rule 1: The retirement annuity shall be 1.67% of final  
3 rate of earnings for each of the first 10 years of service,  
4 1.90% for each of the next 10 years of service, 2.10% for each  
5 year of service in excess of 20 but not exceeding 30, and 2.30%  
6 for each year in excess of 30; or for persons who retire on or  
7 after January 1, 1998, 2.2% of the final rate of earnings for  
8 each year of service.

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

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

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

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

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

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

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

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

21 Rule 3: The retirement annuity of a participant who is  
22 employed at least one-half time during the period on which his  
23 or her final rate of earnings is based, shall be equal to the  
24 participant's years of service not to exceed 30, multiplied by  
25 (1) \$96 if the participant's final rate of earnings is less  
26 than \$3,500, (2) \$108 if the final rate of earnings is at least



1 \$3,500 but less than \$4,500, (3) \$120 if the final rate of  
2 earnings is at least \$4,500 but less than \$5,500, (4) \$132 if  
3 the final rate of earnings is at least \$5,500 but less than  
4 \$6,500, (5) \$144 if the final rate of earnings is at least  
5 \$6,500 but less than \$7,500, (6) \$156 if the final rate of  
6 earnings is at least \$7,500 but less than \$8,500, (7) \$168 if  
7 the final rate of earnings is at least \$8,500 but less than  
8 \$9,500, and (8) \$180 if the final rate of earnings is \$9,500 or  
9 more, except that the annuity for those persons having made an  
10 election under Section 15-154(a-1) shall be calculated and  
11 payable under the portable retirement benefit program pursuant  
12 to the provisions of Section 15-136.4.

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

1 this Rule 4 in addition to the applicable age requirement  
2 under subsection (a-10) of Section 15-135.

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

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

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

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

23 (1) For a disabled participant whose disability  
24 benefits have been discontinued because he or she has  
25 exhausted eligibility for disability benefits under clause  
26 (6) of Section 15-152;

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

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

10          (b-5) The retirement annuity of a Tier 2 member who is  
11          retiring under Rule 1 or 3 after attaining age 62 with at least  
12          10 years of service credit shall be reduced by 1/2 of 1% for  
13          each full month that the member's age is under age 67.

14          (c) The maximum retirement annuity provided under Rules 1,  
15          2, 4, and 5 shall be the lesser of (1) the annual limit of  
16          benefits as specified in Section 415 of the Internal Revenue  
17          Code of 1986, as such Section may be amended from time to time  
18          and as such benefit limits shall be adjusted by the  
19          Commissioner of Internal Revenue, and (2) 80% of final rate of  
20          earnings.

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

24          Effective January 1 immediately following the date the  
25          retirement annuity begins, the annuitant shall receive an  
26          increase in his or her monthly retirement annuity of 0.125% of

1 the monthly retirement annuity provided under Rule 1, Rule 2,  
2 Rule 3, or Rule 4 contained in this Section, multiplied by the  
3 number of full months which elapsed from the date the  
4 retirement annuity payments began to January 1, 1972, plus  
5 0.1667% of such annuity, multiplied by the number of full  
6 months which elapsed from January 1, 1972, or the date the  
7 retirement annuity payments began, whichever is later, to  
8 January 1, 1978, plus 0.25% of such annuity multiplied by the  
9 number of full months which elapsed from January 1, 1978, or  
10 the date the retirement annuity payments began, whichever is  
11 later, to the effective date of the increase.

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

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

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

1 (d-5) A retirement annuity of a Tier 2 member shall  
2 receive annual increases on the January 1 occurring either on  
3 or after the attainment of age 67 or the first anniversary of  
4 the annuity start date, whichever is later. Each annual  
5 increase shall be calculated at 3% or one half the annual  
6 unadjusted percentage increase (but not less than zero) in the  
7 consumer price index-u for the 12 months ending with the  
8 September preceding each November 1, whichever is less, of the  
9 originally granted retirement annuity; except that, beginning  
10 January 1, 2025, each annual increase under this subsection  
11 shall be calculated at 3% of the amount of the originally  
12 granted retirement annuity. If the annual unadjusted  
13 percentage change in the consumer price index-u for the 12  
14 months ending with the September preceding each November 1 is  
15 zero or there is a decrease, then the annuity shall not be  
16 increased.

17 For the purposes of Section 1-103.1 of this Code, the  
18 changes made to this subsection by this amendatory Act of the  
19 103rd General Assembly are applicable without regard to  
20 whether the employee was in active service on or after the  
21 effective date of this amendatory Act of the 103rd General  
22 Assembly.

23 (e) If, on January 1, 1987, or the date the retirement  
24 annuity payment period begins, whichever is later, the sum of  
25 the retirement annuity provided under Rule 1 or Rule 2 of this  
26 Section and the automatic annual increases provided under the

1 preceding subsection or Section 15-136.1, amounts to less than  
2 the retirement annuity which would be provided by Rule 3, the  
3 retirement annuity shall be increased as of January 1, 1987,  
4 or the date the retirement annuity payment period begins,  
5 whichever is later, to the amount which would be provided by  
6 Rule 3 of this Section. Such increased amount shall be  
7 considered as the retirement annuity in determining benefits  
8 provided under other Sections of this Article. This paragraph  
9 applies without regard to whether status as an employee  
10 terminated before the effective date of this amendatory Act of  
11 1987, provided that the annuitant was employed at least  
12 one-half time during the period on which the final rate of  
13 earnings was based.

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

21 (g) If, (1) by law, a function of a governmental unit, as  
22 defined by Section 20-107 of this Code, is transferred in  
23 whole or in part to an employer, and (2) a participant  
24 transfers employment from such governmental unit to such  
25 employer within 6 months after the transfer of the function,  
26 and (3) the sum of (A) the annuity payable to the participant

1 under Rule 1, 2, or 3 of this Section (B) all proportional  
2 annuities payable to the participant by all other retirement  
3 systems covered by Article 20, and (C) the initial primary  
4 insurance amount to which the participant is entitled under  
5 the Social Security Act, is less than the retirement annuity  
6 which would have been payable if all of the participant's  
7 pension credits validated under Section 20-109 had been  
8 validated under this system, a supplemental annuity equal to  
9 the difference in such amounts shall be payable to the  
10 participant.

11 (h) On January 1, 1981, an annuitant who was receiving a  
12 retirement annuity on or before January 1, 1971 shall have his  
13 or her retirement annuity then being paid increased \$1 per  
14 month for each year of creditable service. On January 1, 1982,  
15 an annuitant whose retirement annuity began on or before  
16 January 1, 1977, shall have his or her retirement annuity then  
17 being paid increased \$1 per month for each year of creditable  
18 service.

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

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

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

2 (40 ILCS 5/18-125.1) (from Ch. 108 1/2, par. 18-125.1)

3 Sec. 18-125.1. Automatic increase in retirement annuity. A  
4 participant who retires from service after June 30, 1969,  
5 shall, in January of the year next following the year in which  
6 the first anniversary of retirement occurs, and in January of  
7 each year thereafter, have the amount of his or her originally  
8 granted retirement annuity increased as follows: for each year  
9 up to and including 1971, 1 1/2%; for each year from 1972  
10 through 1979 inclusive, 2%; and for 1980 and each year  
11 thereafter, 3%.

12 Notwithstanding any other provision of this Article, a  
13 retirement annuity for a participant who first serves as a  
14 judge on or after January 1, 2011 (the effective date of Public  
15 Act 96-889) shall be increased in January of the year next  
16 following the year in which the first anniversary of  
17 retirement occurs, but in no event prior to age 67, and in  
18 January of each year thereafter, by an amount equal to 3% or  
19 the annual percentage increase in the consumer price index-u  
20 as determined by the Public Pension Division of the Department  
21 of Insurance under subsection (b-5) of Section 18-125,  
22 whichever is less, of the retirement annuity then being paid;  
23 except that, beginning January 1, 2025, each annual increase  
24 under this subsection shall be calculated at 3% of the amount  
25 of the retirement annuity then being paid.



1       For the purposes of Section 1-103.1 of this Code, the  
2       changes made to this Section by this amendatory Act of the  
3       103rd General Assembly are applicable without regard to  
4       whether the employee was in active service on or after the  
5       effective date of this amendatory Act of the 103rd General  
6       Assembly.

7       This Section is not applicable to a participant who  
8       retires before he or she has made contributions at the rate  
9       prescribed in Section 18-133 for automatic increases for not  
10      less than the equivalent of one full year, unless such a  
11      participant arranges to pay the system the amount required to  
12      bring the total contributions for the automatic increase to  
13      the equivalent of one year's contribution based upon his or  
14      her last year's salary.

15      This Section is applicable to all participants in service  
16      after June 30, 1969 unless a participant has elected, prior to  
17      September 1, 1969, in a written direction filed with the board  
18      not to be subject to the provisions of this Section. Any  
19      participant in service on or after July 1, 1992 shall have the  
20      option of electing prior to April 1, 1993, in a written  
21      direction filed with the board, to be covered by the  
22      provisions of the 1969 amendatory Act. Such participant shall  
23      be required to make the aforesaid additional contributions  
24      with compound interest at 4% per annum.

25      Any participant who has become eligible to receive the  
26      maximum rate of annuity and who resumes service as a judge

1 after receiving a retirement annuity under this Article shall  
2 have the amount of his or her retirement annuity increased by  
3 3% of the originally granted annuity amount for each year of  
4 such resumed service, beginning in January of the year next  
5 following the date of such resumed service, upon subsequent  
6 termination of such resumed service.

7 Beginning January 1, 1990, all automatic annual increases  
8 payable under this Section shall be calculated as a percentage  
9 of the total annuity payable at the time of the increase,  
10 including previous increases granted under this Article.

11 (Source: P.A. 96-889, eff. 1-1-11; 96-1490, eff. 1-1-11.)

12 Article 3A.

13 Section 3A-5. The Illinois Pension Code is amended by  
14 changing Sections 1-160, 2-119, 2-119.01, 2-119.1, 3-111,  
15 3-111.1, 4-109, 4-109.1, 5-167.1, 5-238, 6-164, 6-229, 7-142,  
16 7-142.1, 14-110, 15-135, 15-136, 18-124, and 18-125.1 as  
17 follows:

18 (40 ILCS 5/1-160)

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

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

21 (a) The provisions of this Section apply to a person who,  
22 on or after January 1, 2011, first becomes a member or a  
23 participant under any reciprocal retirement system or pension

1 fund established under this Code, other than a retirement  
2 system or pension fund established under Article 2, 3, 4, 5, 6,  
3 7, 15, or 18 of this Code, notwithstanding any other provision  
4 of this Code to the contrary, but do not apply to any  
5 self-managed plan established under this Code or to any  
6 participant of the retirement plan established under Section  
7 22-101; except that this Section applies to a person who  
8 elected to establish alternative credits by electing in  
9 writing after January 1, 2011, but before August 8, 2011,  
10 under Section 7-145.1 of this Code. Notwithstanding anything  
11 to the contrary in this Section, for purposes of this Section,  
12 a person who is a Tier 1 regular employee as defined in Section  
13 7-109.4 of this Code or who participated in a retirement  
14 system under Article 15 prior to January 1, 2011 shall be  
15 deemed a person who first became a member or participant prior  
16 to January 1, 2011 under any retirement system or pension fund  
17 subject to this Section. The changes made to this Section by  
18 Public Act 98-596 are a clarification of existing law and are  
19 intended to be retroactive to January 1, 2011 (the effective  
20 date of Public Act 96-889), notwithstanding the provisions of  
21 Section 1-103.1 of this Code.

22 This Section does not apply to a person who first becomes a  
23 noncovered employee under Article 14 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 first becomes a  
4 member or participant under Article 16 on or after the  
5 implementation date of the plan created under Section 1-161  
6 for that Article, unless that person elects under subsection  
7 (b) of Section 1-161 to instead receive the benefits provided  
8 under this Section and the applicable provisions of that  
9 Article.

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

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

20 (a-5) In this Section, "affected member or participant"  
21 means a member or participant to whom this Section applies and  
22 who is an active member or participant on or after January 1,  
23 2025; except that "affected member or participant" does not  
24 include a member or participant under Article 22.

25 (b) "Final average salary" means, except as otherwise  
26 provided in this subsection, the average monthly (or annual)

1 salary obtained by dividing the total salary or earnings  
2 calculated under the Article applicable to the member or  
3 participant during the 96 consecutive months (or 8 consecutive  
4 years) of service within the last 120 months (or 10 years) of  
5 service in which the total salary or earnings calculated under  
6 the applicable Article was the highest by the number of months  
7 (or years) of service in that period. For the purposes of a  
8 person who first becomes a member or participant of any  
9 retirement system or pension fund to which this Section  
10 applies on or after January 1, 2011, in this Code, "final  
11 average salary" shall be substituted for the following:

12 (1) (Blank).

13 (2) In Articles 8, 9, 10, 11, and 12, "highest average  
14 annual salary for any 4 consecutive years within the last  
15 10 years of service immediately preceding the date of  
16 withdrawal".

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

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

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

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

22 A member of the Teachers' Retirement System of the State  
23 of Illinois who retires on or after June 1, 2021 and for whom  
24 the 2020-2021 school year is used in the calculation of the  
25 member's final average salary shall use the higher of the  
26 following for the purpose of determining the member's final

1 average salary:

2 (A) the amount otherwise calculated under the first  
3 paragraph of this subsection; or

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

13 (b-5) Beginning on January 1, 2011, for all purposes under  
14 this Code (including without limitation the calculation of  
15 benefits and employee contributions), the annual earnings,  
16 salary, or wages (based on the plan year) of a member or  
17 participant to whom this Section applies shall not exceed  
18 \$106,800; however, that amount shall annually thereafter be  
19 increased by the lesser of (i) 3% of that amount, including all  
20 previous adjustments, or (ii) one-half the annual unadjusted  
21 percentage increase (but not less than zero) in the consumer  
22 price index-u for the 12 months ending with the September  
23 preceding each November 1, including all previous adjustments.

24 For the purposes of this Section, "consumer price index-u"  
25 means the index published by the Bureau of Labor Statistics of  
26 the United States Department of Labor that measures the

1 average change in prices of goods and services purchased by  
2 all urban consumers, United States city average, all items,  
3 1982-84 = 100. The new amount resulting from each annual  
4 adjustment shall be determined by the Public Pension Division  
5 of the Department of Insurance and made available to the  
6 boards of the retirement systems and pension funds by November  
7 1 of each year.

8 (b-10) Beginning on January 1, 2024, for all purposes  
9 under this Code (including, without limitation, the  
10 calculation of benefits and employee contributions), the  
11 annual earnings, salary, or wages (based on the plan year) of a  
12 member or participant under Article 9 to whom this Section  
13 applies shall include an annual earnings, salary, or wage cap  
14 that tracks the Social Security wage base. Maximum annual  
15 earnings, wages, or salary shall be the annual contribution  
16 and benefit base established for the applicable year by the  
17 Commissioner of the Social Security Administration under the  
18 federal Social Security Act.

19 However, in no event shall the annual earnings, salary, or  
20 wages for the purposes of this Article and Article 9 exceed any  
21 limitation imposed on annual earnings, salary, or wages under  
22 Section 1-117. Under no circumstances shall the maximum amount  
23 of annual earnings, salary, or wages be greater than the  
24 amount set forth in this subsection (b-10) as a result of  
25 reciprocal service or any provisions regarding reciprocal  
26 services, nor shall the Fund under Article 9 be required to pay

1 any refund as a result of the application of this maximum  
2 annual earnings, salary, and wage cap.

3 Nothing in this subsection (b-10) shall cause or otherwise  
4 result in any retroactive adjustment of any employee  
5 contributions. Nothing in this subsection (b-10) shall cause  
6 or otherwise result in any retroactive adjustment of  
7 disability or other payments made between January 1, 2011 and  
8 January 1, 2024.

9 (c) For a member or participant who is not an affected  
10 member or participant, a ~~A~~ member or participant is entitled  
11 to a retirement annuity upon written application if he or she  
12 has attained age 67 (age 65, with respect to service under  
13 Article 12 that is subject to this Section, for a member or  
14 participant under Article 12 who first becomes a member or  
15 participant under Article 12 on or after January 1, 2022 or who  
16 makes the election under item (i) of subsection (d-15) of this  
17 Section) and has at least 10 years of service credit and is  
18 otherwise eligible under the requirements of the applicable  
19 Article.

20 For an affected member or participant, the age and service  
21 eligibility requirements for a retirement annuity are the age  
22 and service eligibility requirements applicable to a member or  
23 participant who first became a member or participant under the  
24 applicable Article on December 31, 2010.

25 A member or participant who has attained age 62 (age 60,  
26 with respect to service under Article 12 that is subject to



1 this Section, for a member or participant under Article 12 who  
2 first becomes a member or participant under Article 12 on or  
3 after January 1, 2022 or who makes the election under item (i)  
4 of subsection (d-15) of this Section) and has at least 10 years  
5 of service credit and is otherwise eligible under the  
6 requirements of the applicable Article may elect to receive  
7 the lower retirement annuity provided in subsection (d) of  
8 this Section. This paragraph does not apply to an affected  
9 member or participant.

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

19 This subsection does not apply to an affected member or  
20 participant.

21 (d) The retirement annuity of a member or participant who  
22 is retiring after attaining age 62 (age 60, with respect to  
23 service under Article 12 that is subject to this Section, for a  
24 member or participant under Article 12 who first becomes a  
25 member or participant under Article 12 on or after January 1,  
26 2022 or who makes the election under item (i) of subsection

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

9 This subsection does not apply to an affected member or  
10 participant.

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 This subsection does not apply to an affected member or  
17 participant.

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

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

1 contributions for age and service annuities provided in  
2 subsection (a-5) of Section 8-174 of this Code (for  
3 service under Article 8) or subsection (a-5) of Section  
4 11-170 of this Code (for service under Article 11); or

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

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

20 This subsection does not apply to an affected member or  
21 participant.

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

26 (i) to be eligible for the reduced retirement age

1 specified in subsections (c) and (d) of this Section, the  
2 eligibility for which is conditioned upon the member or  
3 participant agreeing to the increase in employee  
4 contributions for service annuities specified in  
5 subsection (b) of Section 12-150; or

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

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

20 This subsection does not apply to an affected member or  
21 participant.

22 (e) For a member or participant who is not an affected  
23 member or participant, any ~~Any~~ retirement annuity or  
24 supplemental annuity shall be subject to annual increases on  
25 the January 1 occurring either on or after the attainment of  
26 age 67 (age 65, with respect to service under Article 12 that

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

20 For an affected member or participant, any retirement  
21 annuity or supplemental annuity shall be subject to annual  
22 increases on the January 1 occurring either on or after the  
23 attainment of the retirement age under the Article applicable  
24 to that member or participant or the first anniversary of the  
25 annuity start date, whichever is later.

26 For the purposes of Section 1-103.1 of this Code, the

1 changes made to this Section by Public Act 102-263 are  
2 applicable without regard to whether the employee was in  
3 active service on or after August 6, 2021 (the effective date  
4 of Public Act 102-263).

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

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

1 occurring after the first anniversary of the commencement of  
2 the annuity. Each annual increase shall be calculated at 3% or  
3 one-half the annual unadjusted percentage increase (but not  
4 less than zero) in the consumer price index-u for the 12 months  
5 ending with the September preceding each November 1, whichever  
6 is less, of the originally granted survivor's annuity. If the  
7 annual unadjusted percentage change in the consumer price  
8 index-u for the 12 months ending with the September preceding  
9 each November 1 is zero or there is a decrease, then the  
10 annuity shall not be increased.

11 (g) The benefits in Section 14-110 apply if the person is a  
12 fire fighter in the fire protection service of a department, a  
13 security employee of the Department of Corrections or the  
14 Department of Juvenile Justice, a security employee of the  
15 Department of Innovation and Technology, a security employee  
16 of the Department of Human Services, an investigator for the  
17 Department of the Lottery, a State policeman, an investigator  
18 for the Secretary of State, a conservation police officer, an  
19 investigator for the Department of Revenue or the Illinois  
20 Gaming Board, an investigator for the Office of the Attorney  
21 General, a Commerce Commission police officer, an arson  
22 investigator, or a State highway maintenance worker ~~a fire~~  
23 ~~fighter in the fire protection service of a department, a~~  
24 ~~security employee of the Department of Corrections or the~~  
25 ~~Department of Juvenile Justice, or a security employee of the~~  
26 ~~Department of Innovation and Technology, as those terms are~~

1 defined in subsection (b) and subsection (c) of Section  
2 14-110. A person who meets the requirements of this Section is  
3 entitled to an annuity calculated under the provisions of  
4 Section 14-110, in lieu of the regular or minimum retirement  
5 annuity, only if (i) the person has withdrawn from service  
6 with not less than 25 ~~20~~ years of eligible creditable service  
7 and has attained age 50 ~~60~~, regardless of whether the  
8 attainment of age 50 ~~60~~ occurs while the person is still in  
9 service, or (ii) the person has withdrawn from service with  
10 not less than 20 years of eligible creditable service and has  
11 attained age 55, regardless of whether the attainment of age  
12 55 occurs while the person is still in service.

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



1 ~~still in service.~~

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

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

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

9 (i) (Blank).

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

13 (Source: P.A. 101-610, eff. 1-1-20; 102-16, eff. 6-17-21;  
14 102-210, eff. 1-1-22; 102-263, eff. 8-6-21; 102-719, eff.  
15 5-6-22; 103-529, eff. 8-11-23.)

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

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

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

1 participant of the retirement plan established under Section  
2 22-101; except that this Section applies to a person who  
3 elected to establish alternative credits by electing in  
4 writing after January 1, 2011, but before August 8, 2011,  
5 under Section 7-145.1 of this Code. Notwithstanding anything  
6 to the contrary in this Section, for purposes of this Section,  
7 a person who is a Tier 1 regular employee as defined in Section  
8 7-109.4 of this Code or who participated in a retirement  
9 system under Article 15 prior to January 1, 2011 shall be  
10 deemed a person who first became a member or participant prior  
11 to January 1, 2011 under any retirement system or pension fund  
12 subject to this Section. The changes made to this Section by  
13 Public Act 98-596 are a clarification of existing law and are  
14 intended to be retroactive to January 1, 2011 (the effective  
15 date of Public Act 96-889), notwithstanding the provisions of  
16 Section 1-103.1 of this Code.

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

24 This Section does not apply to a person who first becomes a  
25 member or participant under Article 16 on or after the  
26 implementation date of the plan created under Section 1-161

1 for that Article, unless that person elects under subsection  
2 (b) of Section 1-161 to instead receive the benefits provided  
3 under this Section and the applicable provisions of that  
4 Article.

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

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

15 (a-5) In this Section, "affected member or participant"  
16 means a member or participant to whom this Section applies and  
17 who is an active member or participant on or after January 1,  
18 2025; except that "affected member or participant" does not  
19 include a member or participant under Article 22.

20 (b) "Final average salary" means, except as otherwise  
21 provided in this subsection, the average monthly (or annual)  
22 salary obtained by dividing the total salary or earnings  
23 calculated under the Article applicable to the member or  
24 participant during the 96 consecutive months (or 8 consecutive  
25 years) of service within the last 120 months (or 10 years) of  
26 service in which the total salary or earnings calculated under

1 the applicable Article was the highest by the number of months  
2 (or years) of service in that period. For the purposes of a  
3 person who first becomes a member or participant of any  
4 retirement system or pension fund to which this Section  
5 applies on or after January 1, 2011, in this Code, "final  
6 average salary" shall be substituted for the following:

7 (1) (Blank).

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

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

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

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

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

17 A member of the Teachers' Retirement System of the State  
18 of Illinois who retires on or after June 1, 2021 and for whom  
19 the 2020-2021 school year is used in the calculation of the  
20 member's final average salary shall use the higher of the  
21 following for the purpose of determining the member's final  
22 average salary:

23 (A) the amount otherwise calculated under the first  
24 paragraph of this subsection; or

25 (B) an amount calculated by the Teachers' Retirement  
26 System of the State of Illinois using the average of the

1 monthly (or annual) salary obtained by dividing the total  
2 salary or earnings calculated under Article 16 applicable  
3 to the member or participant during the 96 months (or 8  
4 years) of service within the last 120 months (or 10 years)  
5 of service in which the total salary or earnings  
6 calculated under the Article was the highest by the number  
7 of months (or years) of service in that period.

8 (b-5) Beginning on January 1, 2011, for all purposes under  
9 this Code (including without limitation the calculation of  
10 benefits and employee contributions), the annual earnings,  
11 salary, or wages (based on the plan year) of a member or  
12 participant to whom this Section applies shall not exceed  
13 \$106,800; however, that amount shall annually thereafter be  
14 increased by the lesser of (i) 3% of that amount, including all  
15 previous adjustments, or (ii) one-half the annual unadjusted  
16 percentage increase (but not less than zero) in the consumer  
17 price index-u for the 12 months ending with the September  
18 preceding each November 1, including all previous adjustments.

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

1 boards of the retirement systems and pension funds by November  
2 1 of each year.

3 (b-10) Beginning on January 1, 2024, for all purposes  
4 under this Code (including, without limitation, the  
5 calculation of benefits and employee contributions), the  
6 annual earnings, salary, or wages (based on the plan year) of a  
7 member or participant under Article 9 to whom this Section  
8 applies shall include an annual earnings, salary, or wage cap  
9 that tracks the Social Security wage base. Maximum annual  
10 earnings, wages, or salary shall be the annual contribution  
11 and benefit base established for the applicable year by the  
12 Commissioner of the Social Security Administration under the  
13 federal Social Security Act.

14 However, in no event shall the annual earnings, salary, or  
15 wages for the purposes of this Article and Article 9 exceed any  
16 limitation imposed on annual earnings, salary, or wages under  
17 Section 1-117. Under no circumstances shall the maximum amount  
18 of annual earnings, salary, or wages be greater than the  
19 amount set forth in this subsection (b-10) as a result of  
20 reciprocal service or any provisions regarding reciprocal  
21 services, nor shall the Fund under Article 9 be required to pay  
22 any refund as a result of the application of this maximum  
23 annual earnings, salary, and wage cap.

24 Nothing in this subsection (b-10) shall cause or otherwise  
25 result in any retroactive adjustment of any employee  
26 contributions. Nothing in this subsection (b-10) shall cause

1 or otherwise result in any retroactive adjustment of  
2 disability or other payments made between January 1, 2011 and  
3 January 1, 2024.

4 (c) For a member or participant who is not an affected  
5 member or participant, a ~~A~~ member or participant is entitled  
6 to a retirement annuity upon written application if he or she  
7 has attained age 67 (age 65, with respect to service under  
8 Article 12 that is subject to this Section, for a member or  
9 participant under Article 12 who first becomes a member or  
10 participant under Article 12 on or after January 1, 2022 or who  
11 makes the election under item (i) of subsection (d-15) of this  
12 Section) and has at least 10 years of service credit and is  
13 otherwise eligible under the requirements of the applicable  
14 Article.

15 For an affected member or participant, the age and service  
16 eligibility requirements for a retirement annuity are the age  
17 and service eligibility requirements applicable to a member or  
18 participant who first became a member or participant under the  
19 applicable Article on December 31, 2010.

20 A member or participant who has attained age 62 (age 60,  
21 with respect to service under Article 12 that is subject to  
22 this Section, for a member or participant under Article 12 who  
23 first becomes a member or participant under Article 12 on or  
24 after January 1, 2022 or who makes the election under item (i)  
25 of subsection (d-15) of this Section) and has at least 10 years  
26 of service credit and is otherwise eligible under the



1 requirements of the applicable Article may elect to receive  
2 the lower retirement annuity provided in subsection (d) of  
3 this Section. This paragraph does not apply to an affected  
4 member or participant.

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

14 This subsection does not apply to an affected member or  
15 participant.

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 This subsection does not apply to an affected member or  
5 participant.

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

11 This subsection does not apply to an affected member or  
12 participant.

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

18 (i) to be eligible for the reduced retirement age  
19 provided in subsections (c-5) and (d-5) of this Section,  
20 the eligibility for which is conditioned upon the member  
21 or participant agreeing to the increases in employee  
22 contributions for age and service annuities provided in  
23 subsection (a-5) of Section 8-174 of this Code (for  
24 service under Article 8) or subsection (a-5) of Section  
25 11-170 of this Code (for service under Article 11); or

26 (ii) to not agree to item (i) of this subsection

1 (d-10), in which case the member or participant shall  
2 continue to be subject to the retirement age provisions in  
3 subsections (c) and (d) of this Section and the employee  
4 contributions for age and service annuity as provided in  
5 subsection (a) of Section 8-174 of this Code (for service  
6 under Article 8) or subsection (a) of Section 11-170 of  
7 this Code (for service under Article 11).

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

15 This subsection does not apply to an affected member or  
16 participant.

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

21 (i) to be eligible for the reduced retirement age  
22 specified in subsections (c) and (d) of this Section, the  
23 eligibility for which is conditioned upon the member or  
24 participant agreeing to the increase in employee  
25 contributions for service annuities specified in  
26 subsection (b) of Section 12-150; or

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

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

15          This subsection does not apply to an affected member or  
16          participant.

17          (e) For a member or participant who is not an affected  
18          member or participant, any ~~Any~~ retirement annuity or  
19          supplemental annuity shall be subject to annual increases on  
20          the January 1 occurring either on or after the attainment of  
21          age 67 (age 65, with respect to service under Article 12 that  
22          is subject to this Section, for a member or participant under  
23          Article 12 who first becomes a member or participant under  
24          Article 12 on or after January 1, 2022 or who makes the  
25          election under item (i) of subsection (d-15); and beginning on  
26          July 6, 2017 (the effective date of Public Act 100-23), age 65

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

15 For an affected member or participant, any retirement  
16 annuity or supplemental annuity shall be subject to annual  
17 increases on the January 1 occurring either on or after the  
18 attainment of the retirement age under the Article applicable  
19 to that member or participant or the first anniversary of the  
20 annuity start date, whichever is later.

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

26 For the purposes of Section 1-103.1 of this Code, the

1 changes made to this Section by Public Act 100-23 are  
2 applicable without regard to whether the employee was in  
3 active service on or after July 6, 2017 (the effective date of  
4 Public Act 100-23).

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

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

6 (g) The benefits in Section 14-110 apply only if the  
7 person is a fire fighter in the fire protection service of a  
8 department, a security employee of the Department of  
9 Corrections or the Department of Juvenile Justice, a security  
10 employee of the Department of Innovation and Technology, a  
11 security employee of the Department of Human Services, an  
12 investigator for the Department of the Lottery, a State  
13 policeman, an investigator for the Secretary of State, a  
14 conservation police officer, an investigator for the  
15 Department of Revenue or the Illinois Gaming Board, an  
16 investigator for the Office of the Attorney General, a  
17 Commerce Commission police officer, an arson investigator, or  
18 a State highway maintenance worker ~~a State policeman, a fire~~  
19 ~~fighter in the fire protection service of a department, a~~  
20 ~~conservation police officer, an investigator for the Secretary~~  
21 ~~of State, an arson investigator, a Commerce Commission police~~  
22 ~~officer, investigator for the Department of Revenue or the~~  
23 ~~Illinois Gaming Board, a security employee of the Department~~  
24 ~~of Corrections or the Department of Juvenile Justice, or a~~  
25 ~~security employee of the Department of Innovation and~~  
26 ~~Technology, as those terms are defined in subsection (b) and~~

1 subsection (c) of Section 14-110. A person who meets the  
2 requirements of this Section is entitled to an annuity  
3 calculated under the provisions of Section 14-110, in lieu of  
4 the regular or minimum retirement annuity, only if (i) the  
5 person has withdrawn from service with not less than 25 ~~20~~  
6 years of eligible creditable service and has attained age 50  
7 ~~60~~, regardless of whether the attainment of age 50 ~~60~~ occurs  
8 while the person is still in service, or (ii) the person has  
9 withdrawn from service with not less than 20 years of eligible  
10 creditable service and has attained age 55, regardless of  
11 whether the attainment of age 55 occurs while the person is  
12 still in service.

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



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

20           (i) (Blank).

21           (j) In the case of a conflict between the provisions of  
22 this Section and any other provision of this Code, the  
23 provisions of this Section shall control.

24           (Source: P.A. 101-610, eff. 1-1-20; 102-16, eff. 6-17-21;  
25 102-210, eff. 1-1-22; 102-263, eff. 8-6-21; 102-813, eff.  
26 5-13-22; 103-529, eff. 8-11-23.)

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

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

3 (a) The provisions of this Section apply to a person who,  
4 on or after January 1, 2011, first becomes a member or a  
5 participant under any reciprocal retirement system or pension  
6 fund established under this Code, other than a retirement  
7 system or pension fund established under Article 2, 3, 4, 5, 6,  
8 7, 15, or 18 of this Code, notwithstanding any other provision  
9 of this Code to the contrary, but do not apply to any  
10 self-managed plan established under this Code or to any  
11 participant of the retirement plan established under Section  
12 22-101; except that this Section applies to a person who  
13 elected to establish alternative credits by electing in  
14 writing after January 1, 2011, but before August 8, 2011,  
15 under Section 7-145.1 of this Code. Notwithstanding anything  
16 to the contrary in this Section, for purposes of this Section,  
17 a person who is a Tier 1 regular employee as defined in Section  
18 7-109.4 of this Code or who participated in a retirement  
19 system under Article 15 prior to January 1, 2011 shall be  
20 deemed a person who first became a member or participant prior  
21 to January 1, 2011 under any retirement system or pension fund  
22 subject to this Section. The changes made to this Section by  
23 Public Act 98-596 are a clarification of existing law and are  
24 intended to be retroactive to January 1, 2011 (the effective  
25 date of Public Act 96-889), notwithstanding the provisions of

1 Section 1-103.1 of this Code.

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

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

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

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

26 (a-5) In this Section, "affected member or participant"

1 means a member or participant to whom this Section applies and  
2 who is an active member or participant on or after January 1,  
3 2025; except that "affected member or participant" does not  
4 include a member or participant under Article 22.

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 (b-10) Beginning on January 1, 2024, for all purposes  
15 under this Code (including, without limitation, the  
16 calculation of benefits and employee contributions), the  
17 annual earnings, salary, or wages (based on the plan year) of a  
18 member or participant under Article 9 to whom this Section  
19 applies shall include an annual earnings, salary, or wage cap  
20 that tracks the Social Security wage base. Maximum annual  
21 earnings, wages, or salary shall be the annual contribution  
22 and benefit base established for the applicable year by the  
23 Commissioner of the Social Security Administration under the  
24 federal Social Security Act.

25 However, in no event shall the annual earnings, salary, or  
26 wages for the purposes of this Article and Article 9 exceed any

1 limitation imposed on annual earnings, salary, or wages under  
2 Section 1-117. Under no circumstances shall the maximum amount  
3 of annual earnings, salary, or wages be greater than the  
4 amount set forth in this subsection (b-10) as a result of  
5 reciprocal service or any provisions regarding reciprocal  
6 services, nor shall the Fund under Article 9 be required to pay  
7 any refund as a result of the application of this maximum  
8 annual earnings, salary, and wage cap.

9 Nothing in this subsection (b-10) shall cause or otherwise  
10 result in any retroactive adjustment of any employee  
11 contributions. Nothing in this subsection (b-10) shall cause  
12 or otherwise result in any retroactive adjustment of  
13 disability or other payments made between January 1, 2011 and  
14 January 1, 2024.

15 (c) For a member or participant who is not an affected  
16 member or participant, a ~~A~~ member or participant is entitled  
17 to a retirement annuity upon written application if he or she  
18 has attained age 67 (age 65, with respect to service under  
19 Article 12 that is subject to this Section, for a member or  
20 participant under Article 12 who first becomes a member or  
21 participant under Article 12 on or after January 1, 2022 or who  
22 makes the election under item (i) of subsection (d-15) of this  
23 Section) and has at least 10 years of service credit and is  
24 otherwise eligible under the requirements of the applicable  
25 Article.

26 For an affected member or participant, the age and service

1 eligibility requirements for a retirement annuity are the age  
2 and service eligibility requirements applicable to a member or  
3 participant who first became a member or participant under the  
4 applicable Article on December 31, 2010.

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 This subsection does not apply to an affected member or  
16 participant.

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

26 This subsection does not apply to an affected member or



1 participant.

2 (d) The retirement annuity of a member or participant who  
3 is retiring after attaining age 62 (age 60, with respect to  
4 service under Article 12 that is subject to this Section, for a  
5 member or participant under Article 12 who first becomes a  
6 member or participant under Article 12 on or after January 1,  
7 2022 or who makes the election under item (i) of subsection  
8 (d-15) of this Section) with at least 10 years of service  
9 credit shall be reduced by one-half of 1% for each full month  
10 that the member's age is under age 67 (age 65, with respect to  
11 service under Article 12 that is subject to this Section, for a  
12 member or participant under Article 12 who first becomes a  
13 member or participant under Article 12 on or after January 1,  
14 2022 or who makes the election under item (i) of subsection  
15 (d-15) of this Section). This paragraph does not apply to an  
16 affected member or participant.

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

22 This subsection does not apply to an affected member or  
23 participant.

24 (d-10) Each person who first became a member or  
25 participant under Article 8 or Article 11 of this Code on or  
26 after January 1, 2011 and prior to July 6, 2017 (the effective

1 date of Public Act 100-23) shall make an irrevocable election  
2 either:

3 (i) to be eligible for the reduced retirement age  
4 provided in subsections (c-5) and (d-5) of this Section,  
5 the eligibility for which is conditioned upon the member  
6 or participant agreeing to the increases in employee  
7 contributions for age and service annuities provided in  
8 subsection (a-5) of Section 8-174 of this Code (for  
9 service under Article 8) or subsection (a-5) of Section  
10 11-170 of this Code (for service under Article 11); or

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

19 The election provided for in this subsection shall be made  
20 between October 1, 2017 and November 15, 2017. A person  
21 subject to this subsection who makes the required election  
22 shall remain bound by that election. A person subject to this  
23 subsection who fails for any reason to make the required  
24 election within the time specified in this subsection shall be  
25 deemed to have made the election under item (ii).

26 This subsection does not apply to an affected member or

1 participant.

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

6 (i) to be eligible for the reduced retirement age  
7 specified in subsections (c) and (d) of this Section, the  
8 eligibility for which is conditioned upon the member or  
9 participant agreeing to the increase in employee  
10 contributions for service annuities specified in  
11 subsection (b) of Section 12-150; or

12 (ii) to not agree to item (i) of this subsection  
13 (d-15), in which case the member or participant shall not  
14 be eligible for the reduced retirement age specified in  
15 subsections (c) and (d) of this Section and shall not be  
16 subject to the increase in employee contributions for  
17 service annuities specified in subsection (b) of Section  
18 12-150.

19 The election provided for in this subsection shall be made  
20 between January 1, 2022 and April 1, 2022. A person subject to  
21 this subsection who makes the required election shall remain  
22 bound by that election. A person subject to this subsection  
23 who fails for any reason to make the required election within  
24 the time specified in this subsection shall be deemed to have  
25 made the election under item (ii).

26 This subsection does not apply to an affected member or

1 participant.

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

26 For an affected member or participant, any retirement

1 annuity or supplemental annuity shall be subject to annual  
2 increases on the January 1 occurring either on or after the  
3 attainment of the retirement age under the Article applicable  
4 to that member or participant or the first anniversary of the  
5 annuity start date, whichever is later.

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

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

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

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

17 (g) The benefits in Section 14-110 apply only if the  
18 person is a fire fighter in the fire protection service of a  
19 department, a security employee of the Department of  
20 Corrections or the Department of Juvenile Justice, a security  
21 employee of the Department of Innovation and Technology, a  
22 security employee of the Department of Human Services, an  
23 investigator for the Department of the Lottery, a State  
24 policeman, an investigator for the Secretary of State, a  
25 conservation police officer, an investigator for the  
26 Department of Revenue or the Illinois Gaming Board, an

1 investigator for the Office of the Attorney General, a  
2 Commerce Commission police officer, an arson investigator, or  
3 a State highway maintenance worker ~~a State policeman, a fire~~  
4 ~~fighter in the fire protection service of a department, a~~  
5 ~~conservation police officer, an investigator for the Secretary~~  
6 ~~of State, an investigator for the Office of the Attorney~~  
7 ~~General, an arson investigator, a Commerce Commission police~~  
8 ~~officer, investigator for the Department of Revenue or the~~  
9 ~~Illinois Gaming Board, a security employee of the Department~~  
10 ~~of Corrections or the Department of Juvenile Justice, or a~~  
11 ~~security employee of the Department of Innovation and~~  
12 ~~Technology~~, as those terms are defined in subsection (b) and  
13 subsection (c) of Section 14-110. A person who meets the  
14 requirements of this Section is entitled to an annuity  
15 calculated under the provisions of Section 14-110, in lieu of  
16 the regular or minimum retirement annuity, only if (i) the  
17 person has withdrawn from service with not less than 25 ~~20~~  
18 years of eligible creditable service and has attained age 50  
19 ~~60~~, regardless of whether the attainment of age 50 ~~60~~ occurs  
20 while the person is still in service, or (ii) the person has  
21 withdrawn from service with not less than 20 years of eligible  
22 creditable service and has attained age 55, regardless of  
23 whether the attainment of age 55 occurs while the person is  
24 still in service.

25 (h) If a person who first becomes a member or a participant  
26 of a retirement system or pension fund subject to this Section

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

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



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

6 (i) (Blank).

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

10 (Source: P.A. 102-16, eff. 6-17-21; 102-210, eff. 1-1-22;  
11 102-263, eff. 8-6-21; 102-956, eff. 5-27-22; 103-529, eff.  
12 8-11-23.)

13 (40 ILCS 5/2-119) (from Ch. 108 1/2, par. 2-119)

14 (Text of Section WITHOUT the changes made by P.A. 98-599,  
15 which has been held unconstitutional)

16 Sec. 2-119. Retirement annuity - conditions for  
17 eligibility.

18 (a) A participant whose service as a member is terminated,  
19 regardless of age or cause, is entitled to a retirement  
20 annuity beginning on the date specified by the participant in  
21 a written application subject to the following conditions:

22 1. The date the annuity begins does not precede the  
23 date of final termination of service, or is not more than  
24 30 days before the receipt of the application by the board  
25 in the case of annuities based on disability or one year

1 before the receipt of the application in the case of  
2 annuities based on attained age;

3 2. The participant meets one of the following  
4 eligibility requirements:

5 For a participant who first becomes a participant of  
6 this System before January 1, 2011 (the effective date of  
7 Public Act 96-889) or a participant who first became a  
8 participant of this System on or after January 1, 2011 and  
9 was in service on or after January 1, 2025:

10 (A) He or she has attained age 55 and has at least  
11 8 years of service credit;

12 (B) He or she has attained age 62 and terminated  
13 service after July 1, 1971 with at least 4 years of  
14 service credit; or

15 (C) He or she has completed 8 years of service and  
16 has become permanently disabled and as a consequence,  
17 is unable to perform the duties of his or her office.

18 For a participant who first becomes a participant of  
19 this System on or after January 1, 2011 (the effective  
20 date of Public Act 96-889) and who is not in service on or  
21 after January 1, 2025, he or she has attained age 67 and  
22 has at least 8 years of service credit.

23 (a-5) A participant who first becomes a participant of  
24 this System on or after January 1, 2011 (the effective date of  
25 Public Act 96-889) who is not in service on or after January 1,  
26 2025, has attained age 62, and has at least 8 years of service

1 credit may elect to receive the lower retirement annuity  
2 provided in paragraph (d) ~~(e)~~ of Section 2-119.01 of this  
3 Code.

4 (b) A participant shall be considered permanently disabled  
5 only if: (1) disability occurs while in service and is of such  
6 a nature as to prevent him or her from reasonably performing  
7 the duties of his or her office at the time; and (2) the board  
8 has received a written certificate by at least 2 licensed  
9 physicians appointed by the board stating that the member is  
10 disabled and that the disability is likely to be permanent.

11 (Source: P.A. 96-889, eff. 1-1-11; 96-1490, eff. 1-1-11.)

12 (40 ILCS 5/2-119.01) (from Ch. 108 1/2, par. 2-119.01)

13 Sec. 2-119.01. Retirement annuities; amount ~~annuities~~  
14 ~~Amount~~.

15 (a) For a participant in service after June 30, 1977 who  
16 has not made contributions to this System after January 1,  
17 1982, the annual retirement annuity is 3% for each of the first  
18 8 years of service, plus 4% for each of the next 4 years of  
19 service, plus 5% for each year of service in excess of 12  
20 years, based on the participant's highest salary for annuity  
21 purposes. The maximum retirement annuity payable shall be 80%  
22 of the participant's highest salary for annuity purposes.

23 (b) For a participant in service after June 30, 1977 who  
24 has made contributions to this System on or after January 1,  
25 1982, the annual retirement annuity is 3% for each of the first

1 4 years of service, plus 3 1/2% for each of the next 2 years of  
2 service, plus 4% for each of the next 2 years of service, plus  
3 4 1/2% for each of the next 4 years of service, plus 5% for  
4 each year of service in excess of 12 years, of the  
5 participant's highest salary for annuity purposes. The maximum  
6 retirement annuity payable shall be 85% of the participant's  
7 highest salary for annuity purposes.

8 (c) Notwithstanding any other provision of this Article,  
9 for a participant who first becomes a participant on or after  
10 January 1, 2011 (the effective date of Public Act 96-889), the  
11 annual retirement annuity is 3% of the participant's highest  
12 salary for annuity purposes for each year of service. The  
13 maximum retirement annuity payable shall be 60% of the  
14 participant's highest salary for annuity purposes.

15 (d) Notwithstanding any other provision of this Article,  
16 for a participant who first becomes a participant on or after  
17 January 1, 2011 (the effective date of Public Act 96-889) and  
18 who is retiring after attaining age 62 with at least 8 years of  
19 service credit, the retirement annuity shall be reduced by  
20 one-half of 1% for each month that the member's age is under  
21 age 67. This subsection does not apply to a participant who is  
22 in service on or after January 1, 2025.

23 (Source: P.A. 96-889, eff. 1-1-11; 96-1490, eff. 1-1-11.)

24 (40 ILCS 5/2-119.1) (from Ch. 108 1/2, par. 2-119.1)

25 (Text of Section WITHOUT the changes made by P.A. 98-599,

1 which has been held unconstitutional)

2 Sec. 2-119.1. Automatic increase in retirement annuity.

3 (a) A participant who retires after June 30, 1967, and who  
4 has not received an initial increase under this Section before  
5 the effective date of this amendatory Act of 1991, shall, in  
6 January or July next following the first anniversary of  
7 retirement, whichever occurs first, and in the same month of  
8 each year thereafter, but in no event prior to age 60, have the  
9 amount of the originally granted retirement annuity increased  
10 as follows: for each year through 1971, 1 1/2%; for each year  
11 from 1972 through 1979, 2%; and for 1980 and each year  
12 thereafter, 3%. Annuitants who have received an initial  
13 increase under this subsection prior to the effective date of  
14 this amendatory Act of 1991 shall continue to receive their  
15 annual increases in the same month as the initial increase.

16 (b) Beginning January 1, 1990, for eligible participants  
17 who remain in service after attaining 20 years of creditable  
18 service, the 3% increases provided under subsection (a) shall  
19 begin to accrue on the January 1 next following the date upon  
20 which the participant (1) attains age 55, or (2) attains 20  
21 years of creditable service, whichever occurs later, and shall  
22 continue to accrue while the participant remains in service;  
23 such increases shall become payable on January 1 or July 1,  
24 whichever occurs first, next following the first anniversary  
25 of retirement. For any person who has service credit in the  
26 System for the entire period from January 15, 1969 through

1 December 31, 1992, regardless of the date of termination of  
2 service, the reference to age 55 in clause (1) of this  
3 subsection (b) shall be deemed to mean age 50.

4 This subsection (b) does not apply to any person who first  
5 becomes a member of the System after the effective date of this  
6 amendatory Act of the 93rd General Assembly.

7 (b-5) Notwithstanding any other provision of this Article,  
8 a participant who first becomes a participant on or after  
9 January 1, 2011 (the effective date of Public Act 96-889)  
10 shall, in January or July next following the first anniversary  
11 of retirement, whichever occurs first, and in the same month  
12 of each year thereafter, but in no event prior to age 67 (age  
13 62 if the participant was in service on or after January 1,  
14 2025 and has at least 4 years of service credit or age 55 if  
15 the participant was in service on or after January 1, 2025 and  
16 has at least 8 years of service credit), have the amount of the  
17 retirement annuity then being paid increased by 3% or the  
18 annual unadjusted percentage increase in the Consumer Price  
19 Index for All Urban Consumers as determined by the Public  
20 Pension Division of the Department of Insurance under  
21 subsection (a) of Section 2-108.1, whichever is less.

22 (c) The foregoing provisions relating to automatic  
23 increases are not applicable to a participant who retires  
24 before having made contributions (at the rate prescribed in  
25 Section 2-126) for automatic increases for less than the  
26 equivalent of one full year. However, in order to be eligible

1 for the automatic increases, such a participant may make  
2 arrangements to pay to the system the amount required to bring  
3 the total contributions for the automatic increase to the  
4 equivalent of one year's contributions based upon his or her  
5 last salary.

6 (d) A participant who terminated service prior to July 1,  
7 1967, with at least 14 years of service is entitled to an  
8 increase in retirement annuity beginning January, 1976, and to  
9 additional increases in January of each year thereafter.

10 The initial increase shall be 1 1/2% of the originally  
11 granted retirement annuity multiplied by the number of full  
12 years that the annuitant was in receipt of such annuity prior  
13 to January 1, 1972, plus 2% of the originally granted  
14 retirement annuity for each year after that date. The  
15 subsequent annual increases shall be at the rate of 2% of the  
16 originally granted retirement annuity for each year through  
17 1979 and at the rate of 3% for 1980 and thereafter.

18 (e) Beginning January 1, 1990, all automatic annual  
19 increases payable under this Section shall be calculated as a  
20 percentage of the total annuity payable at the time of the  
21 increase, including previous increases granted under this  
22 Article.

23 (Source: P.A. 96-889, eff. 1-1-11; 96-1490, eff. 1-1-11.)

