



Rep. Justin Slaughter

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1 AMENDMENT TO SENATE BILL 1956

2 AMENDMENT NO. \_\_\_\_\_. Amend Senate Bill 1956, AS AMENDED,  
3 by replacing everything after the enacting clause with the  
4 following:

5 "Section 5. The Illinois Pension Code is amended by  
6 changing Section 5-167.1 as follows:

7 (40 ILCS 5/5-167.1) (from Ch. 108 1/2, par. 5-167.1)

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

10 (a) A policeman who retires from service after September  
11 1, 1967 with at least 20 years of service credit shall, upon  
12 either the first of the month following the first anniversary  
13 of his date of retirement if he is age 55 ~~60 (age 55 if born~~  
14 ~~before January 1, 1966)~~ or over on that anniversary date, or  
15 upon the first of the month following his attainment of age 55  
16 ~~60 (age 55 if born before January 1, 1966)~~ if it occurs after

1 the first anniversary of his retirement date, have his then  
2 fixed and payable monthly annuity increased by 3% ~~1-1/2%~~ and  
3 such first fixed annuity as granted at retirement increased by  
4 an additional 3% ~~1-1/2%~~ in January of each year thereafter ~~up~~  
5 ~~to a maximum increase of 30%. Beginning January 1, 1983 for~~  
6 ~~policemen born before January 1, 1930, and beginning January~~  
7 ~~1, 1988 for policemen born on or after January 1, 1930 but~~  
8 ~~before January 1, 1940, and beginning January 1, 1996 for~~  
9 ~~policemen born on or after January 1, 1940 but before January~~  
10 ~~1, 1945, and beginning January 1, 2000 for policemen born on or~~  
11 ~~after January 1, 1945 but before January 1, 1950, and~~  
12 ~~beginning January 1, 2005 for policemen born on or after~~  
13 ~~January 1, 1950 but before January 1, 1955, and beginning~~  
14 ~~January 1, 