24 (40 ILCS 5/3-111) (from Ch. 108 1/2, par. 3-111)

25 Sec. 3-111. Pension.

1           (a) A police officer age 50 or more with 20 or more years  
2 of creditable service, who is not a participant in the  
3 self-managed plan under Section 3-109.3 and who is no longer  
4 in service as a police officer, shall receive a pension of 1/2  
5 of the salary attached to the rank held by the officer on the  
6 police force for one year immediately prior to retirement or,  
7 beginning July 1, 1987 for persons terminating service on or  
8 after that date, the salary attached to the rank held on the  
9 last day of service or for one year prior to the last day,  
10 whichever is greater. The pension shall be increased by 2.5%  
11 of such salary for each additional year of service over 20  
12 years of service through 30 years of service, to a maximum of  
13 75% of such salary.

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

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



1 that date. If the minimum pension established in Section  
2 3-113.1 is greater than the minimum provided in this  
3 subsection, the Section 3-113.1 minimum controls.

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

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

26 (c) A police officer no longer in service who has at least

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

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

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

24 A police officer age 55 or more who has 10 or more years of  
25 service in that capacity shall be entitled at his option to  
26 receive a monthly pension for his service as a police officer

1 computed by multiplying 2.5% for each year of such service by  
2 his or her final average salary; except that, for a police  
3 officer who is in service on or after January 1, 2025, the age  
4 and service eligibility requirements for a monthly pension for  
5 service as a police officer are the age and service  
6 eligibility requirements applicable to a police officer who  
7 first became a police officer on December 31, 2010.

8 The pension of a police officer who is retiring after  
9 attaining age 50 with 10 or more years of creditable service  
10 shall be reduced by one-half of 1% for each month that the  
11 police officer's age is under age 55. This paragraph does not  
12 apply to a police officer who is in service on or after January  
13 1, 2025.

14 The maximum pension under this subsection (d) shall be 75%  
15 of final average salary.

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

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

12           Nothing in this amendatory Act of the 101st General  
13 Assembly shall cause or otherwise result in any retroactive  
14 adjustment of any employee contributions.

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

16           (40 ILCS 5/3-111.1) (from Ch. 108 1/2, par. 3-111.1)

17           Sec. 3-111.1. Increase in pension.

18           (a) Except as provided in subsection (e), the monthly  
19 pension of a police officer who retires after July 1, 1971, and  
20 prior to January 1, 1986, shall be increased, upon either the  
21 first of the month following the first anniversary of the date  
22 of retirement if the officer is 60 years of age or over at  
23 retirement date, or upon the first day of the month following  
24 attainment of age 60 if it occurs after the first anniversary  
25 of retirement, by 3% of the originally granted pension and by

1 an additional 3% of the originally granted pension in January  
2 of each year thereafter.

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

11 (c) The monthly pension of a police officer who retires on  
12 disability or is retired for disability shall be increased in  
13 January of the year following the year of attaining age 60, by  
14 3% of the original grant of pension for each year he or she  
15 received pension payments. In each January thereafter, the  
16 police officer shall receive an additional increase of 3% of  
17 the original pension.

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

1 each year thereafter.

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

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

24 (f) Notwithstanding the other provisions of this Section,  
25 beginning with increases granted on or after July 1, 1993, the  
26 second and all subsequent automatic annual increases granted

1 under subsection (a), (b), (d), or (e) of this Section shall be  
2 calculated as 3% of the amount of pension payable at the time  
3 of the increase, including any increases previously granted  
4 under this Section, rather than 3% of the originally granted  
5 pension amount. Section 1-103.1 does not apply to this  
6 subsection (f).

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

23 For the purposes of this subsection (g), "consumer price  
24 index-u" means the index published by the Bureau of Labor  
25 Statistics of the United States Department of Labor that  
26 measures the average change in prices of goods and services

1 purchased by all urban consumers, United States city average,  
2 all items, 1982-84 = 100. The new amount resulting from each  
3 annual adjustment shall be determined by the Public Pension  
4 Division of the Department of Insurance and made available to  
5 the boards of the pension funds.

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

7 (40 ILCS 5/4-109) (from Ch. 108 1/2, par. 4-109)

8 Sec. 4-109. Pension.

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

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

18 The changes made to this subsection (a) by this amendatory  
19 Act of the 91st General Assembly apply to all pensions that  
20 become payable under this subsection on or after January 1,  
21 1999. All pensions payable under this subsection that began on  
22 or after January 1, 1999 and before the effective date of this  
23 amendatory Act shall be recalculated, and the amount of the  
24 increase accruing for that period shall be payable to the  
25 pensioner in a lump sum.



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

10 For 10 years of service, 15% of salary;

11 For 11 years of service, 17.6% of salary;

12 For 12 years of service, 20.4% of salary;

13 For 13 years of service, 23.4% of salary;

14 For 14 years of service, 26.6% of salary;

15 For 15 years of service, 30% of salary;

16 For 16 years of service, 33.6% of salary;

17 For 17 years of service, 37.4% of salary;

18 For 18 years of service, 41.4% of salary;

19 For 19 years of service, 45.6% of salary.

20 (c) Notwithstanding any other provision of this Article,  
21 the provisions of this subsection (c) apply to a person who  
22 first becomes a firefighter under this Article on or after  
23 January 1, 2011.

24 A firefighter age 55 or more who has 10 or more years of  
25 service in that capacity shall be entitled at his option to  
26 receive a monthly pension for his service as a firefighter

1 computed by multiplying 2.5% for each year of such service by  
2 his or her final average salary; except that, for a  
3 firefighter who is in service on or after January 1, 2025, the  
4 age and service eligibility requirements for a monthly pension  
5 for service as a firefighter are the age and service  
6 eligibility requirements applicable to a firefighter who first  
7 became a firefighter on December 31, 2010.

8 The pension of a firefighter who is retiring after  
9 attaining age 50 with 10 or more years of creditable service  
10 shall be reduced by one-half of 1% for each month that the  
11 firefighter's age is under age 55. This paragraph does not  
12 apply to a firefighter who is in service on or after January 1,  
13 2025.

14 The maximum pension under this subsection (c) shall be 75%  
15 of final average salary.

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

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

12           Nothing in this amendatory Act of the 101st General  
13 Assembly shall cause or otherwise result in any retroactive  
14 adjustment of any employee contributions.

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

16           (40 ILCS 5/4-109.1) (from Ch. 108 1/2, par. 4-109.1)

17           Sec. 4-109.1. Increase in pension.

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

1 by an additional 2% in each January thereafter. Effective  
2 January 1976, the rate of the annual increase shall be 3% of  
3 the originally granted monthly pension.

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

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

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

1 child's disability benefit payable under Section 4-110 or  
2 4-110.1 shall be increased by 3% of the amount of the benefit  
3 then being paid, including any previous increases received  
4 under this Article. These increases are not subject to any  
5 limitation on the maximum benefit amount included in Section  
6 4-110 or 4-110.1.

7 (c-2) On July 1, 2004, every pension payable to or on  
8 behalf of a minor or disabled surviving child that is payable  
9 on that date under Section 4-114 shall be increased by an  
10 amount equal to  $1/12$  of 3% of the amount of the pension,  
11 multiplied by the number of months for which the benefit has  
12 been payable. On July 1, 2005, July 1, 2006, July 1, 2007, and  
13 July 1, 2008, every pension payable to or on behalf of a minor  
14 or disabled surviving child that is payable under Section  
15 4-114 shall be increased by 3% of the amount of the pension  
16 then being paid, including any previous increases received  
17 under this Article. These increases are not subject to any  
18 limitation on the maximum benefit amount included in Section  
19 4-114.

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

1 has elapsed since the pension began, and by an additional 3% in  
2 each January thereafter.

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

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

24 (f) In July 2009, the monthly pension of a firefighter who  
25 retired before July 1, 1977 shall be recalculated and  
26 increased to reflect the amount that the firefighter would

1 have received in July 2009 had the firefighter been receiving  
2 a 3% compounded increase for each year he or she received  
3 pension payments after January 1, 1986, plus any increases in  
4 pension received for each year prior to January 1, 1986. In  
5 each January thereafter, he or she shall receive an additional  
6 increase of 3% of the amount of the pension then being paid.  
7 The changes made to this Section by this amendatory Act of the  
8 96th General Assembly apply without regard to whether the  
9 firefighter was in service on or after its effective date.

10 (g) Notwithstanding any other provision of this Article,  
11 the monthly pension of a person who first becomes a  
12 firefighter under this Article on or after January 1, 2011  
13 shall be increased on the January 1 occurring either on or  
14 after the attainment of the retirement age applicable to that  
15 firefighter under this Article ~~age 60~~ or the first anniversary  
16 of the pension start date, whichever is later. Each annual  
17 increase shall be calculated at 3% or one-half the annual  
18 unadjusted percentage increase (but not less than zero) in the  
19 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 5/5-167.1) (from Ch. 108 1/2, par. 5-167.1)

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

13 (a) A policeman who retires from service after September  
14 1, 1967 with at least 20 years of service credit shall, upon  
15 either the first of the month following the first anniversary  
16 of his date of retirement if he is age 55 or over on that  
17 anniversary date, or upon the first of the month following his  
18 attainment of age 55 if it occurs after the first anniversary  
19 of his retirement date, have his then fixed and payable  
20 monthly annuity increased by 3% and such first fixed annuity  
21 as granted at retirement increased by an additional 3% in  
22 January of each year thereafter.

23 Any policeman born before January 1, 1945 who qualifies  
24 for a minimum annuity and retires after September 1, 1967 but  
25 has not received the initial increase under this subsection



1 before January 1, 1996 is entitled to receive the initial  
2 increase under this subsection on (1) January 1, 1996, (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 Public Act 89-12 apply beginning January 1, 1996 and  
6 without regard to whether the policeman or annuitant  
7 terminated service before the effective date of that Act.

8 Any policeman born before January 1, 1950 who qualifies  
9 for a minimum annuity and retires after September 1, 1967 but  
10 has not received the initial increase under this subsection  
11 before January 1, 2000 is entitled to receive the initial  
12 increase under this subsection on (1) January 1, 2000, (2) the  
13 first anniversary of the date of retirement, or (3) attainment  
14 of age 55, whichever occurs last. The changes to this Section  
15 made by this amendatory Act of the 92nd General Assembly apply  
16 without regard to whether the policeman or annuitant  
17 terminated service before the effective date of this  
18 amendatory Act.

19 Any policeman born before January 1, 1955 who qualifies  
20 for a minimum annuity and retires after September 1, 1967 but  
21 has not received the initial increase under this subsection  
22 before January 1, 2005 is entitled to receive the initial  
23 increase under this subsection on (1) January 1, 2005, (2) the  
24 first anniversary of the date of retirement, or (3) attainment  
25 of age 55, whichever occurs last. The changes to this Section  
26 made by this amendatory Act of the 94th General Assembly apply

1 without regard to whether the policeman or annuitant  
2 terminated service before the effective date of this  
3 amendatory Act.

4 Any policeman born before January 1, 1966 who qualifies  
5 for a minimum annuity and retires after September 1, 1967 but  
6 has not received the initial increase under this subsection  
7 before January 1, 2017 is entitled to receive an initial  
8 increase under this subsection on (1) January 1, 2017, (2) the  
9 first anniversary of the date of retirement, or (3) attainment  
10 of age 55, whichever occurs last, in an amount equal to 3% for  
11 each complete year following the date of retirement or  
12 attainment of age 55, whichever occurs later. The changes to  
13 this subsection made by this amendatory Act of the 99th  
14 General Assembly apply without regard to whether the policeman  
15 or annuitant terminated service before the effective date of  
16 this amendatory Act.

17 Any policeman born on or after January 1, 1966 who  
18 qualifies for a minimum annuity and retires after September 1,  
19 1967 but has not received the initial increase under this  
20 subsection before January 1, 2023 is entitled to receive the  
21 initial increase under this subsection on (1) January 1, 2023,  
22 (2) the first anniversary of the date of retirement, or (3)  
23 attainment of age 55, whichever occurs last. The changes to  
24 this Section made by this amendatory Act of the 103rd General  
25 Assembly apply without regard to whether the policeman or  
26 annuitant terminated service before the effective date of this

1 amendatory Act of the 103rd General Assembly.

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

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

9 The city, in addition to the contributions otherwise made  
10 by it for annuity purposes under other provisions of this  
11 Article, shall make matching contributions concurrently with  
12 such salary deductions.

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

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

22 The salary deductions provided in this Section are not  
23 subject to refund, except to the policeman himself, in any  
24 case in which: (i) the policeman withdraws prior to  
25 qualification for minimum annuity or Tier 2 monthly retirement  
26 annuity and applies for refund, (ii) the policeman applies for

1 an annuity of a type that is not subject to annual increases  
2 under this Section, or (iii) a term annuity becomes payable.  
3 In such cases, the total of such salary deductions shall be  
4 refunded to the policeman, without interest, and charged to  
5 the Automatic Increase Reserve.

6 (d) Notwithstanding any other provision of this Article,  
7 the Tier 2 monthly retirement annuity of a person who first  
8 becomes a policeman under this Article on or after the  
9 effective date of this amendatory Act of the 97th General  
10 Assembly shall be increased on the January 1 occurring either  
11 on or after (i) the attainment of the retirement age  
12 applicable to that policeman under this Article ~~age 60~~ or (ii)  
13 the first anniversary of the annuity start date, whichever is  
14 later. 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 retirement annuity. If the  
19 annual unadjusted percentage change in the consumer price  
20 index-u for a 12-month period ending in September is zero or,  
21 when compared with the preceding period, decreases, then the  
22 annuity shall not be increased.

23 For the purposes of this subsection (d), "consumer price  
24 index-u" means the index published by the Bureau of Labor  
25 Statistics of the United States Department of Labor that  
26 measures the average change in prices of goods and services

1 purchased by all urban consumers, United States city average,  
2 all items, 1982-84 = 100. The new amount resulting from each  
3 annual adjustment shall be determined by the Public Pension  
4 Division of the Department of Insurance and made available to  
5 the boards of the pension funds by November 1 of each year.

6 (Source: P.A. 103-582, eff. 12-8-23.)

7 (40 ILCS 5/5-238)

8 Sec. 5-238. Provisions applicable to new hires; Tier 2.

9 (a) Notwithstanding any other provision of this Article,  
10 the provisions of this Section apply to a person who first  
11 becomes a policeman under this Article on or after January 1,  
12 2011, and to certain qualified survivors of such a policeman.  
13 Such persons, and the benefits and restrictions that apply  
14 specifically to them under this Article, may be referred to as  
15 "Tier 2".

16 (b) A policeman who has withdrawn from service, has  
17 attained age 50 or more, and has 10 or more years of service in  
18 that capacity shall be entitled, upon proper application being  
19 received by the Fund, to receive a Tier 2 monthly retirement  
20 annuity for his service as a police officer; except that, for a  
21 policeman who is in service on or after January 1, 2025, the  
22 age and service eligibility requirements for a Tier 2 monthly  
23 retirement annuity for service as a police officer are the age  
24 and service eligibility requirements applicable to a policeman  
25 who first became a policeman on December 31, 2010. The Tier 2

1 monthly retirement annuity shall be computed by multiplying  
2 2.5% for each year of such service by his or her final average  
3 salary, subject to an annuity reduction factor of one-half of  
4 1% for each month that the police officer's age at retirement  
5 is under age 55. The annuity reduction factor does not apply to  
6 a policeman who is in service on or after January 1, 2025. The  
7 Tier 2 monthly retirement annuity is in lieu of any age and  
8 service annuity or other form of retirement annuity under this  
9 Article.

10 The maximum retirement annuity under this subsection (b)  
11 shall be 75% of final average salary.

12 For the purposes of this subsection (b), "final average  
13 salary" means the average monthly salary obtained by dividing  
14 the total salary of the policeman during the 96 consecutive  
15 months of service within the last 120 months of service in  
16 which the total salary was the highest by the number of months  
17 of service in that period.

18 Beginning on January 1, 2011, for all purposes under this  
19 Code (including without limitation the calculation of benefits  
20 and employee contributions), the annual salary based on the  
21 plan year of a member or participant to whom this Section  
22 applies shall not exceed \$106,800; however, that amount shall  
23 annually thereafter be increased by the lesser of (i) 3% of  
24 that amount, including all previous adjustments, or (ii)  
25 one-half the annual unadjusted percentage increase (but not  
26 less than zero) in the consumer price index-u for the 12 months

1 ending with the September preceding each November 1, including  
2 all previous adjustments.

3 (c) Notwithstanding any other provision of this Article,  
4 for a person who first becomes a policeman under this Article  
5 on or after January 1, 2011, eligibility for and the amount of  
6 the annuity to which the qualified surviving spouse, children,  
7 and parents are entitled under this subsection (c) shall be  
8 determined as follows:

9 (1) The surviving spouse of a deceased policeman to  
10 whom this Section applies shall be deemed qualified to  
11 receive a Tier 2 surviving spouse's annuity under this  
12 paragraph (1) if: (i) the deceased policeman meets the  
13 requirements specified under subdivision (A), (B), (C), or  
14 (D) of this paragraph (1); and (ii) the surviving spouse  
15 would not otherwise be excluded from receiving a widow's  
16 annuity under the eligibility requirements for a widow's  
17 annuity set forth in Section 5-146. The Tier 2 surviving  
18 spouse's annuity is in lieu of the widow's annuity  
19 determined under any other Section of this Article and is  
20 subject to the requirements of Section 5-147.1.

21 As used in this subsection (c), "earned annuity" means  
22 a Tier 2 monthly retirement annuity determined under  
23 subsection (b) of this Section, including any increases  
24 the policeman had received pursuant to Section 5-167.1.

25 (A) If the deceased policeman was receiving an  
26 earned annuity at the date of his or her death, the

1 Tier 2 surviving spouse's annuity under this paragraph  
2 (1) shall be in the amount of 66 2/3% of the  
3 policeman's earned annuity at the date of death.

4 (B) If the deceased policeman was not receiving an  
5 earned annuity but had at least 10 years of service at  
6 the time of death, the Tier 2 surviving spouse's  
7 annuity under this paragraph (1) shall be the greater  
8 of: (i) 30% of the annual maximum salary attached to  
9 the classified civil service position of a first class  
10 patrolman at the time of his death; or (ii) 66 2/3% of  
11 the Tier 2 monthly retirement annuity that the  
12 deceased policeman would have been eligible to receive  
13 under subsection (b) of this Section, based upon the  
14 actual service accrued through the day before the  
15 policeman's death, but determined as though the  
16 policeman was at least age 55 on the day before his or  
17 her death and retired on that day.

18 (C) If the deceased policeman was an active  
19 policeman with at least 1 1/2 but less than 10 years of  
20 service at the time of death, the Tier 2 surviving  
21 spouse's annuity under this paragraph (1) shall be in  
22 the amount of 30% of the annual maximum salary  
23 attached to the classified civil service position of a  
24 first class patrolman at the time of his death.

25 (D) If the performance of an act or acts of duty  
26 results directly in the death of a policeman subject



1 to this Section, or prevents him from subsequently  
2 resuming active service in the police department, and  
3 if the policeman's Tier 2 surviving spouse would  
4 otherwise meet the eligibility requirements for a  
5 compensation annuity or supplemental annuity granted  
6 under Section 5-144, then in addition to the Tier 2  
7 surviving spouse's annuity provided under subdivision  
8 (A), (B), or (C) of this paragraph (1), whichever  
9 applies, the Tier 2 surviving spouse shall be  
10 qualified to receive compensation annuity or  
11 supplemental annuity, as would be provided under  
12 Section 5-144, in order to bring the total benefit up  
13 to the applicable 75% salary limitation provided in  
14 that Section, but subject to the Tier 2 salary cap  
15 provided under subsection (b) of this Section; except  
16 that no such annuity shall be paid to the surviving  
17 spouse of a policeman who dies while in receipt of  
18 disability benefits when the policeman's death was  
19 caused by an intervening illness or injury unrelated  
20 to the illness or injury that had prevented him from  
21 subsequently resuming active service in the police  
22 department.

23 (E) Notwithstanding any other provision of this  
24 Article, the monthly Tier 2 surviving spouse's annuity  
25 under subdivision (A) or (B) of this paragraph (1)  
26 shall be increased on the January 1 next occurring

1 after (i) attainment of age 60 by the recipient of the  
2 Tier 2 surviving spouse's annuity or (ii) the first  
3 anniversary of the Tier 2 surviving spouse's annuity  
4 start date, whichever is later, and on each January 1  
5 thereafter, by 3% or one-half the annual unadjusted  
6 percentage increase (but not less than zero) in the  
7 consumer price index-u for the 12 months ending with  
8 the September preceding each November 1, whichever is  
9 less, of the originally granted Tier 2 surviving  
10 spouse's annuity. If the unadjusted percentage change  
11 in the consumer price index-u for a 12-month period  
12 ending in September is zero or, when compared with the  
13 preceding period, decreases, then the annuity shall  
14 not be increased.

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

25 (F) Notwithstanding the other provisions of this  
26 paragraph (1), for a qualified surviving spouse who is

1 entitled to a Tier 2 surviving spouse's annuity under  
2 subdivision (A), (B), (C), or (D) of this paragraph  
3 (1), that Tier 2 surviving spouse's annuity shall not  
4 be less than the amount of the minimum widow's annuity  
5 established from time to time under Section 5-167.4.

6 (2) Surviving children of a deceased policeman subject  
7 to this Section who would otherwise meet the eligibility  
8 requirements for a child's annuity set forth in Sections  
9 5-151 and 5-152 shall be deemed qualified to receive a  
10 Tier 2 child's annuity under this subsection (c), which  
11 shall be in lieu of, but in the same amount and paid in the  
12 same manner as, the child's annuity provided under those  
13 Sections; except that any salary used for computing a Tier  
14 2 child's annuity shall be subject to the Tier 2 salary cap  
15 provided under subsection (b) of this Section. For  
16 purposes of determining any pro rata reduction in child's  
17 annuities under this subsection (c), references in Section  
18 5-152 to the combined annuities of the family shall be  
19 deemed to refer to the combined Tier 2 surviving spouse's  
20 annuity, if any, and the Tier 2 child's annuities payable  
21 under this subsection (c).

22 (3) Surviving parents of a deceased policeman subject  
23 to this Section who would otherwise meet the eligibility  
24 requirements for a parent's annuity set forth in Section  
25 5-152 shall be deemed qualified to receive a Tier 2  
26 parent's annuity under this subsection (c), which shall be

1           in lieu of, but in the same amount and paid in the same  
2           manner as, the parent's annuity provided under Section  
3           5-152.1; except that any salary used for computing a Tier  
4           2 parent's annuity shall be subject to the Tier 2 salary  
5           cap provided under subsection (b) of this Section. For the  
6           purposes of this Section, a reference to "annuity" in  
7           Section 5-152.1 includes: (i) in the context of a widow, a  
8           Tier 2 surviving spouse's annuity and (ii) in the context  
9           of a child, a Tier 2 child's annuity.

10          (d) The General Assembly finds and declares that the  
11         provisions of this Section, as enacted by Public Act 96-1495,  
12         require clarification relating to necessary eligibility  
13         standards and the manner of determining and paying the  
14         intended Tier 2 benefits and contributions in order to enable  
15         the Fund to unambiguously implement and administer benefits  
16         for Tier 2 members. The changes to this Section and the  
17         conforming changes to Sections 5-153, 5-155, 5-163, 5-167.1  
18         (except for the changes to subsection (a) of that Section),  
19         5-169, and 5-170 made by this amendatory Act of the 99th  
20         General Assembly are enacted to clarify the provisions of this  
21         Section as enacted by Public Act 96-1495, and are hereby  
22         declared to represent and be consistent with the original and  
23         continuing intent of this Section and Public Act 96-1495.

24          (e) The changes to Sections 5-153, 5-155, 5-163, 5-167.1  
25         (except for the changes to subsection (a) of that Section),  
26         5-169, and 5-170 made by this amendatory Act of the 99th

1 General Assembly are intended to be retroactive to January 1,  
2 2011 (the effective date of Public Act 96-1495) and, for the  
3 purposes of Section 1-103.1 of this Code, they apply without  
4 regard to whether the relevant policeman was in service on or  
5 after the effective date of this amendatory Act of the 99th  
6 General Assembly.

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

8 (40 ILCS 5/6-164) (from Ch. 108 1/2, par. 6-164)

9 Sec. 6-164. Automatic annual increase; retirement after  
10 September 1, 1959.

11 (a) A fireman qualifying for a minimum annuity who retires  
12 from service after September 1, 1959 shall, upon either the  
13 first of the month following the first anniversary of his date  
14 of retirement if he is age 55 or over on that anniversary date,  
15 or upon the first of the month following his attainment of age  
16 55 if that occurs after the first anniversary of his  
17 retirement date, have his then fixed and payable monthly  
18 annuity increased by 1 1/2%, and such first fixed annuity as  
19 granted at retirement increased by an additional 1 1/2% in  
20 January of each year thereafter up to a maximum increase of  
21 30%. Beginning July 1, 1982 for firemen born before January 1,  
22 1930, and beginning January 1, 1990 for firemen born after  
23 December 31, 1929 and before January 1, 1940, and beginning  
24 January 1, 1996 for firemen born after December 31, 1939 but  
25 before January 1, 1945, and beginning January 1, 2004, for

1 firemen born after December 31, 1944 but before January 1,  
2 1955, and beginning January 1, 2017, for firemen born after  
3 December 31, 1954, such increases shall be 3% and such firemen  
4 shall not be subject to the 30% maximum increase.

5 Any fireman born before January 1, 1945 who qualifies for  
6 a minimum annuity and retires after September 1, 1967 but has  
7 not received the initial increase under this subsection before  
8 January 1, 1996 is entitled to receive the initial increase  
9 under this subsection on (1) January 1, 1996, (2) the first  
10 anniversary of the date of retirement, or (3) attainment of  
11 age 55, whichever occurs last. The changes to this Section  
12 made by this amendatory Act of 1995 apply beginning January 1,  
13 1996 and apply without regard to whether the fireman or  
14 annuitant terminated service before the effective date of this  
15 amendatory Act of 1995.

16 Any fireman born before January 1, 1955 who qualifies for  
17 a minimum annuity and retires after September 1, 1967 but has  
18 not received the initial increase under this subsection before  
19 January 1, 2004 is entitled to receive the initial increase  
20 under this subsection on (1) January 1, 2004, (2) the first  
21 anniversary of the date of retirement, or (3) attainment of  
22 age 55, whichever occurs last. The changes to this Section  
23 made by this amendatory Act of the 93rd General Assembly apply  
24 without regard to whether the fireman or annuitant terminated  
25 service before the effective date of this amendatory Act.

26 Any fireman born after December 31, 1954 but before

1 January 1, 1966 who qualifies for a minimum annuity and  
2 retires after September 1, 1967 is entitled to receive an  
3 increase under this subsection on (1) January 1, 2017, (2) the  
4 first anniversary of the date of retirement, or (3) attainment  
5 of age 55, whichever occurs last, in an amount equal to an  
6 increase of 3% of his then fixed and payable monthly annuity  
7 upon the first of the month following the first anniversary of  
8 his date of retirement if he is age 55 or over on that  
9 anniversary date or upon the first of the month following his  
10 attainment of age 55 if that date occurs after the first  
11 anniversary of his retirement date and such first fixed  
12 annuity as granted at retirement shall be increased by an  
13 additional 3% in January of each year thereafter. In the case  
14 of a fireman born after December 31, 1954 but before January 1,  
15 1966 who received an increase in any year of 1.5%, that fireman  
16 shall receive an increase for any such year so that the total  
17 increase is equal to 3% for each year the fireman would have  
18 been otherwise eligible had the fireman not received any  
19 increase. The changes to this subsection made by this  
20 amendatory Act of the 99th General Assembly apply without  
21 regard to whether the fireman or annuitant terminated service  
22 before the effective date of this amendatory Act. The changes  
23 to this subsection made by this amendatory Act of the 100th  
24 General Assembly are a declaration of existing law and shall  
25 not be construed as a new enactment.

26 Any fireman who qualifies for a minimum annuity and

1 retires after September 1, 1967 is entitled to receive an  
2 increase under this subsection on (1) January 1, 2020, (2) the  
3 first anniversary of the date of retirement, or (3) attainment  
4 of age 55, whichever occurs last, in an amount equal to an  
5 increase of 3% of his or her then fixed and payable monthly  
6 annuity upon the first of the month following the first  
7 anniversary of his or her date of retirement if he or she is  
8 age 55 or over on that anniversary date or upon the first of  
9 the month following his or her attainment of age 55 if that  
10 date occurs after the first anniversary of his or her  
11 retirement date and such first fixed annuity as granted at  
12 retirement shall be increased by an additional 3% in January  
13 of each year thereafter. In the case of a fireman who received  
14 an increase in any year of 1.5%, that fireman shall receive an  
15 increase for any such year so that the total increase is equal  
16 to 3% for each year the fireman would have been otherwise  
17 eligible had the fireman not received any increase. The  
18 changes to this subsection made by this amendatory Act of the  
19 101st General Assembly apply without regard to whether the  
20 fireman or annuitant terminated service before the effective  
21 date of this amendatory Act of the 101st General Assembly.

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

24 (c) To help defray the cost of such increases in annuity,  
25 there shall be deducted, beginning September 1, 1959, from  
26 each payment of salary to a fireman, 1/8 of 1% of each such



1 salary payment and an additional 1/8 of 1% beginning on  
2 September 1, 1961, and September 1, 1963, respectively,  
3 concurrently with and in addition to the salary deductions  
4 otherwise made for annuity purposes.

5 Each such additional 1/8 of 1% deduction from salary which  
6 shall, on September 1, 1963, result in a total increase of 3/8  
7 of 1% of salary, shall be credited to the Automatic Increase  
8 Reserve, to be used, together with city contributions as  
9 provided in this Article, to defray the cost of the annuity  
10 increments specified in this Section. Any balance in such  
11 reserve as of the beginning of each calendar year shall be  
12 credited with interest at the rate of 3% per annum.

13 The salary deductions provided in this Section are not  
14 subject to refund, except to the fireman himself in any case in  
15 which: (i) the fireman withdraws prior to qualification for  
16 minimum annuity or Tier 2 monthly retirement annuity and  
17 applies for refund, (ii) the fireman applies for an annuity of  
18 a type that is not subject to annual increases under this  
19 Section, or (iii) a term annuity becomes payable. In such  
20 cases, the total of such salary deductions shall be refunded  
21 to the fireman, without interest, and charged to the  
22 aforementioned reserve.

23 (d) Notwithstanding any other provision of this Article,  
24 the Tier 2 monthly retirement annuity of a person who first  
25 becomes a fireman under this Article on or after January 1,  
26 2011 shall be increased on the January 1 occurring either on or

1 after (i) the attainment of the retirement age applicable to  
2 that fireman under this Article ~~age 60~~ or (ii) the first  
3 anniversary of the annuity start date, whichever is later.  
4 Each annual increase shall be calculated at 3% or one-half 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, whichever is less, of the  
8 originally granted retirement annuity. If the annual  
9 unadjusted percentage change in the consumer price index-u for  
10 a 12-month period ending in September is zero or, when  
11 compared with the preceding period, decreases, then the  
12 annuity shall not be increased.

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

22 (Source: P.A. 100-23, eff. 7-6-17; 100-539, eff. 11-7-17;  
23 101-673, eff. 4-5-21.)

24 (40 ILCS 5/6-229)

25 Sec. 6-229. Provisions applicable to new hires; Tier 2.

1           (a) Notwithstanding any other provision of this Article,  
2 the provisions of this Section apply to a person who first  
3 becomes a fireman under this Article on or after January 1,  
4 2011, and to certain qualified survivors of such a fireman.  
5 Such persons, and the benefits and restrictions that apply  
6 specifically to them under this Article, may be referred to as  
7 "Tier 2".

8           (b) A fireman who has withdrawn from service, has attained  
9 age 50 or more, and has 10 or more years of service in that  
10 capacity shall be entitled, upon proper application being  
11 received by the Fund, to receive a Tier 2 monthly retirement  
12 annuity for his service as a fireman; except that, for a  
13 fireman who is in service on or after January 1, 2025, the age  
14 and service eligibility requirements for a Tier 2 monthly  
15 retirement annuity for service as a fireman are the age and  
16 service eligibility requirements applicable to a fireman who  
17 first became a fireman on December 31, 2010. The Tier 2 monthly  
18 retirement annuity shall be computed by multiplying 2.5% for  
19 each year of such service by his or her final average salary,  
20 subject to an annuity reduction factor of one-half of 1% for  
21 each month that the fireman's age at retirement is under age  
22 55. The annuity reduction factor does not apply to a policeman  
23 who is in service on or after January 1, 2025. The Tier 2  
24 monthly retirement annuity is in lieu of any age and service  
25 annuity or other form of retirement annuity under this  
26 Article.

1           The maximum retirement annuity under this subsection (b)  
2 shall be 75% of final average salary.

3           For the purposes of this subsection (b), "final average  
4 salary" means the greater of (1) the average monthly salary  
5 obtained by dividing the total salary of the fireman during  
6 the 96 consecutive months of service within the last 120  
7 months of service in which the total salary was the highest by  
8 the number of months of service in that period or (2) the  
9 average monthly salary obtained by dividing the total salary  
10 of the fireman during the 48 consecutive months of service  
11 within the last 60 months of service in which the total salary  
12 was the highest by the number of months of service in that  
13 period.

14           Beginning on January 1, 2011, for all purposes under this  
15 Code (including without limitation the calculation of benefits  
16 and employee contributions), the annual salary based on the  
17 plan year of a member or participant to whom this Section  
18 applies shall not exceed \$106,800; however, that amount shall  
19 annually thereafter be increased by the lesser of (i) 3% of  
20 that amount, including all previous adjustments, or (ii)  
21 one-half the annual unadjusted percentage increase (but not  
22 less than zero) in the consumer price index-u for the 12 months  
23 ending with the September preceding each November 1, including  
24 all previous adjustments.

25           (b-5) For the purposes of this Section, "consumer price  
26 index-u" means the index published by the Bureau of Labor

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

9 (c) Notwithstanding any other provision of this Article,  
10 for a person who first becomes a fireman under this Article on  
11 or after January 1, 2011, eligibility for and the amount of the  
12 annuity to which the qualified surviving spouse, children, and  
13 parents of the fireman are entitled under this subsection (c)  
14 shall be determined as follows:

15 (1) The surviving spouse of a deceased fireman to whom  
16 this Section applies shall be deemed qualified to receive  
17 a Tier 2 surviving spouse's annuity under this paragraph  
18 (1) if: (i) the deceased fireman meets the requirements  
19 specified under subdivision (A), (B), (C), or (D) of this  
20 paragraph (1); and (ii) the surviving spouse would not  
21 otherwise be excluded from receiving a widow's annuity  
22 under the eligibility requirements for a widow's annuity  
23 set forth in Section 6-142. The Tier 2 surviving spouse's  
24 annuity is in lieu of the widow's annuity determined under  
25 any other Section of this Article and is subject to the  
26 requirements of Section 6-143.2.

1           As used in this subsection (c), "earned pension" means  
2           a Tier 2 monthly retirement annuity determined under  
3           subsection (b) of this Section, including any increases  
4           the fireman had received pursuant to Section 6-164.

5           (A) If the deceased fireman was receiving an  
6           earned pension at the date of his or her death, the  
7           Tier 2 surviving spouse's annuity under this paragraph  
8           (1) shall be in the amount of 66 2/3% of the fireman's  
9           earned pension at the date of death.

10          (B) If the deceased fireman was not receiving an  
11          earned pension but had at least 10 years of service at  
12          the time of death, the Tier 2 surviving spouse's  
13          annuity under this paragraph (1) shall be the greater  
14          of: (i) 30% of the salary attached to the rank of first  
15          class firefighter in the classified career service at  
16          the time of the fireman's death; or (ii) 66 2/3% of the  
17          Tier 2 monthly retirement annuity that the deceased  
18          fireman would have been eligible to receive under  
19          subsection (b) of this Section, based upon the actual  
20          service accrued through the day before the fireman's  
21          death, but determined as though the fireman was at  
22          least age 55 on the day before his or her death and  
23          retired on that day.

24          (C) If the deceased fireman was an active fireman  
25          with at least 1 1/2 but less than 10 years of service  
26          at the time of death, the Tier 2 surviving spouse's

1 annuity under this paragraph (1) shall be in the  
2 amount of 30% of the salary attached to the rank of  
3 first class firefighter in the classified career  
4 service at the time of the fireman's death.

5 (D) Notwithstanding subdivisions (A), (B), and (C)  
6 of this paragraph (1), if the performance of an act or  
7 acts of duty results directly in the death of a fireman  
8 subject to this Section, or prevents him from  
9 subsequently resuming active service in the fire  
10 department, then a surviving spouse who would  
11 otherwise meet the eligibility requirements for a  
12 death in the line of duty widow's annuity granted  
13 under Section 6-140 shall be deemed to be qualified  
14 for a Tier 2 surviving spouse's annuity under this  
15 subdivision (D); except that no such annuity shall be  
16 paid to the surviving spouse of a fireman who dies  
17 while in receipt of disability benefits when the  
18 fireman's death was caused by an intervening illness  
19 or injury unrelated to the illness or injury that had  
20 prevented him from subsequently resuming active  
21 service in the fire department. The Tier 2 surviving  
22 spouse's annuity calculated under this subdivision (D)  
23 shall be in lieu of, but in the same amount and paid in  
24 the same manner as, the widow's annuity provided under  
25 Section 6-140; except that the salary used for  
26 computing a Tier 2 surviving spouse's annuity under

1           this subdivision (D) shall be subject to the Tier 2  
2           salary cap provided under subsection (b) of this  
3           Section.

4           (E) Notwithstanding any other provision of this  
5           Article, the monthly Tier 2 surviving spouse's annuity  
6           under subdivision (A) or (B) of this paragraph (1)  
7           shall be increased on the January 1 next occurring  
8           after (i) attainment of age 60 by the recipient of the  
9           Tier 2 surviving spouse's annuity or (ii) the first  
10          anniversary of the Tier 2 surviving spouse's annuity  
11          start date, whichever is later, and on each January 1  
12          thereafter, by 3% or one-half the annual unadjusted  
13          percentage increase in the consumer price index-u for  
14          the 12 months ending with September preceding each  
15          November 1, whichever is less, of the originally  
16          granted Tier 2 surviving spouse's annuity. If the  
17          annual unadjusted percentage change in the consumer  
18          price index-u for a 12-month period ending in  
19          September is zero or, when compared with the preceding  
20          period, decreases, then the annuity shall not be  
21          increased.

22          (F) Notwithstanding the other provisions of this  
23          paragraph (1), for a qualified surviving spouse who is  
24          entitled to a Tier 2 surviving spouse's annuity under  
25          subdivision (A), (B), (C), or (D) of this paragraph  
26          (1), that Tier 2 surviving spouse's annuity shall not



1           be less than the amount of the minimum widow's annuity  
2           established from time to time under Section 6-128.4.

3           (2) Surviving children of a deceased fireman subject  
4           to this Section who would otherwise meet the eligibility  
5           requirements for a child's annuity set forth in Sections  
6           6-147 and 6-148 shall be deemed qualified to receive a  
7           Tier 2 child's annuity under this subsection (c), which  
8           shall be in lieu of, but in the same amount and paid in the  
9           same manner as, the child's annuity provided under those  
10          Sections; except that any salary used for computing a Tier  
11          2 child's annuity shall be subject to the Tier 2 salary cap  
12          provided under subsection (b) of this Section. For  
13          purposes of determining any pro rata reduction in child's  
14          annuities under this subsection (c), references in Section  
15          6-148 to the combined annuities of the family shall be  
16          deemed to refer to the combined Tier 2 surviving spouse's  
17          annuity, if any, and the Tier 2 child's annuities payable  
18          under this subsection (c).

19          (3) Surviving parents of a deceased fireman subject to  
20          this Section who would otherwise meet the eligibility  
21          requirements for a parent's annuity set forth in Section  
22          6-149 shall be deemed qualified to receive a Tier 2  
23          parent's annuity under this subsection (c), which shall be  
24          in lieu of, but in the same amount and paid in the same  
25          manner as, the parent's annuity provided under Section  
26          6-149; except that any salary used for computing a Tier 2

1 parent's annuity shall be subject to the Tier 2 salary cap  
2 provided under subsection (b) of this Section. For the  
3 purposes of this Section, a reference to "annuity" in  
4 Section 6-149 includes: (i) in the context of a widow, a  
5 Tier 2 surviving spouse's annuity and (ii) in the context  
6 of a child, a Tier 2 child's annuity.

7 (d) The General Assembly finds and declares that the  
8 provisions of this Section, as enacted by Public Act 96-1495,  
9 require clarification relating to necessary eligibility  
10 standards and the manner of determining and paying the  
11 intended Tier 2 benefits and contributions in order to enable  
12 the Fund to unambiguously implement and administer benefits  
13 for Tier 2 members. The changes to this Section and the  
14 conforming changes to Sections 6-150, 6-158, 6-164 (except for  
15 the changes to subsection (a) of that Section), 6-166, and  
16 6-167 made by this amendatory Act of the 99th General Assembly  
17 are enacted to clarify the provisions of this Section as  
18 enacted by Public Act 96-1495, and are hereby declared to  
19 represent and be consistent with the original and continuing  
20 intent of this Section and Public Act 96-1495.

21 (e) The changes to Sections 6-150, 6-158, 6-164 (except  
22 for the changes to subsection (a) of that Section), 6-166, and  
23 6-167 made by this amendatory Act of the 99th General Assembly  
24 are intended to be retroactive to January 1, 2011 (the  
25 effective date of Public Act 96-1495) and, for the purposes of  
26 Section 1-103.1 of this Code, they apply without regard to

1 whether the relevant fireman was in service on or after the  
2 effective date of this amendatory Act of the 99th General  
3 Assembly.

4 (Source: P.A. 103-579, eff. 12-8-23.)

5 (40 ILCS 5/7-142) (from Ch. 108 1/2, par. 7-142)

6 Sec. 7-142. Retirement annuities; amount ~~annuities~~  
7 ~~Amount.~~

8 (a) The amount of a retirement annuity shall be the sum of  
9 the following, determined in accordance with the actuarial  
10 tables in effect at the time of the grant of the annuity:

11 1. For Tier 1 regular employees with 8 or more years of  
12 service or for Tier 2 regular employees, an annuity  
13 computed pursuant to subparagraphs a or b of this  
14 subparagraph 1, whichever is the higher, and for employees  
15 with less than 8 or 10 years of service, respectively, the  
16 annuity computed pursuant to subparagraph a:

17 a. The monthly annuity which can be provided from  
18 the total accumulated normal, municipality and prior  
19 service credits, as of the attained age of the  
20 employee on the date the annuity begins provided that  
21 such annuity shall not exceed 75% of the final rate of  
22 earnings of the employee.

23 b. (i) The monthly annuity amount determined as  
24 follows by multiplying (a) 1 2/3% for annuitants with  
25 not more than 15 years or (b) 1 2/3% for the first 15

1 years and 2% for each year in excess of 15 years for  
2 annuitants with more than 15 years by the number of  
3 years plus fractional years, prorated on a basis of  
4 months, of creditable service and multiply the product  
5 thereof by the employee's final rate of earnings.

6 (ii) For the sole purpose of computing the formula  
7 (and not for the purposes of the limitations  
8 hereinafter stated) \$125 shall be considered the final  
9 rate of earnings in all cases where the final rate of  
10 earnings is less than such amount.

11 (iii) The monthly annuity computed in accordance  
12 with this subparagraph b, shall not exceed an amount  
13 equal to 75% of the final rate of earnings.

14 (iv) For employees who have less than 35 years of  
15 service, the annuity computed in accordance with this  
16 subparagraph b (as reduced by application of  
17 subparagraph (iii) above) shall be reduced by 0.25%  
18 thereof (0.5% if service was terminated before January  
19 1, 1988 or if the employee is a Tier 2 regular  
20 employee) for each month or fraction thereof (1) that  
21 the employee's age is less than 60 years for Tier 1  
22 regular employees, (2) that the employee's age is less  
23 than 67 years for Tier 2 regular employees, or (3) if  
24 the employee has at least 30 years of service credit,  
25 that the employee's service credit is less than 35  
26 years, whichever is less, on the date the annuity

1 begins.

2 2. The annuity which can be provided from the total  
3 accumulated additional credits as of the attained age of  
4 the employee on the date the annuity begins.

5 (b) If payment of an annuity begins prior to the earliest  
6 age at which the employee will become eligible for an old age  
7 insurance benefit under the Federal Social Security Act, he  
8 may elect that the annuity payments from this fund shall  
9 exceed those payable after his attaining such age by an  
10 amount, computed as determined by rules of the Board, but not  
11 in excess of his estimated Social Security Benefit, determined  
12 as of the effective date of the annuity, provided that in no  
13 case shall the total annuity payments made by this fund exceed  
14 in actuarial value the annuity which would have been payable  
15 had no such election been made.

16 (c) Beginning January 1, 1984 and each January 1  
17 thereafter, the retirement annuity of a Tier 1 regular  
18 employee shall be increased by 3% each year, not compounded.  
19 This increase shall be computed from the effective date of the  
20 retirement annuity, the first increase being 0.25% of the  
21 monthly amount times the number of months from the effective  
22 date to January 1. This increase shall not be applicable to  
23 annuitants who are not in service on or after September 8,  
24 1971.

25 A retirement annuity of a Tier 2 regular employee shall  
26 receive annual increases on the January 1 occurring either on

1 or after the attainment of the retirement age applicable to  
2 that Tier 2 regular employee under this Article ~~age 67~~ or the  
3 first anniversary of the annuity start date, whichever is  
4 later. Each annual increase shall be calculated at the lesser  
5 of 3% or one-half the annual unadjusted percentage increase  
6 (but not less than zero) in the consumer price index-u for the  
7 12 months ending with the September preceding each November 1  
8 of the originally granted retirement annuity. If the annual  
9 unadjusted percentage change in the consumer price index-u for  
10 the 12 months ending with the September preceding each  
11 November 1 is zero or there is a decrease, then the annuity  
12 shall not be increased.

13 (d) Any elected county officer who was entitled to receive  
14 a stipend from the State on or after July 1, 2009 and on or  
15 before June 30, 2010 may establish earnings credit for the  
16 amount of stipend not received, if the elected county official  
17 applies in writing to the fund within 6 months after the  
18 effective date of this amendatory Act of the 96th General  
19 Assembly and pays to the fund an amount equal to (i) employee  
20 contributions on the amount of stipend not received, (ii)  
21 employer contributions determined by the Board equal to the  
22 employer's normal cost of the benefit on the amount of stipend  
23 not received, plus (iii) interest on items (i) and (ii) at the  
24 actuarially assumed rate.

25 (Source: P.A. 102-210, eff. 1-1-22.)

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

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

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

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

14 Any sheriff's law enforcement employee who has 20 or more  
15 years of service in that capacity and who terminates service  
16 on or after January 1, 1988 and before July 1, 2004 shall be  
17 entitled at his option to receive a monthly retirement annuity  
18 for his service as a sheriff's law enforcement employee  
19 computed by multiplying 2.5% for each year of such service up  
20 to 20 years, 2% for each year of such service above 20 years  
21 and up to 30 years, and 1% for each year of such service above  
22 30 years, by his annual final rate of earnings and dividing by  
23 12.

24 Any sheriff's law enforcement employee who has 20 or more  
25 years of service in that capacity and who terminates service  
26 on or after July 1, 2004 shall be entitled at his or her option

1 to receive a monthly retirement annuity for service as a  
2 sheriff's law enforcement employee computed by multiplying  
3 2.5% for each year of such service by his annual final rate of  
4 earnings and dividing by 12.

5 If a sheriff's law enforcement employee has service in any  
6 other capacity, his retirement annuity for service as a  
7 sheriff's law enforcement employee may be computed under this  
8 Section and the retirement annuity for his other service under  
9 Section 7-142.

10 In no case shall the total monthly retirement annuity for  
11 persons who retire before July 1, 2004 exceed 75% of the  
12 monthly final rate of earnings. In no case shall the total  
13 monthly retirement annuity for persons who retire on or after  
14 July 1, 2004 exceed 80% of the monthly final rate of earnings.

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

26 (c) A sheriff's law enforcement employee who began service



1 in that capacity prior to the effective date of this  
2 amendatory Act of the 97th General Assembly and who has  
3 service in any other capacity may convert up to 10 years of  
4 that service into service as a sheriff's law enforcement  
5 employee by paying to the Fund an amount equal to (1) the  
6 additional employee contribution required under Section  
7 7-173.1, plus (2) the additional employer contribution  
8 required under Section 7-172, plus (3) interest on items (1)  
9 and (2) at the prescribed rate from the date of the service to  
10 the date of payment. Application must be received by the Board  
11 while the employee is an active participant in the Fund.  
12 Payment must be received while the member is an active  
13 participant, except that one payment will be permitted after  
14 termination of participation.

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

24 (e) Any elected county officer who was entitled to receive  
25 a stipend from the State on or after July 1, 2009 and on or  
26 before June 30, 2010 may establish earnings credit for the

1 amount of stipend not received, if the elected county official  
2 applies in writing to the fund within 6 months after the  
3 effective date of this amendatory Act of the 96th General  
4 Assembly and pays to the fund an amount equal to (i) employee  
5 contributions on the amount of stipend not received, (ii)  
6 employer contributions determined by the Board equal to the  
7 employer's normal cost of the benefit on the amount of stipend  
8 not received, plus (iii) interest on items (i) and (ii) at the  
9 actuarially assumed rate.

10 (f) Notwithstanding any other provision of this Article,  
11 the provisions of this subsection (f) apply to a person who  
12 first becomes a sheriff's law enforcement employee under this  
13 Article on or after January 1, 2011.

14 A sheriff's law enforcement employee age 55 or more who  
15 has 10 or more years of service in that capacity shall be  
16 entitled at his option to receive a monthly retirement annuity  
17 for his or her service as a sheriff's law enforcement employee  
18 computed by multiplying 2.5% for each year of such service by  
19 his or her final rate of earnings.

20 The retirement annuity of a sheriff's law enforcement  
21 employee who is retiring after attaining age 50 with 10 or more  
22 years of creditable service shall be reduced by one-half of 1%  
23 for each month that the sheriff's law enforcement employee's  
24 age is under age 55. This paragraph does not apply to a  
25 sheriff's law enforcement employee who is an active sheriff's  
26 law enforcement employee on or after January 1, 2025.

1           The maximum retirement annuity under this subsection (f)  
2 shall be 75% of final rate of earnings.

3           For the purposes of this subsection (f), "final rate of  
4 earnings" means the average monthly earnings obtained by  
5 dividing the total salary of the sheriff's law enforcement  
6 employee during the 96 consecutive months of service within  
7 the last 120 months of service in which the total earnings was  
8 the highest by the number of months of service in that period.

9           Notwithstanding any other provision of this Article,  
10 beginning on January 1, 2011, for all purposes under this Code  
11 (including without limitation the calculation of benefits and  
12 employee contributions), the annual earnings of a sheriff's  
13 law enforcement employee to whom this Section applies shall  
14 not include overtime and shall not exceed \$106,800; however,  
15 that amount shall annually thereafter be increased by the  
16 lesser of (i) 3% of that amount, including all previous  
17 adjustments, or (ii) one-half the annual unadjusted percentage  
18 increase (but not less than zero) in the consumer price  
19 index-u for the 12 months ending with the September preceding  
20 each November 1, including all previous adjustments.

21           (g) Notwithstanding any other provision of this Article,  
22 the monthly annuity of a person who first becomes a sheriff's  
23 law enforcement employee under this Article on or after  
24 January 1, 2011 shall be increased on the January 1 occurring  
25 either on or after the attainment of the retirement age  
26 applicable to that sheriff's law enforcement employee under

1 this Article ~~age 60~~ or the first anniversary of the annuity  
2 start date, whichever is later. Each annual increase shall be  
3 calculated at 3% or one-half the annual unadjusted percentage  
4 increase (but not less than zero) in the consumer price  
5 index-u for the 12 months ending with the September preceding  
6 each November 1, whichever is less, of the originally granted  
7 retirement annuity. If the annual unadjusted percentage change  
8 in the 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 annuity shall not be increased.

11 (h) Notwithstanding any other provision of this Article,  
12 for a person who first becomes a sheriff's law enforcement  
13 employee under this Article on or after January 1, 2011, the  
14 annuity to which the surviving spouse, children, or parents  
15 are entitled under this subsection (h) shall be in the amount  
16 of 66 2/3% of the sheriff's law enforcement employee's earned  
17 annuity at the date of death.

18 (i) Notwithstanding any other provision of this Article,  
19 the monthly annuity of a survivor of a person who first becomes  
20 a sheriff's law enforcement employee under this Article on or  
21 after January 1, 2011 shall be increased on the January 1 after  
22 attainment of age 60 by the recipient of the survivor's  
23 annuity and each January 1 thereafter by 3% or one-half the  
24 annual unadjusted percentage increase 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 pension. If the annual unadjusted percentage change in the  
2 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 (j) For the purposes of this Section, "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.

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

15 (40 ILCS 5/14-110) (from Ch. 108 1/2, par. 14-110)

16 (Text of Section from P.A. 102-813 and 103-34)

17 Sec. 14-110. Alternative retirement annuity.

18 (a) Any member who has withdrawn from service with not  
19 less than 20 years of eligible creditable service and has  
20 attained age 55, and any member who has withdrawn from service  
21 with not less than 25 years of eligible creditable service and  
22 has attained age 50, regardless of whether the attainment of  
23 either of the specified ages occurs while the member is still  
24 in service, shall be entitled to receive at the option of the  
25 member, in lieu of the regular or minimum retirement annuity,

1 a retirement annuity computed as follows:

2 (i) for periods of service as a noncovered employee:  
3 if retirement occurs on or after January 1, 2001, 3% of  
4 final average compensation for each year of creditable  
5 service; if retirement occurs before January 1, 2001, 2  
6 1/4% of final average compensation for each of the first  
7 10 years of creditable service, 2 1/2% for each year above  
8 10 years to and including 20 years of creditable service,  
9 and 2 3/4% for each year of creditable service above 20  
10 years; and

11 (ii) for periods of eligible creditable service as a  
12 covered employee: if retirement occurs on or after January  
13 1, 2001, 2.5% of final average compensation for each year  
14 of creditable service; if retirement occurs before January  
15 1, 2001, 1.67% of final average compensation for each of  
16 the first 10 years of such service, 1.90% for each of the  
17 next 10 years of such service, 2.10% for each year of such  
18 service in excess of 20 but not exceeding 30, and 2.30% for  
19 each year in excess of 30.

20 Such annuity shall be subject to a maximum of 75% of final  
21 average compensation if retirement occurs before January 1,  
22 2001 or to a maximum of 80% of final average compensation if  
23 retirement occurs on or after January 1, 2001.

24 These rates shall not be applicable to any service  
25 performed by a member as a covered employee which is not  
26 eligible creditable service. Service as a covered employee

1 which is not eligible creditable service shall be subject to  
2 the rates and provisions of Section 14-108.

3 (b) For the purpose of this Section, "eligible creditable  
4 service" means creditable service resulting from service in  
5 one or more of the following positions:

6 (1) State policeman;

7 (2) fire fighter in the fire protection service of a  
8 department;

9 (3) air pilot;

10 (4) special agent;

11 (5) investigator for the Secretary of State;

12 (6) conservation police officer;

13 (7) investigator for the Department of Revenue or the  
14 Illinois Gaming Board;

15 (8) security employee of the Department of Human  
16 Services;

17 (9) Central Management Services security police  
18 officer;

19 (10) security employee of the Department of  
20 Corrections or the Department of Juvenile Justice;

21 (11) dangerous drugs investigator;

22 (12) investigator for the Illinois State Police;

23 (13) investigator for the Office of the Attorney  
24 General;

25 (14) controlled substance inspector;

26 (15) investigator for the Office of the State's

- 1 Attorneys Appellate Prosecutor;
- 2 (16) Commerce Commission police officer;
- 3 (17) arson investigator;
- 4 (18) State highway maintenance worker;
- 5 (19) security employee of the Department of Innovation  
6 and Technology; ~~or~~
- 7 (20) transferred employee; or
- 8 (21) investigator for the Department of the Lottery.

9 A person employed in one of the positions specified in  
10 this subsection is entitled to eligible creditable service for  
11 service credit earned under this Article while undergoing the  
12 basic police training course approved by the Illinois Law  
13 Enforcement Training Standards Board, if completion of that  
14 training is required of persons serving in that position. For  
15 the purposes of this Code, service during the required basic  
16 police training course shall be deemed performance of the  
17 duties of the specified position, even though the person is  
18 not a sworn peace officer at the time of the training.

19 A person under paragraph (20) is entitled to eligible  
20 creditable service for service credit earned under this  
21 Article on and after his or her transfer by Executive Order No.  
22 2003-10, Executive Order No. 2004-2, or Executive Order No.  
23 2016-1.

24 (c) For the purposes of this Section:

25 (1) The term "State policeman" includes any title or  
26 position in the Illinois State Police that is held by an



1 individual employed under the Illinois State Police Act.

2 (2) The term "fire fighter in the fire protection  
3 service of a department" includes all officers in such  
4 fire protection service including fire chiefs and  
5 assistant fire chiefs.

6 (3) The term "air pilot" includes any employee whose  
7 official job description on file in the Department of  
8 Central Management Services, or in the department by which  
9 he is employed if that department is not covered by the  
10 Personnel Code, states that his principal duty is the  
11 operation of aircraft, and who possesses a pilot's  
12 license; however, the change in this definition made by  
13 Public Act 83-842 shall not operate to exclude any  
14 noncovered employee who was an "air pilot" for the  
15 purposes of this Section on January 1, 1984.

16 (4) The term "special agent" means any person who by  
17 reason of employment by the Division of Narcotic Control,  
18 the Bureau of Investigation or, after July 1, 1977, the  
19 Division of Criminal Investigation, the Division of  
20 Internal Investigation, the Division of Operations, the  
21 Division of Patrol, or any other Division or  
22 organizational entity in the Illinois State Police is  
23 vested by law with duties to maintain public order,  
24 investigate violations of the criminal law of this State,  
25 enforce the laws of this State, make arrests and recover  
26 property. The term "special agent" includes any title or

1 position in the Illinois State Police that is held by an  
2 individual employed under the Illinois State Police Act.

3 (5) The term "investigator for the Secretary of State"  
4 means any person employed by the Office of the Secretary  
5 of State and vested with such investigative duties as  
6 render him ineligible for coverage under the Social  
7 Security Act by reason of Sections 218(d)(5)(A),  
8 218(d)(8)(D) and 218(1)(1) of that Act.

9 A person who became employed as an investigator for  
10 the Secretary of State between January 1, 1967 and  
11 December 31, 1975, and who has served as such until  
12 attainment of age 60, either continuously or with a single  
13 break in service of not more than 3 years duration, which  
14 break terminated before January 1, 1976, shall be entitled  
15 to have his retirement annuity calculated in accordance  
16 with subsection (a), notwithstanding that he has less than  
17 20 years of credit for such service.

18 (6) The term "Conservation Police Officer" means any  
19 person employed by the Division of Law Enforcement of the  
20 Department of Natural Resources and vested with such law  
21 enforcement duties as render him ineligible for coverage  
22 under the Social Security Act by reason of Sections  
23 218(d)(5)(A), 218(d)(8)(D), and 218(1)(1) of that Act. The  
24 term "Conservation Police Officer" includes the positions  
25 of Chief Conservation Police Administrator and Assistant  
26 Conservation Police Administrator.

1           (7) The term "investigator for the Department of  
2 Revenue" means any person employed by the Department of  
3 Revenue and vested with such investigative duties as  
4 render him ineligible for coverage under the Social  
5 Security Act by reason of Sections 218(d)(5)(A),  
6 218(d)(8)(D) and 218(1)(1) of that Act.

7           The term "investigator for the Illinois Gaming Board"  
8 means any person employed as such by the Illinois Gaming  
9 Board and vested with such peace officer duties as render  
10 the person ineligible for coverage under the Social  
11 Security Act by reason of Sections 218(d)(5)(A),  
12 218(d)(8)(D), and 218(1)(1) of that Act.

13           (8) The term "security employee of the Department of  
14 Human Services" means any person employed by the  
15 Department of Human Services who (i) is employed at the  
16 Chester Mental Health Center and has daily contact with  
17 the residents thereof, (ii) is employed within a security  
18 unit at a facility operated by the Department and has  
19 daily contact with the residents of the security unit,  
20 (iii) is employed at a facility operated by the Department  
21 that includes a security unit and is regularly scheduled  
22 to work at least 50% of his or her working hours within  
23 that security unit, or (iv) is a mental health police  
24 officer. "Mental health police officer" means any person  
25 employed by the Department of Human Services in a position  
26 pertaining to the Department's mental health and

1 developmental disabilities functions who is vested with  
2 such law enforcement duties as render the person  
3 ineligible for coverage under the Social Security Act by  
4 reason of Sections 218(d)(5)(A), 218(d)(8)(D) and  
5 218(1)(1) of that Act. "Security unit" means that portion  
6 of a facility that is devoted to the care, containment,  
7 and treatment of persons committed to the Department of  
8 Human Services as sexually violent persons, persons unfit  
9 to stand trial, or persons not guilty by reason of  
10 insanity. With respect to past employment, references to  
11 the Department of Human Services include its predecessor,  
12 the Department of Mental Health and Developmental  
13 Disabilities.

14 The changes made to this subdivision (c)(8) by Public  
15 Act 92-14 apply to persons who retire on or after January  
16 1, 2001, notwithstanding Section 1-103.1.

17 (9) "Central Management Services security police  
18 officer" means any person employed by the Department of  
19 Central Management Services who is vested with such law  
20 enforcement duties as render him ineligible for coverage  
21 under the Social Security Act by reason of Sections  
22 218(d)(5)(A), 218(d)(8)(D) and 218(1)(1) of that Act.

23 (10) For a member who first became an employee under  
24 this Article before July 1, 2005, the term "security  
25 employee of the Department of Corrections or the  
26 Department of Juvenile Justice" means any employee of the

1 Department of Corrections or the Department of Juvenile  
2 Justice or the former Department of Personnel, and any  
3 member or employee of the Prisoner Review Board, who has  
4 daily contact with inmates or youth by working within a  
5 correctional facility or Juvenile facility operated by the  
6 Department of Juvenile Justice or who is a parole officer  
7 or an employee who has direct contact with committed  
8 persons in the performance of his or her job duties. For a  
9 member who first becomes an employee under this Article on  
10 or after July 1, 2005, the term means an employee of the  
11 Department of Corrections or the Department of Juvenile  
12 Justice who is any of the following: (i) officially  
13 headquartered at a correctional facility or Juvenile  
14 facility operated by the Department of Juvenile Justice,  
15 (ii) a parole officer, (iii) a member of the apprehension  
16 unit, (iv) a member of the intelligence unit, (v) a member  
17 of the sort team, or (vi) an investigator.

18 (11) The term "dangerous drugs investigator" means any  
19 person who is employed as such by the Department of Human  
20 Services.

21 (12) The term "investigator for the Illinois State  
22 Police" means a person employed by the Illinois State  
23 Police who is vested under Section 4 of the Narcotic  
24 Control Division Abolition Act with such law enforcement  
25 powers as render him ineligible for coverage under the  
26 Social Security Act by reason of Sections 218(d)(5)(A),

1 218(d)(8)(D) and 218(1)(1) of that Act.

2 (13) "Investigator for the Office of the Attorney  
3 General" means any person who is employed as such by the  
4 Office of the Attorney General and is vested with such  
5 investigative duties as render him ineligible for coverage  
6 under the Social Security Act by reason of Sections  
7 218(d)(5)(A), 218(d)(8)(D) and 218(1)(1) of that Act. For  
8 the period before January 1, 1989, the term includes all  
9 persons who were employed as investigators by the Office  
10 of the Attorney General, without regard to social security  
11 status.

12 (14) "Controlled substance inspector" means any person  
13 who is employed as such by the Department of Professional  
14 Regulation and is vested with such law enforcement duties  
15 as render him ineligible for coverage under the Social  
16 Security Act by reason of Sections 218(d)(5)(A),  
17 218(d)(8)(D) and 218(1)(1) of that Act. The term  
18 "controlled substance inspector" includes the Program  
19 Executive of Enforcement and the Assistant Program  
20 Executive of Enforcement.

21 (15) The term "investigator for the Office of the  
22 State's Attorneys Appellate Prosecutor" means a person  
23 employed in that capacity on a full-time basis under the  
24 authority of Section 7.06 of the State's Attorneys  
25 Appellate Prosecutor's Act.

26 (16) "Commerce Commission police officer" means any

1 person employed by the Illinois Commerce Commission who is  
2 vested with such law enforcement duties as render him  
3 ineligible for coverage under the Social Security Act by  
4 reason of Sections 218(d)(5)(A), 218(d)(8)(D), and  
5 218(1)(1) of that Act.

6 (17) "Arson investigator" means any person who is  
7 employed as such by the Office of the State Fire Marshal  
8 and is vested with such law enforcement duties as render  
9 the person ineligible for coverage under the Social  
10 Security Act by reason of Sections 218(d)(5)(A),  
11 218(d)(8)(D), and 218(1)(1) of that Act. A person who was  
12 employed as an arson investigator on January 1, 1995 and  
13 is no longer in service but not yet receiving a retirement  
14 annuity may convert his or her creditable service for  
15 employment as an arson investigator into eligible  
16 creditable service by paying to the System the difference  
17 between the employee contributions actually paid for that  
18 service and the amounts that would have been contributed  
19 if the applicant were contributing at the rate applicable  
20 to persons with the same social security status earning  
21 eligible creditable service on the date of application.

22 (18) The term "State highway maintenance worker" means  
23 a person who is either of the following:

24 (i) A person employed on a full-time basis by the  
25 Illinois Department of Transportation in the position  
26 of highway maintainer, highway maintenance lead

1 worker, highway maintenance lead/lead worker, heavy  
2 construction equipment operator, power shovel  
3 operator, or bridge mechanic; and whose principal  
4 responsibility is to perform, on the roadway, the  
5 actual maintenance necessary to keep the highways that  
6 form a part of the State highway system in serviceable  
7 condition for vehicular traffic.

8 (ii) A person employed on a full-time basis by the  
9 Illinois State Toll Highway Authority in the position  
10 of equipment operator/laborer H-4, equipment  
11 operator/laborer H-6, welder H-4, welder H-6,  
12 mechanical/electrical H-4, mechanical/electrical H-6,  
13 water/sewer H-4, water/sewer H-6, sign maker/hanger  
14 H-4, sign maker/hanger H-6, roadway lighting H-4,  
15 roadway lighting H-6, structural H-4, structural H-6,  
16 painter H-4, or painter H-6; and whose principal  
17 responsibility is to perform, on the roadway, the  
18 actual maintenance necessary to keep the Authority's  
19 tollways in serviceable condition for vehicular  
20 traffic.

21 (19) The term "security employee of the Department of  
22 Innovation and Technology" means a person who was a  
23 security employee of the Department of Corrections or the  
24 Department of Juvenile Justice, was transferred to the  
25 Department of Innovation and Technology pursuant to  
26 Executive Order 2016-01, and continues to perform similar



1 job functions under that Department.

2 (20) "Transferred employee" means an employee who was  
3 transferred to the Department of Central Management  
4 Services by Executive Order No. 2003-10 or Executive Order  
5 No. 2004-2 or transferred to the Department of Innovation  
6 and Technology by Executive Order No. 2016-1, or both, and  
7 was entitled to eligible creditable service for services  
8 immediately preceding the transfer.

9 (21) "Investigator for the Department of the Lottery"  
10 means any person who is employed by the Department of the  
11 Lottery and is vested with such investigative duties which  
12 render him or her ineligible for coverage under the Social  
13 Security Act by reason of Sections 218(d)(5)(A),  
14 218(d)(8)(D), and 218(1)(1) of that Act. An investigator  
15 for the Department of the Lottery who qualifies under this  
16 Section shall earn eligible creditable service and be  
17 required to make contributions at the rate specified in  
18 paragraph (3) of subsection (a) of Section 14-133 for all  
19 periods of service as an investigator for the Department  
20 of the Lottery.

21 (d) A security employee of the Department of Corrections  
22 or the Department of Juvenile Justice, a security employee of  
23 the Department of Human Services who is not a mental health  
24 police officer, and a security employee of the Department of  
25 Innovation and Technology shall not be eligible for the  
26 alternative retirement annuity provided by this Section unless

1 he or she meets the following minimum age and service  
2 requirements at the time of retirement:

3 (i) 25 years of eligible creditable service and age  
4 55; or

5 (ii) beginning January 1, 1987, 25 years of eligible  
6 creditable service and age 54, or 24 years of eligible  
7 creditable service and age 55; or

8 (iii) beginning January 1, 1988, 25 years of eligible  
9 creditable service and age 53, or 23 years of eligible  
10 creditable service and age 55; or

11 (iv) beginning January 1, 1989, 25 years of eligible  
12 creditable service and age 52, or 22 years of eligible  
13 creditable service and age 55; or

14 (v) beginning January 1, 1990, 25 years of eligible  
15 creditable service and age 51, or 21 years of eligible  
16 creditable service and age 55; or

17 (vi) beginning January 1, 1991, 25 years of eligible  
18 creditable service and age 50, or 20 years of eligible  
19 creditable service and age 55.

20 Persons who have service credit under Article 16 of this  
21 Code for service as a security employee of the Department of  
22 Corrections or the Department of Juvenile Justice, or the  
23 Department of Human Services in a position requiring  
24 certification as a teacher may count such service toward  
25 establishing their eligibility under the service requirements  
26 of this Section; but such service may be used only for

1 establishing such eligibility, and not for the purpose of  
2 increasing or calculating any benefit.

3 (e) If a member enters military service while working in a  
4 position in which eligible creditable service may be earned,  
5 and returns to State service in the same or another such  
6 position, and fulfills in all other respects the conditions  
7 prescribed in this Article for credit for military service,  
8 such military service shall be credited as eligible creditable  
9 service for the purposes of the retirement annuity prescribed  
10 in this Section.

11 (f) For purposes of calculating retirement annuities under  
12 this Section, periods of service rendered after December 31,  
13 1968 and before October 1, 1975 as a covered employee in the  
14 position of special agent, conservation police officer, mental  
15 health police officer, or investigator for the Secretary of  
16 State, shall be deemed to have been service as a noncovered  
17 employee, provided that the employee pays to the System prior  
18 to retirement an amount equal to (1) the difference between  
19 the employee contributions that would have been required for  
20 such service as a noncovered employee, and the amount of  
21 employee contributions actually paid, plus (2) if payment is  
22 made after July 31, 1987, regular interest on the amount  
23 specified in item (1) from the date of service to the date of  
24 payment.

25 For purposes of calculating retirement annuities under  
26 this Section, periods of service rendered after December 31,

1 1968 and before January 1, 1982 as a covered employee in the  
2 position of investigator for the Department of Revenue shall  
3 be deemed to have been service as a noncovered employee,  
4 provided that the employee pays to the System prior to  
5 retirement an amount equal to (1) the difference between the  
6 employee contributions that would have been required for such  
7 service as a noncovered employee, and the amount of employee  
8 contributions actually paid, plus (2) if payment is made after  
9 January 1, 1990, regular interest on the amount specified in  
10 item (1) from the date of service to the date of payment.

11 (g) A State policeman may elect, not later than January 1,  
12 1990, to establish eligible creditable service for up to 10  
13 years of his service as a policeman under Article 3, by filing  
14 a written election with the Board, accompanied by payment of  
15 an amount to be determined by the Board, equal to (i) the  
16 difference between the amount of employee and employer  
17 contributions transferred to the System under Section 3-110.5,  
18 and the amounts that would have been contributed had such  
19 contributions been made at the rates applicable to State  
20 policemen, plus (ii) interest thereon at the effective rate  
21 for each year, compounded annually, from the date of service  
22 to the date of payment.

23 Subject to the limitation in subsection (i), a State  
24 policeman may elect, not later than July 1, 1993, to establish  
25 eligible creditable service for up to 10 years of his service  
26 as a member of the County Police Department under Article 9, by

1 filing a written election with the Board, accompanied by  
2 payment of an amount to be determined by the Board, equal to  
3 (i) the difference between the amount of employee and employer  
4 contributions transferred to the System under Section 9-121.10  
5 and the amounts that would have been contributed had those  
6 contributions been made at the rates applicable to State  
7 policemen, plus (ii) interest thereon at the effective rate  
8 for each year, compounded annually, from the date of service  
9 to the date of payment.

10 (h) Subject to the limitation in subsection (i), a State  
11 policeman or investigator for the Secretary of State may elect  
12 to establish eligible creditable service for up to 12 years of  
13 his service as a policeman under Article 5, by filing a written  
14 election with the Board on or before January 31, 1992, and  
15 paying to the System by January 31, 1994 an amount to be  
16 determined by the Board, equal to (i) the difference between  
17 the amount of employee and employer contributions transferred  
18 to the System under Section 5-236, and the amounts that would  
19 have been contributed had such contributions been made at the  
20 rates applicable to State policemen, plus (ii) interest  
21 thereon at the effective rate for each year, compounded  
22 annually, from the date of service to the date of payment.

23 Subject to the limitation in subsection (i), a State  
24 policeman, conservation police officer, or investigator for  
25 the Secretary of State may elect to establish eligible  
26 creditable service for up to 10 years of service as a sheriff's

1 law enforcement employee under Article 7, by filing a written  
2 election with the Board on or before January 31, 1993, and  
3 paying to the System by January 31, 1994 an amount to be  
4 determined by the Board, equal to (i) the difference between  
5 the amount of employee and employer contributions transferred  
6 to the System under Section 7-139.7, and the amounts that  
7 would have been contributed had such contributions been made  
8 at the rates applicable to State policemen, plus (ii) interest  
9 thereon at the effective rate for each year, compounded  
10 annually, from the date of service to the date of payment.

11 Subject to the limitation in subsection (i), a State  
12 policeman, conservation police officer, or investigator for  
13 the Secretary of State may elect to establish eligible  
14 creditable service for up to 5 years of service as a police  
15 officer under Article 3, a policeman under Article 5, a  
16 sheriff's law enforcement employee under Article 7, a member  
17 of the county police department under Article 9, or a police  
18 officer under Article 15 by filing a written election with the  
19 Board and paying to the System an amount to be determined by  
20 the Board, equal to (i) the difference between the amount of  
21 employee and employer contributions transferred to the System  
22 under Section 3-110.6, 5-236, 7-139.8, 9-121.10, or 15-134.4  
23 and the amounts that would have been contributed had such  
24 contributions been made at the rates applicable to State  
25 policemen, plus (ii) interest thereon at the effective rate  
26 for each year, compounded annually, from the date of service

1 to the date of payment.

2 Subject to the limitation in subsection (i), an  
3 investigator for the Office of the Attorney General, or an  
4 investigator for the Department of Revenue, may elect to  
5 establish eligible creditable service for up to 5 years of  
6 service as a police officer under Article 3, a policeman under  
7 Article 5, a sheriff's law enforcement employee under Article  
8 7, or a member of the county police department under Article 9  
9 by filing a written election with the Board within 6 months  
10 after August 25, 2009 (the effective date of Public Act  
11 96-745) and paying to the System an amount to be determined by  
12 the Board, equal to (i) the difference between the amount of  
13 employee and employer contributions transferred to the System  
14 under Section 3-110.6, 5-236, 7-139.8, or 9-121.10 and the  
15 amounts that would have been contributed had such  
16 contributions been made at the rates applicable to State  
17 policemen, plus (ii) interest thereon at the actuarially  
18 assumed rate for each year, compounded annually, from the date  
19 of service to the date of payment.

20 Subject to the limitation in subsection (i), a State  
21 policeman, conservation police officer, investigator for the  
22 Office of the Attorney General, an investigator for the  
23 Department of Revenue, or investigator for the Secretary of  
24 State may elect to establish eligible creditable service for  
25 up to 5 years of service as a person employed by a  
26 participating municipality to perform police duties, or law

1 enforcement officer employed on a full-time basis by a forest  
2 preserve district under Article 7, a county corrections  
3 officer, or a court services officer under Article 9, by  
4 filing a written election with the Board within 6 months after  
5 August 25, 2009 (the effective date of Public Act 96-745) and  
6 paying to the System an amount to be determined by the Board,  
7 equal to (i) the difference between the amount of employee and  
8 employer contributions transferred to the System under  
9 Sections 7-139.8 and 9-121.10 and the amounts that would have  
10 been contributed had such contributions been made at the rates  
11 applicable to State policemen, plus (ii) interest thereon at  
12 the actuarially assumed rate for each year, compounded  
13 annually, from the date of service to the date of payment.

14 Subject to the limitation in subsection (i), a State  
15 policeman, arson investigator, or Commerce Commission police  
16 officer may elect to establish eligible creditable service for  
17 up to 5 years of service as a person employed by a  
18 participating municipality to perform police duties under  
19 Article 7, a county corrections officer, a court services  
20 officer under Article 9, or a firefighter under Article 4 by  
21 filing a written election with the Board within 6 months after  
22 July 30, 2021 (the effective date of Public Act 102-210) and  
23 paying to the System an amount to be determined by the Board  
24 equal to (i) the difference between the amount of employee and  
25 employer contributions transferred to the System under  
26 Sections 4-108.8, 7-139.8, and 9-121.10 and the amounts that



1 would have been contributed had such contributions been made  
2 at the rates applicable to State policemen, plus (ii) interest  
3 thereon at the actuarially assumed rate for each year,  
4 compounded annually, from the date of service to the date of  
5 payment.

6 Subject to the limitation in subsection (i), a  
7 conservation police officer may elect to establish eligible  
8 creditable service for up to 5 years of service as a person  
9 employed by a participating municipality to perform police  
10 duties under Article 7, a county corrections officer, or a  
11 court services officer under Article 9 by filing a written  
12 election with the Board within 6 months after July 30, 2021  
13 (the effective date of Public Act 102-210) and paying to the  
14 System an amount to be determined by the Board equal to (i) the  
15 difference between the amount of employee and employer  
16 contributions transferred to the System under Sections 7-139.8  
17 and 9-121.10 and the amounts that would have been contributed  
18 had such contributions been made at the rates applicable to  
19 State policemen, plus (ii) interest thereon at the actuarially  
20 assumed rate for each year, compounded annually, from the date  
21 of service to the date of payment.

22 Notwithstanding the limitation in subsection (i), a State  
23 policeman or conservation police officer may elect to convert  
24 service credit earned under this Article to eligible  
25 creditable service, as defined by this Section, by filing a  
26 written election with the board within 6 months after July 30,

1 2021 (the effective date of Public Act 102-210) and paying to  
2 the System an amount to be determined by the Board equal to (i)  
3 the difference between the amount of employee contributions  
4 originally paid for that service and the amounts that would  
5 have been contributed had such contributions been made at the  
6 rates applicable to State policemen, plus (ii) the difference  
7 between the employer's normal cost of the credit prior to the  
8 conversion authorized by Public Act 102-210 and the employer's  
9 normal cost of the credit converted in accordance with Public  
10 Act 102-210, plus (iii) interest thereon at the actuarially  
11 assumed rate for each year, compounded annually, from the date  
12 of service to the date of payment.

13 (i) The total amount of eligible creditable service  
14 established by any person under subsections (g), (h), (j),  
15 (k), (l), (l-5), ~~and~~ (o), and (r) of this Section shall not  
16 exceed 12 years.

17 (j) Subject to the limitation in subsection (i), an  
18 investigator for the Office of the State's Attorneys Appellate  
19 Prosecutor or a controlled substance inspector may elect to  
20 establish eligible creditable service for up to 10 years of  
21 his service as a policeman under Article 3 or a sheriff's law  
22 enforcement employee under Article 7, by filing a written  
23 election with the Board, accompanied by payment of an amount  
24 to be determined by the Board, equal to (1) the difference  
25 between the amount of employee and employer contributions  
26 transferred to the System under Section 3-110.6 or 7-139.8,

1 and the amounts that would have been contributed had such  
2 contributions been made at the rates applicable to State  
3 policemen, plus (2) interest thereon at the effective rate for  
4 each year, compounded annually, from the date of service to  
5 the date of payment.

6 (k) Subject to the limitation in subsection (i) of this  
7 Section, an alternative formula employee may elect to  
8 establish eligible creditable service for periods spent as a  
9 full-time law enforcement officer or full-time corrections  
10 officer employed by the federal government or by a state or  
11 local government located outside of Illinois, for which credit  
12 is not held in any other public employee pension fund or  
13 retirement system. To obtain this credit, the applicant must  
14 file a written application with the Board by March 31, 1998,  
15 accompanied by evidence of eligibility acceptable to the Board  
16 and payment of an amount to be determined by the Board, equal  
17 to (1) employee contributions for the credit being  
18 established, based upon the applicant's salary on the first  
19 day as an alternative formula employee after the employment  
20 for which credit is being established and the rates then  
21 applicable to alternative formula employees, plus (2) an  
22 amount determined by the Board to be the employer's normal  
23 cost of the benefits accrued for the credit being established,  
24 plus (3) regular interest on the amounts in items (1) and (2)  
25 from the first day as an alternative formula employee after  
26 the employment for which credit is being established to the

1 date of payment.

2 (1) Subject to the limitation in subsection (i), a  
3 security employee of the Department of Corrections may elect,  
4 not later than July 1, 1998, to establish eligible creditable  
5 service for up to 10 years of his or her service as a policeman  
6 under Article 3, by filing a written election with the Board,  
7 accompanied by payment of an amount to be determined by the  
8 Board, equal to (i) the difference between the amount of  
9 employee and employer contributions transferred to the System  
10 under Section 3-110.5, and the amounts that would have been  
11 contributed had such contributions been made at the rates  
12 applicable to security employees of the Department of  
13 Corrections, plus (ii) interest thereon at the effective rate  
14 for each year, compounded annually, from the date of service  
15 to the date of payment.

16 (1-5) Subject to the limitation in subsection (i) of this  
17 Section, a State policeman may elect to establish eligible  
18 creditable service for up to 5 years of service as a full-time  
19 law enforcement officer employed by the federal government or  
20 by a state or local government located outside of Illinois for  
21 which credit is not held in any other public employee pension  
22 fund or retirement system. To obtain this credit, the  
23 applicant must file a written application with the Board no  
24 later than 3 years after January 1, 2020 (the effective date of  
25 Public Act 101-610), accompanied by evidence of eligibility  
26 acceptable to the Board and payment of an amount to be

1 determined by the Board, equal to (1) employee contributions  
2 for the credit being established, based upon the applicant's  
3 salary on the first day as an alternative formula employee  
4 after the employment for which credit is being established and  
5 the rates then applicable to alternative formula employees,  
6 plus (2) an amount determined by the Board to be the employer's  
7 normal cost of the benefits accrued for the credit being  
8 established, plus (3) regular interest on the amounts in items  
9 (1) and (2) from the first day as an alternative formula  
10 employee after the employment for which credit is being  
11 established to the date of payment.

12 (m) The amendatory changes to this Section made by Public  
13 Act 94-696 apply only to: (1) security employees of the  
14 Department of Juvenile Justice employed by the Department of  
15 Corrections before June 1, 2006 (the effective date of Public  
16 Act 94-696) and transferred to the Department of Juvenile  
17 Justice by Public Act 94-696; and (2) persons employed by the  
18 Department of Juvenile Justice on or after June 1, 2006 (the  
19 effective date of Public Act 94-696) who are required by  
20 subsection (b) of Section 3-2.5-15 of the Unified Code of  
21 Corrections to have any bachelor's or advanced degree from an  
22 accredited college or university or, in the case of persons  
23 who provide vocational training, who are required to have  
24 adequate knowledge in the skill for which they are providing  
25 the vocational training.

26 Beginning with the pay period that immediately follows the

1 effective date of this amendatory Act of the 103rd General  
2 Assembly, the bachelor's or advanced degree requirement of  
3 subsection (b) of Section 3-2.5-15 of the Unified Code of  
4 Corrections shall no longer determine the eligibility to earn  
5 eligible creditable service for a person employed by the  
6 Department of Juvenile Justice.

7 An employee may elect to convert into eligible creditable  
8 service his or her creditable service earned with the  
9 Department of Juvenile Justice while employed in a position  
10 that required the employee to do any one or more of the  
11 following: (1) participate or assist in the rehabilitative and  
12 vocational training of delinquent youths; (2) supervise the  
13 daily activities and assume direct and continuing  
14 responsibility for the youth's security, welfare, and  
15 development; or (3) participate in the personal rehabilitation  
16 of delinquent youth by training, supervising, and assisting  
17 lower-level personnel. To convert that creditable service to  
18 eligible creditable service, the employee must pay to the  
19 System the difference between the employee contributions  
20 actually paid for that service and the amounts that would have  
21 been contributed if the applicant were contributing at the  
22 rate applicable to persons with the same Social Security  
23 status earning eligible creditable service on the date of  
24 application.

25 (n) A person employed in a position under subsection (b)  
26 of this Section who has purchased service credit under

1 subsection (j) of Section 14-104 or subsection (b) of Section  
2 14-105 in any other capacity under this Article may convert up  
3 to 5 years of that service credit into service credit covered  
4 under this Section by paying to the Fund an amount equal to (1)  
5 the additional employee contribution required under Section  
6 14-133, plus (2) the additional employer contribution required  
7 under Section 14-131, plus (3) interest on items (1) and (2) at  
8 the actuarially assumed rate from the date of the service to  
9 the date of payment.

10 (o) Subject to the limitation in subsection (i), a  
11 conservation police officer, investigator for the Secretary of  
12 State, Commerce Commission police officer, investigator for  
13 the Department of Revenue or the Illinois Gaming Board, or  
14 arson investigator subject to subsection (g) of Section 1-160  
15 may elect to convert up to 8 years of service credit  
16 established before January 1, 2020 (the effective date of  
17 Public Act 101-610) as a conservation police officer,  
18 investigator for the Secretary of State, Commerce Commission  
19 police officer, investigator for the Department of Revenue or  
20 the Illinois Gaming Board, or arson investigator under this  
21 Article into eligible creditable service by filing a written  
22 election with the Board no later than one year after January 1,  
23 2020 (the effective date of Public Act 101-610), accompanied  
24 by payment of an amount to be determined by the Board equal to  
25 (i) the difference between the amount of the employee  
26 contributions actually paid for that service and the amount of

1 the employee contributions that would have been paid had the  
2 employee contributions been made as a noncovered employee  
3 serving in a position in which eligible creditable service, as  
4 defined in this Section, may be earned, plus (ii) interest  
5 thereon at the effective rate for each year, compounded  
6 annually, from the date of service to the date of payment.

7 (g) A security employee of the Department of Human  
8 Services who is subject to subsection (g) of Section 1-160 may  
9 elect to convert up to 13 years of service credit established  
10 before the effective date of this amendatory Act of the 103rd  
11 General Assembly as a security employee of the Department of  
12 Human Services to eligible creditable service by filing a  
13 written election with the Board no later than one year after  
14 the effective date of this amendatory Act of the 103rd General  
15 Assembly, accompanied by payment of an amount, to be  
16 determined by the Board, equal to (i) the difference between  
17 the amount of the employee contributions actually paid for  
18 that service and the amount of the employee contributions that  
19 would have been paid had the employee contributions been made  
20 as a covered employee serving in a position in which eligible  
21 creditable service, as defined in this Section, may be earned,  
22 plus (ii) interest thereon at the effective rate for each  
23 year, compounded annually, from the date of service to the  
24 date of payment.

25 (r) Subject to the limitation in subsection (i), a State  
26 highway maintenance worker subject to subsection (g) of



1 Section 1-160 may elect to convert up to 8 years of service  
2 credit established before the effective date of this  
3 amendatory Act of the 103rd General Assembly as a State  
4 highway maintenance work under this Article into eligible  
5 creditable service by filing a written election with the Board  
6 no later than one year after the effective date of this  
7 amendatory Act of the 103rd General Assembly, accompanied by  
8 payment of an amount to be determined by the Board equal to (i)  
9 the difference between the amount of the employee  
10 contributions actually paid for that service and the amount of  
11 the employee contributions that would have been paid had the  
12 employee contributions been made as a noncovered employee  
13 serving in a position in which eligible creditable service, as  
14 defined in this Section, may be earned, plus (ii) interest  
15 thereon at the effective rate for each year, compounded  
16 annually, from the date of service to the date of payment.

17 (Source: P.A. 102-210, eff. 7-30-21; 102-538, eff. 8-20-21;  
18 102-813, eff. 5-13-22; 103-34, eff. 1-1-24.)

19 (Text of Section from P.A. 102-856 and 103-34)

20 Sec. 14-110. Alternative retirement annuity.

21 (a) Any member who has withdrawn from service with not  
22 less than 20 years of eligible creditable service and has  
23 attained age 55, and any member who has withdrawn from service  
24 with not less than 25 years of eligible creditable service and  
25 has attained age 50, regardless of whether the attainment of

1 either of the specified ages occurs while the member is still  
2 in service, shall be entitled to receive at the option of the  
3 member, in lieu of the regular or minimum retirement annuity,  
4 a retirement annuity computed as follows:

5 (i) for periods of service as a noncovered employee:  
6 if retirement occurs on or after January 1, 2001, 3% of  
7 final average compensation for each year of creditable  
8 service; if retirement occurs before January 1, 2001, 2  
9 1/4% of final average compensation for each of the first  
10 10 years of creditable service, 2 1/2% for each year above  
11 10 years to and including 20 years of creditable service,  
12 and 2 3/4% for each year of creditable service above 20  
13 years; and

14 (ii) for periods of eligible creditable service as a  
15 covered employee: if retirement occurs on or after January  
16 1, 2001, 2.5% of final average compensation for each year  
17 of creditable service; if retirement occurs before January  
18 1, 2001, 1.67% of final average compensation for each of  
19 the first 10 years of such service, 1.90% for each of the  
20 next 10 years of such service, 2.10% for each year of such  
21 service in excess of 20 but not exceeding 30, and 2.30% for  
22 each year in excess of 30.

23 Such annuity shall be subject to a maximum of 75% of final  
24 average compensation if retirement occurs before January 1,  
25 2001 or to a maximum of 80% of final average compensation if  
26 retirement occurs on or after January 1, 2001.

1           These rates shall not be applicable to any service  
2 performed by a member as a covered employee which is not  
3 eligible creditable service. Service as a covered employee  
4 which is not eligible creditable service shall be subject to  
5 the rates and provisions of Section 14-108.

6           (b) For the purpose of this Section, "eligible creditable  
7 service" means creditable service resulting from service in  
8 one or more of the following positions:

9           (1) State policeman;

10           (2) fire fighter in the fire protection service of a  
11 department;

12           (3) air pilot;

13           (4) special agent;

14           (5) investigator for the Secretary of State;

15           (6) conservation police officer;

16           (7) investigator for the Department of Revenue or the  
17 Illinois Gaming Board;

18           (8) security employee of the Department of Human  
19 Services;

20           (9) Central Management Services security police  
21 officer;

22           (10) security employee of the Department of  
23 Corrections or the Department of Juvenile Justice;

24           (11) dangerous drugs investigator;

25           (12) investigator for the Illinois State Police;

26           (13) investigator for the Office of the Attorney

- 1           General;
- 2                 (14) controlled substance inspector;
- 3                 (15) investigator for the Office of the State's
- 4           Attorneys Appellate Prosecutor;
- 5                 (16) Commerce Commission police officer;
- 6                 (17) arson investigator;
- 7                 (18) State highway maintenance worker;
- 8                 (19) security employee of the Department of Innovation
- 9           and Technology; ~~or~~
- 10                (20) transferred employee; ~~or~~
- 11                (21) investigator for the Department of the Lottery.

12           A person employed in one of the positions specified in

13           this subsection is entitled to eligible creditable service for

14           service credit earned under this Article while undergoing the

15           basic police training course approved by the Illinois Law

16           Enforcement Training Standards Board, if completion of that

17           training is required of persons serving in that position. For

18           the purposes of this Code, service during the required basic

19           police training course shall be deemed performance of the

20           duties of the specified position, even though the person is

21           not a sworn peace officer at the time of the training.

22           A person under paragraph (20) is entitled to eligible

23           creditable service for service credit earned under this

24           Article on and after his or her transfer by Executive Order No.

25           2003-10, Executive Order No. 2004-2, or Executive Order No.

26           2016-1.

1 (c) For the purposes of this Section:

2 (1) The term "State policeman" includes any title or  
3 position in the Illinois State Police that is held by an  
4 individual employed under the Illinois State Police Act.

5 (2) The term "fire fighter in the fire protection  
6 service of a department" includes all officers in such  
7 fire protection service including fire chiefs and  
8 assistant fire chiefs.

9 (3) The term "air pilot" includes any employee whose  
10 official job description on file in the Department of  
11 Central Management Services, or in the department by which  
12 he is employed if that department is not covered by the  
13 Personnel Code, states that his principal duty is the  
14 operation of aircraft, and who possesses a pilot's  
15 license; however, the change in this definition made by  
16 Public Act 83-842 shall not operate to exclude any  
17 noncovered employee who was an "air pilot" for the  
18 purposes of this Section on January 1, 1984.

19 (4) The term "special agent" means any person who by  
20 reason of employment by the Division of Narcotic Control,  
21 the Bureau of Investigation or, after July 1, 1977, the  
22 Division of Criminal Investigation, the Division of  
23 Internal Investigation, the Division of Operations, the  
24 Division of Patrol, or any other Division or  
25 organizational entity in the Illinois State Police is  
26 vested by law with duties to maintain public order,

1 investigate violations of the criminal law of this State,  
2 enforce the laws of this State, make arrests and recover  
3 property. The term "special agent" includes any title or  
4 position in the Illinois State Police that is held by an  
5 individual employed under the Illinois State Police Act.

6 (5) The term "investigator for the Secretary of State"  
7 means any person employed by the Office of the Secretary  
8 of State and vested with such investigative duties as  
9 render him ineligible for coverage under the Social  
10 Security Act by reason of Sections 218(d)(5)(A),  
11 218(d)(8)(D) and 218(1)(1) of that Act.

12 A person who became employed as an investigator for  
13 the Secretary of State between January 1, 1967 and  
14 December 31, 1975, and who has served as such until  
15 attainment of age 60, either continuously or with a single  
16 break in service of not more than 3 years duration, which  
17 break terminated before January 1, 1976, shall be entitled  
18 to have his retirement annuity calculated in accordance  
19 with subsection (a), notwithstanding that he has less than  
20 20 years of credit for such service.

21 (6) The term "Conservation Police Officer" means any  
22 person employed by the Division of Law Enforcement of the  
23 Department of Natural Resources and vested with such law  
24 enforcement duties as render him ineligible for coverage  
25 under the Social Security Act by reason of Sections  
26 218(d)(5)(A), 218(d)(8)(D), and 218(1)(1) of that Act. The

1 term "Conservation Police Officer" includes the positions  
2 of Chief Conservation Police Administrator and Assistant  
3 Conservation Police Administrator.

4 (7) The term "investigator for the Department of  
5 Revenue" means any person employed by the Department of  
6 Revenue and vested with such investigative duties as  
7 render him ineligible for coverage under the Social  
8 Security Act by reason of Sections 218(d)(5)(A),  
9 218(d)(8)(D) and 218(1)(1) of that Act.

10 The term "investigator for the Illinois Gaming Board"  
11 means any person employed as such by the Illinois Gaming  
12 Board and vested with such peace officer duties as render  
13 the person ineligible for coverage under the Social  
14 Security Act by reason of Sections 218(d)(5)(A),  
15 218(d)(8)(D), and 218(1)(1) of that Act.

16 (8) The term "security employee of the Department of  
17 Human Services" means any person employed by the  
18 Department of Human Services who (i) is employed at the  
19 Chester Mental Health Center and has daily contact with  
20 the residents thereof, (ii) is employed within a security  
21 unit at a facility operated by the Department and has  
22 daily contact with the residents of the security unit,  
23 (iii) is employed at a facility operated by the Department  
24 that includes a security unit and is regularly scheduled  
25 to work at least 50% of his or her working hours within  
26 that security unit, or (iv) is a mental health police

1 officer. "Mental health police officer" means any person  
2 employed by the Department of Human Services in a position  
3 pertaining to the Department's mental health and  
4 developmental disabilities functions who is vested with  
5 such law enforcement duties as render the person  
6 ineligible for coverage under the Social Security Act by  
7 reason of Sections 218(d)(5)(A), 218(d)(8)(D) and  
8 218(1)(1) of that Act. "Security unit" means that portion  
9 of a facility that is devoted to the care, containment,  
10 and treatment of persons committed to the Department of  
11 Human Services as sexually violent persons, persons unfit  
12 to stand trial, or persons not guilty by reason of  
13 insanity. With respect to past employment, references to  
14 the Department of Human Services include its predecessor,  
15 the Department of Mental Health and Developmental  
16 Disabilities.

17 The changes made to this subdivision (c)(8) by Public  
18 Act 92-14 apply to persons who retire on or after January  
19 1, 2001, notwithstanding Section 1-103.1.

20 (9) "Central Management Services security police  
21 officer" means any person employed by the Department of  
22 Central Management Services who is vested with such law  
23 enforcement duties as render him ineligible for coverage  
24 under the Social Security Act by reason of Sections  
25 218(d)(5)(A), 218(d)(8)(D) and 218(1)(1) of that Act.

26 (10) For a member who first became an employee under



1           this Article before July 1, 2005, the term "security  
2           employee of the Department of Corrections or the  
3           Department of Juvenile Justice" means any employee of the  
4           Department of Corrections or the Department of Juvenile  
5           Justice or the former Department of Personnel, and any  
6           member or employee of the Prisoner Review Board, who has  
7           daily contact with inmates or youth by working within a  
8           correctional facility or Juvenile facility operated by the  
9           Department of Juvenile Justice or who is a parole officer  
10          or an employee who has direct contact with committed  
11          persons in the performance of his or her job duties. For a  
12          member who first becomes an employee under this Article on  
13          or after July 1, 2005, the term means an employee of the  
14          Department of Corrections or the Department of Juvenile  
15          Justice who is any of the following: (i) officially  
16          headquartered at a correctional facility or Juvenile  
17          facility operated by the Department of Juvenile Justice,  
18          (ii) a parole officer, (iii) a member of the apprehension  
19          unit, (iv) a member of the intelligence unit, (v) a member  
20          of the sort team, or (vi) an investigator.

21                 (11) The term "dangerous drugs investigator" means any  
22                 person who is employed as such by the Department of Human  
23                 Services.

24                 (12) The term "investigator for the Illinois State  
25                 Police" means a person employed by the Illinois State  
26                 Police who is vested under Section 4 of the Narcotic

1 Control Division Abolition Act with such law enforcement  
2 powers as render him ineligible for coverage under the  
3 Social Security Act by reason of Sections 218(d)(5)(A),  
4 218(d)(8)(D) and 218(1)(1) of that Act.

5 (13) "Investigator for the Office of the Attorney  
6 General" means any person who is employed as such by the  
7 Office of the Attorney General and is vested with such  
8 investigative duties as render him ineligible for coverage  
9 under the Social Security Act by reason of Sections  
10 218(d)(5)(A), 218(d)(8)(D) and 218(1)(1) of that Act. For  
11 the period before January 1, 1989, the term includes all  
12 persons who were employed as investigators by the Office  
13 of the Attorney General, without regard to social security  
14 status.

15 (14) "Controlled substance inspector" means any person  
16 who is employed as such by the Department of Professional  
17 Regulation and is vested with such law enforcement duties  
18 as render him ineligible for coverage under the Social  
19 Security Act by reason of Sections 218(d)(5)(A),  
20 218(d)(8)(D) and 218(1)(1) of that Act. The term  
21 "controlled substance inspector" includes the Program  
22 Executive of Enforcement and the Assistant Program  
23 Executive of Enforcement.

24 (15) The term "investigator for the Office of the  
25 State's Attorneys Appellate Prosecutor" means a person  
26 employed in that capacity on a full-time basis under the

1 authority of Section 7.06 of the State's Attorneys  
2 Appellate Prosecutor's Act.

3 (16) "Commerce Commission police officer" means any  
4 person employed by the Illinois Commerce Commission who is  
5 vested with such law enforcement duties as render him  
6 ineligible for coverage under the Social Security Act by  
7 reason of Sections 218(d)(5)(A), 218(d)(8)(D), and  
8 218(1)(1) of that Act.

9 (17) "Arson investigator" means any person who is  
10 employed as such by the Office of the State Fire Marshal  
11 and is vested with such law enforcement duties as render  
12 the person ineligible for coverage under the Social  
13 Security Act by reason of Sections 218(d)(5)(A),  
14 218(d)(8)(D), and 218(1)(1) of that Act. A person who was  
15 employed as an arson investigator on January 1, 1995 and  
16 is no longer in service but not yet receiving a retirement  
17 annuity may convert his or her creditable service for  
18 employment as an arson investigator into eligible  
19 creditable service by paying to the System the difference  
20 between the employee contributions actually paid for that  
21 service and the amounts that would have been contributed  
22 if the applicant were contributing at the rate applicable  
23 to persons with the same social security status earning  
24 eligible creditable service on the date of application.

25 (18) The term "State highway maintenance worker" means  
26 a person who is either of the following:

1 (i) A person employed on a full-time basis by the  
2 Illinois Department of Transportation in the position  
3 of highway maintainer, highway maintenance lead  
4 worker, highway maintenance lead/lead worker, heavy  
5 construction equipment operator, power shovel  
6 operator, or bridge mechanic; and whose principal  
7 responsibility is to perform, on the roadway, the  
8 actual maintenance necessary to keep the highways that  
9 form a part of the State highway system in serviceable  
10 condition for vehicular traffic.

11 (ii) A person employed on a full-time basis by the  
12 Illinois State Toll Highway Authority in the position  
13 of equipment operator/laborer H-4, equipment  
14 operator/laborer H-6, welder H-4, welder H-6,  
15 mechanical/electrical H-4, mechanical/electrical H-6,  
16 water/sewer H-4, water/sewer H-6, sign maker/hanger  
17 H-4, sign maker/hanger H-6, roadway lighting H-4,  
18 roadway lighting H-6, structural H-4, structural H-6,  
19 painter H-4, or painter H-6; and whose principal  
20 responsibility is to perform, on the roadway, the  
21 actual maintenance necessary to keep the Authority's  
22 tollways in serviceable condition for vehicular  
23 traffic.

24 (19) The term "security employee of the Department of  
25 Innovation and Technology" means a person who was a  
26 security employee of the Department of Corrections or the

1 Department of Juvenile Justice, was transferred to the  
2 Department of Innovation and Technology pursuant to  
3 Executive Order 2016-01, and continues to perform similar  
4 job functions under that Department.

5 (20) "Transferred employee" means an employee who was  
6 transferred to the Department of Central Management  
7 Services by Executive Order No. 2003-10 or Executive Order  
8 No. 2004-2 or transferred to the Department of Innovation  
9 and Technology by Executive Order No. 2016-1, or both, and  
10 was entitled to eligible creditable service for services  
11 immediately preceding the transfer.

12 (21) "Investigator for the Department of the Lottery"  
13 means any person who is employed by the Department of the  
14 Lottery and is vested with such investigative duties which  
15 render him or her ineligible for coverage under the Social  
16 Security Act by reason of Sections 218(d)(5)(A),  
17 218(d)(8)(D), and 218(1)(1) of that Act. An investigator  
18 for the Department of the Lottery who qualifies under this  
19 Section shall earn eligible creditable service and be  
20 required to make contributions at the rate specified in  
21 paragraph (3) of subsection (a) of Section 14-133 for all  
22 periods of service as an investigator for the Department  
23 of the Lottery.

24 (d) A security employee of the Department of Corrections  
25 or the Department of Juvenile Justice, a security employee of  
26 the Department of Human Services who is not a mental health

1 police officer, and a security employee of the Department of  
2 Innovation and Technology shall not be eligible for the  
3 alternative retirement annuity provided by this Section unless  
4 he or she meets the following minimum age and service  
5 requirements at the time of retirement:

6 (i) 25 years of eligible creditable service and age  
7 55; or

8 (ii) beginning January 1, 1987, 25 years of eligible  
9 creditable service and age 54, or 24 years of eligible  
10 creditable service and age 55; or

11 (iii) beginning January 1, 1988, 25 years of eligible  
12 creditable service and age 53, or 23 years of eligible  
13 creditable service and age 55; or

14 (iv) beginning January 1, 1989, 25 years of eligible  
15 creditable service and age 52, or 22 years of eligible  
16 creditable service and age 55; or

17 (v) beginning January 1, 1990, 25 years of eligible  
18 creditable service and age 51, or 21 years of eligible  
19 creditable service and age 55; or

20 (vi) beginning January 1, 1991, 25 years of eligible  
21 creditable service and age 50, or 20 years of eligible  
22 creditable service and age 55.

23 Persons who have service credit under Article 16 of this  
24 Code for service as a security employee of the Department of  
25 Corrections or the Department of Juvenile Justice, or the  
26 Department of Human Services in a position requiring

1 certification as a teacher may count such service toward  
2 establishing their eligibility under the service requirements  
3 of this Section; but such service may be used only for  
4 establishing such eligibility, and not for the purpose of  
5 increasing or calculating any benefit.

6 (e) If a member enters military service while working in a  
7 position in which eligible creditable service may be earned,  
8 and returns to State service in the same or another such  
9 position, and fulfills in all other respects the conditions  
10 prescribed in this Article for credit for military service,  
11 such military service shall be credited as eligible creditable  
12 service for the purposes of the retirement annuity prescribed  
13 in this Section.

14 (f) For purposes of calculating retirement annuities under  
15 this Section, periods of service rendered after December 31,  
16 1968 and before October 1, 1975 as a covered employee in the  
17 position of special agent, conservation police officer, mental  
18 health police officer, or investigator for the Secretary of  
19 State, shall be deemed to have been service as a noncovered  
20 employee, provided that the employee pays to the System prior  
21 to retirement an amount equal to (1) the difference between  
22 the employee contributions that would have been required for  
23 such service as a noncovered employee, and the amount of  
24 employee contributions actually paid, plus (2) if payment is  
25 made after July 31, 1987, regular interest on the amount  
26 specified in item (1) from the date of service to the date of

1 payment.

2 For purposes of calculating retirement annuities under  
3 this Section, periods of service rendered after December 31,  
4 1968 and before January 1, 1982 as a covered employee in the  
5 position of investigator for the Department of Revenue shall  
6 be deemed to have been service as a noncovered employee,  
7 provided that the employee pays to the System prior to  
8 retirement an amount equal to (1) the difference between the  
9 employee contributions that would have been required for such  
10 service as a noncovered employee, and the amount of employee  
11 contributions actually paid, plus (2) if payment is made after  
12 January 1, 1990, regular interest on the amount specified in  
13 item (1) from the date of service to the date of payment.

14 (g) A State policeman may elect, not later than January 1,  
15 1990, to establish eligible creditable service for up to 10  
16 years of his service as a policeman under Article 3, by filing  
17 a written election with the Board, accompanied by payment of  
18 an amount to be determined by the Board, equal to (i) the  
19 difference between the amount of employee and employer  
20 contributions transferred to the System under Section 3-110.5,  
21 and the amounts that would have been contributed had such  
22 contributions been made at the rates applicable to State  
23 policemen, plus (ii) interest thereon at the effective rate  
24 for each year, compounded annually, from the date of service  
25 to the date of payment.

26 Subject to the limitation in subsection (i), a State



1 policeman may elect, not later than July 1, 1993, to establish  
2 eligible creditable service for up to 10 years of his service  
3 as a member of the County Police Department under Article 9, by  
4 filing a written election with the Board, accompanied by  
5 payment of an amount to be determined by the Board, equal to  
6 (i) the difference between the amount of employee and employer  
7 contributions transferred to the System under Section 9-121.10  
8 and the amounts that would have been contributed had those  
9 contributions been made at the rates applicable to State  
10 policemen, plus (ii) interest thereon at the effective rate  
11 for each year, compounded annually, from the date of service  
12 to the date of payment.

13 (h) Subject to the limitation in subsection (i), a State  
14 policeman or investigator for the Secretary of State may elect  
15 to establish eligible creditable service for up to 12 years of  
16 his service as a policeman under Article 5, by filing a written  
17 election with the Board on or before January 31, 1992, and  
18 paying to the System by January 31, 1994 an amount to be  
19 determined by the Board, equal to (i) the difference between  
20 the amount of employee and employer contributions transferred  
21 to the System under Section 5-236, and the amounts that would  
22 have been contributed had such contributions been made at the  
23 rates applicable to State policemen, plus (ii) interest  
24 thereon at the effective rate for each year, compounded  
25 annually, from the date of service to the date of payment.

26 Subject to the limitation in subsection (i), a State

1 policeman, conservation police officer, or investigator for  
2 the Secretary of State may elect to establish eligible  
3 creditable service for up to 10 years of service as a sheriff's  
4 law enforcement employee under Article 7, by filing a written  
5 election with the Board on or before January 31, 1993, and  
6 paying to the System by January 31, 1994 an amount to be  
7 determined by the Board, equal to (i) the difference between  
8 the amount of employee and employer contributions transferred  
9 to the System under Section 7-139.7, and the amounts that  
10 would have been contributed had such contributions been made  
11 at the rates applicable to State policemen, plus (ii) interest  
12 thereon at the effective rate for each year, compounded  
13 annually, from the date of service to the date of payment.

14 Subject to the limitation in subsection (i), a State  
15 policeman, conservation police officer, or investigator for  
16 the Secretary of State may elect to establish eligible  
17 creditable service for up to 5 years of service as a police  
18 officer under Article 3, a policeman under Article 5, a  
19 sheriff's law enforcement employee under Article 7, a member  
20 of the county police department under Article 9, or a police  
21 officer under Article 15 by filing a written election with the  
22 Board and paying to the System an amount to be determined by  
23 the Board, equal to (i) the difference between the amount of  
24 employee and employer contributions transferred to the System  
25 under Section 3-110.6, 5-236, 7-139.8, 9-121.10, or 15-134.4  
26 and the amounts that would have been contributed had such

1 contributions been made at the rates applicable to State  
2 policemen, plus (ii) interest thereon at the effective rate  
3 for each year, compounded annually, from the date of service  
4 to the date of payment.

5 Subject to the limitation in subsection (i), an  
6 investigator for the Office of the Attorney General, or an  
7 investigator for the Department of Revenue, may elect to  
8 establish eligible creditable service for up to 5 years of  
9 service as a police officer under Article 3, a policeman under  
10 Article 5, a sheriff's law enforcement employee under Article  
11 7, or a member of the county police department under Article 9  
12 by filing a written election with the Board within 6 months  
13 after August 25, 2009 (the effective date of Public Act  
14 96-745) and paying to the System an amount to be determined by  
15 the Board, equal to (i) the difference between the amount of  
16 employee and employer contributions transferred to the System  
17 under Section 3-110.6, 5-236, 7-139.8, or 9-121.10 and the  
18 amounts that would have been contributed had such  
19 contributions been made at the rates applicable to State  
20 policemen, plus (ii) interest thereon at the actuarially  
21 assumed rate for each year, compounded annually, from the date  
22 of service to the date of payment.

23 Subject to the limitation in subsection (i), a State  
24 policeman, conservation police officer, investigator for the  
25 Office of the Attorney General, an investigator for the  
26 Department of Revenue, or investigator for the Secretary of

1 State may elect to establish eligible creditable service for  
2 up to 5 years of service as a person employed by a  
3 participating municipality to perform police duties, or law  
4 enforcement officer employed on a full-time basis by a forest  
5 preserve district under Article 7, a county corrections  
6 officer, or a court services officer under Article 9, by  
7 filing a written election with the Board within 6 months after  
8 August 25, 2009 (the effective date of Public Act 96-745) and  
9 paying to the System an amount to be determined by the Board,  
10 equal to (i) the difference between the amount of employee and  
11 employer contributions transferred to the System under  
12 Sections 7-139.8 and 9-121.10 and the amounts that would have  
13 been contributed had such contributions been made at the rates  
14 applicable to State policemen, plus (ii) interest thereon at  
15 the actuarially assumed rate for each year, compounded  
16 annually, from the date of service to the date of payment.

17 Subject to the limitation in subsection (i), a State  
18 policeman, arson investigator, or Commerce Commission police  
19 officer may elect to establish eligible creditable service for  
20 up to 5 years of service as a person employed by a  
21 participating municipality to perform police duties under  
22 Article 7, a county corrections officer, a court services  
23 officer under Article 9, or a firefighter under Article 4 by  
24 filing a written election with the Board within 6 months after  
25 July 30, 2021 (the effective date of Public Act 102-210) and  
26 paying to the System an amount to be determined by the Board

1 equal to (i) the difference between the amount of employee and  
2 employer contributions transferred to the System under  
3 Sections 4-108.8, 7-139.8, and 9-121.10 and the amounts that  
4 would have been contributed had such contributions been made  
5 at the rates applicable to State policemen, plus (ii) interest  
6 thereon at the actuarially assumed rate for each year,  
7 compounded annually, from the date of service to the date of  
8 payment.

9 Subject to the limitation in subsection (i), a  
10 conservation police officer may elect to establish eligible  
11 creditable service for up to 5 years of service as a person  
12 employed by a participating municipality to perform police  
13 duties under Article 7, a county corrections officer, or a  
14 court services officer under Article 9 by filing a written  
15 election with the Board within 6 months after July 30, 2021  
16 (the effective date of Public Act 102-210) and paying to the  
17 System an amount to be determined by the Board equal to (i) the  
18 difference between the amount of employee and employer  
19 contributions transferred to the System under Sections 7-139.8  
20 and 9-121.10 and the amounts that would have been contributed  
21 had such contributions been made at the rates applicable to  
22 State policemen, plus (ii) interest thereon at the actuarially  
23 assumed rate for each year, compounded annually, from the date  
24 of service to the date of payment.

25 Subject to the limitation in subsection (i), an  
26 investigator for the Department of Revenue, investigator for

1 the Illinois Gaming Board, investigator for the Secretary of  
2 State, or arson investigator may elect to establish eligible  
3 creditable service for up to 5 years of service as a person  
4 employed by a participating municipality to perform police  
5 duties under Article 7, a county corrections officer, a court  
6 services officer under Article 9, or a firefighter under  
7 Article 4 by filing a written election with the Board within 6  
8 months after the effective date of this amendatory Act of the  
9 102nd General Assembly and paying to the System an amount to be  
10 determined by the Board equal to (i) the difference between  
11 the amount of employee and employer contributions transferred  
12 to the System under Sections 4-108.8, 7-139.8, and 9-121.10  
13 and the amounts that would have been contributed had such  
14 contributions been made at the rates applicable to State  
15 policemen, plus (ii) interest thereon at the actuarially  
16 assumed rate for each year, compounded annually, from the date  
17 of service to the date of payment.

18 Notwithstanding the limitation in subsection (i), a State  
19 policeman or conservation police officer may elect to convert  
20 service credit earned under this Article to eligible  
21 creditable service, as defined by this Section, by filing a  
22 written election with the board within 6 months after July 30,  
23 2021 (the effective date of Public Act 102-210) and paying to  
24 the System an amount to be determined by the Board equal to (i)  
25 the difference between the amount of employee contributions  
26 originally paid for that service and the amounts that would

1 have been contributed had such contributions been made at the  
2 rates applicable to State policemen, plus (ii) the difference  
3 between the employer's normal cost of the credit prior to the  
4 conversion authorized by Public Act 102-210 and the employer's  
5 normal cost of the credit converted in accordance with Public  
6 Act 102-210, plus (iii) interest thereon at the actuarially  
7 assumed rate for each year, compounded annually, from the date  
8 of service to the date of payment.

9 Notwithstanding the limitation in subsection (i), an  
10 investigator for the Department of Revenue, investigator for  
11 the Illinois Gaming Board, investigator for the Secretary of  
12 State, or arson investigator may elect to convert service  
13 credit earned under this Article to eligible creditable  
14 service, as defined by this Section, by filing a written  
15 election with the Board within 6 months after the effective  
16 date of this amendatory Act of the 102nd General Assembly and  
17 paying to the System an amount to be determined by the Board  
18 equal to (i) the difference between the amount of employee  
19 contributions originally paid for that service and the amounts  
20 that would have been contributed had such contributions been  
21 made at the rates applicable to investigators for the  
22 Department of Revenue, investigators for the Illinois Gaming  
23 Board, investigators for the Secretary of State, or arson  
24 investigators, plus (ii) the difference between the employer's  
25 normal cost of the credit prior to the conversion authorized  
26 by this amendatory Act of the 102nd General Assembly and the

1 employer's normal cost of the credit converted in accordance  
2 with this amendatory Act of the 102nd General Assembly, plus  
3 (iii) interest thereon at the actuarially assumed rate for  
4 each year, compounded annually, from the date of service to  
5 the date of payment.

6 (i) The total amount of eligible creditable service  
7 established by any person under subsections (g), (h), (j),  
8 (k), (l), (l-5), ~~and (o)~~, and (r) of this Section shall not  
9 exceed 12 years.

10 (j) Subject to the limitation in subsection (i), an  
11 investigator for the Office of the State's Attorneys Appellate  
12 Prosecutor or a controlled substance inspector may elect to  
13 establish eligible creditable service for up to 10 years of  
14 his service as a policeman under Article 3 or a sheriff's law  
15 enforcement employee under Article 7, by filing a written  
16 election with the Board, accompanied by payment of an amount  
17 to be determined by the Board, equal to (1) the difference  
18 between the amount of employee and employer contributions  
19 transferred to the System under Section 3-110.6 or 7-139.8,  
20 and the amounts that would have been contributed had such  
21 contributions been made at the rates applicable to State  
22 policemen, plus (2) interest thereon at the effective rate for  
23 each year, compounded annually, from the date of service to  
24 the date of payment.

25 (k) Subject to the limitation in subsection (i) of this  
26 Section, an alternative formula employee may elect to



1 establish eligible creditable service for periods spent as a  
2 full-time law enforcement officer or full-time corrections  
3 officer employed by the federal government or by a state or  
4 local government located outside of Illinois, for which credit  
5 is not held in any other public employee pension fund or  
6 retirement system. To obtain this credit, the applicant must  
7 file a written application with the Board by March 31, 1998,  
8 accompanied by evidence of eligibility acceptable to the Board  
9 and payment of an amount to be determined by the Board, equal  
10 to (1) employee contributions for the credit being  
11 established, based upon the applicant's salary on the first  
12 day as an alternative formula employee after the employment  
13 for which credit is being established and the rates then  
14 applicable to alternative formula employees, plus (2) an  
15 amount determined by the Board to be the employer's normal  
16 cost of the benefits accrued for the credit being established,  
17 plus (3) regular interest on the amounts in items (1) and (2)  
18 from the first day as an alternative formula employee after  
19 the employment for which credit is being established to the  
20 date of payment.

21 (1) Subject to the limitation in subsection (i), a  
22 security employee of the Department of Corrections may elect,  
23 not later than July 1, 1998, to establish eligible creditable  
24 service for up to 10 years of his or her service as a policeman  
25 under Article 3, by filing a written election with the Board,  
26 accompanied by payment of an amount to be determined by the

1 Board, equal to (i) the difference between the amount of  
2 employee and employer contributions transferred to the System  
3 under Section 3-110.5, and the amounts that would have been  
4 contributed had such contributions been made at the rates  
5 applicable to security employees of the Department of  
6 Corrections, plus (ii) interest thereon at the effective rate  
7 for each year, compounded annually, from the date of service  
8 to the date of payment.

9 (1-5) Subject to the limitation in subsection (i) of this  
10 Section, a State policeman may elect to establish eligible  
11 creditable service for up to 5 years of service as a full-time  
12 law enforcement officer employed by the federal government or  
13 by a state or local government located outside of Illinois for  
14 which credit is not held in any other public employee pension  
15 fund or retirement system. To obtain this credit, the  
16 applicant must file a written application with the Board no  
17 later than 3 years after January 1, 2020 (the effective date of  
18 Public Act 101-610), accompanied by evidence of eligibility  
19 acceptable to the Board and payment of an amount to be  
20 determined by the Board, equal to (1) employee contributions  
21 for the credit being established, based upon the applicant's  
22 salary on the first day as an alternative formula employee  
23 after the employment for which credit is being established and  
24 the rates then applicable to alternative formula employees,  
25 plus (2) an amount determined by the Board to be the employer's  
26 normal cost of the benefits accrued for the credit being

1 established, plus (3) regular interest on the amounts in items  
2 (1) and (2) from the first day as an alternative formula  
3 employee after the employment for which credit is being  
4 established to the date of payment.

5 (m) The amendatory changes to this Section made by Public  
6 Act 94-696 apply only to: (1) security employees of the  
7 Department of Juvenile Justice employed by the Department of  
8 Corrections before June 1, 2006 (the effective date of Public  
9 Act 94-696) and transferred to the Department of Juvenile  
10 Justice by Public Act 94-696; and (2) persons employed by the  
11 Department of Juvenile Justice on or after June 1, 2006 (the  
12 effective date of Public Act 94-696) who are required by  
13 subsection (b) of Section 3-2.5-15 of the Unified Code of  
14 Corrections to have any bachelor's or advanced degree from an  
15 accredited college or university or, in the case of persons  
16 who provide vocational training, who are required to have  
17 adequate knowledge in the skill for which they are providing  
18 the vocational training.

19 Beginning with the pay period that immediately follows the  
20 effective date of this amendatory Act of the 103rd General  
21 Assembly, the bachelor's or advanced degree requirement of  
22 subsection (b) of Section 3-2.5-15 of the Unified Code of  
23 Corrections shall no longer determine the eligibility to earn  
24 eligible creditable service for a person employed by the  
25 Department of Juvenile Justice.

26 An employee may elect to convert into eligible creditable

1 service his or her creditable service earned with the  
2 Department of Juvenile Justice while employed in a position  
3 that required the employee to do any one or more of the  
4 following: (1) participate or assist in the rehabilitative and  
5 vocational training of delinquent youths; (2) supervise the  
6 daily activities and assume direct and continuing  
7 responsibility for the youth's security, welfare, and  
8 development; or (3) participate in the personal rehabilitation  
9 of delinquent youth by training, supervising, and assisting  
10 lower-level personnel. To convert that creditable service to  
11 eligible creditable service, the employee must pay to the  
12 System the difference between the employee contributions  
13 actually paid for that service and the amounts that would have  
14 been contributed if the applicant were contributing at the  
15 rate applicable to persons with the same Social Security  
16 status earning eligible creditable service on the date of  
17 application.

18 (n) A person employed in a position under subsection (b)  
19 of this Section who has purchased service credit under  
20 subsection (j) of Section 14-104 or subsection (b) of Section  
21 14-105 in any other capacity under this Article may convert up  
22 to 5 years of that service credit into service credit covered  
23 under this Section by paying to the Fund an amount equal to (1)  
24 the additional employee contribution required under Section  
25 14-133, plus (2) the additional employer contribution required  
26 under Section 14-131, plus (3) interest on items (1) and (2) at

1 the actuarially assumed rate from the date of the service to  
2 the date of payment.

3 (o) Subject to the limitation in subsection (i), a  
4 conservation police officer, investigator for the Secretary of  
5 State, Commerce Commission police officer, investigator for  
6 the Department of Revenue or the Illinois Gaming Board, or  
7 arson investigator subject to subsection (g) of Section 1-160  
8 may elect to convert up to 8 years of service credit  
9 established before January 1, 2020 (the effective date of  
10 Public Act 101-610) as a conservation police officer,  
11 investigator for the Secretary of State, Commerce Commission  
12 police officer, investigator for the Department of Revenue or  
13 the Illinois Gaming Board, or arson investigator under this  
14 Article into eligible creditable service by filing a written  
15 election with the Board no later than one year after January 1,  
16 2020 (the effective date of Public Act 101-610), accompanied  
17 by payment of an amount to be determined by the Board equal to  
18 (i) the difference between the amount of the employee  
19 contributions actually paid for that service and the amount of  
20 the employee contributions that would have been paid had the  
21 employee contributions been made as a noncovered employee  
22 serving in a position in which eligible creditable service, as  
23 defined in this Section, may be earned, plus (ii) interest  
24 thereon at the effective rate for each year, compounded  
25 annually, from the date of service to the date of payment.

26 (q) A security employee of the Department of Human

1 Services who is subject to subsection (g) of Section 1-160 may  
2 elect to convert up to 13 years of service credit established  
3 before the effective date of this amendatory Act of the 103rd  
4 General Assembly as a security employee of the Department of  
5 Human Services to eligible creditable service by filing a  
6 written election with the Board no later than one year after  
7 the effective date of this amendatory Act of the 103rd General  
8 Assembly, accompanied by payment of an amount, to be  
9 determined by the Board, equal to (i) the difference between  
10 the amount of the employee contributions actually paid for  
11 that service and the amount of the employee contributions that  
12 would have been paid had the employee contributions been made  
13 as a covered employee serving in a position in which eligible  
14 creditable service, as defined in this Section, may be earned,  
15 plus (ii) interest thereon at the effective rate for each  
16 year, compounded annually, from the date of service to the  
17 date of payment.

18 (r) Subject to the limitation in subsection (i), a State  
19 highway maintenance worker subject to subsection (g) of  
20 Section 1-160 may elect to convert up to 8 years of service  
21 credit established before the effective date of this  
22 amendatory Act of the 103rd General Assembly as a State  
23 highway maintenance work under this Article into eligible  
24 creditable service by filing a written election with the Board  
25 no later than one year after the effective date of this  
26 amendatory Act of the 103rd General Assembly, accompanied by

1 payment of an amount to be determined by the Board equal to (i)  
2 the difference between the amount of the employee  
3 contributions actually paid for that service and the amount of  
4 the employee contributions that would have been paid had the  
5 employee contributions been made as a noncovered employee  
6 serving in a position in which eligible creditable service, as  
7 defined in this Section, may be earned, plus (ii) interest  
8 thereon at the effective rate for each year, compounded  
9 annually, from the date of service to the date of payment.

10 (Source: P.A. 102-210, eff. 7-30-21; 102-538, eff. 8-20-21;  
11 102-856, eff. 1-1-23; 103-34, eff. 1-1-24.)

12 (Text of Section from P.A. 102-956 and 103-34)

13 Sec. 14-110. Alternative retirement annuity.

14 (a) Any member who has withdrawn from service with not  
15 less than 20 years of eligible creditable service and has  
16 attained age 55, and any member who has withdrawn from service  
17 with not less than 25 years of eligible creditable service and  
18 has attained age 50, regardless of whether the attainment of  
19 either of the specified ages occurs while the member is still  
20 in service, shall be entitled to receive at the option of the  
21 member, in lieu of the regular or minimum retirement annuity,  
22 a retirement annuity computed as follows:

23 (i) for periods of service as a noncovered employee:  
24 if retirement occurs on or after January 1, 2001, 3% of  
25 final average compensation for each year of creditable

1 service; if retirement occurs before January 1, 2001, 2  
2 1/4% of final average compensation for each of the first  
3 10 years of creditable service, 2 1/2% for each year above  
4 10 years to and including 20 years of creditable service,  
5 and 2 3/4% for each year of creditable service above 20  
6 years; and

7 (ii) for periods of eligible creditable service as a  
8 covered employee: if retirement occurs on or after January  
9 1, 2001, 2.5% of final average compensation for each year  
10 of creditable service; if retirement occurs before January  
11 1, 2001, 1.67% of final average compensation for each of  
12 the first 10 years of such service, 1.90% for each of the  
13 next 10 years of such service, 2.10% for each year of such  
14 service in excess of 20 but not exceeding 30, and 2.30% for  
15 each year in excess of 30.

16 Such annuity shall be subject to a maximum of 75% of final  
17 average compensation if retirement occurs before January 1,  
18 2001 or to a maximum of 80% of final average compensation if  
19 retirement occurs on or after January 1, 2001.

20 These rates shall not be applicable to any service  
21 performed by a member as a covered employee which is not  
22 eligible creditable service. Service as a covered employee  
23 which is not eligible creditable service shall be subject to  
24 the rates and provisions of Section 14-108.

25 (b) For the purpose of this Section, "eligible creditable  
26 service" means creditable service resulting from service in



1 one or more of the following positions:

2 (1) State policeman;

3 (2) fire fighter in the fire protection service of a  
4 department;

5 (3) air pilot;

6 (4) special agent;

7 (5) investigator for the Secretary of State;

8 (6) conservation police officer;

9 (7) investigator for the Department of Revenue or the  
10 Illinois Gaming Board;

11 (8) security employee of the Department of Human  
12 Services;

13 (9) Central Management Services security police  
14 officer;

15 (10) security employee of the Department of  
16 Corrections or the Department of Juvenile Justice;

17 (11) dangerous drugs investigator;

18 (12) investigator for the Illinois State Police;

19 (13) investigator for the Office of the Attorney  
20 General;

21 (14) controlled substance inspector;

22 (15) investigator for the Office of the State's  
23 Attorneys Appellate Prosecutor;

24 (16) Commerce Commission police officer;

25 (17) arson investigator;

26 (18) State highway maintenance worker;

1 (19) security employee of the Department of Innovation  
2 and Technology; ~~or~~

3 (20) transferred employee; or

4 (21) investigator for the Department of the Lottery.

5 A person employed in one of the positions specified in  
6 this subsection is entitled to eligible creditable service for  
7 service credit earned under this Article while undergoing the  
8 basic police training course approved by the Illinois Law  
9 Enforcement Training Standards Board, if completion of that  
10 training is required of persons serving in that position. For  
11 the purposes of this Code, service during the required basic  
12 police training course shall be deemed performance of the  
13 duties of the specified position, even though the person is  
14 not a sworn peace officer at the time of the training.

15 A person under paragraph (20) is entitled to eligible  
16 creditable service for service credit earned under this  
17 Article on and after his or her transfer by Executive Order No.  
18 2003-10, Executive Order No. 2004-2, or Executive Order No.  
19 2016-1.

20 (c) For the purposes of this Section:

21 (1) The term "State policeman" includes any title or  
22 position in the Illinois State Police that is held by an  
23 individual employed under the Illinois State Police Act.

24 (2) The term "fire fighter in the fire protection  
25 service of a department" includes all officers in such  
26 fire protection service including fire chiefs and

1 assistant fire chiefs.

2 (3) The term "air pilot" includes any employee whose  
3 official job description on file in the Department of  
4 Central Management Services, or in the department by which  
5 he is employed if that department is not covered by the  
6 Personnel Code, states that his principal duty is the  
7 operation of aircraft, and who possesses a pilot's  
8 license; however, the change in this definition made by  
9 Public Act 83-842 shall not operate to exclude any  
10 noncovered employee who was an "air pilot" for the  
11 purposes of this Section on January 1, 1984.

12 (4) The term "special agent" means any person who by  
13 reason of employment by the Division of Narcotic Control,  
14 the Bureau of Investigation or, after July 1, 1977, the  
15 Division of Criminal Investigation, the Division of  
16 Internal Investigation, the Division of Operations, the  
17 Division of Patrol, or any other Division or  
18 organizational entity in the Illinois State Police is  
19 vested by law with duties to maintain public order,  
20 investigate violations of the criminal law of this State,  
21 enforce the laws of this State, make arrests and recover  
22 property. The term "special agent" includes any title or  
23 position in the Illinois State Police that is held by an  
24 individual employed under the Illinois State Police Act.

25 (5) The term "investigator for the Secretary of State"  
26 means any person employed by the Office of the Secretary

1 of State and vested with such investigative duties as  
2 render him ineligible for coverage under the Social  
3 Security Act by reason of Sections 218(d)(5)(A),  
4 218(d)(8)(D) and 218(1)(1) of that Act.

5 A person who became employed as an investigator for  
6 the Secretary of State between January 1, 1967 and  
7 December 31, 1975, and who has served as such until  
8 attainment of age 60, either continuously or with a single  
9 break in service of not more than 3 years duration, which  
10 break terminated before January 1, 1976, shall be entitled  
11 to have his retirement annuity calculated in accordance  
12 with subsection (a), notwithstanding that he has less than  
13 20 years of credit for such service.

14 (6) The term "Conservation Police Officer" means any  
15 person employed by the Division of Law Enforcement of the  
16 Department of Natural Resources and vested with such law  
17 enforcement duties as render him ineligible for coverage  
18 under the Social Security Act by reason of Sections  
19 218(d)(5)(A), 218(d)(8)(D), and 218(1)(1) of that Act. The  
20 term "Conservation Police Officer" includes the positions  
21 of Chief Conservation Police Administrator and Assistant  
22 Conservation Police Administrator.

23 (7) The term "investigator for the Department of  
24 Revenue" means any person employed by the Department of  
25 Revenue and vested with such investigative duties as  
26 render him ineligible for coverage under the Social

1 Security Act by reason of Sections 218(d)(5)(A),  
2 218(d)(8)(D) and 218(1)(1) of that Act.

3 The term "investigator for the Illinois Gaming Board"  
4 means any person employed as such by the Illinois Gaming  
5 Board and vested with such peace officer duties as render  
6 the person ineligible for coverage under the Social  
7 Security Act by reason of Sections 218(d)(5)(A),  
8 218(d)(8)(D), and 218(1)(1) of that Act.

9 (8) The term "security employee of the Department of  
10 Human Services" means any person employed by the  
11 Department of Human Services who (i) is employed at the  
12 Chester Mental Health Center and has daily contact with  
13 the residents thereof, (ii) is employed within a security  
14 unit at a facility operated by the Department and has  
15 daily contact with the residents of the security unit,  
16 (iii) is employed at a facility operated by the Department  
17 that includes a security unit and is regularly scheduled  
18 to work at least 50% of his or her working hours within  
19 that security unit, or (iv) is a mental health police  
20 officer. "Mental health police officer" means any person  
21 employed by the Department of Human Services in a position  
22 pertaining to the Department's mental health and  
23 developmental disabilities functions who is vested with  
24 such law enforcement duties as render the person  
25 ineligible for coverage under the Social Security Act by  
26 reason of Sections 218(d)(5)(A), 218(d)(8)(D) and

1           218(1)(1) of that Act. "Security unit" means that portion  
2           of a facility that is devoted to the care, containment,  
3           and treatment of persons committed to the Department of  
4           Human Services as sexually violent persons, persons unfit  
5           to stand trial, or persons not guilty by reason of  
6           insanity. With respect to past employment, references to  
7           the Department of Human Services include its predecessor,  
8           the Department of Mental Health and Developmental  
9           Disabilities.

10           The changes made to this subdivision (c)(8) by Public  
11           Act 92-14 apply to persons who retire on or after January  
12           1, 2001, notwithstanding Section 1-103.1.

13           (9) "Central Management Services security police  
14           officer" means any person employed by the Department of  
15           Central Management Services who is vested with such law  
16           enforcement duties as render him ineligible for coverage  
17           under the Social Security Act by reason of Sections  
18           218(d)(5)(A), 218(d)(8)(D) and 218(1)(1) of that Act.

19           (10) For a member who first became an employee under  
20           this Article before July 1, 2005, the term "security  
21           employee of the Department of Corrections or the  
22           Department of Juvenile Justice" means any employee of the  
23           Department of Corrections or the Department of Juvenile  
24           Justice or the former Department of Personnel, and any  
25           member or employee of the Prisoner Review Board, who has  
26           daily contact with inmates or youth by working within a

1 correctional facility or Juvenile facility operated by the  
2 Department of Juvenile Justice or who is a parole officer  
3 or an employee who has direct contact with committed  
4 persons in the performance of his or her job duties. For a  
5 member who first becomes an employee under this Article on  
6 or after July 1, 2005, the term means an employee of the  
7 Department of Corrections or the Department of Juvenile  
8 Justice who is any of the following: (i) officially  
9 headquartered at a correctional facility or Juvenile  
10 facility operated by the Department of Juvenile Justice,  
11 (ii) a parole officer, (iii) a member of the apprehension  
12 unit, (iv) a member of the intelligence unit, (v) a member  
13 of the sort team, or (vi) an investigator.

14 (11) The term "dangerous drugs investigator" means any  
15 person who is employed as such by the Department of Human  
16 Services.

17 (12) The term "investigator for the Illinois State  
18 Police" means a person employed by the Illinois State  
19 Police who is vested under Section 4 of the Narcotic  
20 Control Division Abolition Act with such law enforcement  
21 powers as render him ineligible for coverage under the  
22 Social Security Act by reason of Sections 218(d)(5)(A),  
23 218(d)(8)(D) and 218(1)(1) of that Act.

24 (13) "Investigator for the Office of the Attorney  
25 General" means any person who is employed as such by the  
26 Office of the Attorney General and is vested with such

1           investigative duties as render him ineligible for coverage  
2           under the Social Security Act by reason of Sections  
3           218(d)(5)(A), 218(d)(8)(D) and 218(1)(1) of that Act. For  
4           the period before January 1, 1989, the term includes all  
5           persons who were employed as investigators by the Office  
6           of the Attorney General, without regard to social security  
7           status.

8           (14) "Controlled substance inspector" means any person  
9           who is employed as such by the Department of Professional  
10          Regulation and is vested with such law enforcement duties  
11          as render him ineligible for coverage under the Social  
12          Security Act by reason of Sections 218(d)(5)(A),  
13          218(d)(8)(D) and 218(1)(1) of that Act. The term  
14          "controlled substance inspector" includes the Program  
15          Executive of Enforcement and the Assistant Program  
16          Executive of Enforcement.

17          (15) The term "investigator for the Office of the  
18          State's Attorneys Appellate Prosecutor" means a person  
19          employed in that capacity on a full-time basis under the  
20          authority of Section 7.06 of the State's Attorneys  
21          Appellate Prosecutor's Act.

22          (16) "Commerce Commission police officer" means any  
23          person employed by the Illinois Commerce Commission who is  
24          vested with such law enforcement duties as render him  
25          ineligible for coverage under the Social Security Act by  
26          reason of Sections 218(d)(5)(A), 218(d)(8)(D), and



1 218(1)(1) of that Act.

2 (17) "Arson investigator" means any person who is  
3 employed as such by the Office of the State Fire Marshal  
4 and is vested with such law enforcement duties as render  
5 the person ineligible for coverage under the Social  
6 Security Act by reason of Sections 218(d)(5)(A),  
7 218(d)(8)(D), and 218(1)(1) of that Act. A person who was  
8 employed as an arson investigator on January 1, 1995 and  
9 is no longer in service but not yet receiving a retirement  
10 annuity may convert his or her creditable service for  
11 employment as an arson investigator into eligible  
12 creditable service by paying to the System the difference  
13 between the employee contributions actually paid for that  
14 service and the amounts that would have been contributed  
15 if the applicant were contributing at the rate applicable  
16 to persons with the same social security status earning  
17 eligible creditable service on the date of application.

18 (18) The term "State highway maintenance worker" means  
19 a person who is either of the following:

20 (i) A person employed on a full-time basis by the  
21 Illinois Department of Transportation in the position  
22 of highway maintainer, highway maintenance lead  
23 worker, highway maintenance lead/lead worker, heavy  
24 construction equipment operator, power shovel  
25 operator, or bridge mechanic; and whose principal  
26 responsibility is to perform, on the roadway, the

1 actual maintenance necessary to keep the highways that  
2 form a part of the State highway system in serviceable  
3 condition for vehicular traffic.

4 (ii) A person employed on a full-time basis by the  
5 Illinois State Toll Highway Authority in the position  
6 of equipment operator/laborer H-4, equipment  
7 operator/laborer H-6, welder H-4, welder H-6,  
8 mechanical/electrical H-4, mechanical/electrical H-6,  
9 water/sewer H-4, water/sewer H-6, sign maker/hanger  
10 H-4, sign maker/hanger H-6, roadway lighting H-4,  
11 roadway lighting H-6, structural H-4, structural H-6,  
12 painter H-4, or painter H-6; and whose principal  
13 responsibility is to perform, on the roadway, the  
14 actual maintenance necessary to keep the Authority's  
15 tollways in serviceable condition for vehicular  
16 traffic.

17 (19) The term "security employee of the Department of  
18 Innovation and Technology" means a person who was a  
19 security employee of the Department of Corrections or the  
20 Department of Juvenile Justice, was transferred to the  
21 Department of Innovation and Technology pursuant to  
22 Executive Order 2016-01, and continues to perform similar  
23 job functions under that Department.

24 (20) "Transferred employee" means an employee who was  
25 transferred to the Department of Central Management  
26 Services by Executive Order No. 2003-10 or Executive Order

1 No. 2004-2 or transferred to the Department of Innovation  
2 and Technology by Executive Order No. 2016-1, or both, and  
3 was entitled to eligible creditable service for services  
4 immediately preceding the transfer.

5 (21) "Investigator for the Department of the Lottery"  
6 means any person who is employed by the Department of the  
7 Lottery and is vested with such investigative duties which  
8 render him or her ineligible for coverage under the Social  
9 Security Act by reason of Sections 218(d)(5)(A),  
10 218(d)(8)(D), and 218(1)(1) of that Act. An investigator  
11 for the Department of the Lottery who qualifies under this  
12 Section shall earn eligible creditable service and be  
13 required to make contributions at the rate specified in  
14 paragraph (3) of subsection (a) of Section 14-133 for all  
15 periods of service as an investigator for the Department  
16 of the Lottery.

17 (d) A security employee of the Department of Corrections  
18 or the Department of Juvenile Justice, a security employee of  
19 the Department of Human Services who is not a mental health  
20 police officer, and a security employee of the Department of  
21 Innovation and Technology shall not be eligible for the  
22 alternative retirement annuity provided by this Section unless  
23 he or she meets the following minimum age and service  
24 requirements at the time of retirement:

25 (i) 25 years of eligible creditable service and age  
26 55; or

1           (ii) beginning January 1, 1987, 25 years of eligible  
2           creditable service and age 54, or 24 years of eligible  
3           creditable service and age 55; or

4           (iii) beginning January 1, 1988, 25 years of eligible  
5           creditable service and age 53, or 23 years of eligible  
6           creditable service and age 55; or

7           (iv) beginning January 1, 1989, 25 years of eligible  
8           creditable service and age 52, or 22 years of eligible  
9           creditable service and age 55; or

10          (v) beginning January 1, 1990, 25 years of eligible  
11          creditable service and age 51, or 21 years of eligible  
12          creditable service and age 55; or

13          (vi) beginning January 1, 1991, 25 years of eligible  
14          creditable service and age 50, or 20 years of eligible  
15          creditable service and age 55.

16          Persons who have service credit under Article 16 of this  
17          Code for service as a security employee of the Department of  
18          Corrections or the Department of Juvenile Justice, or the  
19          Department of Human Services in a position requiring  
20          certification as a teacher may count such service toward  
21          establishing their eligibility under the service requirements  
22          of this Section; but such service may be used only for  
23          establishing such eligibility, and not for the purpose of  
24          increasing or calculating any benefit.

25          (e) If a member enters military service while working in a  
26          position in which eligible creditable service may be earned,

1 and returns to State service in the same or another such  
2 position, and fulfills in all other respects the conditions  
3 prescribed in this Article for credit for military service,  
4 such military service shall be credited as eligible creditable  
5 service for the purposes of the retirement annuity prescribed  
6 in this Section.

7 (f) For purposes of calculating retirement annuities under  
8 this Section, periods of service rendered after December 31,  
9 1968 and before October 1, 1975 as a covered employee in the  
10 position of special agent, conservation police officer, mental  
11 health police officer, or investigator for the Secretary of  
12 State, shall be deemed to have been service as a noncovered  
13 employee, provided that the employee pays to the System prior  
14 to retirement an amount equal to (1) the difference between  
15 the employee contributions that would have been required for  
16 such service as a noncovered employee, and the amount of  
17 employee contributions actually paid, plus (2) if payment is  
18 made after July 31, 1987, regular interest on the amount  
19 specified in item (1) from the date of service to the date of  
20 payment.

21 For purposes of calculating retirement annuities under  
22 this Section, periods of service rendered after December 31,  
23 1968 and before January 1, 1982 as a covered employee in the  
24 position of investigator for the Department of Revenue shall  
25 be deemed to have been service as a noncovered employee,  
26 provided that the employee pays to the System prior to

1 retirement an amount equal to (1) the difference between the  
2 employee contributions that would have been required for such  
3 service as a noncovered employee, and the amount of employee  
4 contributions actually paid, plus (2) if payment is made after  
5 January 1, 1990, regular interest on the amount specified in  
6 item (1) from the date of service to the date of payment.

7 (g) A State policeman may elect, not later than January 1,  
8 1990, to establish eligible creditable service for up to 10  
9 years of his service as a policeman under Article 3, by filing  
10 a written election with the Board, accompanied by payment of  
11 an amount to be determined by the Board, equal to (i) the  
12 difference between the amount of employee and employer  
13 contributions transferred to the System under Section 3-110.5,  
14 and the amounts that would have been contributed had such  
15 contributions been made at the rates applicable to State  
16 policemen, plus (ii) interest thereon at the effective rate  
17 for each year, compounded annually, from the date of service  
18 to the date of payment.

19 Subject to the limitation in subsection (i), a State  
20 policeman may elect, not later than July 1, 1993, to establish  
21 eligible creditable service for up to 10 years of his service  
22 as a member of the County Police Department under Article 9, by  
23 filing a written election with the Board, accompanied by  
24 payment of an amount to be determined by the Board, equal to  
25 (i) the difference between the amount of employee and employer  
26 contributions transferred to the System under Section 9-121.10

1 and the amounts that would have been contributed had those  
2 contributions been made at the rates applicable to State  
3 policemen, plus (ii) interest thereon at the effective rate  
4 for each year, compounded annually, from the date of service  
5 to the date of payment.

6 (h) Subject to the limitation in subsection (i), a State  
7 policeman or investigator for the Secretary of State may elect  
8 to establish eligible creditable service for up to 12 years of  
9 his service as a policeman under Article 5, by filing a written  
10 election with the Board on or before January 31, 1992, and  
11 paying to the System by January 31, 1994 an amount to be  
12 determined by the Board, equal to (i) the difference between  
13 the amount of employee and employer contributions transferred  
14 to the System under Section 5-236, and the amounts that would  
15 have been contributed had such contributions been made at the  
16 rates applicable to State policemen, plus (ii) interest  
17 thereon at the effective rate for each year, compounded  
18 annually, from the date of service to the date of payment.

19 Subject to the limitation in subsection (i), a State  
20 policeman, conservation police officer, or investigator for  
21 the Secretary of State may elect to establish eligible  
22 creditable service for up to 10 years of service as a sheriff's  
23 law enforcement employee under Article 7, by filing a written  
24 election with the Board on or before January 31, 1993, and  
25 paying to the System by January 31, 1994 an amount to be  
26 determined by the Board, equal to (i) the difference between

1 the amount of employee and employer contributions transferred  
2 to the System under Section 7-139.7, and the amounts that  
3 would have been contributed had such contributions been made  
4 at the rates applicable to State policemen, plus (ii) interest  
5 thereon at the effective rate for each year, compounded  
6 annually, from the date of service to the date of payment.

7 Subject to the limitation in subsection (i), a State  
8 policeman, conservation police officer, or investigator for  
9 the Secretary of State may elect to establish eligible  
10 creditable service for up to 5 years of service as a police  
11 officer under Article 3, a policeman under Article 5, a  
12 sheriff's law enforcement employee under Article 7, a member  
13 of the county police department under Article 9, or a police  
14 officer under Article 15 by filing a written election with the  
15 Board and paying to the System an amount to be determined by  
16 the Board, equal to (i) the difference between the amount of  
17 employee and employer contributions transferred to the System  
18 under Section 3-110.6, 5-236, 7-139.8, 9-121.10, or 15-134.4  
19 and the amounts that would have been contributed had such  
20 contributions been made at the rates applicable to State  
21 policemen, plus (ii) interest thereon at the effective rate  
22 for each year, compounded annually, from the date of service  
23 to the date of payment.

24 Subject to the limitation in subsection (i), an  
25 investigator for the Office of the Attorney General, or an  
26 investigator for the Department of Revenue, may elect to



1 establish eligible creditable service for up to 5 years of  
2 service as a police officer under Article 3, a policeman under  
3 Article 5, a sheriff's law enforcement employee under Article  
4 7, or a member of the county police department under Article 9  
5 by filing a written election with the Board within 6 months  
6 after August 25, 2009 (the effective date of Public Act  
7 96-745) and paying to the System an amount to be determined by  
8 the Board, equal to (i) the difference between the amount of  
9 employee and employer contributions transferred to the System  
10 under Section 3-110.6, 5-236, 7-139.8, or 9-121.10 and the  
11 amounts that would have been contributed had such  
12 contributions been made at the rates applicable to State  
13 policemen, plus (ii) interest thereon at the actuarially  
14 assumed rate for each year, compounded annually, from the date  
15 of service to the date of payment.

16 Subject to the limitation in subsection (i), a State  
17 policeman, conservation police officer, investigator for the  
18 Office of the Attorney General, an investigator for the  
19 Department of Revenue, or investigator for the Secretary of  
20 State may elect to establish eligible creditable service for  
21 up to 5 years of service as a person employed by a  
22 participating municipality to perform police duties, or law  
23 enforcement officer employed on a full-time basis by a forest  
24 preserve district under Article 7, a county corrections  
25 officer, or a court services officer under Article 9, by  
26 filing a written election with the Board within 6 months after

1 August 25, 2009 (the effective date of Public Act 96-745) and  
2 paying to the System an amount to be determined by the Board,  
3 equal to (i) the difference between the amount of employee and  
4 employer contributions transferred to the System under  
5 Sections 7-139.8 and 9-121.10 and the amounts that would have  
6 been contributed had such contributions been made at the rates  
7 applicable to State policemen, plus (ii) interest thereon at  
8 the actuarially assumed rate for each year, compounded  
9 annually, from the date of service to the date of payment.

10 Subject to the limitation in subsection (i), a State  
11 policeman, arson investigator, or Commerce Commission police  
12 officer may elect to establish eligible creditable service for  
13 up to 5 years of service as a person employed by a  
14 participating municipality to perform police duties under  
15 Article 7, a county corrections officer, a court services  
16 officer under Article 9, or a firefighter under Article 4 by  
17 filing a written election with the Board within 6 months after  
18 July 30, 2021 (the effective date of Public Act 102-210) and  
19 paying to the System an amount to be determined by the Board  
20 equal to (i) the difference between the amount of employee and  
21 employer contributions transferred to the System under  
22 Sections 4-108.8, 7-139.8, and 9-121.10 and the amounts that  
23 would have been contributed had such contributions been made  
24 at the rates applicable to State policemen, plus (ii) interest  
25 thereon at the actuarially assumed rate for each year,  
26 compounded annually, from the date of service to the date of

1 payment.

2 Subject to the limitation in subsection (i), a  
3 conservation police officer may elect to establish eligible  
4 creditable service for up to 5 years of service as a person  
5 employed by a participating municipality to perform police  
6 duties under Article 7, a county corrections officer, or a  
7 court services officer under Article 9 by filing a written  
8 election with the Board within 6 months after July 30, 2021  
9 (the effective date of Public Act 102-210) and paying to the  
10 System an amount to be determined by the Board equal to (i) the  
11 difference between the amount of employee and employer  
12 contributions transferred to the System under Sections 7-139.8  
13 and 9-121.10 and the amounts that would have been contributed  
14 had such contributions been made at the rates applicable to  
15 State policemen, plus (ii) interest thereon at the actuarially  
16 assumed rate for each year, compounded annually, from the date  
17 of service to the date of payment.

18 Notwithstanding the limitation in subsection (i), a State  
19 policeman or conservation police officer may elect to convert  
20 service credit earned under this Article to eligible  
21 creditable service, as defined by this Section, by filing a  
22 written election with the board within 6 months after July 30,  
23 2021 (the effective date of Public Act 102-210) and paying to  
24 the System an amount to be determined by the Board equal to (i)  
25 the difference between the amount of employee contributions  
26 originally paid for that service and the amounts that would

1 have been contributed had such contributions been made at the  
2 rates applicable to State policemen, plus (ii) the difference  
3 between the employer's normal cost of the credit prior to the  
4 conversion authorized by Public Act 102-210 and the employer's  
5 normal cost of the credit converted in accordance with Public  
6 Act 102-210, plus (iii) interest thereon at the actuarially  
7 assumed rate for each year, compounded annually, from the date  
8 of service to the date of payment.

9 (i) The total amount of eligible creditable service  
10 established by any person under subsections (g), (h), (j),  
11 (k), (l), (l-5), (o), ~~and~~ (p), and (r) of this Section shall  
12 not exceed 12 years.

13 (j) Subject to the limitation in subsection (i), an  
14 investigator for the Office of the State's Attorneys Appellate  
15 Prosecutor or a controlled substance inspector may elect to  
16 establish eligible creditable service for up to 10 years of  
17 his service as a policeman under Article 3 or a sheriff's law  
18 enforcement employee under Article 7, by filing a written  
19 election with the Board, accompanied by payment of an amount  
20 to be determined by the Board, equal to (1) the difference  
21 between the amount of employee and employer contributions  
22 transferred to the System under Section 3-110.6 or 7-139.8,  
23 and the amounts that would have been contributed had such  
24 contributions been made at the rates applicable to State  
25 policemen, plus (2) interest thereon at the effective rate for  
26 each year, compounded annually, from the date of service to

1 the date of payment.

2 (k) Subject to the limitation in subsection (i) of this  
3 Section, an alternative formula employee may elect to  
4 establish eligible creditable service for periods spent as a  
5 full-time law enforcement officer or full-time corrections  
6 officer employed by the federal government or by a state or  
7 local government located outside of Illinois, for which credit  
8 is not held in any other public employee pension fund or  
9 retirement system. To obtain this credit, the applicant must  
10 file a written application with the Board by March 31, 1998,  
11 accompanied by evidence of eligibility acceptable to the Board  
12 and payment of an amount to be determined by the Board, equal  
13 to (1) employee contributions for the credit being  
14 established, based upon the applicant's salary on the first  
15 day as an alternative formula employee after the employment  
16 for which credit is being established and the rates then  
17 applicable to alternative formula employees, plus (2) an  
18 amount determined by the Board to be the employer's normal  
19 cost of the benefits accrued for the credit being established,  
20 plus (3) regular interest on the amounts in items (1) and (2)  
21 from the first day as an alternative formula employee after  
22 the employment for which credit is being established to the  
23 date of payment.

24 (l) Subject to the limitation in subsection (i), a  
25 security employee of the Department of Corrections may elect,  
26 not later than July 1, 1998, to establish eligible creditable

1 service for up to 10 years of his or her service as a policeman  
2 under Article 3, by filing a written election with the Board,  
3 accompanied by payment of an amount to be determined by the  
4 Board, equal to (i) the difference between the amount of  
5 employee and employer contributions transferred to the System  
6 under Section 3-110.5, and the amounts that would have been  
7 contributed had such contributions been made at the rates  
8 applicable to security employees of the Department of  
9 Corrections, plus (ii) interest thereon at the effective rate  
10 for each year, compounded annually, from the date of service  
11 to the date of payment.

12 (1-5) Subject to the limitation in subsection (i) of this  
13 Section, a State policeman may elect to establish eligible  
14 creditable service for up to 5 years of service as a full-time  
15 law enforcement officer employed by the federal government or  
16 by a state or local government located outside of Illinois for  
17 which credit is not held in any other public employee pension  
18 fund or retirement system. To obtain this credit, the  
19 applicant must file a written application with the Board no  
20 later than 3 years after January 1, 2020 (the effective date of  
21 Public Act 101-610), accompanied by evidence of eligibility  
22 acceptable to the Board and payment of an amount to be  
23 determined by the Board, equal to (1) employee contributions  
24 for the credit being established, based upon the applicant's  
25 salary on the first day as an alternative formula employee  
26 after the employment for which credit is being established and

1 the rates then applicable to alternative formula employees,  
2 plus (2) an amount determined by the Board to be the employer's  
3 normal cost of the benefits accrued for the credit being  
4 established, plus (3) regular interest on the amounts in items  
5 (1) and (2) from the first day as an alternative formula  
6 employee after the employment for which credit is being  
7 established to the date of payment.

8 (m) The amendatory changes to this Section made by Public  
9 Act 94-696 apply only to: (1) security employees of the  
10 Department of Juvenile Justice employed by the Department of  
11 Corrections before June 1, 2006 (the effective date of Public  
12 Act 94-696) and transferred to the Department of Juvenile  
13 Justice by Public Act 94-696; and (2) persons employed by the  
14 Department of Juvenile Justice on or after June 1, 2006 (the  
15 effective date of Public Act 94-696) who are required by  
16 subsection (b) of Section 3-2.5-15 of the Unified Code of  
17 Corrections to have any bachelor's or advanced degree from an  
18 accredited college or university or, in the case of persons  
19 who provide vocational training, who are required to have  
20 adequate knowledge in the skill for which they are providing  
21 the vocational training.

22 Beginning with the pay period that immediately follows the  
23 effective date of this amendatory Act of the 103rd General  
24 Assembly, the bachelor's or advanced degree requirement of  
25 subsection (b) of Section 3-2.5-15 of the Unified Code of  
26 Corrections shall no longer determine the eligibility to earn

1 eligible creditable service for a person employed by the  
2 Department of Juvenile Justice.

3 An employee may elect to convert into eligible creditable  
4 service his or her creditable service earned with the  
5 Department of Juvenile Justice while employed in a position  
6 that required the employee to do any one or more of the  
7 following: (1) participate or assist in the rehabilitative and  
8 vocational training of delinquent youths; (2) supervise the  
9 daily activities and assume direct and continuing  
10 responsibility for the youth's security, welfare, and  
11 development; or (3) participate in the personal rehabilitation  
12 of delinquent youth by training, supervising, and assisting  
13 lower-level personnel. To convert that creditable service to  
14 eligible creditable service, the employee must pay to the  
15 System the difference between the employee contributions  
16 actually paid for that service and the amounts that would have  
17 been contributed if the applicant were contributing at the  
18 rate applicable to persons with the same Social Security  
19 status earning eligible creditable service on the date of  
20 application.

21 (n) A person employed in a position under subsection (b)  
22 of this Section who has purchased service credit under  
23 subsection (j) of Section 14-104 or subsection (b) of Section  
24 14-105 in any other capacity under this Article may convert up  
25 to 5 years of that service credit into service credit covered  
26 under this Section by paying to the Fund an amount equal to (1)



1 the additional employee contribution required under Section  
2 14-133, plus (2) the additional employer contribution required  
3 under Section 14-131, plus (3) interest on items (1) and (2) at  
4 the actuarially assumed rate from the date of the service to  
5 the date of payment.

6 (o) Subject to the limitation in subsection (i), a  
7 conservation police officer, investigator for the Secretary of  
8 State, Commerce Commission police officer, investigator for  
9 the Department of Revenue or the Illinois Gaming Board, or  
10 arson investigator subject to subsection (g) of Section 1-160  
11 may elect to convert up to 8 years of service credit  
12 established before January 1, 2020 (the effective date of  
13 Public Act 101-610) as a conservation police officer,  
14 investigator for the Secretary of State, Commerce Commission  
15 police officer, investigator for the Department of Revenue or  
16 the Illinois Gaming Board, or arson investigator under this  
17 Article into eligible creditable service by filing a written  
18 election with the Board no later than one year after January 1,  
19 2020 (the effective date of Public Act 101-610), accompanied  
20 by payment of an amount to be determined by the Board equal to  
21 (i) the difference between the amount of the employee  
22 contributions actually paid for that service and the amount of  
23 the employee contributions that would have been paid had the  
24 employee contributions been made as a noncovered employee  
25 serving in a position in which eligible creditable service, as  
26 defined in this Section, may be earned, plus (ii) interest

1 thereon at the effective rate for each year, compounded  
2 annually, from the date of service to the date of payment.

3 (p) Subject to the limitation in subsection (i), an  
4 investigator for the Office of the Attorney General subject to  
5 subsection (g) of Section 1-160 may elect to convert up to 8  
6 years of service credit established before the effective date  
7 of this amendatory Act of the 102nd General Assembly as an  
8 investigator for the Office of the Attorney General under this  
9 Article into eligible creditable service by filing a written  
10 election with the Board no later than one year after the  
11 effective date of this amendatory Act of the 102nd General  
12 Assembly, accompanied by payment of an amount to be determined  
13 by the Board equal to (i) the difference between the amount of  
14 the employee contributions actually paid for that service and  
15 the amount of the employee contributions that would have been  
16 paid had the employee contributions been made as a noncovered  
17 employee serving in a position in which eligible creditable  
18 service, as defined in this Section, may be earned, plus (ii)  
19 interest thereon at the effective rate for each year,  
20 compounded annually, from the date of service to the date of  
21 payment.

22 (q) A security employee of the Department of Human  
23 Services who is subject to subsection (g) of Section 1-160 may  
24 elect to convert up to 13 years of service credit established  
25 before the effective date of this amendatory Act of the 103rd  
26 General Assembly as a security employee of the Department of

1 Human Services to eligible creditable service by filing a  
2 written election with the Board no later than one year after  
3 the effective date of this amendatory Act of the 103rd General  
4 Assembly, accompanied by payment of an amount, to be  
5 determined by the Board, equal to (i) the difference between  
6 the amount of the employee contributions actually paid for  
7 that service and the amount of the employee contributions that  
8 would have been paid had the employee contributions been made  
9 as a covered employee serving in a position in which eligible  
10 creditable service, as defined in this Section, may be earned,  
11 plus (ii) interest thereon at the effective rate for each  
12 year, compounded annually, from the date of service to the  
13 date of payment.

14 (r) Subject to the limitation in subsection (i), a State  
15 highway maintenance worker subject to subsection (g) of  
16 Section 1-160 may elect to convert up to 8 years of service  
17 credit established before the effective date of this  
18 amendatory Act of the 103rd General Assembly as a State  
19 highway maintenance work under this Article into eligible  
20 creditable service by filing a written election with the Board  
21 no later than one year after the effective date of this  
22 amendatory Act of the 103rd General Assembly, accompanied by  
23 payment of an amount to be determined by the Board equal to (i)  
24 the difference between the amount of the employee  
25 contributions actually paid for that service and the amount of  
26 the employee contributions that would have been paid had the

1 employee contributions been made as a noncovered employee  
2 serving in a position in which eligible creditable service, as  
3 defined in this Section, may be earned, plus (ii) interest  
4 thereon at the effective rate for each year, compounded  
5 annually, from the date of service to the date of payment.

6 (Source: P.A. 102-210, eff. 7-30-21; 102-538, eff. 8-20-21;  
7 102-956, eff. 5-27-22; 103-34, eff. 1-1-24.)

8 (40 ILCS 5/15-135) (from Ch. 108 1/2, par. 15-135)

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

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

15 35 years if retirement is in 1997 or before;

16 34 years if retirement is in 1998;

17 33 years if retirement is in 1999;

18 32 years if retirement is in 2000;

19 31 years if retirement is in 2001;

20 30 years if retirement is in 2002 or later.

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

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

1 annuity on or after attainment of age 62.

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

6 (a-5) A Tier 2 member is entitled to a retirement annuity  
7 upon written application if he or she has attained age 67 and  
8 has at least 10 years of service credit and is otherwise  
9 eligible under the requirements of this Article; except that,  
10 for a Tier 2 member who is in service on or after January 1,  
11 2025, the age and service eligibility requirements for a  
12 retirement annuity are the age and service eligibility  
13 requirements applicable to a Tier 1 member who first became a  
14 participant on December 31, 2010. A Tier 2 member who has  
15 attained age 62 and has at least 10 years of service credit and  
16 is otherwise eligible under the requirements of this Article  
17 may elect to receive the lower retirement annuity provided in  
18 subsection (b-5) of Section 15-136 of this Article; except  
19 that, a Tier 2 member who is in service on or after January 1,  
20 2025 may not elect to receive the lower retirement annuity  
21 provided in subsection (b-5) of Section 15-136.

22 (a-10) A Tier 2 member who was not in service on or after  
23 January 1, 2025 and has at least 20 years of service in this  
24 system as a police officer or firefighter is entitled to a  
25 retirement annuity upon written application on or after the  
26 attainment of age 60 if Rule 4 of Section 15-136 is applicable

1 to the participant. The changes made to this subsection by  
2 this amendatory Act of the 101st General Assembly apply  
3 retroactively to January 1, 2011.

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

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

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

24 (40 ILCS 5/15-136) (from Ch. 108 1/2, par. 15-136)

25 Sec. 15-136. Retirement annuities; amount annuities

1 ~~Amount~~. The provisions of this Section 15-136 apply only to  
2 those participants who are participating in the traditional  
3 benefit package or the portable benefit package and do not  
4 apply to participants who are participating in the  
5 self-managed plan.

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

10 Rule 1: The retirement annuity shall be 1.67% of final  
11 rate of earnings for each of the first 10 years of service,  
12 1.90% for each of the next 10 years of service, 2.10% for each  
13 year of service in excess of 20 but not exceeding 30, and 2.30%  
14 for each year in excess of 30; or for persons who retire on or  
15 after January 1, 1998, 2.2% of the final rate of earnings for  
16 each year of service.

17 Rule 2: The retirement annuity shall be the sum of the  
18 following, determined from amounts credited to the participant  
19 in accordance with the actuarial tables and the effective rate  
20 of interest in effect at the time the retirement annuity  
21 begins:

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

25 (ii) an annuity from employer contributions of an  
26 amount equal to that which can be provided on an

1           actuarially equivalent basis from the accumulated normal  
2           contributions made by the participant under Section  
3           15-113.6 and Section 15-113.7 plus 1.4 times all other  
4           accumulated normal contributions made by the participant;  
5           and

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

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

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

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



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

3           Rule 3: The retirement annuity of a participant who is  
4 employed at least one-half time during the period on which his  
5 or her final rate of earnings is based, shall be equal to the  
6 participant's years of service not to exceed 30, multiplied by  
7 (1) \$96 if the participant's final rate of earnings is less  
8 than \$3,500, (2) \$108 if the final rate of earnings is at least  
9 \$3,500 but less than \$4,500, (3) \$120 if the final rate of  
10 earnings is at least \$4,500 but less than \$5,500, (4) \$132 if  
11 the final rate of earnings is at least \$5,500 but less than  
12 \$6,500, (5) \$144 if the final rate of earnings is at least  
13 \$6,500 but less than \$7,500, (6) \$156 if the final rate of  
14 earnings is at least \$7,500 but less than \$8,500, (7) \$168 if  
15 the final rate of earnings is at least \$8,500 but less than  
16 \$9,500, and (8) \$180 if the final rate of earnings is \$9,500 or  
17 more, except that the annuity for those persons having made an  
18 election under Section 15-154(a-1) shall be calculated and  
19 payable under the portable retirement benefit program pursuant  
20 to the provisions of Section 15-136.4.

21           Rule 4: A participant who is at least age 50 and has 25 or  
22 more years of service as a police officer or firefighter, and a  
23 participant who is age 55 or over and has at least 20 but less  
24 than 25 years of service as a police officer or firefighter,  
25 shall be entitled to a retirement annuity of 2 1/4% of the  
26 final rate of earnings for each of the first 10 years of

1 service as a police officer or firefighter, 2 1/2% for each of  
2 the next 10 years of service as a police officer or  
3 firefighter, and 2 3/4% for each year of service as a police  
4 officer or firefighter in excess of 20. The retirement annuity  
5 for all other service shall be computed under Rule 1. A Tier 2  
6 member who was not in service on or after January 1, 2025 is  
7 eligible for a retirement annuity calculated under Rule 4 only  
8 if that Tier 2 member meets the service requirements for that  
9 benefit calculation as prescribed under this Rule 4 in  
10 addition to the applicable age requirement under subsection  
11 (a-10) of Section 15-135. A Tier 2 member who was in service on  
12 or after January 1, 2025 is not subject to subsection (a-10) of  
13 Section 15-135.

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

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

18 (ii) in the case of an individual who was a  
19 participating employee employed in the fire department of  
20 the University of Illinois's Champaign-Urbana campus  
21 immediately prior to the elimination of that fire  
22 department and who immediately after the elimination of  
23 that fire department transferred to another job with the  
24 University of Illinois, service performed as an employee  
25 of the University of Illinois in a position other than  
26 police officer or firefighter, from the date of that

1 transfer until the employee's next termination of service  
2 with the University of Illinois.

3 (b) For a Tier 1 member or a Tier 2 member who was in  
4 service on or after January 1, 2025, the retirement annuity  
5 provided under Rules 1 and 3 above shall be reduced by 1/2 of  
6 1% for each month the participant is under age 60 at the time  
7 of retirement. However, this reduction shall not apply in the  
8 following cases:

9 (1) For a disabled participant whose disability  
10 benefits have been discontinued because he or she has  
11 exhausted eligibility for disability benefits under clause  
12 (6) of Section 15-152;

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

16 (3) For that portion of a retirement annuity which has  
17 been provided on account of service of the participant  
18 during periods when he or she performed the duties of a  
19 police officer or firefighter, if these duties were  
20 performed for at least 5 years immediately preceding the  
21 date the retirement annuity is to begin.

22 (b-5) The retirement annuity of a Tier 2 member who was not  
23 in service on or after January 1, 2025 and who is retiring  
24 under Rule 1 or 3 after attaining age 62 with at least 10 years  
25 of service credit shall be reduced by 1/2 of 1% for each full  
26 month that the member's age is under age 67.

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

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

11 Effective January 1 immediately following the date the  
12 retirement annuity begins, the annuitant shall receive an  
13 increase in his or her monthly retirement annuity of 0.125% of  
14 the monthly retirement annuity provided under Rule 1, Rule 2,  
15 Rule 3, or Rule 4 contained in this Section, multiplied by the  
16 number of full months which elapsed from the date the  
17 retirement annuity payments began to January 1, 1972, plus  
18 0.1667% of such annuity, multiplied by the number of full  
19 months which elapsed from January 1, 1972, or the date the  
20 retirement annuity payments began, whichever is later, to  
21 January 1, 1978, plus 0.25% of such annuity multiplied by the  
22 number of full months which elapsed from January 1, 1978, or  
23 the date the retirement annuity payments began, whichever is  
24 later, to the effective date of the increase.

25 The annuitant shall receive an increase in his or her  
26 monthly retirement annuity on each January 1 thereafter during

1 the annuitant's life of 3% of the monthly annuity provided  
2 under Rule 1, Rule 2, Rule 3, or Rule 4 contained in this  
3 Section. The change made under this subsection by P.A. 81-970  
4 is effective January 1, 1980 and applies to each annuitant  
5 whose status as an employee terminates before or after that  
6 date.

7 Beginning January 1, 1990, all automatic annual increases  
8 payable under this Section shall be calculated as a percentage  
9 of the total annuity payable at the time of the increase,  
10 including all increases previously granted under this Article.

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

14 (d-5) A retirement annuity of a Tier 2 member shall  
15 receive annual increases on the January 1 occurring either on  
16 or after the attainment of the retirement age applicable to  
17 that Tier 2 member under this Article ~~age 67~~ or the first  
18 anniversary of the annuity start date, whichever is later.  
19 Each annual increase shall be calculated at 3% or one half the  
20 annual unadjusted percentage increase (but not less than zero)  
21 in the consumer price index-u for the 12 months ending with the  
22 September preceding each November 1, whichever is less, of the  
23 originally granted retirement annuity. If the annual  
24 unadjusted percentage change in the consumer price index-u for  
25 the 12 months ending with the September preceding each  
26 November 1 is zero or there is a decrease, then the annuity

1 shall not be increased.

2 (e) If, on January 1, 1987, or the date the retirement  
3 annuity payment period begins, whichever is later, the sum of  
4 the retirement annuity provided under Rule 1 or Rule 2 of this  
5 Section and the automatic annual increases provided under the  
6 preceding subsection or Section 15-136.1, amounts to less than  
7 the retirement annuity which would be provided by Rule 3, the  
8 retirement annuity shall be increased as of January 1, 1987,  
9 or the date the retirement annuity payment period begins,  
10 whichever is later, to the amount which would be provided by  
11 Rule 3 of this Section. Such increased amount shall be  
12 considered as the retirement annuity in determining benefits  
13 provided under other Sections of this Article. This paragraph  
14 applies without regard to whether status as an employee  
15 terminated before the effective date of this amendatory Act of  
16 1987, provided that the annuitant was employed at least  
17 one-half time during the period on which the final rate of  
18 earnings was based.

19 (f) A participant is entitled to such additional annuity  
20 as may be provided on an actuarially equivalent basis, by any  
21 accumulated additional contributions to his or her credit.  
22 However, the additional contributions made by the participant  
23 toward the automatic increases in annuity provided under this  
24 Section shall not be taken into account in determining the  
25 amount of such additional annuity.

26 (g) If, (1) by law, a function of a governmental unit, as

1 defined by Section 20-107 of this Code, is transferred in  
2 whole or in part to an employer, and (2) a participant  
3 transfers employment from such governmental unit to such  
4 employer within 6 months after the transfer of the function,  
5 and (3) the sum of (A) the annuity payable to the participant  
6 under Rule 1, 2, or 3 of this Section (B) all proportional  
7 annuities payable to the participant by all other retirement  
8 systems covered by Article 20, and (C) the initial primary  
9 insurance amount to which the participant is entitled under  
10 the Social Security Act, is less than the retirement annuity  
11 which would have been payable if all of the participant's  
12 pension credits validated under Section 20-109 had been  
13 validated under this system, a supplemental annuity equal to  
14 the difference in such amounts shall be payable to the  
15 participant.

16 (h) On January 1, 1981, an annuitant who was receiving a  
17 retirement annuity on or before January 1, 1971 shall have his  
18 or her retirement annuity then being paid increased \$1 per  
19 month for each year of creditable service. On January 1, 1982,  
20 an annuitant whose retirement annuity began on or before  
21 January 1, 1977, shall have his or her retirement annuity then  
22 being paid increased \$1 per month for each year of creditable  
23 service.

24 (i) On January 1, 1987, any annuitant whose retirement  
25 annuity began on or before January 1, 1977, shall have the  
26 monthly retirement annuity increased by an amount equal to 8¢

1 per year of creditable service times the number of years that  
2 have elapsed since the annuity began.

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

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

7 (40 ILCS 5/18-124) (from Ch. 108 1/2, par. 18-124)

8 Sec. 18-124. Retirement annuities; conditions ~~annuities~~  
9 ~~conditions~~ for eligibility.

10 (a) This subsection (a) applies to a participant who first  
11 serves as a judge before January 1, 2011 (the effective date of  
12 Public Act 96-889) or a judge who serves as a judge on or after  
13 January 1, 2025 ~~this amendatory Act of the 96th General~~  
14 ~~Assembly.~~

15 A participant whose employment as a judge is terminated,  
16 regardless of age or cause is entitled to a retirement annuity  
17 beginning on the date specified in a written application  
18 subject to the following:

19 (1) the date the annuity begins is subsequent to the  
20 date of final termination of employment, or the date 30  
21 days prior to the receipt of the application by the board  
22 for annuities based on disability, or one year before the  
23 receipt of the application by the board for annuities  
24 based on attained age;

25 (2) the participant is at least age 55, or has become



1 permanently disabled and as a consequence is unable to  
2 perform the duties of his or her office;

3 (3) the participant has at least 10 years of service  
4 credit except that a participant terminating service after  
5 June 30 1975, with at least 6 years of service credit,  
6 shall be entitled to a retirement annuity at age 62 or  
7 over;

8 (4) the participant is not receiving or entitled to  
9 receive, at the date of retirement, any salary from an  
10 employer for service currently performed.

11 (b) This subsection (b) applies to a participant who first  
12 serves as a judge on or after January 1, 2011 (the effective  
13 date of Public Act 96-889) and who does not serve as a judge on  
14 or after January 1, 2025 ~~this amendatory Act of the 96th~~  
15 ~~General Assembly.~~

16 A participant who has at least 8 years of creditable  
17 service is entitled to a retirement annuity when he or she has  
18 attained age 67.

19 A member who has attained age 62 and has at least 8 years  
20 of service credit may elect to receive the lower retirement  
21 annuity provided in subsection (d) of Section 18-125 of this  
22 Code.

23 (Source: P.A. 96-889, eff. 1-1-11.)

24 (40 ILCS 5/18-125.1) (from Ch. 108 1/2, par. 18-125.1)

25 Sec. 18-125.1. Automatic increase in retirement annuity. A

1 participant who retires from service after June 30, 1969,  
2 shall, in January of the year next following the year in which  
3 the first anniversary of retirement occurs, and in January of  
4 each year thereafter, have the amount of his or her originally  
5 granted retirement annuity increased as follows: for each year  
6 up to and including 1971, 1 1/2%; for each year from 1972  
7 through 1979 inclusive, 2%; and for 1980 and each year  
8 thereafter, 3%.

9 Notwithstanding any other provision of this Article, a  
10 retirement annuity for a participant who first serves as a  
11 judge on or after January 1, 2011 (the effective date of Public  
12 Act 96-889) shall be increased in January of the year next  
13 following the year in which the first anniversary of  
14 retirement occurs, but in no event prior to the retirement age  
15 applicable to that judge under this Article ~~age 67~~, and in  
16 January of each year thereafter, by an amount equal to 3% or  
17 the annual percentage increase in the consumer price index-u  
18 as determined by the Public Pension Division of the Department  
19 of Insurance under subsection (b-5) of Section 18-125,  
20 whichever is less, of the retirement annuity then being paid.

21 This Section is not applicable to a participant who  
22 retires before he or she has made contributions at the rate  
23 prescribed in Section 18-133 for automatic increases for not  
24 less than the equivalent of one full year, unless such a  
25 participant arranges to pay the system the amount required to  
26 bring the total contributions for the automatic increase to

1 the equivalent of one year's contribution based upon his or  
2 her last year's salary.

3 This Section is applicable to all participants in service  
4 after June 30, 1969 unless a participant has elected, prior to  
5 September 1, 1969, in a written direction filed with the board  
6 not to be subject to the provisions of this Section. Any  
7 participant in service on or after July 1, 1992 shall have the  
8 option of electing prior to April 1, 1993, in a written  
9 direction filed with the board, to be covered by the  
10 provisions of the 1969 amendatory Act. Such participant shall  
11 be required to make the aforesaid additional contributions  
12 with compound interest at 4% per annum.

13 Any participant who has become eligible to receive the  
14 maximum rate of annuity and who resumes service as a judge  
15 after receiving a retirement annuity under this Article shall  
16 have the amount of his or her retirement annuity increased by  
17 3% of the originally granted annuity amount for each year of  
18 such resumed service, beginning in January of the year next  
19 following the date of such resumed service, upon subsequent  
20 termination of such resumed service.

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

25 (Source: P.A. 96-889, eff. 1-1-11; 96-1490, eff. 1-1-11.)

## 1 Article 3B.

2 Section 3B-5. The Illinois Pension Code is amended by  
3 changing Section 1-160 as follows:

4 (40 ILCS 5/1-160)

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

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

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

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

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

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

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

26 This Section does not apply to a person who first becomes a

1 member or participant of an affected pension fund on or after 6  
2 months after the resolution or ordinance date, as defined in  
3 Section 1-162, unless that person elects under subsection (c)  
4 of Section 1-162 to receive the benefits provided under this  
5 Section and the applicable provisions of the Article under  
6 which he or she is a member or participant.

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

20 (1) (Blank).

21 (2) In Articles 8, 9, 10, 11, and 12, "highest average  
22 annual salary for any 4 consecutive years within the last  
23 10 years of service immediately preceding the date of  
24 withdrawal".

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

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

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

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

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

10 (A) the amount otherwise calculated under the first  
11 paragraph of this subsection; or

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

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

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

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

16 (b-10) Beginning on January 1, 2024, for all purposes  
17 under this Code (including, without limitation, the  
18 calculation of benefits and employee contributions), the  
19 annual earnings, salary, or wages (based on the plan year) of a  
20 member or participant under Article 9 to whom this Section  
21 applies shall include an annual earnings, salary, or wage cap  
22 that tracks the Social Security wage base. Maximum annual  
23 earnings, wages, or salary shall be the annual contribution  
24 and benefit base established for the applicable year by the  
25 Commissioner of the Social Security Administration under the  
26 federal Social Security Act.



1           However, in no event shall the annual earnings, salary, or  
2 wages for the purposes of this Article and Article 9 exceed any  
3 limitation imposed on annual earnings, salary, or wages under  
4 Section 1-117. Under no circumstances shall the maximum amount  
5 of annual earnings, salary, or wages be greater than the  
6 amount set forth in this subsection (b-10) as a result of  
7 reciprocal service or any provisions regarding reciprocal  
8 services, nor shall the Fund under Article 9 be required to pay  
9 any refund as a result of the application of this maximum  
10 annual earnings, salary, and wage cap.

11           Nothing in this subsection (b-10) shall cause or otherwise  
12 result in any retroactive adjustment of any employee  
13 contributions. Nothing in this subsection (b-10) shall cause  
14 or otherwise result in any retroactive adjustment of  
15 disability or other payments made between January 1, 2011 and  
16 January 1, 2024.

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

26           A member or participant who has attained age 62 (age 60,

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

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

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

1 that the member's age is under age 67 (age 65, with respect to  
2 service under Article 12 that is subject to this Section, for a  
3 member or participant under Article 12 who first becomes a  
4 member or participant under Article 12 on or after January 1,  
5 2022 or who makes the election under item (i) of subsection  
6 (d-15) of this Section).

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

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

17 (i) to be eligible for the reduced retirement age  
18 provided in subsections (c-5) and (d-5) of this Section,  
19 the eligibility for which is conditioned upon the member  
20 or participant agreeing to the increases in employee  
21 contributions for age and service annuities provided in  
22 subsection (a-5) of Section 8-174 of this Code (for  
23 service under Article 8) or subsection (a-5) of Section  
24 11-170 of this Code (for service under Article 11); or

25 (ii) to not agree to item (i) of this subsection  
26 (d-10), in which case the member or participant shall

1 continue to be subject to the retirement age provisions in  
2 subsections (c) and (d) of this Section and the employee  
3 contributions for age and service annuity as provided in  
4 subsection (a) of Section 8-174 of this Code (for service  
5 under Article 8) or subsection (a) of Section 11-170 of  
6 this Code (for service under Article 11).

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

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

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

24 (ii) to not agree to item (i) of this subsection  
25 (d-15), in which case the member or participant shall not  
26 be eligible for the reduced retirement age specified in

1 subsections (c) and (d) of this Section and shall not be  
2 subject to the increase in employee contributions for  
3 service annuities specified in subsection (b) of Section  
4 12-150.

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

12 (e) Any retirement annuity or supplemental annuity shall  
13 be subject to annual increases on the January 1 occurring  
14 either on or after the attainment of age 67 (age 65, with  
15 respect to service under Article 12 that is subject to this  
16 Section, for a member or participant under Article 12 who  
17 first becomes a member or participant under Article 12 on or  
18 after January 1, 2022 or who makes the election under item (i)  
19 of subsection (d-15); and beginning on July 6, 2017 (the  
20 effective date of Public Act 100-23), age 65 with respect to  
21 service under Article 8 or Article 11 for eligible persons  
22 who: (i) are subject to subsection (c-5) of this Section; or  
23 (ii) made the election under item (i) of subsection (d-10) of  
24 this Section) or the first anniversary of the annuity start  
25 date, whichever is later. Each annual increase shall be  
26 calculated at 3% or one-half the annual unadjusted percentage

1 increase (but not less than zero) in the consumer price  
2 index-u for the 12 months ending with the September preceding  
3 each November 1, whichever is less, of the originally granted  
4 retirement annuity. If the annual unadjusted percentage change  
5 in the consumer price index-u for the 12 months ending with the  
6 September preceding each November 1 is zero or there is a  
7 decrease, then the annuity shall not be increased.

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

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

18 (f) The initial survivor's or widow's annuity of an  
19 otherwise eligible survivor or widow of a retired member or  
20 participant who first became a member or participant on or  
21 after January 1, 2011 shall be in the amount of 66 2/3% of the  
22 retired member's or participant's retirement annuity at the  
23 date of death. In the case of the death of a member or  
24 participant who has not retired and who first became a member  
25 or participant on or after January 1, 2011, eligibility for a  
26 survivor's or widow's annuity shall be determined by the

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

19 (g) The benefits in Section 14-110 apply if the person is a  
20 fire fighter in the fire protection service of a department, a  
21 security employee of the Department of Corrections or the  
22 Department of Juvenile Justice, or a security employee of the  
23 Department of Innovation and Technology, as those terms are  
24 defined in subsection (b) and subsection (c) of Section  
25 14-110. A person who meets the requirements of this Section is  
26 entitled to an annuity calculated under the provisions of

1 Section 14-110, in lieu of the regular or minimum retirement  
2 annuity, only if the person has withdrawn from service with  
3 not less than 20 years of eligible creditable service and has  
4 attained age 60, regardless of whether the attainment of age  
5 60 occurs while the person is still in service.

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

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



1 this Section under subsection (a) of this Section, then the  
2 person's retirement annuity or retirement pension under that  
3 system or fund shall be suspended during that employment. Upon  
4 termination of that employment, the person's retirement  
5 annuity or retirement pension payments shall resume and be  
6 recalculated if recalculation is provided for under the  
7 applicable Article of this Code.

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

1 (i) (Blank).

2 (j) In the case of a conflict between the provisions of  
3 this Section and any other provision of this Code, the  
4 provisions of this Section shall control.

5 (Source: P.A. 101-610, eff. 1-1-20; 102-16, eff. 6-17-21;  
6 102-210, eff. 1-1-22; 102-263, eff. 8-6-21; 102-719, eff.  
7 5-6-22; 103-529, eff. 8-11-23.)

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

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

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

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

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

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

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

1 under Section 1-161.

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

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

22 (1) (Blank).

23 (2) In Articles 8, 9, 10, 11, and 12, "highest average  
24 annual salary for any 4 consecutive years within the last  
25 10 years of service immediately preceding the date of  
26 withdrawal".

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

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

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

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

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

12 (A) the amount otherwise calculated under the first  
13 paragraph of this subsection; or

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

23 (b-5) Beginning on January 1, 2011, for all purposes under  
24 this Code (including without limitation the calculation of  
25 benefits and employee contributions), the annual earnings,  
26 salary, or wages (based on the plan year) of a member or

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

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

18 (b-10) Beginning on January 1, 2024, for all purposes  
19 under this Code (including, without limitation, the  
20 calculation of benefits and employee contributions), the  
21 annual earnings, salary, or wages (based on the plan year) of a  
22 member or participant under Article 9 to whom this Section  
23 applies shall include an annual earnings, salary, or wage cap  
24 that tracks the Social Security wage base. Maximum annual  
25 earnings, wages, or salary shall be the annual contribution  
26 and benefit base established for the applicable year by the

1 Commissioner of the Social Security Administration under the  
2 federal Social Security Act.

3 However, in no event shall the annual earnings, salary, or  
4 wages for the purposes of this Article and Article 9 exceed any  
5 limitation imposed on annual earnings, salary, or wages under  
6 Section 1-117. Under no circumstances shall the maximum amount  
7 of annual earnings, salary, or wages be greater than the  
8 amount set forth in this subsection (b-10) as a result of  
9 reciprocal service or any provisions regarding reciprocal  
10 services, nor shall the Fund under Article 9 be required to pay  
11 any refund as a result of the application of this maximum  
12 annual earnings, salary, and wage cap.

13 Nothing in this subsection (b-10) shall cause or otherwise  
14 result in any retroactive adjustment of any employee  
15 contributions. Nothing in this subsection (b-10) shall cause  
16 or otherwise result in any retroactive adjustment of  
17 disability or other payments made between January 1, 2011 and  
18 January 1, 2024.

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

1 eligible under the requirements of the applicable Article.

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

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

21 (d) The retirement annuity of a member or participant who  
22 is retiring after attaining age 62 (age 60, with respect to  
23 service under Article 12 that is subject to this Section, for a  
24 member or participant under Article 12 who first becomes a  
25 member or participant under Article 12 on or after January 1,  
26 2022 or who makes the election under item (i) of subsection



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

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

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

19 (i) to be eligible for the reduced retirement age  
20 provided in subsections (c-5) and (d-5) of this Section,  
21 the eligibility for which is conditioned upon the member  
22 or participant agreeing to the increases in employee  
23 contributions for age and service annuities provided in  
24 subsection (a-5) of Section 8-174 of this Code (for  
25 service under Article 8) or subsection (a-5) of Section  
26 11-170 of this Code (for service under Article 11); or

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

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

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

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

26               (ii) to not agree to item (i) of this subsection

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

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

14 (e) Any retirement annuity or supplemental annuity shall  
15 be subject to annual increases on the January 1 occurring  
16 either on or after the attainment of age 67 (age 65, with  
17 respect to service under Article 12 that is subject to this  
18 Section, for a member or participant under Article 12 who  
19 first becomes a member or participant under Article 12 on or  
20 after January 1, 2022 or who makes the election under item (i)  
21 of subsection (d-15); and beginning on July 6, 2017 (the  
22 effective date of Public Act 100-23), age 65 with respect to  
23 service under Article 8 or Article 11 for eligible persons  
24 who: (i) are subject to subsection (c-5) of this Section; or  
25 (ii) made the election under item (i) of subsection (d-10) of  
26 this Section) or the first anniversary of the annuity start

1 date, whichever is later. Each annual increase shall be  
2 calculated at 3% or 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, whichever is less, of the originally granted  
6 retirement annuity. If the annual unadjusted percentage change  
7 in the consumer price index-u for the 12 months ending with the  
8 September preceding each November 1 is zero or there is a  
9 decrease, then the annuity shall not be increased.

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

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

20 (f) The initial survivor's or widow's annuity of an  
21 otherwise eligible survivor or widow of a retired member or  
22 participant who first became a member or participant on or  
23 after January 1, 2011 shall be in the amount of 66 2/3% of the  
24 retired member's or participant's retirement annuity at the  
25 date of death. In the case of the death of a member or  
26 participant who has not retired and who first became a member

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

21 (g) The benefits in Section 14-110 apply only if the  
22 person is a State policeman, a fire fighter in the fire  
23 protection service of a department, a conservation police  
24 officer, an investigator for the Secretary of State, an arson  
25 investigator, a Commerce Commission police officer,  
26 investigator for the Department of Revenue or the Illinois

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

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

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

20           (i) (Blank).

21           (j) In the case of a conflict between the provisions of  
22 this Section and any other provision of this Code, the  
23 provisions of this Section shall control.

24           (Source: P.A. 101-610, eff. 1-1-20; 102-16, eff. 6-17-21;  
25 102-210, eff. 1-1-22; 102-263, eff. 8-6-21; 102-813, eff.  
26 5-13-22; 103-529, eff. 8-11-23.)

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

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

3 (a) The provisions of this Section apply to a person who,  
4 on or after January 1, 2011, first becomes a member or a  
5 participant under any reciprocal retirement system, regardless  
6 of when that reciprocal retirement system became a reciprocal  
7 retirement system, or pension fund established under this  
8 Code, other than a retirement system or pension fund  
9 established under Article 2, 3, 4, 5, 6, 7, 15, or 18 of this  
10 Code, notwithstanding any other provision of this Code to the  
11 contrary, but do not apply to any self-managed plan  
12 established under this Code or to any participant of the  
13 retirement plan established under Section 22-101; except that  
14 this Section applies to a person who elected to establish  
15 alternative credits by electing in writing after January 1,  
16 2011, but before August 8, 2011, under Section 7-145.1 of this  
17 Code. Notwithstanding anything to the contrary in this  
18 Section, for purposes of this Section, a person who is a Tier 1  
19 regular employee as defined in Section 7-109.4 of this Code or  
20 who participated in a retirement system under Article 15 prior  
21 to January 1, 2011 shall be deemed a person who first became a  
22 member or participant prior to January 1, 2011 under any  
23 retirement system or pension fund subject to this Section. The  
24 changes made to this Section by Public Act 98-596 are a  
25 clarification of existing law and are intended to be



1 retroactive to January 1, 2011 (the effective date of Public  
2 Act 96-889), notwithstanding the provisions of Section 1-103.1  
3 of this Code.

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

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

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

21 This Section does not apply to a person who first becomes a  
22 member or participant of an affected pension fund on or after 6  
23 months after the resolution or ordinance date, as defined in  
24 Section 1-162, unless that person elects under subsection (c)  
25 of Section 1-162 to receive the benefits provided under this  
26 Section and the applicable provisions of the Article under

1 which he or she is a member or participant.

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

15 (1) (Blank).

16 (2) In Articles 8, 9, 10, 11, and 12, "highest average  
17 annual salary for any 4 consecutive years within the last  
18 10 years of service immediately preceding the date of  
19 withdrawal".

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

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

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

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

25 A member of the Teachers' Retirement System of the State  
26 of Illinois who retires on or after June 1, 2021 and for whom

1 the 2020-2021 school year is used in the calculation of the  
2 member's final average salary shall use the higher of the  
3 following for the purpose of determining the member's final  
4 average salary:

5 (A) the amount otherwise calculated under the first  
6 paragraph of this subsection; or

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

16 (b-5) Beginning on January 1, 2011, for all purposes under  
17 this Code (including without limitation the calculation of  
18 benefits and employee contributions), the annual earnings,  
19 salary, or wages (based on the plan year) of a member or  
20 participant to whom this Section applies shall not exceed  
21 \$106,800; however, that amount shall annually thereafter be  
22 increased by the lesser of (i) 3% of that amount, including all  
23 previous adjustments, or (ii) one-half the annual unadjusted  
24 percentage increase (but not less than zero) in the consumer  
25 price index-u for the 12 months ending with the September  
26 preceding each November 1, including all previous adjustments.

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

11 (b-10) Beginning on January 1, 2024, for all purposes  
12 under this Code (including, without limitation, the  
13 calculation of benefits and employee contributions), the  
14 annual earnings, salary, or wages (based on the plan year) of a  
15 member or participant under Article 9 to whom this Section  
16 applies shall include an annual earnings, salary, or wage cap  
17 that tracks the Social Security wage base. Maximum annual  
18 earnings, wages, or salary shall be the annual contribution  
19 and benefit base established for the applicable year by the  
20 Commissioner of the Social Security Administration under the  
21 federal Social Security Act.

22 However, in no event shall the annual earnings, salary, or  
23 wages for the purposes of this Article and Article 9 exceed any  
24 limitation imposed on annual earnings, salary, or wages under  
25 Section 1-117. Under no circumstances shall the maximum amount  
26 of annual earnings, salary, or wages be greater than the

1 amount set forth in this subsection (b-10) as a result of  
2 reciprocal service or any provisions regarding reciprocal  
3 services, nor shall the Fund under Article 9 be required to pay  
4 any refund as a result of the application of this maximum  
5 annual earnings, salary, and wage cap.

6 Nothing in this subsection (b-10) shall cause or otherwise  
7 result in any retroactive adjustment of any employee  
8 contributions. Nothing in this subsection (b-10) shall cause  
9 or otherwise result in any retroactive adjustment of  
10 disability or other payments made between January 1, 2011 and  
11 January 1, 2024.

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

21 A member or participant who has attained age 62 (age 60,  
22 with respect to service under Article 12 that is subject to  
23 this Section, for a member or participant under Article 12 who  
24 first becomes a member or participant under Article 12 on or  
25 after January 1, 2022 or who makes the election under item (i)  
26 of subsection (d-15) of this Section) and has at least 10 years

1 of service credit and is otherwise eligible under the  
2 requirements of the applicable Article may elect to receive  
3 the lower retirement annuity provided in subsection (d) of  
4 this Section.

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

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

1 (d-15) of this Section).

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

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

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

20 (ii) to not agree to item (i) of this subsection  
21 (d-10), in which case the member or participant shall  
22 continue to be subject to the retirement age provisions in  
23 subsections (c) and (d) of this Section and the employee  
24 contributions for age and service annuity as provided in  
25 subsection (a) of Section 8-174 of this Code (for service  
26 under Article 8) or subsection (a) of Section 11-170 of

1           this Code (for service under Article 11).

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

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

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

19           (ii) to not agree to item (i) of this subsection  
20 (d-15), in which case the member or participant shall not  
21 be eligible for the reduced retirement age specified in  
22 subsections (c) and (d) of this Section and shall not be  
23 subject to the increase in employee contributions for  
24 service annuities specified in subsection (b) of Section  
25 12-150.

26           The election provided for in this subsection shall be made



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

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

1 September preceding each November 1 is zero or there is a  
2 decrease, then the annuity shall not be increased.

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

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

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

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

14 (g) The benefits in Section 14-110 apply only if the  
15 person is a State policeman, a fire fighter in the fire  
16 protection service of a department, a conservation police  
17 officer, an investigator for the Secretary of State, an  
18 investigator for the Office of the Attorney General, an arson  
19 investigator, a Commerce Commission police officer,  
20 investigator for the Department of Revenue or the Illinois  
21 Gaming Board, a security employee of the Department of  
22 Corrections or the Department of Juvenile Justice, or a  
23 security employee of the Department of Innovation and  
24 Technology, as those terms are defined in subsection (b) and  
25 subsection (c) of Section 14-110. A person who meets the  
26 requirements of this Section is entitled to an annuity

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

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

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

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

14 (i) (Blank).

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

18 (Source: P.A. 102-16, eff. 6-17-21; 102-210, eff. 1-1-22;  
19 102-263, eff. 8-6-21; 102-956, eff. 5-27-22; 103-529, eff.  
20 8-11-23.)

21 Article 4.

22 Section 4-5. The Illinois Administrative Procedure Act is  
23 amended by adding Section 5-45.55 as follows:

1 (5 ILCS 100/5-45.55 new)

2 Sec. 5-45.55. Emergency rulemaking; accelerated pension  
3 benefit payments. To provide for the expeditious and timely  
4 implementation of accelerated pension benefit payments under  
5 Articles 2 and 18 of the Illinois Pension Code, emergency  
6 rules implementing the accelerated pension benefit payments  
7 under Article 2 may be adopted in accordance with Section 5-45  
8 by the Board of Trustees established under Article 2 of the  
9 Illinois Pension Code and emergency rules implementing the  
10 accelerated pension benefit payments under Article 18 may be  
11 adopted in accordance with Section 5-45 by the Board of  
12 Trustees established under Article 18 of the Illinois Pension  
13 Code. The adoption of emergency rules authorized by Section  
14 5-45 and this Section is deemed to be necessary for the public  
15 interest, safety, and welfare.

16 This Section is repealed one year after the effective date  
17 of this amendatory Act of the 103rd General Assembly.

18 Section 4-15. The Illinois Pension Code is amended by  
19 adding Sections 2-154.5, 2-154.6, 17-156.10, 17-156.11,  
20 18-161.5, and 18-161.6 as follows:

21 (40 ILCS 5/2-154.5 new)

22 Sec. 2-154.5. Accelerated pension benefit payment in lieu  
23 of any pension benefit.

24 (a) As used in this Section:

1 "Eligible person" means a person who:

2 (1) has terminated service;

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

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

8 (4) has not made the election under Section 2-154.6.

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

14 (b) As soon as practical after the effective date of this  
15 amendatory Act of the 103rd General Assembly, the System shall  
16 calculate, using actuarial tables and other assumptions  
17 adopted by the Board, the present value of pension benefits  
18 for each eligible person who requests that information and  
19 shall offer each eligible person the opportunity to  
20 irrevocably elect to receive an amount determined by the  
21 System to be equal to 60% of the present value of his or her  
22 pension benefits in lieu of receiving any pension benefit. The  
23 offer shall specify the dollar amount that the eligible person  
24 will receive if he or she so elects and shall expire when a  
25 subsequent offer is made to an eligible person. An eligible  
26 person is limited to one calculation and offer per calendar

1 year. The System shall make a good faith effort to contact  
2 every eligible person to notify him or her of the election.  
3 Until January 1, 2030, an eligible person may irrevocably  
4 elect to receive an accelerated pension benefit payment in the  
5 amount that the System offers under this subsection in lieu of  
6 receiving any pension benefit. A person who elects to receive  
7 an accelerated pension benefit payment under this Section may  
8 not elect to proceed under the Retirement Systems Reciprocal  
9 Act with respect to service under this Article.

10 (c) A person's creditable service under this Article shall  
11 be terminated upon the person's receipt of an accelerated  
12 pension benefit payment under this Section, and no other  
13 benefit shall be paid under this Article based on the  
14 terminated creditable service, including any retirement,  
15 survivor, or other benefit; except that to the extent that  
16 participation, benefits, or premiums under the State Employees  
17 Group Insurance Act of 1971 are based on the amount of service  
18 credit, the terminated service credit shall be used for that  
19 purpose.

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

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



1           (2) The accelerated pension benefit payment may not be  
2           repaid to the System, and the terminated creditable  
3           service may not under any circumstances be reinstated.

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

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

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

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

1 (40 ILCS 5/2-154.6 new)

2 Sec. 2-154.6. Accelerated pension benefit payment for a  
3 reduction in annual retirement annuity and survivor's annuity  
4 increases.

5 (a) As used in this Section:

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

15 "Eligible person" means a person who:

16 (1) is a Tier 1 participant;

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

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

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

23 (5) has not made the election under Section 2-154.5.

24 (b) As soon as practical after the effective date of this  
25 amendatory Act of the 103rd General Assembly and until January

1 1, 2030, the System shall implement an accelerated pension  
2 benefit payment option for eligible persons. Upon the request  
3 of an eligible person, the System shall calculate, using  
4 actuarial tables and other assumptions adopted by the Board,  
5 an accelerated pension benefit payment amount and shall offer  
6 that eligible person the opportunity to irrevocably elect to  
7 have his or her automatic annual increases in retirement  
8 annuity calculated in accordance with the formula provided  
9 under subsection (b-5) and any increases in survivor's annuity  
10 payable to his or her survivor's annuity beneficiary  
11 calculated in accordance with the formula provided under  
12 subsection (b-6) in exchange for the accelerated pension  
13 benefit payment. The election under this subsection must be  
14 made before the eligible person receives the first payment of  
15 a retirement annuity otherwise payable under this Article.

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

23 (b-6) Notwithstanding any other provision of law, a  
24 survivor's annuity payable to a survivor's annuity beneficiary  
25 of a person who made the election under subsection (b) shall be  
26 subject to annual increases on the January 1 occurring on or

1 after the first anniversary of the commencement of the  
2 annuity. Each annual increase shall be calculated at 1.5% of  
3 the originally granted survivor's annuity.

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

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

11 (2) the accelerated pension benefit payment may not be  
12 repaid to the System.

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

23 (d-5) Upon receipt of a participant's irrevocable election  
24 to receive an accelerated pension benefit payment under this  
25 Section, the System shall submit a voucher to the Comptroller  
26 for payment of the participant's accelerated pension benefit

1 payment. The Comptroller shall transfer the amount of the  
2 voucher from the General Revenue Fund to the System, and the  
3 System shall transfer the amount into the member's eligible  
4 retirement plan or qualified account.

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

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

10 (40 ILCS 5/17-156.10 new)

11 Sec. 17-156.10. Accelerated pension benefit payment in  
12 lieu of any pension benefit.

13 (a) As used in this Section:

14 "Eligible person" means a person who:

15 (1) has terminated service;

16 (2) has accrued sufficient service credit to be  
17 eligible to receive a service retirement pension under  
18 this Article;

19 (3) has not received any service retirement pension  
20 under this Article; and

21 (4) has not made the election under Section 17-156.11.

22 "Pension benefit" means the benefits under this Article,  
23 including any anticipated annual increases, that an eligible  
24 person is entitled to upon attainment of the applicable  
25 retirement age. "Pension benefit" also includes applicable

1 survivor's pensions, duty disability pensions, and disability  
2 retirement pensions.

3 (b) As soon as practical after the effective date of this  
4 amendatory Act of the 103rd General Assembly, the Fund shall  
5 calculate, using actuarial tables and other assumptions  
6 adopted by the Board, the present value of pension benefits  
7 for each eligible person who requests that information and  
8 shall offer each eligible person the opportunity to  
9 irrevocably elect to receive an amount determined by the Fund  
10 to be equal to 60% of the present value of his or her pension  
11 benefits in lieu of receiving any pension benefit. The offer  
12 shall specify the dollar amount that the eligible person will  
13 receive if he or she so elects and shall expire when a  
14 subsequent offer is made to an eligible person. An eligible  
15 person is limited to one calculation and offer per calendar  
16 year. The Fund shall make a good faith effort to contact every  
17 eligible person to notify him or her of the election. Until  
18 January 1, 2030, an eligible person may irrevocably elect to  
19 receive an accelerated pension benefit payment in the amount  
20 that the Fund offers under this subsection in lieu of  
21 receiving any pension benefit. A person who elects to receive  
22 an accelerated pension benefit payment under this Section may  
23 not elect to proceed under the Retirement Systems Reciprocal  
24 Act with respect to service under this Article.

25 (c) A person's creditable service under this Article shall  
26 be terminated upon the person's receipt of an accelerated

1 pension benefit payment under this Section, and no other  
2 benefit shall be paid under this Article based on the  
3 terminated creditable service, including any retirement,  
4 survivor, or other pension benefit; except that to the extent  
5 that participation, benefits, or premiums under the State  
6 Employees Group Insurance Act of 1971 are based on the amount  
7 of service credit, the terminated service credit shall be used  
8 for that purpose.

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

12 (1) Any benefits under the Fund earned as a result of  
13 that return to active service shall be based solely on the  
14 person's creditable service arising from the return to  
15 active service.

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

19 (e) As a condition of receiving an accelerated pension  
20 benefit payment, the accelerated pension benefit payment must  
21 be transferred into a tax qualified retirement plan or  
22 account. The accelerated pension benefit payment under this  
23 Section may be subject to withholding or payment of applicable  
24 taxes, but to the extent permitted by federal law, a person who  
25 receives an accelerated pension benefit payment under this  
26 Section must direct the Fund to pay all of that payment as a

1 rollover into another retirement plan or account qualified  
2 under the Internal Revenue Code of 1986, as amended.

3 (f) Upon receipt of a member's irrevocable election to  
4 receive an accelerated pension benefit payment under this  
5 Section, the Fund shall submit a voucher to the Comptroller  
6 for payment of the member's accelerated pension benefit  
7 payment. The Comptroller shall transfer the amount of the  
8 voucher from the General Revenue Fund to the Fund, and the Fund  
9 shall transfer the amount into the member's eligible  
10 retirement plan or qualified account.

11 (g) The Board shall adopt any rules necessary to implement  
12 this Section.

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

16 (40 ILCS 5/17-156.11 new)

17 Sec. 17-156.11. Accelerated pension benefit payment for a  
18 reduction in annual service retirement pension and survivor's  
19 pension increases.

20 (a) As used in this Section:

21 "Accelerated pension benefit payment" means a lump sum  
22 payment equal to 70% of the difference of the present value of  
23 the automatic annual increases to a Tier 1 member's service  
24 retirement pension and survivor's pension using the formula  
25 applicable to the Tier 1 member and the present value of the



1 automatic annual increases to the Tier 1 member's service  
2 retirement pension using the formula provided under subsection  
3 (b-5) and survivor's pension using the formula provided under  
4 subsection (b-6).

5 "Eligible person" means a person who:

6 (1) is a Tier 1 member;

7 (2) has submitted an application for a service  
8 retirement pension under this Article;

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

11 (4) has not received any service retirement pension  
12 under this Article; and

13 (5) has not made the election under Section 17-156.10.

14 "Tier 1 member" means a person who first became a member  
15 before January 1, 2011.

16 (b) As soon as practical after the effective date of this  
17 amendatory Act of the 103rd General Assembly and until January  
18 1, 2030, the Fund shall implement an accelerated pension  
19 benefit payment option for eligible persons. Upon the request  
20 of an eligible person, the Fund shall calculate, using  
21 actuarial tables and other assumptions adopted by the Board,  
22 an accelerated pension benefit payment amount and shall offer  
23 that eligible person the opportunity to irrevocably elect to  
24 have his or her automatic annual increases in service  
25 retirement pension calculated in accordance with the formula  
26 provided under subsection (b-5) and any increases in

1 survivor's pension payable to his or her survivor's pension  
2 beneficiary calculated in accordance with the formula provided  
3 under subsection (b-6) in exchange for the accelerated pension  
4 benefit payment. The election under this subsection must be  
5 made before the eligible person receives the first payment of  
6 a service retirement pension otherwise payable under this  
7 Article.

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

15 (b-6) Notwithstanding any other provision of law, a  
16 survivor's pension payable to a survivor's pension beneficiary  
17 of a person who made the election under subsection (b) shall be  
18 subject to annual increases on the January 1 occurring on or  
19 after the first anniversary of the commencement of the  
20 pension. Each annual increase shall be calculated at 1.5% of  
21 the originally granted survivor's pension.

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

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

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

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

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

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

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

25 (f) No provision of this Section shall be interpreted in a  
26 way that would cause the Fund to cease to be a qualified plan

1 under the Internal Revenue Code of 1986.

2 (40 ILCS 5/18-161.5 new)

3 Sec. 18-161.5. Accelerated pension benefit payment in lieu  
4 of any pension benefit.

5 (a) As used in this Section:

6 "Eligible person" means a person who:

7 (1) has terminated service;

8 (2) has accrued sufficient service credit to be  
9 eligible to receive a retirement annuity under this  
10 Article;

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

13 (4) has not made the election under Section 18-161.6.

14 "Pension benefit" means the benefits under this Article,  
15 including any anticipated annual increases, that an eligible  
16 person is entitled to upon attainment of the applicable  
17 retirement age. "Pension benefit" also includes applicable  
18 survivor's or disability benefits.

19 (b) As soon as practical after the effective date of this  
20 amendatory Act of the 103rd General Assembly, the System shall  
21 calculate, using actuarial tables and other assumptions  
22 adopted by the Board, the present value of pension benefits  
23 for each eligible person who requests that information and  
24 shall offer each eligible person the opportunity to  
25 irrevocably elect to receive an amount determined by the

1 System to be equal to 60% of the present value of his or her  
2 pension benefits in lieu of receiving any pension benefit. The  
3 offer shall specify the dollar amount that the eligible person  
4 will receive if he or she so elects and shall expire when a  
5 subsequent offer is made to an eligible person. An eligible  
6 person is limited to one calculation and offer per calendar  
7 year. The System shall make a good faith effort to contact  
8 every eligible person to notify him or her of the election.  
9 Until January 1, 2030, an eligible person may irrevocably  
10 elect to receive an accelerated pension benefit payment in the  
11 amount that the System offers under this subsection in lieu of  
12 receiving any pension benefit. A person who elects to receive  
13 an accelerated pension benefit payment under this Section may  
14 not elect to proceed under the Retirement Systems Reciprocal  
15 Act with respect to service under this Article.

16 (c) A person's creditable service under this Article shall  
17 be terminated upon the person's receipt of an accelerated  
18 pension benefit payment under this Section, and no other  
19 benefit shall be paid under this Article based on the  
20 terminated creditable service, including any retirement,  
21 survivor, or other benefit; except that to the extent that  
22 participation, benefits, or premiums under the State Employees  
23 Group Insurance Act of 1971 are based on the amount of service  
24 credit, the terminated service credit shall be used for that  
25 purpose.

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

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

3 (1) Any benefits under the System earned as a result  
4 of that return to active service shall be based solely on  
5 the person's creditable service arising from the return to  
6 active service.

7 (2) The accelerated pension benefit payment may not be  
8 repaid to the System, and the terminated creditable  
9 service may not under any circumstances be reinstated.

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

20 (f) Upon receipt of a member's irrevocable election to  
21 receive an accelerated pension benefit payment under this  
22 Section, the System shall submit a voucher to the Comptroller  
23 for payment of the member's accelerated pension benefit  
24 payment. The Comptroller shall transfer the amount of the  
25 voucher from the General Revenue Fund to the System, and the  
26 System shall transfer the amount into the member's eligible

1 retirement plan or qualified account.

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

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

7 (40 ILCS 5/18-161.6 new)

8 Sec. 18-161.6. Accelerated pension benefit payment for a  
9 reduction in annual retirement annuity and survivor's annuity  
10 increases.

11 (a) As used in this Section:

12 "Accelerated pension benefit payment" means a lump sum  
13 payment equal to 70% of the difference of the present value of  
14 the automatic annual increases to a Tier 1 participant's  
15 retirement annuity and survivor's annuity using the formula  
16 applicable to the Tier 1 participant and the present value of  
17 the automatic annual increases to the Tier 1 participant's  
18 retirement annuity using the formula provided under subsection  
19 (b-5) and survivor's annuity using the formula provided under  
20 subsection (b-6).

21 "Eligible person" means a person who:

22 (1) is a Tier 1 participant;

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

25 (3) meets the age and service requirements for

1 receiving a retirement annuity under this Article;

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

4 (5) has not made the election under Section 18-161.5.

5 "Tier 1 participant" means a person who first became a  
6 participant before January 1, 2011.

7 (b) As soon as practical after the effective date of this  
8 amendatory Act of the 103rd General Assembly and until January  
9 1, 2030, the System shall implement an accelerated pension  
10 benefit payment option for eligible persons. Upon the request  
11 of an eligible person, the System shall calculate, using  
12 actuarial tables and other assumptions adopted by the Board,  
13 an accelerated pension benefit payment amount and shall offer  
14 that eligible person the opportunity to irrevocably elect to  
15 have his or her automatic annual increases in retirement  
16 annuity calculated in accordance with the formula provided  
17 under subsection (b-5) and any increases in survivor's annuity  
18 payable to his or her survivor's annuity beneficiary  
19 calculated in accordance with the formula provided under  
20 subsection (b-6) in exchange for the accelerated pension  
21 benefit payment. The election under this subsection must be  
22 made before the eligible person receives the first payment of  
23 a retirement annuity otherwise payable under this Article.

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



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

5 (b-6) Notwithstanding any other provision of law, a  
6 survivor's annuity payable to a survivor's annuity beneficiary  
7 of a person who made the election under subsection (b) shall be  
8 subject to annual increases on the January 1 occurring on or  
9 after the first anniversary of the commencement of the  
10 annuity. Each annual increase shall be calculated at 1.5% of  
11 the originally granted survivor's annuity.

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

15 (1) the calculation of any future automatic annual  
16 increase in retirement annuity shall be calculated in  
17 accordance with the formula provided under subsection  
18 (b-5); and

19 (2) the accelerated pension benefit payment may not be  
20 repaid to the System.

21 (d) As a condition of receiving an accelerated pension  
22 benefit payment, the accelerated pension benefit payment must  
23 be transferred into a tax qualified retirement plan or  
24 account. The accelerated pension benefit payment under this  
25 Section may be subject to withholding or payment of applicable  
26 taxes, but to the extent permitted by federal law, a person who

1 receives an accelerated pension benefit payment under this  
2 Section must direct the System to pay all of that payment as a  
3 rollover into another retirement plan or account qualified  
4 under the Internal Revenue Code of 1986, as amended.

5 (d-5) Upon receipt of a participant's irrevocable election  
6 to receive an accelerated pension benefit payment under this  
7 Section, the System shall submit a voucher to the Comptroller  
8 for payment of the participant's accelerated pension benefit  
9 payment. The Comptroller shall transfer the amount of the  
10 voucher from the General Revenue Fund to the System, and the  
11 System shall transfer the amount into the member's eligible  
12 retirement plan or qualified account.

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

15 (f) No provision of this Section shall be interpreted in a  
16 way that would cause the applicable System to cease to be a  
17 qualified plan under the Internal Revenue Code of 1986.

18 Article 5.

19 Section 5-5. The Illinois Pension Code is amended by  
20 adding Sections 3-144.3, 4-138.15, 5-240, and 6-232 as  
21 follows:

22 (40 ILCS 5/3-144.3 new)

23 Sec. 3-144.3. Retirement Systems Reciprocal Act. The

1 Retirement Systems Reciprocal Act, Article 20 of this Code, is  
2 adopted and made a part of this Article, but only with respect  
3 to a person who, on or after the effective date of this  
4 amendatory Act of the 103rd General Assembly, is entitled  
5 under this Article or through a participating system under the  
6 Retirement Systems Reciprocal Act, as defined in Section  
7 20-108, to begin receiving a retirement annuity or survivor's  
8 annuity (as those terms are defined in Article 20) and who  
9 elects to proceed under the Retirement Systems Reciprocal Act.

10 (40 ILCS 5/4-138.15 new)

11 Sec. 4-138.15. Retirement Systems Reciprocal Act. The  
12 Retirement Systems Reciprocal Act, Article 20 of this Code, is  
13 adopted and made a part of this Article, but only with respect  
14 to a person who, on or after the effective date of this  
15 amendatory Act of the 103rd General Assembly, is entitled  
16 under this Article or through a participating system under the  
17 Retirement Systems Reciprocal Act, as defined in Section  
18 20-108, to begin receiving a retirement annuity or survivor's  
19 annuity (as those terms are defined in Article 20) and who  
20 elects to proceed under the Retirement Systems Reciprocal Act.

21 (40 ILCS 5/5-240 new)

22 Sec. 5-240. Retirement Systems Reciprocal Act. The  
23 Retirement Systems Reciprocal Act, Article 20 of this Code, is  
24 adopted and made a part of this Article, but only with respect

1 to a person who, on or after the effective date of this  
2 amendatory Act of the 103rd General Assembly, is entitled  
3 under this Article or through a participating system under the  
4 Retirement Systems Reciprocal Act, as defined in Section  
5 20-108, to begin receiving a retirement annuity or survivor's  
6 annuity (as those terms are defined in Article 20) and who  
7 elects to proceed under the Retirement Systems Reciprocal Act.

8 (40 ILCS 5/6-232 new)

9 Sec. 6-232. Retirement Systems Reciprocal Act. The  
10 Retirement Systems Reciprocal Act, Article 20 of this Code, is  
11 adopted and made a part of this Article, but only with respect  
12 to a person who, on or after the effective date of this  
13 amendatory Act of the 103rd General Assembly, is entitled  
14 under this Article or through a participating system under the  
15 Retirement Systems Reciprocal Act, as defined in Section  
16 20-108, to begin receiving a retirement annuity or survivor's  
17 annuity (as those terms are defined in Article 20) and who  
18 elects to proceed under the Retirement Systems Reciprocal Act.

19 Article 7.

20 Section 7-5. The Illinois Pension Code is amended by  
21 changing Section 7-109.3 as follows:

22 (40 ILCS 5/7-109.3) (from Ch. 108 1/2, par. 7-109.3)

1           Sec. 7-109.3. "Sheriff's Law Enforcement Employees".

2           (a) "Sheriff's law enforcement employee" or "SLEP" means:

3                 (1) A county sheriff and all deputies, other than  
4                 special deputies, employed on a full time basis in the  
5                 office of the sheriff.

6                 (2) A person who has elected to participate in this  
7                 Fund under Section 3-109.1 of this Code, and who is  
8                 employed by a participating municipality to perform police  
9                 duties.

10                (3) A law enforcement officer employed on a full time  
11                basis by a Forest Preserve District, provided that such  
12                officer shall be deemed a "sheriff's law enforcement  
13                employee" for the purposes of this Article, and service in  
14                that capacity shall be deemed to be service as a sheriff's  
15                law enforcement employee, only if the board of  
16                commissioners of the District have so elected by adoption  
17                of an affirmative resolution. Such election, once made,  
18                may not be rescinded.

19                (4) A person not eligible to participate in a fund  
20                established under Article 3 of this Code who is employed  
21                on a full-time basis by a participating municipality or  
22                participating instrumentality to perform police duties at  
23                an airport, but only if the governing authority of the  
24                employer has approved sheriff's law enforcement employee  
25                status for its airport police employees by adoption of an  
26                affirmative resolution. Such approval, once given, may not

1 be rescinded.

2 (5) A person first hired on or after January 1, 2011  
3 who (i) is employed by a participating municipality that  
4 has both 30 or more full-time police officers and 50 or  
5 more full-time firefighters and has not established a fund  
6 under Article 3 or Article 4 of this Code and (ii) is  
7 employed on a full-time basis by that participating  
8 municipality to perform police duties or firefighting and  
9 EMS duties; but only if the governing authority of that  
10 municipality has approved sheriff's law enforcement  
11 employee status for its police officer or firefighter  
12 employees by adoption of an affirmative resolution. The  
13 resolution must specify that SLEP status shall be  
14 applicable to such employment occurring on or after the  
15 adoption of the resolution. Such resolution shall be  
16 irrevocable, but shall automatically terminate upon the  
17 establishment of an Article 3 or 4 fund by the  
18 municipality.

19 (6) A person who is a county correctional officer or  
20 probation officer.

21 (7) A person who participates in the Fund and  
22 qualifies as a firefighter, as defined in Section 3 of the  
23 Public Safety Employee Benefits Act.

24 (8) A person who is a sworn law enforcement officer  
25 for a municipal employer that has not established a  
26 pension fund under Article 3.

1 (b) An employee who is a sheriff's law enforcement  
2 employee and is granted military leave or authorized leave of  
3 absence shall receive service credit in that capacity.  
4 Sheriff's law enforcement employees shall not be entitled to  
5 out-of-State service credit under Section 7-139.

6 (Source: P.A. 100-354, eff. 8-25-17; 100-1097, eff. 8-26-18.)

7 Article 8.

8 Section 8-5. The Illinois Pension Code is amended by  
9 changing Section 4-106 as follows:

10 (40 ILCS 5/4-106) (from Ch. 108 1/2, par. 4-106)

11 Sec. 4-106. Firefighter, firefighters. "Firefighter,  
12 firefighters":

13 (a) In municipalities which have adopted Division 1 of  
14 Article 10 of the Illinois Municipal Code, any person employed  
15 in the municipality's fire service as a firefighter, fire  
16 engineer, marine engineer, fire pilot, bomb technician or  
17 scuba diver; and in any of these positions where such person's  
18 duties also include those of a firefighter as classified by  
19 the Civil Service Commission of that city, and whose duty is to  
20 participate in the work of controlling and extinguishing fires  
21 at the location of any such fires.

22 (b) In municipalities which are subject to Division 2.1 of  
23 Article 10 of the Illinois Municipal Code, any person employed

1 by a city in its fire service as a firefighter, fire engineer,  
2 marine engineer, fire pilot, bomb technician, or scuba diver;  
3 and, in any of these positions whose duties also include those  
4 of a firefighter and are certified in the same manner as a  
5 firefighter in that city.

6 (c) Any person employed in a municipality's or fire  
7 protection district's fire service as a de facto firefighter.

8 In this definition, "de facto firefighter" means a  
9 firefighter:

10 (1) who spends a majority of the firefighter's working  
11 time participating in the work of controlling and  
12 extinguishing fires at the location of any such fires,  
13 preparing for such work or waiting to respond to such  
14 calls for work; and

15 (2) whose scheduled or actual work hours are  
16 commensurate in duration and frequency with firefighters  
17 who are subject to Division 1 or Division 2.1 of Article 10  
18 of the Illinois Municipal Code.

19 "De facto firefighter" does not include part-time  
20 firefighters who are not covered under this Section;  
21 auxiliary, reserve, or voluntary firefighters, including  
22 paid-on-call firefighters; and clerks, dispatchers, or other  
23 civilian employees of a fire department or fire protection  
24 district who are not routinely expected to perform firefighter  
25 duties. In municipalities which are subject to neither  
26 Division 1 nor Division 2.1 of Article 10 of the Illinois



1 ~~Municipal Code, any person who would have been included as a~~  
2 ~~firefighter under sub-paragraph (a) or (b) above except that~~  
3 ~~he served as a de facto and not as a de jure firefighter.~~

4 (d) Notwithstanding the other provisions of this Section,  
5 "firefighter" does not include any person who is actively  
6 participating in the State Universities Retirement System  
7 under subsection (h) of Section 15-107 with respect to the  
8 employment for which he or she is a participating employee in  
9 that System.

10 (e) This amendatory Act of 1977 does not affect persons  
11 covered by this Article prior to September 22, 1977.

12 The changes made to this Section by this amendatory Act of  
13 the 103rd General Assembly do not affect persons covered by  
14 this Article before the effective date of this amendatory Act  
15 of the 103rd General Assembly.

16 (Source: P.A. 90-576, eff. 3-31-98.)

17 Article 9.

18 Section 9-5. The Illinois Pension Code is amended by  
19 changing Section 4-109.1 as follows:

20 (40 ILCS 5/4-109.1) (from Ch. 108 1/2, par. 4-109.1)

21 Sec. 4-109.1. Increase in pension.

22 (a) Except as provided in subsection (e), the monthly  
23 pension of a firefighter who retires after July 1, 1971 and

1 prior to January 1, 1986, shall, upon either the first of the  
2 month following the first anniversary of the date of  
3 retirement if 60 years of age or over at retirement date, or  
4 upon the first day of the month following attainment of age 60  
5 if it occurs after the first anniversary of retirement, be  
6 increased by 2% of the originally granted monthly pension and  
7 by an additional 2% in each January thereafter. Effective  
8 January 1976, the rate of the annual increase shall be 3% of  
9 the originally granted monthly pension.

10 (b) The monthly pension of a firefighter who retired from  
11 service with 20 or more years of service, on or before July 1,  
12 1971, shall be increased, in January of the year following the  
13 year of attaining age 65 or in January 1972, if then over age  
14 65, by 2% of the originally granted monthly pension, for each  
15 year the firefighter received pension payments. In each  
16 January thereafter, he or she shall receive an additional  
17 increase of 2% of the original monthly pension. Effective  
18 January 1976, the rate of the annual increase shall be 3%.

19 (c) The monthly pension of a firefighter who is receiving  
20 a disability pension under this Article shall be increased, in  
21 January of the year following the year the firefighter attains  
22 age 60, or in January 1974, if then over age 60, by 2% of the  
23 originally granted monthly pension for each year he or she  
24 received pension payments. In each January thereafter, the  
25 firefighter shall receive an additional increase of 2% of the  
26 original monthly pension. Effective January 1976, the rate of

1 the annual increase shall be 3%. Notwithstanding any other  
2 provision of this Article, this subsection applies to a  
3 firefighter regardless of whether that firefighter first  
4 became a firefighter on or after January 1, 2011.  
5 Notwithstanding Section 1-103.1, the changes made to this  
6 Section apply without regard to whether the firefighter is in  
7 service on or after the effective date of this amendatory Act  
8 of the 103rd General Assembly.

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

20 (c-2) On July 1, 2004, every pension payable to or on  
21 behalf of a minor or disabled surviving child that is payable  
22 on that date under Section 4-114 shall be increased by an  
23 amount equal to 1/12 of 3% of the amount of the pension,  
24 multiplied by the number of months for which the benefit has  
25 been payable. On July 1, 2005, July 1, 2006, July 1, 2007, and  
26 July 1, 2008, every pension payable to or on behalf of a minor

1 or disabled surviving child that is payable under Section  
2 4-114 shall be increased by 3% of the amount of the pension  
3 then being paid, including any previous increases received  
4 under this Article. These increases are not subject to any  
5 limitation on the maximum benefit amount included in Section  
6 4-114.

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

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

25 (e) Notwithstanding the provisions of subsection (a), upon  
26 the first day of the month following (1) the first anniversary

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

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

23 (g) Notwithstanding any other provision of this Article,  
24 the monthly pension of a person who first becomes a  
25 firefighter under this Article on or after January 1, 2011  
26 shall be increased on the January 1 occurring either on or

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

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

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

22 Article 10.

23 Section 10-5. The Illinois Pension Code is amended by  
24 changing Section 4-109.2 as follows:

1 (40 ILCS 5/4-109.2) (from Ch. 108 1/2, par. 4-109.2)

2 Sec. 4-109.2. Minimum pension.

3 (a) Beginning January 1, 1984, the minimum disability  
4 pension granted under Section 4-110 or 4-111, the minimum  
5 surviving spouse's pension, and the minimum retirement pension  
6 granted to a firefighter with 20 or more years of creditable  
7 service, shall be \$300 per month, without regard to whether  
8 the death, disability or retirement of the firefighter  
9 occurred prior to that date.

10 Beginning July 1, 1987, the minimum retirement pension  
11 payable to a firefighter with 20 or more years of creditable  
12 service, the minimum disability pension payable under Section  
13 4-110 or 4-111, and the minimum surviving spouse's pension  
14 shall be \$400 per month, without regard to whether the death,  
15 retirement or disability of the firefighter occurred prior to  
16 that date.

17 Beginning July 1, 1993, the minimum retirement pension  
18 payable to a firefighter with 20 or more years of creditable  
19 service and the minimum surviving spouse's pension shall be  
20 \$475 per month, without regard to whether the firefighter was  
21 in service on or after the effective date of this amendatory  
22 Act of 1993.

23 (b) Beginning January 1, 1999, the minimum retirement  
24 pension payable to a firefighter with 20 or more years of  
25 creditable service, the minimum disability pension payable

1 under Section 4-110, 4-110.1, or 4-111, and the minimum  
2 surviving spouse's pension shall be \$600 per month, without  
3 regard to whether the firefighter was in service on or after  
4 the effective date of this amendatory Act of the 91st General  
5 Assembly.

6 In the case of a pensioner whose pension began before the  
7 effective date of this amendatory Act and is subject to  
8 increase under this subsection (b), the pensioner shall be  
9 entitled to a lump sum payment of the amount of that increase  
10 accruing from January 1, 1999 (or the date the pension began,  
11 if later) to the effective date of this amendatory Act.

12 (c) Beginning January 1, 2000, the minimum retirement  
13 pension payable to a firefighter with 20 or more years of  
14 creditable service, the minimum disability pension payable  
15 under Section 4-110, 4-110.1, or 4-111, and the minimum  
16 surviving spouse's pension shall be \$800 per month, without  
17 regard to whether the firefighter was in service on or after  
18 the effective date of this amendatory Act of the 91st General  
19 Assembly.

20 (d) Beginning January 1, 2001, the minimum retirement  
21 pension payable to a firefighter with 20 or more years of  
22 creditable service, the minimum disability pension payable  
23 under Section 4-110, 4-110.1, or 4-111, and the minimum  
24 surviving spouse's pension shall be \$1000 per month, without  
25 regard to whether the firefighter was in service on or after  
26 the effective date of this amendatory Act of the 91st General



1 Assembly.

2 (e) Beginning July 1, 2004, the minimum retirement pension  
3 payable to a firefighter with 20 or more years of creditable  
4 service, the minimum disability pension payable under Section  
5 4-110, 4-110.1, or 4-111, and the minimum surviving spouse's  
6 pension shall be \$1030 per month, without regard to whether  
7 the firefighter was in service on or after the effective date  
8 of this amendatory Act of the 93rd General Assembly.

9 (f) Beginning July 1, 2005, the minimum retirement pension  
10 payable to a firefighter with 20 or more years of creditable  
11 service, the minimum disability pension payable under Section  
12 4-110, 4-110.1, or 4-111, and the minimum surviving spouse's  
13 pension shall be \$1060.90 per month, without regard to whether  
14 the firefighter was in service on or after the effective date  
15 of this amendatory Act of the 93rd General Assembly.

16 (g) Beginning July 1, 2006, the minimum retirement pension  
17 payable to a firefighter with 20 or more years of creditable  
18 service, the minimum disability pension payable under Section  
19 4-110, 4-110.1, or 4-111, and the minimum surviving spouse's  
20 pension shall be \$1092.73 per month, without regard to whether  
21 the firefighter was in service on or after the effective date  
22 of this amendatory Act of the 93rd General Assembly.

23 (h) Beginning July 1, 2007, the minimum retirement pension  
24 payable to a firefighter with 20 or more years of creditable  
25 service, the minimum disability pension payable under Section  
26 4-110, 4-110.1, or 4-111, and the minimum surviving spouse's

1 pension shall be \$1125.51 per month, without regard to whether  
2 the firefighter was in service on or after the effective date  
3 of this amendatory Act of the 93rd General Assembly.

4 (i) Beginning July 1, 2008, the minimum retirement pension  
5 payable to a firefighter with 20 or more years of creditable  
6 service, the minimum disability pension payable under Section  
7 4-110, 4-110.1, or 4-111, and the minimum surviving spouse's  
8 pension shall be \$1159.27 per month, without regard to whether  
9 the firefighter was in service on or after the effective date  
10 of this amendatory Act of the 93rd General Assembly.

11 (j) Beginning July 1, 2025, the minimum retirement pension  
12 payable to a firefighter with 20 or more years of creditable  
13 service, the minimum disability pension payable under Section  
14 4-110, 4-110.1, or 4-111, and the minimum surviving spouse's  
15 pension shall be \$1,822.50 per month, without regard to  
16 whether the firefighter was in service on or after the  
17 effective date of this amendatory Act of the 103rd General  
18 Assembly. A one-time payment of \$62,471.40 shall be paid to  
19 each active member or participant subject to the minimum  
20 retirement pension adjustment in this subsection.

21 (k) Beginning July 1, 2026, the minimum retirement pension  
22 payable to a firefighter with 20 or more years of creditable  
23 service, the minimum disability pension payable under Section  
24 4-110, 4-110.1, or 4-111, and the minimum surviving spouse's  
25 pension shall be no less than 150% of the federal poverty level  
26 for all persons receiving annuities on or after that date

1 without regard to whether the firefighter was in service on or  
2 after the effective date of this amendatory Act of the 103rd  
3 General Assembly.

4 (1) For purposes of this Section, "federal poverty level"  
5 means the poverty guidelines applicable to an individual in a  
6 single-person household located in Illinois, as updated  
7 periodically in the Federal Register by the United States  
8 Department of Health and Human Services under the authority of  
9 42 U.S.C. 9902(2).

10 (Source: P.A. 93-689, eff. 7-1-04.)

11 Article 11.

12 Section 11-5. The Illinois Pension Code is amended by  
13 changing Sections 1-160, 8-174, 11-170, and 12-150 as follows:

14 (40 ILCS 5/1-160)

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

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

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

1 self-managed plan established under this Code or to any  
2 participant of the retirement plan established under Section  
3 22-101; except that this Section applies to a person who  
4 elected to establish alternative credits by electing in  
5 writing after January 1, 2011, but before August 8, 2011,  
6 under Section 7-145.1 of this Code. Notwithstanding anything  
7 to the contrary in this Section, for purposes of this Section,  
8 a person who is a Tier 1 regular employee as defined in Section  
9 7-109.4 of this Code or who participated in a retirement  
10 system under Article 15 prior to January 1, 2011 shall be  
11 deemed a person who first became a member or participant prior  
12 to January 1, 2011 under any retirement system or pension fund  
13 subject to this Section. The changes made to this Section by  
14 Public Act 98-596 are a clarification of existing law and are  
15 intended to be retroactive to January 1, 2011 (the effective  
16 date of Public Act 96-889), notwithstanding the provisions of  
17 Section 1-103.1 of this Code.

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

25 This Section does not apply to a person who first becomes a  
26 member or participant under Article 16 on or after the

1 implementation date of the plan created under Section 1-161  
2 for that Article, unless that person elects under subsection  
3 (b) of Section 1-161 to instead receive the benefits provided  
4 under this Section and the applicable provisions of that  
5 Article.

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

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

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

1 applies on or after January 1, 2011, in this Code, "final  
2 average salary" shall be substituted for the following:

3 (1) (Blank).

4 (2) In Articles 8, 9, 10, 11, and 12, "highest average  
5 annual salary for any 4 consecutive years within the last  
6 10 years of service immediately preceding the date of  
7 withdrawal".

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

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

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

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

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

19 (A) the amount otherwise calculated under the first  
20 paragraph of this subsection; or

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

1 of service in which the total salary or earnings  
2 calculated under the Article was the highest by the number  
3 of months (or years) of service in that period.

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

15 For the purposes of this Section, "consumer price index-u"  
16 means the index published by the Bureau of Labor Statistics of  
17 the United States Department of Labor that measures the  
18 average change in prices of goods and services purchased by  
19 all urban consumers, United States city average, all items,  
20 1982-84 = 100. The new amount resulting from each annual  
21 adjustment shall be determined by the Public Pension Division  
22 of the Department of Insurance and made available to the  
23 boards of the retirement systems and pension funds by November  
24 1 of each year.

25 (b-10) Beginning on January 1, 2024, for all purposes  
26 under this Code (including, without limitation, the

1 calculation of benefits and employee contributions), the  
2 annual earnings, salary, or wages (based on the plan year) of a  
3 member or participant under Article 9 to whom this Section  
4 applies shall include an annual earnings, salary, or wage cap  
5 that tracks the Social Security wage base. Maximum annual  
6 earnings, wages, or salary shall be the annual contribution  
7 and benefit base established for the applicable year by the  
8 Commissioner of the Social Security Administration under the  
9 federal Social Security Act.

10 However, in no event shall the annual earnings, salary, or  
11 wages for the purposes of this Article and Article 9 exceed any  
12 limitation imposed on annual earnings, salary, or wages under  
13 Section 1-117. Under no circumstances shall the maximum amount  
14 of annual earnings, salary, or wages be greater than the  
15 amount set forth in this subsection (b-10) as a result of  
16 reciprocal service or any provisions regarding reciprocal  
17 services, nor shall the Fund under Article 9 be required to pay  
18 any refund as a result of the application of this maximum  
19 annual earnings, salary, and wage cap.

20 Nothing in this subsection (b-10) shall cause or otherwise  
21 result in any retroactive adjustment of any employee  
22 contributions. Nothing in this subsection (b-10) shall cause  
23 or otherwise result in any retroactive adjustment of  
24 disability or other payments made between January 1, 2011 and  
25 January 1, 2024.

26 (c) A member or participant is entitled to a retirement



1 annuity upon written application if he or she has attained age  
2 67 ~~(age 65, with respect to service under Article 12 that is~~  
3 ~~subject to this Section, for a member or participant under~~  
4 ~~Article 12 who first becomes a member or participant under~~  
5 ~~Article 12 on or after January 1, 2022 or who makes the~~  
6 ~~election under item (i) of subsection (d 15) of this Section)~~  
7 and has at least 10 years of service credit and is otherwise  
8 eligible under the requirements of the applicable Article.

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

19 (c-5) (Blank). ~~A person who first becomes a member or a~~  
20 ~~participant subject to this Section on or after July 6, 2017~~  
21 ~~(the effective date of Public Act 100-23), notwithstanding any~~  
22 ~~other provision of this Code to the contrary, is entitled to a~~  
23 ~~retirement annuity under Article 8 or Article 11 upon written~~  
24 ~~application if he or she has attained age 65 and has at least~~  
25 ~~10 years of service credit and is otherwise eligible under the~~  
26 ~~requirements of Article 8 or Article 11 of this Code,~~

1 ~~whichever is applicable.~~

2 (d) The retirement annuity of a member or participant who  
3 is retiring after attaining age 62 ~~(age 60, with respect to~~  
4 ~~service under Article 12 that is subject to this Section, for a~~  
5 ~~member or participant under Article 12 who first becomes a~~  
6 ~~member or participant under Article 12 on or after January 1,~~  
7 ~~2022 or who makes the election under item (i) of subsection~~  
8 ~~(d-15) of this Section)~~ with at least 10 years of service  
9 credit shall be reduced by one-half of 1% for each full month  
10 that the member's age is under age 67 ~~(age 65, with respect to~~  
11 ~~service under Article 12 that is subject to this Section, for a~~  
12 ~~member or participant under Article 12 who first becomes a~~  
13 ~~member or participant under Article 12 on or after January 1,~~  
14 ~~2022 or who makes the election under item (i) of subsection~~  
15 ~~(d-15) of this Section).~~

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

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

1 (i) to be eligible for the reduced retirement age  
2 provided in subsections (c-5) and (d-5) of this Section,  
3 the eligibility for which is conditioned upon the member  
4 or participant agreeing to the increases in employee  
5 contributions for age and service annuities provided in  
6 subsection (a-5) of Section 8-174 of this Code (for  
7 service under Article 8) or subsection (a-5) of Section  
8 11-170 of this Code (for service under Article 11); or

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

17 The election provided for in this subsection shall be made  
18 between October 1, 2017 and November 15, 2017. A person  
19 subject to this subsection who makes the required election  
20 shall remain bound by that election, except that an election  
21 made under this subsection is rescinded by operation of law  
22 and such person is subject to the provisions otherwise  
23 applicable to a participant who first became a participant  
24 under Article 8 or Article 11 on or after January 1, 2011. A  
25 person subject to this subsection who fails for any reason to  
26 make the required election within the time specified in this

1 subsection shall be deemed to have made the election under  
2 item (ii).

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

7 (i) to be eligible for the reduced retirement age  
8 specified in subsections (c) and (d) of this Section, the  
9 eligibility for which is conditioned upon the member or  
10 participant agreeing to the increase in employee  
11 contributions for service annuities specified in  
12 subsection (b) of Section 12-150; or

13 (ii) to not agree to item (i) of this subsection  
14 (d-15), in which case the member or participant shall not  
15 be eligible for the reduced retirement age specified in  
16 subsections (c) and (d) of this Section and shall not be  
17 subject to the increase in employee contributions for  
18 service annuities specified in subsection (b) of Section  
19 12-150.

20 The election provided for in this subsection shall be made  
21 between January 1, 2022 and April 1, 2022. A person subject to  
22 this subsection who makes the required election shall remain  
23 bound by that election, except that an election made under  
24 this subsection is rescinded by operation of law and such  
25 person is subject to the provisions otherwise applicable to a  
26 participant who first became a participant under Article 12 on

1 or after January 1, 2011. A person subject to this subsection  
2 who fails for any reason to make the required election within  
3 the time specified in this subsection shall be deemed to have  
4 made the election under item (ii).

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

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

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

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

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

12 (g) The benefits in Section 14-110 apply if the person is a  
13 fire fighter in the fire protection service of a department, a  
14 security employee of the Department of Corrections or the  
15 Department of Juvenile Justice, or a security employee of the  
16 Department of Innovation and Technology, as those terms are  
17 defined in subsection (b) and subsection (c) of Section  
18 14-110. A person who meets the requirements of this Section is  
19 entitled to an annuity calculated under the provisions of  
20 Section 14-110, in lieu of the regular or minimum retirement  
21 annuity, only if the person has withdrawn from service with  
22 not less than 20 years of eligible creditable service and has  
23 attained age 60, regardless of whether the attainment of age  
24 60 occurs while the person is still in service.

25 (g-5) The benefits in Section 14-110 apply if the person  
26 is a State policeman, investigator for the Secretary of State,

1 conservation police officer, investigator for the Department  
2 of Revenue or the Illinois Gaming Board, investigator for the  
3 Office of the Attorney General, Commerce Commission police  
4 officer, or arson investigator, as those terms are defined in  
5 subsection (b) and subsection (c) of Section 14-110. A person  
6 who meets the requirements of this Section is entitled to an  
7 annuity calculated under the provisions of Section 14-110, in  
8 lieu of the regular or minimum retirement annuity, only if the  
9 person has withdrawn from service with not less than 20 years  
10 of eligible creditable service and has attained age 55,  
11 regardless of whether the attainment of age 55 occurs while  
12 the person is still in service.

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



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

20           (i) (Blank).

21           (j) In the case of a conflict between the provisions of  
22 this Section and any other provision of this Code, the  
23 provisions of this Section shall control.

24           (Source: P.A. 101-610, eff. 1-1-20; 102-16, eff. 6-17-21;  
25 102-210, eff. 1-1-22; 102-263, eff. 8-6-21; 102-719, eff.  
26 5-6-22; 103-529, eff. 8-11-23.)

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

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

3 (a) The provisions of this Section apply to a person who,  
4 on or after January 1, 2011, first becomes a member or a  
5 participant under any reciprocal retirement system or pension  
6 fund established under this Code, other than a retirement  
7 system or pension fund established under Article 2, 3, 4, 5, 6,  
8 7, 15, or 18 of this Code, notwithstanding any other provision  
9 of this Code to the contrary, but do not apply to any  
10 self-managed plan established under this Code or to any  
11 participant of the retirement plan established under Section  
12 22-101; except that this Section applies to a person who  
13 elected to establish alternative credits by electing in  
14 writing after January 1, 2011, but before August 8, 2011,  
15 under Section 7-145.1 of this Code. Notwithstanding anything  
16 to the contrary in this Section, for purposes of this Section,  
17 a person who is a Tier 1 regular employee as defined in Section  
18 7-109.4 of this Code or who participated in a retirement  
19 system under Article 15 prior to January 1, 2011 shall be  
20 deemed a person who first became a member or participant prior  
21 to January 1, 2011 under any retirement system or pension fund  
22 subject to this Section. The changes made to this Section by  
23 Public Act 98-596 are a clarification of existing law and are  
24 intended to be retroactive to January 1, 2011 (the effective  
25 date of Public Act 96-889), notwithstanding the provisions of

1 Section 1-103.1 of this Code.

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

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

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

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

26 (b) "Final average salary" means, except as otherwise

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

13 (1) (Blank).

14 (2) In Articles 8, 9, 10, 11, and 12, "highest average  
15 annual salary for any 4 consecutive years within the last  
16 10 years of service immediately preceding the date of  
17 withdrawal".

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

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

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

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

23 A member of the Teachers' Retirement System of the State  
24 of Illinois who retires on or after June 1, 2021 and for whom  
25 the 2020-2021 school year is used in the calculation of the  
26 member's final average salary shall use the higher of the

1 following for the purpose of determining the member's final  
2 average salary:

3 (A) the amount otherwise calculated under the first  
4 paragraph of this subsection; or

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

14 (b-5) Beginning on January 1, 2011, for all purposes under  
15 this Code (including without limitation the calculation of  
16 benefits and employee contributions), the annual earnings,  
17 salary, or wages (based on the plan year) of a member or  
18 participant to whom this Section applies shall not exceed  
19 \$106,800; however, that amount shall annually thereafter be  
20 increased by the lesser of (i) 3% of that amount, including all  
21 previous adjustments, or (ii) one-half the annual unadjusted  
22 percentage increase (but not less than zero) in the consumer  
23 price index-u for the 12 months ending with the September  
24 preceding each November 1, including all previous adjustments.

25 For the purposes of this Section, "consumer price index-u"  
26 means the index published by the Bureau of Labor Statistics of

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

9 (b-10) Beginning on January 1, 2024, for all purposes  
10 under this Code (including, without limitation, the  
11 calculation of benefits and employee contributions), the  
12 annual earnings, salary, or wages (based on the plan year) of a  
13 member or participant under Article 9 to whom this Section  
14 applies shall include an annual earnings, salary, or wage cap  
15 that tracks the Social Security wage base. Maximum annual  
16 earnings, wages, or salary shall be the annual contribution  
17 and benefit base established for the applicable year by the  
18 Commissioner of the Social Security Administration under the  
19 federal Social Security Act.

20 However, in no event shall the annual earnings, salary, or  
21 wages for the purposes of this Article and Article 9 exceed any  
22 limitation imposed on annual earnings, salary, or wages under  
23 Section 1-117. Under no circumstances shall the maximum amount  
24 of annual earnings, salary, or wages be greater than the  
25 amount set forth in this subsection (b-10) as a result of  
26 reciprocal service or any provisions regarding reciprocal

1 services, nor shall the Fund under Article 9 be required to pay  
2 any refund as a result of the application of this maximum  
3 annual earnings, salary, and wage cap.

4 Nothing in this subsection (b-10) shall cause or otherwise  
5 result in any retroactive adjustment of any employee  
6 contributions. Nothing in this subsection (b-10) shall cause  
7 or otherwise result in any retroactive adjustment of  
8 disability or other payments made between January 1, 2011 and  
9 January 1, 2024.

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

19 A member or participant who has attained age 62 ~~(age 60,~~  
20 ~~with respect to service under Article 12 that is subject to~~  
21 ~~this 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) of this Section)~~ and has at least 10 years  
25 of service credit and is otherwise eligible under the  
26 requirements of the applicable Article may elect to receive

1 the lower retirement annuity provided in subsection (d) of  
2 this Section.

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

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

26 (d-5) (Blank). ~~The retirement annuity payable under~~



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

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

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

19 (ii) to not agree to item (i) of this subsection  
20 (d-10), in which case the member or participant shall  
21 continue to be subject to the retirement age provisions in  
22 subsections (c) and (d) of this Section and the employee  
23 contributions for age and service annuity as provided in  
24 subsection (a) of Section 8-174 of this Code (for service  
25 under Article 8) or subsection (a) of Section 11-170 of  
26 this Code (for service under Article 11).

1           The election provided for in this subsection shall be made  
2 between October 1, 2017 and November 15, 2017. A person  
3 subject to this subsection who makes the required election  
4 shall remain bound by that election, except that an election  
5 made under this subsection is rescinded by operation of law  
6 and such person is subject to the provisions otherwise  
7 applicable to a participant who first became a participant  
8 under Article 8 or Article 11 on or after January 1, 2011. A  
9 person subject to this subsection who fails for any reason to  
10 make the required election within the time specified in this  
11 subsection shall be deemed to have made the election under  
12 item (ii).

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

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

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

1 subject to the increase in employee contributions for  
2 service annuities specified in subsection (b) of Section  
3 12-150.

4 The election provided for in this subsection shall be made  
5 between January 1, 2022 and April 1, 2022. A person subject to  
6 this subsection who makes the required election shall remain  
7 bound by that election, except that an election made under  
8 this subsection is rescinded by operation of law and such  
9 person is subject to the provisions otherwise applicable to a  
10 participant who first became a participant under Article 12 on  
11 or after January 1, 2011. A person subject to this subsection  
12 who fails for any reason to make the required election within  
13 the time specified in this subsection shall be deemed to have  
14 made the election under item (ii).

15 (e) Any retirement annuity or supplemental annuity shall  
16 be subject to annual increases on the January 1 occurring  
17 either on or after the attainment of age 67 ~~(age 65, with~~  
18 ~~respect to service under Article 12 that is subject to this~~  
19 ~~Section, for a member or participant under Article 12 who~~  
20 ~~first becomes a member or participant under Article 12 on or~~  
21 ~~after January 1, 2022 or who makes the election under item (i)~~  
22 ~~of subsection (d-15); and beginning on July 6, 2017 (the~~  
23 ~~effective date of Public Act 100-23), age 65 with respect to~~  
24 ~~service under Article 8 or Article 11 for eligible persons~~  
25 ~~who: (i) are subject to subsection (c-5) of this Section; or~~  
26 ~~(ii) made the election under item (i) of subsection (d-10) of~~

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

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

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

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

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

22 (g) The benefits in Section 14-110 apply only if the  
23 person is a State policeman, a fire fighter in the fire  
24 protection service of a department, a conservation police  
25 officer, an investigator for the Secretary of State, an arson  
26 investigator, a Commerce Commission police officer,

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

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

1 applicable Article of this Code.

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

21 (i) (Blank).

22 (j) In the case of a conflict between the provisions of  
23 this Section and any other provision of this Code, the  
24 provisions of this Section shall control.

25 (Source: P.A. 101-610, eff. 1-1-20; 102-16, eff. 6-17-21;  
26 102-210, eff. 1-1-22; 102-263, eff. 8-6-21; 102-813, eff.

1 5-13-22; 103-529, eff. 8-11-23.)

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

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

4 (a) The provisions of this Section apply to a person who,  
5 on or after January 1, 2011, first becomes a member or a  
6 participant under any reciprocal retirement system or pension  
7 fund established under this Code, other than a retirement  
8 system or pension fund established under Article 2, 3, 4, 5, 6,  
9 7, 15, or 18 of this Code, notwithstanding any other provision  
10 of this Code to the contrary, but do not apply to any  
11 self-managed plan established under this Code or to any  
12 participant of the retirement plan established under Section  
13 22-101; except that this Section applies to a person who  
14 elected to establish alternative credits by electing in  
15 writing after January 1, 2011, but before August 8, 2011,  
16 under Section 7-145.1 of this Code. Notwithstanding anything  
17 to the contrary in this Section, for purposes of this Section,  
18 a person who is a Tier 1 regular employee as defined in Section  
19 7-109.4 of this Code or who participated in a retirement  
20 system under Article 15 prior to January 1, 2011 shall be  
21 deemed a person who first became a member or participant prior  
22 to January 1, 2011 under any retirement system or pension fund  
23 subject to this Section. The changes made to this Section by  
24 Public Act 98-596 are a clarification of existing law and are  
25 intended to be retroactive to January 1, 2011 (the effective



1 date of Public Act 96-889), notwithstanding the provisions of  
2 Section 1-103.1 of this Code.

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

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

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

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

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

14           (1) (Blank).

15           (2) In Articles 8, 9, 10, 11, and 12, "highest average  
16 annual salary for any 4 consecutive years within the last  
17 10 years of service immediately preceding the date of  
18 withdrawal".

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

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

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

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

24           A member of the Teachers' Retirement System of the State  
25 of Illinois who retires on or after June 1, 2021 and for whom  
26 the 2020-2021 school year is used in the calculation of the

1 member's final average salary shall use the higher of the  
2 following for the purpose of determining the member's final  
3 average salary:

4 (A) the amount otherwise calculated under the first  
5 paragraph of this subsection; or

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

15 (b-5) Beginning on January 1, 2011, for all purposes under  
16 this Code (including without limitation the calculation of  
17 benefits and employee contributions), the annual earnings,  
18 salary, or wages (based on the plan year) of a member or  
19 participant to whom this Section applies shall not exceed  
20 \$106,800; however, that amount shall annually thereafter be  
21 increased by the lesser of (i) 3% of that amount, including all  
22 previous adjustments, or (ii) one-half the annual unadjusted  
23 percentage increase (but not less than zero) in the consumer  
24 price index-u for the 12 months ending with the September  
25 preceding each November 1, including all previous adjustments.

26 For the purposes of this Section, "consumer price index-u"

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

10 (b-10) Beginning on January 1, 2024, for all purposes  
11 under this Code (including, without limitation, the  
12 calculation of benefits and employee contributions), the  
13 annual earnings, salary, or wages (based on the plan year) of a  
14 member or participant under Article 9 to whom this Section  
15 applies shall include an annual earnings, salary, or wage cap  
16 that tracks the Social Security wage base. Maximum annual  
17 earnings, wages, or salary shall be the annual contribution  
18 and benefit base established for the applicable year by the  
19 Commissioner of the Social Security Administration under the  
20 federal Social Security Act.

21 However, in no event shall the annual earnings, salary, or  
22 wages for the purposes of this Article and Article 9 exceed any  
23 limitation imposed on annual earnings, salary, or wages under  
24 Section 1-117. Under no circumstances shall the maximum amount  
25 of annual earnings, salary, or wages be greater than the  
26 amount set forth in this subsection (b-10) as a result of

1 reciprocal service or any provisions regarding reciprocal  
2 services, nor shall the Fund under Article 9 be required to pay  
3 any refund as a result of the application of this maximum  
4 annual earnings, salary, and wage cap.

5 Nothing in this subsection (b-10) shall cause or otherwise  
6 result in any retroactive adjustment of any employee  
7 contributions. Nothing in this subsection (b-10) shall cause  
8 or otherwise result in any retroactive adjustment of  
9 disability or other payments made between January 1, 2011 and  
10 January 1, 2024.

11 (c) A member or participant is entitled to a retirement  
12 annuity upon written application if he or she has attained age  
13 67 ~~(age 65, with respect to service under Article 12 that is~~  
14 ~~subject to this Section, for a member or participant under~~  
15 ~~Article 12 who first becomes a member or participant under~~  
16 ~~Article 12 on or after January 1, 2022 or who makes the~~  
17 ~~election under item (i) of subsection (d 15) of this Section)~~  
18 and has at least 10 years of service credit and is otherwise  
19 eligible under the requirements of the applicable Article.

20 A member or participant who has attained age 62 ~~(age 60,~~  
21 ~~with respect to service under Article 12 that is subject to~~  
22 ~~this Section, for a member or participant under Article 12 who~~  
23 ~~first becomes a member or participant under Article 12 on or~~  
24 ~~after January 1, 2022 or who makes the election under item (i)~~  
25 ~~of subsection (d 15) of this Section)~~ and has at least 10 years  
26 of service credit and is otherwise eligible under the

1 requirements of the applicable Article may elect to receive  
2 the lower retirement annuity provided in subsection (d) of  
3 this Section.

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

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

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

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

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

20           (ii) to not agree to item (i) of this subsection  
21 (d-10), in which case the member or participant shall  
22 continue to be subject to the retirement age provisions in  
23 subsections (c) and (d) of this Section and the employee  
24 contributions for age and service annuity as provided in  
25 subsection (a) of Section 8-174 of this Code (for service  
26 under Article 8) or subsection (a) of Section 11-170 of

1           this Code (for service under Article 11).

2           The election provided for in this subsection shall be made  
3 between October 1, 2017 and November 15, 2017. A person  
4 subject to this subsection who makes the required election  
5 shall remain bound by that election, except that an election  
6 made under this subsection is rescinded by operation of law  
7 and such person is subject to the provisions otherwise  
8 applicable to a participant who first became a participant  
9 under Article 8 or Article 11 on or after January 1, 2011. A  
10 person subject to this subsection who fails for any reason to  
11 make the required election within the time specified in this  
12 subsection shall be deemed to have made the election under  
13 item (ii).

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

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

24           (ii) to not agree to item (i) of this subsection  
25 (d-15), in which case the member or participant shall not  
26 be eligible for the reduced retirement age specified in



1 subsections (c) and (d) of this Section and shall not be  
2 subject to the increase in employee contributions for  
3 service annuities specified in subsection (b) of Section  
4 12-150.

5 The election provided for in this subsection shall be made  
6 between January 1, 2022 and April 1, 2022. A person subject to  
7 this subsection who makes the required election shall remain  
8 bound by that election, except that an election made under  
9 this subsection is rescinded by operation of law and such  
10 person is subject to the provisions otherwise applicable to a  
11 participant who first became a participant under Article 12 on  
12 or after January 1, 2011. 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  $66\frac{2}{3}\%$  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) The benefits in Section 14-110 apply only if the  
24 person is a State policeman, a fire fighter in the fire  
25 protection service of a department, a conservation police  
26 officer, an investigator for the Secretary of State, an

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

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

1 annuity or retirement pension payments shall resume and be  
2 recalculated if recalculation is provided for under the  
3 applicable Article of this Code.

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

23 (i) (Blank).

24 (j) In the case of a conflict between the provisions of  
25 this Section and any other provision of this Code, the  
26 provisions of this Section shall control.

1 (Source: P.A. 102-16, eff. 6-17-21; 102-210, eff. 1-1-22;  
2 102-263, eff. 8-6-21; 102-956, eff. 5-27-22; 103-529, eff.  
3 8-11-23.)

4 (40 ILCS 5/8-174) (from Ch. 108 1/2, par. 8-174)

5 Sec. 8-174. Contributions for age and service annuities  
6 for present employees and future entrants.

7 (a) Beginning on the effective date and prior to July 1,  
8 1947, 3 1/4%; and beginning on July 1, 1947 and prior to July  
9 1, 1953, 5%; and beginning July 1, 1953, and prior to January  
10 1, 1972, 6%; and beginning January 1, 1972, 6-1/2% of each  
11 payment of the salary of each present employee and future  
12 entrant, ~~except as provided in subsection (a-5) and (a-10),~~  
13 shall be contributed to the fund as a deduction from salary for  
14 age and service annuity.

15 ~~(a-5) Except as provided in subsection (a-10), for an~~  
16 ~~employee who made the election under item (i) of subsection~~  
17 ~~(d-10) of Section 1-160: prior to the effective date of this~~  
18 ~~amendatory Act of the 100th General Assembly, 6.5%; and~~  
19 ~~beginning on the effective date of this amendatory Act of the~~  
20 ~~100th General Assembly and prior to January 1, 2018, 7.5%; and~~  
21 ~~beginning January 1, 2018 and prior to January 1, 2019, 8.5%;~~  
22 ~~and beginning January 1, 2019 and thereafter, employee~~  
23 ~~contributions for those employees who made the election under~~  
24 ~~item (i) of subsection (d-10) of Section 1-160 shall be the~~  
25 ~~lesser of: (i) the total normal cost, calculated using the~~

1 ~~entry age normal actuarial method, projected for the prior~~  
2 ~~fiscal year for the benefits and expenses of the plan of~~  
3 ~~benefits applicable to those members and participants who~~  
4 ~~first became members or participants on or after the effective~~  
5 ~~date of this amendatory Act of the 100th General Assembly and~~  
6 ~~to those employees who made the election under item (i) of~~  
7 ~~subsection (d-10) of Section 1-160, but not less than 6.5% of~~  
8 ~~each payment of salary combined with the employee~~  
9 ~~contributions provided for in subsection (b) of Section 8-137~~  
10 ~~and Section 8-182 of this Article; or (ii) the aggregate~~  
11 ~~employee contribution consisting of 9.5% of each payment of~~  
12 ~~salary combined with the employee contributions provided for~~  
13 ~~in subsection (b) of Section 8-137 and 8-182 of this Article.~~

14 ~~For the one year period beginning with the first pay~~  
15 ~~period in January of each year after the date when the funded~~  
16 ~~ratio of the fund as determined in the annual actuarial~~  
17 ~~valuation is first determined to have reached the 90% funding~~  
18 ~~goal, and each subsequent one year period thereafter for as~~  
19 ~~long as the fund maintains a funding ratio of 75% or more,~~  
20 ~~employee contributions for age and service annuity for those~~  
21 ~~employees who made the election under item (i) of subsection~~  
22 ~~(d-10) of Section 1-160 shall be 5.5% of each payment of~~  
23 ~~salary. If the funding ratio falls below 75%, then employee~~  
24 ~~contributions for age and service annuity for those employees~~  
25 ~~who made the election under item (i) of subsection (d-10)~~  
26 ~~shall revert to the lesser of: (A) the total normal cost,~~

1 ~~calculated using the entry age normal actuarial method,~~  
2 ~~projected for the prior fiscal year for the benefits and~~  
3 ~~expenses of the plan of benefits applicable to those members~~  
4 ~~and participants who first became members or participants on~~  
5 ~~or after the effective date of this amendatory Act of the 100th~~  
6 ~~General Assembly and to those employees who made the election~~  
7 ~~under item (i) of subsection (d 10) of Section 1 160, but not~~  
8 ~~less than 6.5% of each payment of salary combined with the~~  
9 ~~employee contributions provided for in subsection (b) of~~  
10 ~~Section 8 137 and Section 8 182 of this Article; or (B) the~~  
11 ~~aggregate employee contribution consisting of 9.5% of each~~  
12 ~~payment of salary combined with the employee contributions~~  
13 ~~provided for in subsection (b) of Section 8 137 and 8 182 of~~  
14 ~~this Article. If the fund once again is determined to have~~  
15 ~~reached a funding ratio of 75%, the 5.5% of salary~~  
16 ~~contribution for age and service annuity shall resume. An~~  
17 ~~employee who made the election under item (ii) of subsection~~  
18 ~~(d 10) of Section 1 160 shall continue to have the~~  
19 ~~contributions for age and service annuity determined under~~  
20 ~~subsection (a) of this Section.~~

21 ~~If contributions are reduced to less than the aggregate~~  
22 ~~employee contribution described in item (ii) or item (B) of~~  
23 ~~this subsection due to application of the normal cost~~  
24 ~~criterion, the employee contribution amount shall be~~  
25 ~~consistent for that fiscal year.~~

26 ~~The normal cost, for the purposes of this subsection (a 5)~~



1 ~~and subsection (a-10), shall be calculated by an independent~~  
2 ~~enrolled actuary mutually agreed upon by the fund and the~~  
3 ~~City. The fees and expenses of the independent actuary shall~~  
4 ~~be the responsibility of the City. For purposes of this~~  
5 ~~subsection (a-5), the fund and the City shall both be~~  
6 ~~considered to be the clients of the actuary, and the actuary~~  
7 ~~shall utilize participant data and actuarial standards to~~  
8 ~~calculate the normal cost. The fund shall provide information~~  
9 ~~that the actuary requests in order to calculate the applicable~~  
10 ~~normal cost.~~

11 ~~(a-10) For each employee subject to subsection (c-5) of~~  
12 ~~Section 1-160, 9.5% of each payment of salary shall be~~  
13 ~~contributed to the fund as a deduction from salary for age and~~  
14 ~~service annuity. Beginning January 1, 2018 and each year~~  
15 ~~thereafter, employee contributions for each employee subject~~  
16 ~~to this subsection (a-10) shall be the lesser of: (i) the total~~  
17 ~~normal cost, calculated using the entry age normal actuarial~~  
18 ~~method, projected for the prior fiscal year for the benefits~~  
19 ~~and expenses of the plan of benefits applicable to those~~  
20 ~~members and participants who first become members or~~  
21 ~~participants on or after the effective date of this amendatory~~  
22 ~~Act of the 100th General Assembly and to those employees who~~  
23 ~~made the election under item (i) of subsection (d-10) of~~  
24 ~~Section 1-160, but not less than 6.5% of each payment of salary~~  
25 ~~combined with the employee contributions provided for in~~  
26 ~~subsection (b) of Section 8-137 and Section 8-182 of this~~

1 ~~Article; or (ii) the aggregate employee contribution~~  
2 ~~consisting of 9.5% of each payment of salary combined with the~~  
3 ~~employee contributions provided for in subsection (b) of~~  
4 ~~Section 8-137 and Section 8-182 of this Article.~~

5 ~~For the one year period beginning with the first pay~~  
6 ~~period in January of each year after the date when the funded~~  
7 ~~ratio of the fund as determined in the annual actuarial~~  
8 ~~valuation is first determined to have reached the 90% funding~~  
9 ~~goal, and each subsequent one year period thereafter for as~~  
10 ~~long as the fund maintains a funding ratio of 75% or more,~~  
11 ~~employee contributions for age and service annuity for each~~  
12 ~~employee subject to this subsection (a-10) shall be 5.5% of~~  
13 ~~each payment of salary. If the funding ratio falls below 75%,~~  
14 ~~then employee contributions for age and service annuity for~~  
15 ~~each employee subject to this subsection (a-10) shall revert~~  
16 ~~to the lesser of: (A) the total normal cost, calculated using~~  
17 ~~the entry age normal actuarial method, projected for the prior~~  
18 ~~fiscal year for the benefits and expenses of the plan of~~  
19 ~~benefits applicable to those members and participants who~~  
20 ~~first become members or participants on or after the effective~~  
21 ~~date of this amendatory Act of the 100th General Assembly and~~  
22 ~~to those employees who made the election under item (i) of~~  
23 ~~subsection (d-10) of Section 1-160, but not less than 6.5% of~~  
24 ~~each payment of salary combined with the employee~~  
25 ~~contributions provided for in subsection (b) of Section 8-137~~  
26 ~~and Section 8-182 of this Article; or (B) the aggregate~~

1 ~~employee contribution consisting of 9.5% of each payment of~~  
2 ~~salary combined with the employee contributions provided for~~  
3 ~~in subsection (b) of Section 8-137 and Section 8-182 of this~~  
4 ~~Article. If the fund once again is determined to have reached a~~  
5 ~~funding ratio of 75%, the 5.5% of salary contribution for age~~  
6 ~~and service annuity shall resume.~~

7 ~~If contributions are reduced to less than the aggregate~~  
8 ~~employee contribution described in item (ii) or item (B) of~~  
9 ~~this subsection (a 10) due to application of the normal cost~~  
10 ~~criterion, the employee contribution amount shall be~~  
11 ~~consistent for that fiscal year.~~

12 Such deductions beginning on the effective date and prior  
13 to July 1, 1947 shall be made for a future entrant while he is  
14 in the service until he attains age 65 and for a present  
15 employee while he is in the service until the amount so  
16 deducted from his salary with the amount deducted from his  
17 salary or paid by him according to law to any municipal pension  
18 fund in force on the effective date with interest on both such  
19 amounts at 4% per annum equals the sum that would have been to  
20 his credit from sums deducted from his salary if deductions at  
21 the rate herein stated had been made during his entire service  
22 until he attained age 65 with interest at 4% per annum for the  
23 period subsequent to his attainment of age 65. Such deductions  
24 beginning July 1, 1947 shall be made and continued for  
25 employees while in the service.

26 (b) Concurrently with each employee contribution, the city

1 shall contribute beginning on the effective date and prior to  
2 July 1, 1947, 5 3/4%; and beginning July 1, 1947 and prior to  
3 July 1, 1953, 7%; and beginning July 1, 1953 ~~and prior to July~~  
4 ~~6, 2017, 6% of each payment of such salary until the employee~~  
5 ~~attains age 65. Beginning July 6, 2017, the Fund shall credit~~  
6 ~~sums equal to 6% of each payment of such salary for annuity~~  
7 ~~purposes. The amounts credited for annuity purposes shall not~~  
8 ~~be credited for refund purposes.~~

9 (c) Each employee contribution made prior to the date the  
10 age and service annuity for an employee is fixed and each  
11 corresponding city contribution shall be credited to the  
12 employee and allocated to the account of the employee for  
13 whose benefit it is made.

14 (d) The changes made to this subsection by this amendatory  
15 Act of the 103rd General Assembly do not entitle an employee to  
16 any refund of contributions already made. However, the changes  
17 made to this subsection by this amendatory Act of the 103rd  
18 General Assembly are not intended to limit an employee's  
19 entitlement to a refund under any other provision of this  
20 Code. Notwithstanding Section 1-103.1, the changes to this  
21 Section made by this amendatory Act of the 100th General  
22 Assembly apply regardless of whether the employee was in  
23 active service on or after the effective date of this  
24 amendatory Act of the 100th General Assembly.

25 (Source: P.A. 100-23, eff. 7-6-17; 100-1166, eff. 1-4-19.)

1 (40 ILCS 5/11-170) (from Ch. 108 1/2, par. 11-170)

2 Sec. 11-170. Contributions for age and service annuities  
3 for present employees, future entrants and re-entrants.

4 (a) Beginning on the effective date and prior to July 1,  
5 1947, 3 1/4%; and beginning on July 1, 1947 and prior to July  
6 1, 1953, 5%; and beginning July 1, 1953 and prior to January 1,  
7 1972, 6%; and beginning January 1, 1972, 6 1/2% of each payment  
8 of the salary of each present employee, future entrant, and  
9 re-entrant, ~~except as provided in subsection (a 5) and (a 10),~~  
10 shall be contributed to the fund as a deduction from salary for  
11 age and service annuity.

12 ~~(a 5) Except as provided in subsection (a 10), for an~~  
13 ~~employee who made the election under item (i) of subsection~~  
14 ~~(d 10) of Section 1-160: prior to the effective date of this~~  
15 ~~amendatory Act of the 100th General Assembly, 6.5%; and~~  
16 ~~beginning on the effective date of this amendatory Act of the~~  
17 ~~100th General Assembly and prior to January 1, 2018, 7.5%; and~~  
18 ~~beginning January 1, 2018 and prior to January 1, 2019, 8.5%;~~  
19 ~~and beginning January 1, 2019 and thereafter, employee~~  
20 ~~contributions for those employees who made the election under~~  
21 ~~item (i) of subsection (d 10) of Section 1-160 shall be the~~  
22 ~~lesser of: (i) the total normal cost, calculated using the~~  
23 ~~entry age normal actuarial method, projected for the prior~~  
24 ~~fiscal year for the benefits and expenses of the plan of~~  
25 ~~benefits applicable to those members and participants who~~  
26 ~~first became members or participants on or after the effective~~

1 ~~date of this amendatory Act of the 100th General Assembly and~~  
2 ~~to those employees who made the election under item (i) of~~  
3 ~~subsection (d 10) of Section 1 160, but not less than 6.5% of~~  
4 ~~each payment of salary combined with the employee~~  
5 ~~contributions provided for in subsection (b) of Section~~  
6 ~~11 134.1 and Section 11 174 of this Article; or (ii) the~~  
7 ~~aggregate employee contribution consisting of 9.5% of each~~  
8 ~~payment of salary combined with the employee contributions~~  
9 ~~provided for in subsection (b) of Section 11 134.1 and 11 174~~  
10 ~~of this Article.~~

11 ~~For the one year period beginning with the first pay~~  
12 ~~period in January of each year the date when the funded ratio~~  
13 ~~of the fund as determined in the annual actuarial valuation is~~  
14 ~~first determined to have reached the 90% funding goal, and~~  
15 ~~each subsequent one year period thereafter for as long as the~~  
16 ~~fund maintains a funding ratio of 75% or more, employee~~  
17 ~~contributions for age and service annuity for those employees~~  
18 ~~who made the election under item (i) of subsection (d 10) of~~  
19 ~~Section 1 160 shall be 5.5% of each payment of salary. If the~~  
20 ~~funding ratio falls below 75%, then employee contributions for~~  
21 ~~age and service annuity for those employees who made the~~  
22 ~~election under item (i) of subsection (d 10) shall revert to~~  
23 ~~the lesser of: (A) the total normal cost, calculated using the~~  
24 ~~entry age normal actuarial method, projected for the prior~~  
25 ~~fiscal year for the benefits and expenses of the plan of~~  
26 ~~benefits applicable to those members and participants who~~

1 ~~first became members or participants on or after the effective~~  
2 ~~date of this amendatory Act of the 100th General Assembly and~~  
3 ~~to those employees who made the election under item (i) of~~  
4 ~~subsection (d-10) of Section 1-160, but not less than 6.5% of~~  
5 ~~each payment of salary combined with the employee~~  
6 ~~contributions provided for in subsection (b) of Section~~  
7 ~~11-134.1 and Section 11-174 of this Article; or (B) the~~  
8 ~~aggregate employee contribution consisting of 9.5% of each~~  
9 ~~payment of salary combined with the employee contributions~~  
10 ~~provided for in subsection (b) of Section 11-134.1 and 11-174~~  
11 ~~of this Article. If the fund once again is determined to have~~  
12 ~~reached a funding ratio of 75%, the 5.5% of salary~~  
13 ~~contribution for age and service annuity shall resume. An~~  
14 ~~employee who made the election under item (ii) of subsection~~  
15 ~~(d-10) of Section 1-160 shall continue to have the~~  
16 ~~contributions for age and service annuity determined under~~  
17 ~~subsection (a) of this Section.~~

18 ~~If contributions are reduced to less than the aggregate~~  
19 ~~employee contribution described in item (ii) or item (B) of~~  
20 ~~this subsection due to application of the normal cost~~  
21 ~~riterion, the employee contribution amount shall be~~  
22 ~~consistent for that fiscal year.~~

23 ~~The normal cost, for the purposes of this subsection (a-5)~~  
24 ~~and subsection (a-10), shall be calculated by an independent~~  
25 ~~enrolled actuary mutually agreed upon by the fund and the~~  
26 ~~City. The fees and expenses of the independent actuary shall~~

1 ~~be the responsibility of the City. For purposes of this~~  
2 ~~subsection (a-5), the fund and the City shall both be~~  
3 ~~considered to be the clients of the actuary, and the actuary~~  
4 ~~shall utilize participant data and actuarial standards to~~  
5 ~~calculate the normal cost. The fund shall provide information~~  
6 ~~that the actuary requests in order to calculate the applicable~~  
7 ~~normal cost.~~

8 ~~(a-10) For each employee subject to subsection (c-5) of~~  
9 ~~Section 1-160, 9.5% of each payment of salary shall be~~  
10 ~~contributed to the fund as a deduction from salary for age and~~  
11 ~~service annuity. Beginning January 1, 2018 and each year~~  
12 ~~thereafter, employee contributions for each employee subject~~  
13 ~~to this subsection (a-10) shall be the lesser of: (i) the total~~  
14 ~~normal cost, calculated using the entry age normal actuarial~~  
15 ~~method, projected for the prior fiscal year for the benefits~~  
16 ~~and expenses of the plan of benefits applicable to those~~  
17 ~~members and participants who first become members or~~  
18 ~~participants on or after the effective date of this amendatory~~  
19 ~~Act of the 100th General Assembly and to those employees who~~  
20 ~~made the election under item (i) of subsection (d-10) of~~  
21 ~~Section 1-160, but not less than 6.5% of each payment of salary~~  
22 ~~combined with the employee contributions provided for in~~  
23 ~~subsection (b) of Section 11-134.1 and Section 11-174 of this~~  
24 ~~Article; or (ii) the aggregate employee contribution~~  
25 ~~consisting of 9.5% of each payment of salary combined with the~~  
26 ~~employee contributions provided for in subsection (b) of~~



1 ~~Section 11-134.1 and Section 11-174 of this Article.~~

2 ~~For the one-year period beginning with the first pay~~  
3 ~~period in January of each year after the date when the funded~~  
4 ~~ratio of the fund as determined in the annual actuarial~~  
5 ~~valuation is first determined to have reached the 90% funding~~  
6 ~~goal, and each subsequent one year period thereafter for as~~  
7 ~~long as the fund maintains a funding ratio of 75% or more,~~  
8 ~~employee contributions for age and service annuity for each~~  
9 ~~employee subject to this subsection (a 10) shall be 5.5% of~~  
10 ~~each payment of salary. If the funding ratio falls below 75%,~~  
11 ~~then employee contributions for age and service annuity for~~  
12 ~~each employee subject to this subsection (a 10) shall revert~~  
13 ~~to the lesser of: (A) the total normal cost, calculated using~~  
14 ~~the entry age normal actuarial method, projected for the prior~~  
15 ~~fiscal year for the benefits and expenses of the plan of~~  
16 ~~benefits applicable to those members and participants who~~  
17 ~~first become members or participants on or after the effective~~  
18 ~~date of this amendatory Act of the 100th General Assembly and~~  
19 ~~to those employees who made the election under item (i) of~~  
20 ~~subsection (d 10) of Section 1-160, but not less than 6.5% of~~  
21 ~~each payment of salary combined with the employee~~  
22 ~~contributions provided for in subsection (b) of Section~~  
23 ~~11-134.1 and Section 11-174 of this Article; or (B) the~~  
24 ~~aggregate employee contribution consisting of 9.5% of each~~  
25 ~~payment of salary combined with the employee contributions~~  
26 ~~provided for in subsection (b) of Section 11-134.1 and Section~~

1 ~~11-174 of this Article. If the fund once again is determined to~~  
2 ~~have reached a funding ratio of 75%, the 5.5% of salary~~  
3 ~~contribution for age and service annuity shall resume.~~

4 ~~If contributions are reduced to less than the aggregate~~  
5 ~~employee contribution described in item (ii) or item (B) of~~  
6 ~~this subsection (a 10) due to application of the normal cost~~  
7 ~~riterion, the employee contribution amount shall be~~  
8 ~~consistent for that fiscal year.~~

9 Such deductions beginning on the effective date and prior  
10 to June 30, 1947, inclusive shall be made for a future entrant  
11 while he is in service until he attains age 65, and for a  
12 present employee while he is in service until the amount so  
13 deducted from his salary with interest at the rate of 4% per  
14 annum shall be equal to the sum which would have accumulated to  
15 his credit from sums deducted from his salary if deductions at  
16 the rate herein stated had been made during his entire service  
17 until he attained age 65 with interest at 4% per annum for the  
18 period subsequent to his attainment of age 65. Such deductions  
19 beginning July 1, 1947 shall be made and continued for  
20 employees while in the service.

21 (b) Concurrently with each employee contribution, the city  
22 shall contribute beginning on the effective date and prior to  
23 July 1, 1947, 5 3/4%; and beginning July 1, 1947 and prior to  
24 July 1, 1953, 7%; and beginning July 1, 1953 ~~and prior to July~~  
25 ~~6, 2017, 6%~~ of each payment of such salary until the employee  
26 attains age 65. ~~Beginning July 6, 2017, the Fund shall credit~~

1 ~~sums equal to 6% of each payment of such salary for annuity~~  
2 ~~purposes. The amounts credited for annuity purposes shall not~~  
3 ~~be credited for refund purposes.~~

4 (c) Each employee contribution made prior to the date age  
5 and service annuity for an employee is fixed and each  
6 corresponding city contribution shall be allocated to the  
7 account of and credited to the employee for whose benefit it is  
8 made.

9 (d) The changes made to this subsection by this amendatory  
10 Act of the 103rd General Assembly do not entitle an employee to  
11 any refund of contributions already made. However, the changes  
12 made to this subsection by this amendatory Act of the 103rd  
13 General Assembly are not intended to limit an employee's  
14 entitlement to a refund under any other provision of this  
15 Code. ~~Notwithstanding Section 1-103.1, the changes to this~~  
16 ~~Section made by this amendatory Act of the 100th General~~  
17 ~~Assembly apply regardless of whether the employee was in~~  
18 ~~active service on or after the effective date of this~~  
19 ~~amendatory Act.~~

20 (Source: P.A. 100-23, eff. 7-6-17; 100-1166, eff. 1-4-19.)

21 (40 ILCS 5/12-150) (from Ch. 108 1/2, par. 12-150)

22 Sec. 12-150. Contributions by employees for service  
23 annuity.

24 (a) From each payment of salary to a present employee  
25 beginning August 4, 1961, and prior to September 1, 1971,

1 there shall be deducted as contributions for service annuity  
2 6% of such payment. Beginning September 1, 1971, the deduction  
3 shall be 6 1/2% of salary. These contributions shall continue  
4 until the amounts thus deducted will provide an accumulation,  
5 at regular interest, at least equal to the amount that would be  
6 provided on such date from employee contributions, assuming  
7 regular interest to such date, if such employee had been  
8 contributing in accordance with the provisions of "The 1919  
9 Act" and this Article from the beginning of his service and the  
10 salary of the employee during his prior service was the same as  
11 it was on July 1, 1919, or on July 1, 1937 in the case of an  
12 employee of the board.

13 (b) From each payment of salary to a future entrant  
14 beginning August 4, 1961, and prior to September 1, 1971,  
15 there shall be deducted as contributions for service annuity  
16 6% of such payment. Beginning September 1, 1971, the deduction  
17 shall be 6 1/2% of salary. Beginning January 1, 1990, the  
18 deduction shall be 7% of salary, ~~except that the deduction~~  
19 ~~shall be 9% of salary for a person who first becomes an~~  
20 ~~employee on or after January 1, 2022 or who makes the election~~  
21 ~~under item (i) of subsection (d-15) of Section 1-160.~~

22 The changes made to this subsection by this amendatory Act  
23 of the 103rd General Assembly do not entitle an employee to any  
24 refund of contributions already made. However, the changes  
25 made to this subsection by this amendatory Act of the 103rd  
26 General Assembly are not intended to limit an employee's

1 entitlement to a refund under any other provision of this  
2 Code.

3 (c) For service rendered prior to August 4, 1961, the  
4 rates of contribution by employees for service annuity shall  
5 be as follows: July 1, 1919 to July 20, 1947, inclusive, 4% of  
6 salary; July 21, 1947 to August 3, 1961, inclusive, 5% of  
7 salary.

8 For the period from July 1, 1919, to August 4, 1961 such  
9 deductions for a present employee shall continue until such  
10 date as the amounts deducted will provide an accumulation at  
11 least equal to that which would be provided on such date,  
12 assuming regular interest to such date, from deductions from  
13 salary of such employee if such employee had been under the  
14 provisions of "The 1919 Act" and this Article from the  
15 beginning of his service and the salary of such employee  
16 during his period of prior service was the same as it was on  
17 July 1, 1919 or on July 1, 1937 in the case of an employee of  
18 the board.

19 (d) Any employee shall have the option to contribute for  
20 service annuity an amount, together with regular interest,  
21 equal to the difference between the amount he had accumulated  
22 in the fund on June 30, 1947, from contributions at the rate of  
23 4% of salary, together with regular interest, and the amount  
24 he would have accumulated, together with regular interest, if  
25 he had made contributions at the rate of 5% of salary. All such  
26 contributions shall be subject to salary limitations and other

1 conditions in effect prior to July 1, 1947. Upon making such  
2 contribution the employer of such employee shall contribute in  
3 the ratio of 2 to 1 with such employee.

4 (Source: P.A. 102-263, eff. 8-6-21.)

5 Article 12.

6 Section 12-5. The Illinois Pension Code is amended by  
7 changing Section 15-113.4 as follows:

8 (40 ILCS 5/15-113.4) (from Ch. 108 1/2, par. 15-113.4)

9 (Text of Section WITHOUT the changes made by P.A. 98-599,  
10 which has been held unconstitutional)

11 Sec. 15-113.4. Service for unused sick leave. "Service for  
12 unused sick leave": A participant who is an employee under  
13 this System or one of the other systems subject to Article 20  
14 of this Code within 60 days immediately preceding the date on  
15 which his or her retirement annuity begins, is entitled to  
16 credit for service for that portion of unused sick leave  
17 earned in the course of employment with an employer and  
18 credited on the date of termination of employment by an  
19 employer for which payment is not received, in accordance with  
20 the following schedule: 30 through 90 full calendar days and  
21 20 through 59 full work days of unused sick leave, 1/4 of a  
22 year of service; 91 through 180 full calendar days and 60  
23 through 119 full work days, 1/2 of a year of service; 181

1 through 270 full calendar days and 120 through 179 full work  
2 days, 3/4 of a year of service; 271 through 360 full calendar  
3 days and 180 through 240 full work days, one year of service.  
4 Notwithstanding any other law to the contrary, a participant  
5 is entitled to a maximum of 2 years of service credit for that  
6 portion of unused sick leave earned in the course of  
7 employment with an employer and credited on the date of  
8 termination of employment by an employer for which payment is  
9 not received. Only uncompensated, unused sick leave earned in  
10 accordance with an employer's sick leave accrual policy  
11 generally applicable to employees or a class of employees  
12 shall be taken into account in calculating service credit  
13 under this Section. Any uncompensated, unused sick leave  
14 granted by an employer to facilitate the hiring, retirement,  
15 termination, or other special circumstances of an employee  
16 shall not be taken into account in calculating service credit  
17 under this Section. If a participant transfers from one  
18 employer to another, the unused sick leave credited by the  
19 previous employer shall be considered in determining service  
20 to be credited under this Section, even if the participant  
21 terminated service prior to the effective date of P.A. 86-272  
22 (August 23, 1989); if necessary, the retirement annuity shall  
23 be recalculated to reflect such sick leave credit. Each  
24 employer shall certify to the board the number of days of  
25 unused sick leave accrued to the participant's credit on the  
26 date that the participant's status as an employee terminated.

1 This period of unused sick leave shall not be considered in  
2 determining the date the retirement annuity begins.

3 (Source: P.A. 90-65, eff. 7-7-97; 90-511, eff. 8-22-97.)

4 Article 13.

5 Section 13-5. The Illinois Pension Code is amended by  
6 changing Sections 15-155 and 16-158 as follows:

7 (40 ILCS 5/15-155) (from Ch. 108 1/2, par. 15-155)

8 Sec. 15-155. Employer contributions.

9 (a) The State of Illinois shall make contributions by  
10 appropriations of amounts which, together with the other  
11 employer contributions from trust, federal, and other funds,  
12 employee contributions, income from investments, and other  
13 income of this System, will be sufficient to meet the cost of  
14 maintaining and administering the System on a 90% funded basis  
15 in accordance with actuarial recommendations.

16 The Board shall determine the amount of State  
17 contributions required for each fiscal year on the basis of  
18 the actuarial tables and other assumptions adopted by the  
19 Board and the recommendations of the actuary, using the  
20 formula in subsection (a-1).

21 (a-1) For State fiscal years 2012 through 2045, the  
22 minimum contribution to the System to be made by the State for  
23 each fiscal year shall be an amount determined by the System to



1 be sufficient to bring the total assets of the System up to 90%  
2 of the total actuarial liabilities of the System by the end of  
3 State fiscal year 2045. In making these determinations, the  
4 required State contribution shall be calculated each year as a  
5 level percentage of payroll over the years remaining to and  
6 including fiscal year 2045 and shall be determined under the  
7 projected unit credit actuarial cost method.

8 For each of State fiscal years 2018, 2019, and 2020, the  
9 State shall make an additional contribution to the System  
10 equal to 2% of the total payroll of each employee who is deemed  
11 to have elected the benefits under Section 1-161 or who has  
12 made the election under subsection (c) of Section 1-161.

13 A change in an actuarial or investment assumption that  
14 increases or decreases the required State contribution and  
15 first applies in State fiscal year 2018 or thereafter shall be  
16 implemented in equal annual amounts over a 5-year period  
17 beginning in the State fiscal year in which the actuarial  
18 change first applies to the required State contribution.

19 A change in an actuarial or investment assumption that  
20 increases or decreases the required State contribution and  
21 first applied to the State contribution in fiscal year 2014,  
22 2015, 2016, or 2017 shall be implemented:

23 (i) as already applied in State fiscal years before  
24 2018; and

25 (ii) in the portion of the 5-year period beginning in  
26 the State fiscal year in which the actuarial change first

1 applied that occurs in State fiscal year 2018 or  
2 thereafter, by calculating the change in equal annual  
3 amounts over that 5-year period and then implementing it  
4 at the resulting annual rate in each of the remaining  
5 fiscal years in that 5-year period.

6 For State fiscal years 1996 through 2005, the State  
7 contribution to the System, as a percentage of the applicable  
8 employee payroll, shall be increased in equal annual  
9 increments so that by State fiscal year 2011, the State is  
10 contributing at the rate required under this Section.

11 Notwithstanding any other provision of this Article, the  
12 total required State contribution for State fiscal year 2006  
13 is \$166,641,900.

14 Notwithstanding any other provision of this Article, the  
15 total required State contribution for State fiscal year 2007  
16 is \$252,064,100.

17 For each of State fiscal years 2008 through 2009, the  
18 State contribution to the System, as a percentage of the  
19 applicable employee payroll, shall be increased in equal  
20 annual increments from the required State contribution for  
21 State fiscal year 2007, so that by State fiscal year 2011, the  
22 State is contributing at the rate otherwise required under  
23 this Section.

24 Notwithstanding any other provision of this Article, the  
25 total required State contribution for State fiscal year 2010  
26 is \$702,514,000 and shall be made from the State Pensions Fund

1 and proceeds of bonds sold in fiscal year 2010 pursuant to  
2 Section 7.2 of the General Obligation Bond Act, less (i) the  
3 pro rata share of bond sale expenses determined by the  
4 System's share of total bond proceeds, (ii) any amounts  
5 received from the General Revenue Fund in fiscal year 2010,  
6 (iii) any reduction in bond proceeds due to the issuance of  
7 discounted bonds, if applicable.

8 Notwithstanding any other provision of this Article, the  
9 total required State contribution for State fiscal year 2011  
10 is the amount recertified by the System on or before April 1,  
11 2011 pursuant to Section 15-165 and shall be made from the  
12 State Pensions Fund and proceeds of bonds sold in fiscal year  
13 2011 pursuant to Section 7.2 of the General Obligation Bond  
14 Act, less (i) the pro rata share of bond sale expenses  
15 determined by the System's share of total bond proceeds, (ii)  
16 any amounts received from the General Revenue Fund in fiscal  
17 year 2011, and (iii) any reduction in bond proceeds due to the  
18 issuance of discounted bonds, if applicable.

19 Beginning in State fiscal year 2046, the minimum State  
20 contribution for each fiscal year shall be the amount needed  
21 to maintain the total assets of the System at 90% of the total  
22 actuarial liabilities of the System.

23 Amounts received by the System pursuant to Section 25 of  
24 the Budget Stabilization Act or Section 8.12 of the State  
25 Finance Act in any fiscal year do not reduce and do not  
26 constitute payment of any portion of the minimum State

1 contribution required under this Article in that fiscal year.  
2 Such amounts shall not reduce, and shall not be included in the  
3 calculation of, the required State contributions under this  
4 Article in any future year until the System has reached a  
5 funding ratio of at least 90%. A reference in this Article to  
6 the "required State contribution" or any substantially similar  
7 term does not include or apply to any amounts payable to the  
8 System under Section 25 of the Budget Stabilization Act.

9 Notwithstanding any other provision of this Section, the  
10 required State contribution for State fiscal year 2005 and for  
11 fiscal year 2008 and each fiscal year thereafter, as  
12 calculated under this Section and certified under Section  
13 15-165, shall not exceed an amount equal to (i) the amount of  
14 the required State contribution that would have been  
15 calculated under this Section for that fiscal year if the  
16 System had not received any payments under subsection (d) of  
17 Section 7.2 of the General Obligation Bond Act, minus (ii) the  
18 portion of the State's total debt service payments for that  
19 fiscal year on the bonds issued in fiscal year 2003 for the  
20 purposes of that Section 7.2, as determined and certified by  
21 the Comptroller, that is the same as the System's portion of  
22 the total moneys distributed under subsection (d) of Section  
23 7.2 of the General Obligation Bond Act. In determining this  
24 maximum for State fiscal years 2008 through 2010, however, the  
25 amount referred to in item (i) shall be increased, as a  
26 percentage of the applicable employee payroll, in equal

1 increments calculated from the sum of the required State  
2 contribution for State fiscal year 2007 plus the applicable  
3 portion of the State's total debt service payments for fiscal  
4 year 2007 on the bonds issued in fiscal year 2003 for the  
5 purposes of Section 7.2 of the General Obligation Bond Act, so  
6 that, by State fiscal year 2011, the State is contributing at  
7 the rate otherwise required under this Section.

8 (a-2) Beginning in fiscal year 2018, each employer under  
9 this Article shall pay to the System a required contribution  
10 determined as a percentage of projected payroll and sufficient  
11 to produce an annual amount equal to:

12 (i) for each of fiscal years 2018, 2019, and 2020, the  
13 defined benefit normal cost of the defined benefit plan,  
14 less the employee contribution, for each employee of that  
15 employer who has elected or who is deemed to have elected  
16 the benefits under Section 1-161 or who has made the  
17 election under subsection (c) of Section 1-161; for fiscal  
18 year 2021 and each fiscal year thereafter, the defined  
19 benefit normal cost of the defined benefit plan, less the  
20 employee contribution, plus 2%, for each employee of that  
21 employer who has elected or who is deemed to have elected  
22 the benefits under Section 1-161 or who has made the  
23 election under subsection (c) of Section 1-161; plus

24 (ii) the amount required for that fiscal year to  
25 amortize any unfunded actuarial accrued liability  
26 associated with the present value of liabilities

1           attributable to the employer's account under Section  
2           15-155.2, determined as a level percentage of payroll over  
3           a 30-year rolling amortization period.

4           In determining contributions required under item (i) of  
5           this subsection, the System shall determine an aggregate rate  
6           for all employers, expressed as a percentage of projected  
7           payroll.

8           In determining the contributions required under item (ii)  
9           of this subsection, the amount shall be computed by the System  
10          on the basis of the actuarial assumptions and tables used in  
11          the most recent actuarial valuation of the System that is  
12          available at the time of the computation.

13          The contributions required under this subsection (a-2)  
14          shall be paid by an employer concurrently with that employer's  
15          payroll payment period. The State, as the actual employer of  
16          an employee, shall make the required contributions under this  
17          subsection.

18          As used in this subsection, "academic year" means the  
19          12-month period beginning September 1.

20          (b) If an employee is paid from trust or federal funds, the  
21          employer shall pay to the Board contributions from those funds  
22          which are sufficient to cover the accruing normal costs on  
23          behalf of the employee. However, universities having employees  
24          who are compensated out of local auxiliary funds, income  
25          funds, or service enterprise funds are not required to pay  
26          such contributions on behalf of those employees. The local

1 auxiliary funds, income funds, and service enterprise funds of  
2 universities shall not be considered trust funds for the  
3 purpose of this Article, but funds of alumni associations,  
4 foundations, and athletic associations which are affiliated  
5 with the universities included as employers under this Article  
6 and other employers which do not receive State appropriations  
7 are considered to be trust funds for the purpose of this  
8 Article.

9 (b-1) The City of Urbana and the City of Champaign shall  
10 each make employer contributions to this System for their  
11 respective firefighter employees who participate in this  
12 System pursuant to subsection (h) of Section 15-107. The rate  
13 of contributions to be made by those municipalities shall be  
14 determined annually by the Board on the basis of the actuarial  
15 assumptions adopted by the Board and the recommendations of  
16 the actuary, and shall be expressed as a percentage of salary  
17 for each such employee. The Board shall certify the rate to the  
18 affected municipalities as soon as may be practical. The  
19 employer contributions required under this subsection shall be  
20 remitted by the municipality to the System at the same time and  
21 in the same manner as employee contributions.

22 (c) Through State fiscal year 1995: The total employer  
23 contribution shall be apportioned among the various funds of  
24 the State and other employers, whether trust, federal, or  
25 other funds, in accordance with actuarial procedures approved  
26 by the Board. State of Illinois contributions for employers

1 receiving State appropriations for personal services shall be  
2 payable from appropriations made to the employers or to the  
3 System. The contributions for Class I community colleges  
4 covering earnings other than those paid from trust and federal  
5 funds, shall be payable solely from appropriations to the  
6 Illinois Community College Board or the System for employer  
7 contributions.

8 (d) Beginning in State fiscal year 1996, the required  
9 State contributions to the System shall be appropriated  
10 directly to the System and shall be payable through vouchers  
11 issued in accordance with subsection (c) of Section 15-165,  
12 except as provided in subsection (g).

13 (e) The State Comptroller shall draw warrants payable to  
14 the System upon proper certification by the System or by the  
15 employer in accordance with the appropriation laws and this  
16 Code.

17 (f) Normal costs under this Section means liability for  
18 pensions and other benefits which accrues to the System  
19 because of the credits earned for service rendered by the  
20 participants during the fiscal year and expenses of  
21 administering the System, but shall not include the principal  
22 of or any redemption premium or interest on any bonds issued by  
23 the Board or any expenses incurred or deposits required in  
24 connection therewith.

25 (g) If the amount of a participant's earnings for any  
26 academic year used to determine the final rate of earnings,



1 determined on a full-time equivalent basis, exceeds the amount  
2 of his or her earnings with the same employer for the previous  
3 academic year, determined on a full-time equivalent basis, by  
4 more than 6%, the participant's employer shall pay to the  
5 System, in addition to all other payments required under this  
6 Section and in accordance with guidelines established by the  
7 System, the present value of the increase in benefits  
8 resulting from the portion of the increase in earnings that is  
9 in excess of 6%. This present value shall be computed by the  
10 System on the basis of the actuarial assumptions and tables  
11 used in the most recent actuarial valuation of the System that  
12 is available at the time of the computation. The System may  
13 require the employer to provide any pertinent information or  
14 documentation.

15 Whenever it determines that a payment is or may be  
16 required under this subsection (g), the System shall calculate  
17 the amount of the payment and bill the employer for that  
18 amount. The bill shall specify the calculations used to  
19 determine the amount due. If the employer disputes the amount  
20 of the bill, it may, within 30 days after receipt of the bill,  
21 apply to the System in writing for a recalculation. The  
22 application must specify in detail the grounds of the dispute  
23 and, if the employer asserts that the calculation is subject  
24 to subsection (h), (h-5), or (i) of this Section, must include  
25 an affidavit setting forth and attesting to all facts within  
26 the employer's knowledge that are pertinent to the

1 applicability of that subsection. Upon receiving a timely  
2 application for recalculation, the System shall review the  
3 application and, if appropriate, recalculate the amount due.

4 The employer contributions required under this subsection  
5 (g) may be paid in the form of a lump sum within 90 days after  
6 receipt of the bill. If the employer contributions are not  
7 paid within 90 days after receipt of the bill, then interest  
8 will be charged at a rate equal to the System's annual  
9 actuarially assumed rate of return on investment compounded  
10 annually from the 91st day after receipt of the bill. Payments  
11 must be concluded within 3 years after the employer's receipt  
12 of the bill.

13 When assessing payment for any amount due under this  
14 subsection (g), the System shall include earnings, to the  
15 extent not established by a participant under Section  
16 15-113.11 or 15-113.12, that would have been paid to the  
17 participant had the participant not taken (i) periods of  
18 voluntary or involuntary furlough occurring on or after July  
19 1, 2015 and on or before June 30, 2017 or (ii) periods of  
20 voluntary pay reduction in lieu of furlough occurring on or  
21 after July 1, 2015 and on or before June 30, 2017. Determining  
22 earnings that would have been paid to a participant had the  
23 participant not taken periods of voluntary or involuntary  
24 furlough or periods of voluntary pay reduction shall be the  
25 responsibility of the employer, and shall be reported in a  
26 manner prescribed by the System.

1           This subsection (g) does not apply to (1) Tier 2 hybrid  
2 plan members and (2) Tier 2 defined benefit members who first  
3 participate under this Article on or after the implementation  
4 date of the Optional Hybrid Plan.

5           (g-1) (Blank).

6           (h) This subsection (h) applies only to payments made or  
7 salary increases given on or after June 1, 2005 ~~but before July~~  
8 ~~1, 2011~~. The changes made by Public Act 94-1057 shall not  
9 require the System to refund any payments received before July  
10 31, 2006 (the effective date of Public Act 94-1057).

11           When assessing payment for any amount due under subsection  
12 (g), the System shall exclude earnings increases paid to  
13 participants under contracts or collective bargaining  
14 agreements entered into, amended, or renewed before June 1,  
15 2005.

16           When assessing payment for any amount due under subsection  
17 (g), the System shall exclude earnings increases paid to a  
18 participant at a time when the participant is 10 or more years  
19 from retirement eligibility under Section 15-135.

20           When assessing payment for any amount due under subsection  
21 (g), the System shall exclude earnings increases resulting  
22 from overload work, including a contract for summer teaching,  
23 or overtime when the employer has certified to the System, and  
24 the System has approved the certification, that: (i) in the  
25 case of overloads (A) the overload work is for the sole purpose  
26 of academic instruction in excess of the standard number of

1 instruction hours for a full-time employee occurring during  
2 the academic year that the overload is paid and (B) the  
3 earnings increases are equal to or less than the rate of pay  
4 for academic instruction computed using the participant's  
5 current salary rate and work schedule; and (ii) in the case of  
6 overtime, the overtime was necessary for the educational  
7 mission.

8 When assessing payment for any amount due under subsection  
9 (g), the System shall exclude any earnings increase resulting  
10 from (i) a promotion for which the employee moves from one  
11 classification to a higher classification under the State  
12 Universities Civil Service System, (ii) a promotion in  
13 academic rank for a tenured or tenure-track faculty position,  
14 or (iii) a promotion that the Illinois Community College Board  
15 has recommended in accordance with subsection (k) of this  
16 Section. These earnings increases shall be excluded only if  
17 the promotion is to a position that has existed and been filled  
18 by a member for no less than one complete academic year and the  
19 earnings increase as a result of the promotion is an increase  
20 that results in an amount no greater than the average salary  
21 paid for other similar positions.

22 (h-5) When assessing payment for any amount due under  
23 subsection (g), the System shall exclude any earnings increase  
24 paid in an academic year beginning on or after July 1, 2020  
25 resulting from overload work performed in an academic year  
26 subsequent to an academic year in which the employer was

1 unable to offer or allow to be conducted overload work due to  
2 an emergency declaration limiting such activities.

3 (i) (Blank). ~~When assessing payment for any amount due~~  
4 ~~under subsection (g), the System shall exclude any salary~~  
5 ~~increase described in subsection (h) of this Section given on~~  
6 ~~or after July 1, 2011 but before July 1, 2014 under a contract~~  
7 ~~or collective bargaining agreement entered into, amended, or~~  
8 ~~renewed on or after June 1, 2005 but before July 1, 2011.~~  
9 ~~Except as provided in subsection (h 5), any payments made or~~  
10 ~~salary increases given after June 30, 2014 shall be used in~~  
11 ~~assessing payment for any amount due under subsection (g) of~~  
12 ~~this Section.~~

13 (j) The System shall prepare a report and file copies of  
14 the report with the Governor and the General Assembly by  
15 January 1, 2007 that contains all of the following  
16 information:

17 (1) The number of recalculations required by the  
18 changes made to this Section by Public Act 94-1057 for  
19 each employer.

20 (2) The dollar amount by which each employer's  
21 contribution to the System was changed due to  
22 recalculations required by Public Act 94-1057.

23 (3) The total amount the System received from each  
24 employer as a result of the changes made to this Section by  
25 Public Act 94-4.

26 (4) The increase in the required State contribution

1 resulting from the changes made to this Section by Public  
2 Act 94-1057.

3 (j-5) For State fiscal years beginning on or after July 1,  
4 2017, if the amount of a participant's earnings for any State  
5 fiscal year exceeds the amount of the salary set by law for the  
6 Governor that is in effect on July 1 of that fiscal year, the  
7 participant's employer shall pay to the System, in addition to  
8 all other payments required under this Section and in  
9 accordance with guidelines established by the System, an  
10 amount determined by the System to be equal to the employer  
11 normal cost, as established by the System and expressed as a  
12 total percentage of payroll, multiplied by the amount of  
13 earnings in excess of the amount of the salary set by law for  
14 the Governor. This amount shall be computed by the System on  
15 the basis of the actuarial assumptions and tables used in the  
16 most recent actuarial valuation of the System that is  
17 available at the time of the computation. The System may  
18 require the employer to provide any pertinent information or  
19 documentation.

20 Whenever it determines that a payment is or may be  
21 required under this subsection, the System shall calculate the  
22 amount of the payment and bill the employer for that amount.  
23 The bill shall specify the calculation used to determine the  
24 amount due. If the employer disputes the amount of the bill, it  
25 may, within 30 days after receipt of the bill, apply to the  
26 System in writing for a recalculation. The application must

1 specify in detail the grounds of the dispute. Upon receiving a  
2 timely application for recalculation, the System shall review  
3 the application and, if appropriate, recalculate the amount  
4 due.

5 The employer contributions required under this subsection  
6 may be paid in the form of a lump sum within 90 days after  
7 issuance of the bill. If the employer contributions are not  
8 paid within 90 days after issuance of the bill, then interest  
9 will be charged at a rate equal to the System's annual  
10 actuarially assumed rate of return on investment compounded  
11 annually from the 91st day after issuance of the bill. All  
12 payments must be received within 3 years after issuance of the  
13 bill. If the employer fails to make complete payment,  
14 including applicable interest, within 3 years, then the System  
15 may, after giving notice to the employer, certify the  
16 delinquent amount to the State Comptroller, and the  
17 Comptroller shall thereupon deduct the certified delinquent  
18 amount from State funds payable to the employer and pay them  
19 instead to the System.

20 This subsection (j-5) does not apply to a participant's  
21 earnings to the extent an employer pays the employer normal  
22 cost of such earnings.

23 The changes made to this subsection (j-5) by Public Act  
24 100-624 are intended to apply retroactively to July 6, 2017  
25 (the effective date of Public Act 100-23).

26 (k) The Illinois Community College Board shall adopt rules

1 for recommending lists of promotional positions submitted to  
2 the Board by community colleges and for reviewing the  
3 promotional lists on an annual basis. When recommending  
4 promotional lists, the Board shall consider the similarity of  
5 the positions submitted to those positions recognized for  
6 State universities by the State Universities Civil Service  
7 System. The Illinois Community College Board shall file a copy  
8 of its findings with the System. The System shall consider the  
9 findings of the Illinois Community College Board when making  
10 determinations under this Section. The System shall not  
11 exclude any earnings increases resulting from a promotion when  
12 the promotion was not submitted by a community college.  
13 Nothing in this subsection (k) shall require any community  
14 college to submit any information to the Community College  
15 Board.

16 (1) For purposes of determining the required State  
17 contribution to the System, the value of the System's assets  
18 shall be equal to the actuarial value of the System's assets,  
19 which shall be calculated as follows:

20 As of June 30, 2008, the actuarial value of the System's  
21 assets shall be equal to the market value of the assets as of  
22 that date. In determining the actuarial value of the System's  
23 assets for fiscal years after June 30, 2008, any actuarial  
24 gains or losses from investment return incurred in a fiscal  
25 year shall be recognized in equal annual amounts over the  
26 5-year period following that fiscal year.



1 (m) For purposes of determining the required State  
2 contribution to the system for a particular year, the  
3 actuarial value of assets shall be assumed to earn a rate of  
4 return equal to the system's actuarially assumed rate of  
5 return.

6 (Source: P.A. 101-10, eff. 6-5-19; 101-81, eff. 7-12-19;  
7 102-16, eff. 6-17-21; 102-558, eff. 8-20-21; 102-764, eff.  
8 5-13-22.)

9 (40 ILCS 5/16-158) (from Ch. 108 1/2, par. 16-158)

10 Sec. 16-158. Contributions by State and other employing  
11 units.

12 (a) The State shall make contributions to the System by  
13 means of appropriations from the Common School Fund and other  
14 State funds of amounts which, together with other employer  
15 contributions, employee contributions, investment income, and  
16 other income, will be sufficient to meet the cost of  
17 maintaining and administering the System on a 90% funded basis  
18 in accordance with actuarial recommendations.

19 The Board shall determine the amount of State  
20 contributions required for each fiscal year on the basis of  
21 the actuarial tables and other assumptions adopted by the  
22 Board and the recommendations of the actuary, using the  
23 formula in subsection (b-3).

24 (a-1) Annually, on or before November 15 until November  
25 15, 2011, the Board shall certify to the Governor the amount of

1 the required State contribution for the coming fiscal year.  
2 The certification under this subsection (a-1) shall include a  
3 copy of the actuarial recommendations upon which it is based  
4 and shall specifically identify the System's projected State  
5 normal cost for that fiscal year.

6 On or before May 1, 2004, the Board shall recalculate and  
7 recertify to the Governor the amount of the required State  
8 contribution to the System for State fiscal year 2005, taking  
9 into account the amounts appropriated to and received by the  
10 System under subsection (d) of Section 7.2 of the General  
11 Obligation Bond Act.

12 On or before July 1, 2005, the Board shall recalculate and  
13 recertify to the Governor the amount of the required State  
14 contribution to the System for State fiscal year 2006, taking  
15 into account the changes in required State contributions made  
16 by Public Act 94-4.

17 On or before April 1, 2011, the Board shall recalculate  
18 and recertify to the Governor the amount of the required State  
19 contribution to the System for State fiscal year 2011,  
20 applying the changes made by Public Act 96-889 to the System's  
21 assets and liabilities as of June 30, 2009 as though Public Act  
22 96-889 was approved on that date.

23 (a-5) On or before November 1 of each year, beginning  
24 November 1, 2012, the Board shall submit to the State Actuary,  
25 the Governor, and the General Assembly a proposed  
26 certification of the amount of the required State contribution

1 to the System for the next fiscal year, along with all of the  
2 actuarial assumptions, calculations, and data upon which that  
3 proposed certification is based. On or before January 1 of  
4 each year, beginning January 1, 2013, the State Actuary shall  
5 issue a preliminary report concerning the proposed  
6 certification and identifying, if necessary, recommended  
7 changes in actuarial assumptions that the Board must consider  
8 before finalizing its certification of the required State  
9 contributions. On or before January 15, 2013 and each January  
10 15 thereafter, the Board shall certify to the Governor and the  
11 General Assembly the amount of the required State contribution  
12 for the next fiscal year. The Board's certification must note  
13 any deviations from the State Actuary's recommended changes,  
14 the reason or reasons for not following the State Actuary's  
15 recommended changes, and the fiscal impact of not following  
16 the State Actuary's recommended changes on the required State  
17 contribution.

18 (a-10) By November 1, 2017, the Board shall recalculate  
19 and recertify to the State Actuary, the Governor, and the  
20 General Assembly the amount of the State contribution to the  
21 System for State fiscal year 2018, taking into account the  
22 changes in required State contributions made by Public Act  
23 100-23. The State Actuary shall review the assumptions and  
24 valuations underlying the Board's revised certification and  
25 issue a preliminary report concerning the proposed  
26 recertification and identifying, if necessary, recommended

1 changes in actuarial assumptions that the Board must consider  
2 before finalizing its certification of the required State  
3 contributions. The Board's final certification must note any  
4 deviations from the State Actuary's recommended changes, the  
5 reason or reasons for not following the State Actuary's  
6 recommended changes, and the fiscal impact of not following  
7 the State Actuary's recommended changes on the required State  
8 contribution.

9 (a-15) On or after June 15, 2019, but no later than June  
10 30, 2019, the Board shall recalculate and recertify to the  
11 Governor and the General Assembly the amount of the State  
12 contribution to the System for State fiscal year 2019, taking  
13 into account the changes in required State contributions made  
14 by Public Act 100-587. The recalculation shall be made using  
15 assumptions adopted by the Board for the original fiscal year  
16 2019 certification. The monthly voucher for the 12th month of  
17 fiscal year 2019 shall be paid by the Comptroller after the  
18 recertification required pursuant to this subsection is  
19 submitted to the Governor, Comptroller, and General Assembly.  
20 The recertification submitted to the General Assembly shall be  
21 filed with the Clerk of the House of Representatives and the  
22 Secretary of the Senate in electronic form only, in the manner  
23 that the Clerk and the Secretary shall direct.

24 (b) Through State fiscal year 1995, the State  
25 contributions shall be paid to the System in accordance with  
26 Section 18-7 of the School Code.

1 (b-1) Unless otherwise directed by the Comptroller under  
2 subsection (b-1.1), the Board shall submit vouchers for  
3 payment of State contributions to the System for the  
4 applicable month on the 15th day of each month, or as soon  
5 thereafter as may be practicable. The amount vouchered for a  
6 monthly payment shall total one-twelfth of the required annual  
7 State contribution certified under subsection (a-1).

8 (b-1.1) Beginning in State fiscal year 2025, if the  
9 Comptroller requests that the Board submit, during a State  
10 fiscal year, vouchers for multiple monthly payments for the  
11 advance payment of State contributions due to the System for  
12 that State fiscal year, then the Board shall submit those  
13 additional vouchers as directed by the Comptroller,  
14 notwithstanding subsection (b-1). Unless an act of  
15 appropriations provides otherwise, nothing in this Section  
16 authorizes the Board to submit, in a State fiscal year,  
17 vouchers for the payment of State contributions to the System  
18 in an amount that exceeds the rate of payroll that is certified  
19 by the System under this Section for that State fiscal year.

20 (b-1.2) The vouchers described in subsections (b-1) and  
21 (b-1.1) shall be paid by the State Comptroller and Treasurer  
22 by warrants drawn on the funds appropriated to the System for  
23 that fiscal year.

24 If in any month the amount remaining unexpended from all  
25 other appropriations to the System for the applicable fiscal  
26 year (including the appropriations to the System under Section

1 8.12 of the State Finance Act and Section 1 of the State  
2 Pension Funds Continuing Appropriation Act) is less than the  
3 amount lawfully vouchered under this subsection, the  
4 difference shall be paid from the Common School Fund under the  
5 continuing appropriation authority provided in Section 1.1 of  
6 the State Pension Funds Continuing Appropriation Act.

7 (b-2) Allocations from the Common School Fund apportioned  
8 to school districts not coming under this System shall not be  
9 diminished or affected by the provisions of this Article.

10 (b-3) For State fiscal years 2012 through 2045, the  
11 minimum contribution to the System to be made by the State for  
12 each fiscal year shall be an amount determined by the System to  
13 be sufficient to bring the total assets of the System up to 90%  
14 of the total actuarial liabilities of the System by the end of  
15 State fiscal year 2045. In making these determinations, the  
16 required State contribution shall be calculated each year as a  
17 level percentage of payroll over the years remaining to and  
18 including fiscal year 2045 and shall be determined under the  
19 projected unit credit actuarial cost method.

20 For each of State fiscal years 2018, 2019, and 2020, the  
21 State shall make an additional contribution to the System  
22 equal to 2% of the total payroll of each employee who is deemed  
23 to have elected the benefits under Section 1-161 or who has  
24 made the election under subsection (c) of Section 1-161.

25 A change in an actuarial or investment assumption that  
26 increases or decreases the required State contribution and

1 first applies in State fiscal year 2018 or thereafter shall be  
2 implemented in equal annual amounts over a 5-year period  
3 beginning in the State fiscal year in which the actuarial  
4 change first applies to the required State contribution.

5 A change in an actuarial or investment assumption that  
6 increases or decreases the required State contribution and  
7 first applied to the State contribution in fiscal year 2014,  
8 2015, 2016, or 2017 shall be implemented:

9 (i) as already applied in State fiscal years before  
10 2018; and

11 (ii) in the portion of the 5-year period beginning in  
12 the State fiscal year in which the actuarial change first  
13 applied that occurs in State fiscal year 2018 or  
14 thereafter, by calculating the change in equal annual  
15 amounts over that 5-year period and then implementing it  
16 at the resulting annual rate in each of the remaining  
17 fiscal years in that 5-year period.

18 For State fiscal years 1996 through 2005, the State  
19 contribution to the System, as a percentage of the applicable  
20 employee payroll, shall be increased in equal annual  
21 increments so that by State fiscal year 2011, the State is  
22 contributing at the rate required under this Section; except  
23 that in the following specified State fiscal years, the State  
24 contribution to the System shall not be less than the  
25 following indicated percentages of the applicable employee  
26 payroll, even if the indicated percentage will produce a State

1 contribution in excess of the amount otherwise required under  
2 this subsection and subsection (a), and notwithstanding any  
3 contrary certification made under subsection (a-1) before May  
4 27, 1998 (the effective date of Public Act 90-582): 10.02% in  
5 FY 1999; 10.77% in FY 2000; 11.47% in FY 2001; 12.16% in FY  
6 2002; 12.86% in FY 2003; and 13.56% in FY 2004.

7 Notwithstanding any other provision of this Article, the  
8 total required State contribution for State fiscal year 2006  
9 is \$534,627,700.

10 Notwithstanding any other provision of this Article, the  
11 total required State contribution for State fiscal year 2007  
12 is \$738,014,500.

13 For each of State fiscal years 2008 through 2009, the  
14 State contribution to the System, as a percentage of the  
15 applicable employee payroll, shall be increased in equal  
16 annual increments from the required State contribution for  
17 State fiscal year 2007, so that by State fiscal year 2011, the  
18 State is contributing at the rate otherwise required under  
19 this Section.

20 Notwithstanding any other provision of this Article, the  
21 total required State contribution for State fiscal year 2010  
22 is \$2,089,268,000 and shall be made from the proceeds of bonds  
23 sold in fiscal year 2010 pursuant to Section 7.2 of the General  
24 Obligation Bond Act, less (i) the pro rata share of bond sale  
25 expenses determined by the System's share of total bond  
26 proceeds, (ii) any amounts received from the Common School



1 Fund in fiscal year 2010, and (iii) any reduction in bond  
2 proceeds due to the issuance of discounted bonds, if  
3 applicable.

4 Notwithstanding any other provision of this Article, the  
5 total required State contribution for State fiscal year 2011  
6 is the amount recertified by the System on or before April 1,  
7 2011 pursuant to subsection (a-1) of this Section and shall be  
8 made from the proceeds of bonds sold in fiscal year 2011  
9 pursuant to Section 7.2 of the General Obligation Bond Act,  
10 less (i) the pro rata share of bond sale expenses determined by  
11 the System's share of total bond proceeds, (ii) any amounts  
12 received from the Common School Fund in fiscal year 2011, and  
13 (iii) any reduction in bond proceeds due to the issuance of  
14 discounted bonds, if applicable. This amount shall include, in  
15 addition to the amount certified by the System, an amount  
16 necessary to meet employer contributions required by the State  
17 as an employer under paragraph (e) of this Section, which may  
18 also be used by the System for contributions required by  
19 paragraph (a) of Section 16-127.

20 Beginning in State fiscal year 2046, the minimum State  
21 contribution for each fiscal year shall be the amount needed  
22 to maintain the total assets of the System at 90% of the total  
23 actuarial liabilities of the System.

24 Amounts received by the System pursuant to Section 25 of  
25 the Budget Stabilization Act or Section 8.12 of the State  
26 Finance Act in any fiscal year do not reduce and do not

1 constitute payment of any portion of the minimum State  
2 contribution required under this Article in that fiscal year.  
3 Such amounts shall not reduce, and shall not be included in the  
4 calculation of, the required State contributions under this  
5 Article in any future year until the System has reached a  
6 funding ratio of at least 90%. A reference in this Article to  
7 the "required State contribution" or any substantially similar  
8 term does not include or apply to any amounts payable to the  
9 System under Section 25 of the Budget Stabilization Act.

10 Notwithstanding any other provision of this Section, the  
11 required State contribution for State fiscal year 2005 and for  
12 fiscal year 2008 and each fiscal year thereafter, as  
13 calculated under this Section and certified under subsection  
14 (a-1), shall not exceed an amount equal to (i) the amount of  
15 the required State contribution that would have been  
16 calculated under this Section for that fiscal year if the  
17 System had not received any payments under subsection (d) of  
18 Section 7.2 of the General Obligation Bond Act, minus (ii) the  
19 portion of the State's total debt service payments for that  
20 fiscal year on the bonds issued in fiscal year 2003 for the  
21 purposes of that Section 7.2, as determined and certified by  
22 the Comptroller, that is the same as the System's portion of  
23 the total moneys distributed under subsection (d) of Section  
24 7.2 of the General Obligation Bond Act. In determining this  
25 maximum for State fiscal years 2008 through 2010, however, the  
26 amount referred to in item (i) shall be increased, as a

1 percentage of the applicable employee payroll, in equal  
2 increments calculated from the sum of the required State  
3 contribution for State fiscal year 2007 plus the applicable  
4 portion of the State's total debt service payments for fiscal  
5 year 2007 on the bonds issued in fiscal year 2003 for the  
6 purposes of Section 7.2 of the General Obligation Bond Act, so  
7 that, by State fiscal year 2011, the State is contributing at  
8 the rate otherwise required under this Section.

9 (b-4) Beginning in fiscal year 2018, each employer under  
10 this Article shall pay to the System a required contribution  
11 determined as a percentage of projected payroll and sufficient  
12 to produce an annual amount equal to:

13 (i) for each of fiscal years 2018, 2019, and 2020, the  
14 defined benefit normal cost of the defined benefit plan,  
15 less the employee contribution, for each employee of that  
16 employer who has elected or who is deemed to have elected  
17 the benefits under Section 1-161 or who has made the  
18 election under subsection (b) of Section 1-161; for fiscal  
19 year 2021 and each fiscal year thereafter, the defined  
20 benefit normal cost of the defined benefit plan, less the  
21 employee contribution, plus 2%, for each employee of that  
22 employer who has elected or who is deemed to have elected  
23 the benefits under Section 1-161 or who has made the  
24 election under subsection (b) of Section 1-161; plus

25 (ii) the amount required for that fiscal year to  
26 amortize any unfunded actuarial accrued liability

1 associated with the present value of liabilities  
2 attributable to the employer's account under Section  
3 16-158.3, determined as a level percentage of payroll over  
4 a 30-year rolling amortization period.

5 In determining contributions required under item (i) of  
6 this subsection, the System shall determine an aggregate rate  
7 for all employers, expressed as a percentage of projected  
8 payroll.

9 In determining the contributions required under item (ii)  
10 of this subsection, the amount shall be computed by the System  
11 on the basis of the actuarial assumptions and tables used in  
12 the most recent actuarial valuation of the System that is  
13 available at the time of the computation.

14 The contributions required under this subsection (b-4)  
15 shall be paid by an employer concurrently with that employer's  
16 payroll payment period. The State, as the actual employer of  
17 an employee, shall make the required contributions under this  
18 subsection.

19 (c) Payment of the required State contributions and of all  
20 pensions, retirement annuities, death benefits, refunds, and  
21 other benefits granted under or assumed by this System, and  
22 all expenses in connection with the administration and  
23 operation thereof, are obligations of the State.

24 If members are paid from special trust or federal funds  
25 which are administered by the employing unit, whether school  
26 district or other unit, the employing unit shall pay to the

1 System from such funds the full accruing retirement costs  
2 based upon that service, which, beginning July 1, 2017, shall  
3 be at a rate, expressed as a percentage of salary, equal to the  
4 total employer's normal cost, expressed as a percentage of  
5 payroll, as determined by the System. Employer contributions,  
6 based on salary paid to members from federal funds, may be  
7 forwarded by the distributing agency of the State of Illinois  
8 to the System prior to allocation, in an amount determined in  
9 accordance with guidelines established by such agency and the  
10 System. Any contribution for fiscal year 2015 collected as a  
11 result of the change made by Public Act 98-674 shall be  
12 considered a State contribution under subsection (b-3) of this  
13 Section.

14 (d) Effective July 1, 1986, any employer of a teacher as  
15 defined in paragraph (8) of Section 16-106 shall pay the  
16 employer's normal cost of benefits based upon the teacher's  
17 service, in addition to employee contributions, as determined  
18 by the System. Such employer contributions shall be forwarded  
19 monthly in accordance with guidelines established by the  
20 System.

21 However, with respect to benefits granted under Section  
22 16-133.4 or 16-133.5 to a teacher as defined in paragraph (8)  
23 of Section 16-106, the employer's contribution shall be 12%  
24 (rather than 20%) of the member's highest annual salary rate  
25 for each year of creditable service granted, and the employer  
26 shall also pay the required employee contribution on behalf of

1 the teacher. For the purposes of Sections 16-133.4 and  
2 16-133.5, a teacher as defined in paragraph (8) of Section  
3 16-106 who is serving in that capacity while on leave of  
4 absence from another employer under this Article shall not be  
5 considered an employee of the employer from which the teacher  
6 is on leave.

7 (e) Beginning July 1, 1998, every employer of a teacher  
8 shall pay to the System an employer contribution computed as  
9 follows:

10 (1) Beginning July 1, 1998 through June 30, 1999, the  
11 employer contribution shall be equal to 0.3% of each  
12 teacher's salary.

13 (2) Beginning July 1, 1999 and thereafter, the  
14 employer contribution shall be equal to 0.58% of each  
15 teacher's salary.

16 The school district or other employing unit may pay these  
17 employer contributions out of any source of funding available  
18 for that purpose and shall forward the contributions to the  
19 System on the schedule established for the payment of member  
20 contributions.

21 These employer contributions are intended to offset a  
22 portion of the cost to the System of the increases in  
23 retirement benefits resulting from Public Act 90-582.

24 Each employer of teachers is entitled to a credit against  
25 the contributions required under this subsection (e) with  
26 respect to salaries paid to teachers for the period January 1,

1 2002 through June 30, 2003, equal to the amount paid by that  
2 employer under subsection (a-5) of Section 6.6 of the State  
3 Employees Group Insurance Act of 1971 with respect to salaries  
4 paid to teachers for that period.

5 The additional 1% employee contribution required under  
6 Section 16-152 by Public Act 90-582 is the responsibility of  
7 the teacher and not the teacher's employer, unless the  
8 employer agrees, through collective bargaining or otherwise,  
9 to make the contribution on behalf of the teacher.

10 If an employer is required by a contract in effect on May  
11 1, 1998 between the employer and an employee organization to  
12 pay, on behalf of all its full-time employees covered by this  
13 Article, all mandatory employee contributions required under  
14 this Article, then the employer shall be excused from paying  
15 the employer contribution required under this subsection (e)  
16 for the balance of the term of that contract. The employer and  
17 the employee organization shall jointly certify to the System  
18 the existence of the contractual requirement, in such form as  
19 the System may prescribe. This exclusion shall cease upon the  
20 termination, extension, or renewal of the contract at any time  
21 after May 1, 1998.

22 (f) If the amount of a teacher's salary for any school year  
23 used to determine final average salary exceeds the member's  
24 annual full-time salary rate with the same employer for the  
25 previous school year by more than 6%, the teacher's employer  
26 shall pay to the System, in addition to all other payments

1 required under this Section and in accordance with guidelines  
2 established by the System, the present value of the increase  
3 in benefits resulting from the portion of the increase in  
4 salary that is in excess of 6%. This present value shall be  
5 computed by the System on the basis of the actuarial  
6 assumptions and tables used in the most recent actuarial  
7 valuation of the System that is available at the time of the  
8 computation. If a teacher's salary for the 2005-2006 school  
9 year is used to determine final average salary under this  
10 subsection (f), then the changes made to this subsection (f)  
11 by Public Act 94-1057 shall apply in calculating whether the  
12 increase in his or her salary is in excess of 6%. For the  
13 purposes of this Section, change in employment under Section  
14 10-21.12 of the School Code on or after June 1, 2005 shall  
15 constitute a change in employer. The System may require the  
16 employer to provide any pertinent information or  
17 documentation. The changes made to this subsection (f) by  
18 Public Act 94-1111 apply without regard to whether the teacher  
19 was in service on or after its effective date.

20 Whenever it determines that a payment is or may be  
21 required under this subsection, the System shall calculate the  
22 amount of the payment and bill the employer for that amount.  
23 The bill shall specify the calculations used to determine the  
24 amount due. If the employer disputes the amount of the bill, it  
25 may, within 30 days after receipt of the bill, apply to the  
26 System in writing for a recalculation. The application must



1 specify in detail the grounds of the dispute and, if the  
2 employer asserts that the calculation is subject to subsection  
3 (g), (g-5), (g-10), (g-15), (g-20), or (h) of this Section,  
4 must include an affidavit setting forth and attesting to all  
5 facts within the employer's knowledge that are pertinent to  
6 the applicability of that subsection. Upon receiving a timely  
7 application for recalculation, the System shall review the  
8 application and, if appropriate, recalculate the amount due.

9 The employer contributions required under this subsection  
10 (f) may be paid in the form of a lump sum within 90 days after  
11 receipt of the bill. If the employer contributions are not  
12 paid within 90 days after receipt of the bill, then interest  
13 will be charged at a rate equal to the System's annual  
14 actuarially assumed rate of return on investment compounded  
15 annually from the 91st day after receipt of the bill. Payments  
16 must be concluded within 3 years after the employer's receipt  
17 of the bill.

18 (f-1) (Blank).

19 (g) This subsection (g) applies only to payments made or  
20 salary increases given on or after June 1, 2005 ~~but before July~~  
21 ~~1, 2011~~. The changes made by Public Act 94-1057 shall not  
22 require the System to refund any payments received before July  
23 31, 2006 (the effective date of Public Act 94-1057).

24 When assessing payment for any amount due under subsection  
25 (f), the System shall exclude salary increases paid to  
26 teachers under contracts or collective bargaining agreements

1 entered into, amended, or renewed before June 1, 2005.

2 When assessing payment for any amount due under subsection  
3 (f), the System shall exclude salary increases paid to a  
4 teacher at a time when the teacher is 10 or more years from  
5 retirement eligibility under Section 16-132 or 16-133.2.

6 When assessing payment for any amount due under subsection  
7 (f), the System shall exclude salary increases resulting from  
8 overload work, including summer school, when the school  
9 district has certified to the System, and the System has  
10 approved the certification, that (i) the overload work is for  
11 the sole purpose of classroom instruction in excess of the  
12 standard number of classes for a full-time teacher in a school  
13 district during a school year and (ii) the salary increases  
14 are equal to or less than the rate of pay for classroom  
15 instruction computed on the teacher's current salary and work  
16 schedule.

17 When assessing payment for any amount due under subsection  
18 (f), the System shall exclude a salary increase resulting from  
19 a promotion (i) for which the employee is required to hold a  
20 certificate or supervisory endorsement issued by the State  
21 Teacher Certification Board that is a different certification  
22 or supervisory endorsement than is required for the teacher's  
23 previous position and (ii) to a position that has existed and  
24 been filled by a member for no less than one complete academic  
25 year and the salary increase from the promotion is an increase  
26 that results in an amount no greater than the lesser of the

1 average salary paid for other similar positions in the  
2 district requiring the same certification or the amount  
3 stipulated in the collective bargaining agreement for a  
4 similar position requiring the same certification.

5 When assessing payment for any amount due under subsection  
6 (f), the System shall exclude any payment to the teacher from  
7 the State of Illinois or the State Board of Education over  
8 which the employer does not have discretion, notwithstanding  
9 that the payment is included in the computation of final  
10 average salary.

11 (g-5) When assessing payment for any amount due under  
12 subsection (f), the System shall exclude salary increases  
13 resulting from overload or stipend work performed in a school  
14 year subsequent to a school year in which the employer was  
15 unable to offer or allow to be conducted overload or stipend  
16 work due to an emergency declaration limiting such activities.

17 (g-10) When assessing payment for any amount due under  
18 subsection (f), the System shall exclude salary increases  
19 resulting from increased instructional time that exceeded the  
20 instructional time required during the 2019-2020 school year  
21 or any school year thereafter.

22 (g-15) When assessing payment for any amount due under  
23 subsection (f), the System shall exclude salary increases  
24 resulting from teaching summer school on or after May 1, 2021  
25 ~~and before September 15, 2022.~~

26 (g-20) When assessing payment for any amount due under

1 subsection (f), the System shall exclude salary increases  
2 necessary to bring a school board in compliance with Public  
3 Act 101-443 or this amendatory Act of the 103rd General  
4 Assembly.

5 (h) (Blank). ~~When assessing payment for any amount due~~  
6 ~~under subsection (f), the System shall exclude any salary~~  
7 ~~increase described in subsection (g) of this Section given on~~  
8 ~~or after July 1, 2011 but before July 1, 2014 under a contract~~  
9 ~~or collective bargaining agreement entered into, amended, or~~  
10 ~~renewed on or after June 1, 2005 but before July 1, 2011.~~  
11 ~~Notwithstanding any other provision of this Section, any~~  
12 ~~payments made or salary increases given after June 30, 2014~~  
13 ~~shall be used in assessing payment for any amount due under~~  
14 ~~subsection (f) of this Section.~~

15 (i) The System shall prepare a report and file copies of  
16 the report with the Governor and the General Assembly by  
17 January 1, 2007 that contains all of the following  
18 information:

19 (1) The number of recalculations required by the  
20 changes made to this Section by Public Act 94-1057 for  
21 each employer.

22 (2) The dollar amount by which each employer's  
23 contribution to the System was changed due to  
24 recalculations required by Public Act 94-1057.

25 (3) The total amount the System received from each  
26 employer as a result of the changes made to this Section by

1 Public Act 94-4.

2 (4) The increase in the required State contribution  
3 resulting from the changes made to this Section by Public  
4 Act 94-1057.

5 (i-5) For school years beginning on or after July 1, 2017,  
6 if the amount of a participant's salary for any school year  
7 exceeds the amount of the salary set for the Governor, the  
8 participant's employer shall pay to the System, in addition to  
9 all other payments required under this Section and in  
10 accordance with guidelines established by the System, an  
11 amount determined by the System to be equal to the employer  
12 normal cost, as established by the System and expressed as a  
13 total percentage of payroll, multiplied by the amount of  
14 salary in excess of the amount of the salary set for the  
15 Governor. This amount shall be computed by the System on the  
16 basis of the actuarial assumptions and tables used in the most  
17 recent actuarial valuation of the System that is available at  
18 the time of the computation. The System may require the  
19 employer to provide any pertinent information or  
20 documentation.

21 Whenever it determines that a payment is or may be  
22 required under this subsection, the System shall calculate the  
23 amount of the payment and bill the employer for that amount.  
24 The bill shall specify the calculations used to determine the  
25 amount due. If the employer disputes the amount of the bill, it  
26 may, within 30 days after receipt of the bill, apply to the

1 System in writing for a recalculation. The application must  
2 specify in detail the grounds of the dispute. Upon receiving a  
3 timely application for recalculation, the System shall review  
4 the application and, if appropriate, recalculate the amount  
5 due.

6 The employer contributions required under this subsection  
7 may be paid in the form of a lump sum within 90 days after  
8 receipt of the bill. If the employer contributions are not  
9 paid within 90 days after receipt of the bill, then interest  
10 will be charged at a rate equal to the System's annual  
11 actuarially assumed rate of return on investment compounded  
12 annually from the 91st day after receipt of the bill. Payments  
13 must be concluded within 3 years after the employer's receipt  
14 of the bill.

15 (j) For purposes of determining the required State  
16 contribution to the System, the value of the System's assets  
17 shall be equal to the actuarial value of the System's assets,  
18 which shall be calculated as follows:

19 As of June 30, 2008, the actuarial value of the System's  
20 assets shall be equal to the market value of the assets as of  
21 that date. In determining the actuarial value of the System's  
22 assets for fiscal years after June 30, 2008, any actuarial  
23 gains or losses from investment return incurred in a fiscal  
24 year shall be recognized in equal annual amounts over the  
25 5-year period following that fiscal year.

26 (k) For purposes of determining the required State

1 contribution to the system for a particular year, the  
2 actuarial value of assets shall be assumed to earn a rate of  
3 return equal to the system's actuarially assumed rate of  
4 return.

5 (Source: P.A. 102-16, eff. 6-17-21; 102-525, eff. 8-20-21;  
6 102-558, eff. 8-20-21; 102-813, eff. 5-13-22; 103-515, eff.  
7 8-11-23; 103-588, eff. 6-5-24.)

8 Article 14.

9 Section 14-5. The Illinois Pension Code is amended by  
10 changing Section 7-142.1 as follows:

11 (40 ILCS 5/7-142.1) (from Ch. 108 1/2, par. 7-142.1)

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

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

15 Any sheriff's law enforcement employee who has 20 or more  
16 years of service in that capacity and who terminates service  
17 prior to January 1, 1988 shall be entitled at his option to  
18 receive a monthly retirement annuity for his service as a  
19 sheriff's law enforcement employee computed by multiplying 2%  
20 for each year of such service up to 10 years, 2 1/4% for each  
21 year of such service above 10 years and up to 20 years, and 2  
22 1/2% for each year of such service above 20 years, by his  
23 annual final rate of earnings and dividing by 12.

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

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

18 If a sheriff's law enforcement employee has service in any  
19 other capacity, his retirement annuity for service as a  
20 sheriff's law enforcement employee may be computed under this  
21 Section and the retirement annuity for his other service under  
22 Section 7-142.

23 In no case shall the total monthly retirement annuity for  
24 persons who retire before July 1, 2004 exceed 75% of the  
25 monthly final rate of earnings. In no case shall the total  
26 monthly retirement annuity for persons who retire on or after



1 July 1, 2004 exceed 80% of the monthly final rate of earnings.

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

13 (c) A sheriff's law enforcement employee who began service  
14 in that capacity prior to the effective date of this  
15 amendatory Act of the 97th General Assembly and who has  
16 service in any other capacity may convert up to 10 years of  
17 that service into service as a sheriff's law enforcement  
18 employee by paying to the Fund an amount equal to (1) the  
19 additional employee contribution required under Section  
20 7-173.1, plus (2) the additional employer contribution  
21 required under Section 7-172, plus (3) interest on items (1)  
22 and (2) at the prescribed rate from the date of the service to  
23 the date of payment. Application must be received by the Board  
24 while the employee is an active participant in the Fund.  
25 Payment must be received while the member is an active  
26 participant, except that one payment will be permitted after

1 termination of participation.

2 (d) The changes to subsections (a) and (b) of this Section  
3 made by this amendatory Act of the 94th General Assembly apply  
4 only to persons in service on or after July 1, 2004. In the  
5 case of such a person who begins to receive a retirement  
6 annuity before the effective date of this amendatory Act of  
7 the 94th General Assembly, the annuity shall be recalculated  
8 prospectively to reflect those changes, with the resulting  
9 increase beginning to accrue on the first annuity payment date  
10 following the effective date of this amendatory Act.

11 (e) Any elected county officer who was entitled to receive  
12 a stipend from the State on or after July 1, 2009 and on or  
13 before June 30, 2010 may establish earnings credit for the  
14 amount of stipend not received, if the elected county official  
15 applies in writing to the fund within 6 months after the  
16 effective date of this amendatory Act of the 96th General  
17 Assembly and pays to the fund an amount equal to (i) employee  
18 contributions on the amount of stipend not received, (ii)  
19 employer contributions determined by the Board equal to the  
20 employer's normal cost of the benefit on the amount of stipend  
21 not received, plus (iii) interest on items (i) and (ii) at the  
22 actuarially assumed rate.

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 and does not have any prior

1 service with any other pension fund or retirement system  
2 established under this Code.

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

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

14 The maximum retirement annuity under this subsection (f)  
15 shall be 75% of final rate of earnings.

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

22 Notwithstanding any other provision of this Article,  
23 beginning on January 1, 2011, for all purposes under this Code  
24 (including without limitation the calculation of benefits and  
25 employee contributions), the annual earnings of a sheriff's  
26 law enforcement employee to whom this Section applies shall

1 not include overtime and shall not exceed \$106,800; however,  
2 that amount shall annually thereafter be increased by the  
3 lesser of (i) 3% of that amount, including all previous  
4 adjustments, or (ii) 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, including all previous adjustments.

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

23 (h) Notwithstanding any other provision of this Article,  
24 for a person who first becomes a sheriff's law enforcement  
25 employee under this Article on or after January 1, 2011, the  
26 annuity to which the surviving spouse, children, or parents

1 are entitled under this subsection (h) shall be in the amount  
2 of 66 2/3% of the sheriff's law enforcement employee's earned  
3 annuity at the date of death.

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

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

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

1 Article 90.

2 Section 90-5. The Illinois Pension Code is amended by  
3 changing Sections 2-162, 12-195, 14-152.1, 15-198, 16-203, and  
4 18-169 as follows:

5 (40 ILCS 5/2-162)

6 Sec. 2-162. Application and expiration of new benefit  
7 increases.

8 (a) As used in this Section, "new benefit increase" means  
9 an increase in the amount of any benefit provided under this  
10 Article, or an expansion of the conditions of eligibility for  
11 any benefit under this Article, that results from an amendment  
12 to this Code that takes effect after the effective date of this  
13 amendatory Act of the 94th General Assembly. "New benefit  
14 increase", however, does not include any benefit increase  
15 resulting from the changes made to this Article by this  
16 amendatory Act of the 103rd General Assembly.

17 (b) Notwithstanding any other provision of this Code or  
18 any subsequent amendment to this Code, every new benefit  
19 increase is subject to this Section and shall be deemed to be  
20 granted only in conformance with and contingent upon  
21 compliance with the provisions of this Section.

22 (c) The Public Act enacting a new benefit increase must  
23 identify and provide for payment to the System of additional

1 funding at least sufficient to fund the resulting annual  
2 increase in cost to the System as it accrues.

3 Every new benefit increase is contingent upon the General  
4 Assembly providing the additional funding required under this  
5 subsection. The Commission on Government Forecasting and  
6 Accountability shall analyze whether adequate additional  
7 funding has been provided for the new benefit increase and  
8 shall report its analysis to the Public Pension Division of  
9 the Department of Insurance. A new benefit increase created by  
10 a Public Act that does not include the additional funding  
11 required under this subsection is null and void. If the Public  
12 Pension Division determines that the additional funding  
13 provided for a new benefit increase under this subsection is  
14 or has become inadequate, it may so certify to the Governor and  
15 the State Comptroller and, in the absence of corrective action  
16 by the General Assembly, the new benefit increase shall expire  
17 at the end of the fiscal year in which the certification is  
18 made.

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

25 (e) Except as otherwise provided in the language creating  
26 the new benefit increase, a new benefit increase that expires

1 under this Section continues to apply to persons who applied  
2 and qualified for the affected benefit while the new benefit  
3 increase was in effect and to the affected beneficiaries and  
4 alternate payees of such persons, but does not apply to any  
5 other person, including without limitation a person who  
6 continues in service after the expiration date and did not  
7 apply and qualify for the affected benefit while the new  
8 benefit increase was in effect.

9 (Source: P.A. 103-426, eff. 8-4-23.)

10 (40 ILCS 5/12-195)

11 Sec. 12-195. Application and expiration of new benefit  
12 increases.

13 (a) As used in this Section, "new benefit increase" means  
14 an increase in the amount of any benefit provided under this  
15 Article, or an expansion of the conditions of eligibility for  
16 any benefit under this Article, that results from an amendment  
17 to this Code that takes effect after the effective date of this  
18 amendatory Act of the 98th General Assembly. "New benefit  
19 increase", however, does not include any benefit increase  
20 resulting from the changes made to this Article by this  
21 amendatory Act of the 103rd General Assembly.

22 (b) Notwithstanding any other provision of this Code or  
23 any subsequent amendment to this Code, every new benefit  
24 increase is subject to this Section and shall be deemed to be  
25 granted only in conformance with and contingent upon



1 compliance with the provisions of this Section.

2 (c) The Public Act enacting a new benefit increase must  
3 identify and provide for payment to the Fund of additional  
4 funding at least sufficient to fund the resulting annual  
5 increase in cost to the Fund as it accrues.

6 Every new benefit increase is contingent upon the General  
7 Assembly providing the additional funding required under this  
8 subsection (c). The State Actuary shall analyze whether  
9 adequate additional funding has been provided for the new  
10 benefit increase. A new benefit increase created by a Public  
11 Act that does not include the additional funding required  
12 under this subsection (c) is null and void. If the State  
13 Actuary determines that the additional funding provided for a  
14 new benefit increase under this subsection (c) is or has  
15 become inadequate, it may so certify to the Governor and the  
16 State Comptroller and, in the absence of corrective action by  
17 the General Assembly, the new benefit increase shall expire at  
18 the end of the fiscal year in which the certification is made.

19 (Source: P.A. 102-263, eff. 8-6-21.)

20 (40 ILCS 5/14-152.1)

21 Sec. 14-152.1. Application and expiration of new benefit  
22 increases.

23 (a) As used in this Section, "new benefit increase" means  
24 an increase in the amount of any benefit provided under this  
25 Article, or an expansion of the conditions of eligibility for

1 any benefit under this Article, that results from an amendment  
2 to this Code that takes effect after June 1, 2005 (the  
3 effective date of Public Act 94-4). "New benefit increase",  
4 however, does not include any benefit increase resulting from  
5 the changes made to Article 1 or this Article by Public Act  
6 96-37, Public Act 100-23, Public Act 100-587, Public Act  
7 100-611, Public Act 101-10, Public Act 101-610, Public Act  
8 102-210, Public Act 102-856, Public Act 102-956, or this  
9 amendatory Act of the 103rd General Assembly ~~this amendatory~~  
10 ~~Act of the 102nd General Assembly.~~

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

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

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

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

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

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

26 (Source: P.A. 101-10, eff. 6-5-19; 101-81, eff. 7-12-19;

1 101-610, eff. 1-1-20; 102-210, eff. 7-30-21; 102-856, eff.  
2 1-1-23; 102-956, eff. 5-27-22.)

3 (40 ILCS 5/15-198)

4 Sec. 15-198. Application and expiration of new benefit  
5 increases.

6 (a) As used in this Section, "new benefit increase" means  
7 an increase in the amount of any benefit provided under this  
8 Article, or an expansion of the conditions of eligibility for  
9 any benefit under this Article, that results from an amendment  
10 to this Code that takes effect after June 1, 2005 (the  
11 effective date of Public Act 94-4). "New benefit increase",  
12 however, does not include any benefit increase resulting from  
13 the changes made to Article 1 or this Article by Public Act  
14 100-23, Public Act 100-587, Public Act 100-769, Public Act  
15 101-10, Public Act 101-610, Public Act 102-16, Public Act  
16 103-80, ~~or~~ Public Act 103-548, or this amendatory Act of the  
17 103rd General Assembly.

18 (b) Notwithstanding any other provision of this Code or  
19 any subsequent amendment to this Code, every new benefit  
20 increase is subject to this Section and shall be deemed to be  
21 granted only in conformance with and contingent upon  
22 compliance with the provisions of this Section.

23 (c) The Public Act enacting a new benefit increase must  
24 identify and provide for payment to the System of additional  
25 funding at least sufficient to fund the resulting annual

1 increase in cost to the System as it accrues.

2 Every new benefit increase is contingent upon the General  
3 Assembly providing the additional funding required under this  
4 subsection. The Commission on Government Forecasting and  
5 Accountability shall analyze whether adequate additional  
6 funding has been provided for the new benefit increase and  
7 shall report its analysis to the Public Pension Division of  
8 the Department of Insurance. A new benefit increase created by  
9 a Public Act that does not include the additional funding  
10 required under this subsection is null and void. If the Public  
11 Pension Division determines that the additional funding  
12 provided for a new benefit increase under this subsection is  
13 or has become inadequate, it may so certify to the Governor and  
14 the State Comptroller and, in the absence of corrective action  
15 by the General Assembly, the new benefit increase shall expire  
16 at the end of the fiscal year in which the certification is  
17 made.

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

24 (e) Except as otherwise provided in the language creating  
25 the new benefit increase, a new benefit increase that expires  
26 under this Section continues to apply to persons who applied

1 and qualified for the affected benefit while the new benefit  
2 increase was in effect and to the affected beneficiaries and  
3 alternate payees of such persons, but does not apply to any  
4 other person, including, without limitation, a person who  
5 continues in service after the expiration date and did not  
6 apply and qualify for the affected benefit while the new  
7 benefit increase was in effect.

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

10 (40 ILCS 5/16-203)

11 Sec. 16-203. Application and expiration of new benefit  
12 increases.

13 (a) As used in this Section, "new benefit increase" means  
14 an increase in the amount of any benefit provided under this  
15 Article, or an expansion of the conditions of eligibility for  
16 any benefit under this Article, that results from an amendment  
17 to this Code that takes effect after June 1, 2005 (the  
18 effective date of Public Act 94-4). "New benefit increase",  
19 however, does not include any benefit increase resulting from  
20 the changes made to Article 1 or this Article by Public Act  
21 95-910, Public Act 100-23, Public Act 100-587, Public Act  
22 100-743, Public Act 100-769, Public Act 101-10, Public Act  
23 101-49, Public Act 102-16, ~~or~~ Public Act 102-871, or this  
24 amendatory Act of the 103rd General Assembly.

25 (b) Notwithstanding any other provision of this Code or

1 any subsequent amendment to this Code, every new benefit  
2 increase is subject to this Section and shall be deemed to be  
3 granted only in conformance with and contingent upon  
4 compliance with the provisions of this Section.

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

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

25 (d) Every new benefit increase shall expire 5 years after  
26 its effective date or on such earlier date as may be specified

1 in the language enacting the new benefit increase or provided  
2 under subsection (c). This does not prevent the General  
3 Assembly from extending or re-creating a new benefit increase  
4 by law.

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

15 (Source: P.A. 102-16, eff. 6-17-21; 102-558, eff. 8-20-21;  
16 102-813, eff. 5-13-22; 102-871, eff. 5-13-22; 103-154, eff.  
17 6-30-23.)

18 (40 ILCS 5/18-169)

19 Sec. 18-169. Application and expiration of new benefit  
20 increases.

21 (a) As used in this Section, "new benefit increase" means  
22 an increase in the amount of any benefit provided under this  
23 Article, or an expansion of the conditions of eligibility for  
24 any benefit under this Article, that results from an amendment  
25 to this Code that takes effect after the effective date of this



1 amendatory Act of the 94th General Assembly. "New benefit  
2 increase", however, does not include any benefit increase  
3 resulting from the changes made to this Article by this  
4 amendatory Act of the 103rd 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. 103-426, eff. 8-4-23.)

21 Section 90-90. The State Mandates Act is amended by adding  
22 Section 8.48 as follows:

23 (30 ILCS 805/8.48 new)

24 Sec. 8.48. Exempt mandate. Notwithstanding Sections 6 and

1 8 of this Act, no reimbursement by the State is required for  
2 the implementation of any mandate created by this amendatory  
3 Act of the 103rd General Assembly.

4 Article 99.

5 Section 99-99. Effective date. This Act takes effect upon  
6 becoming law.

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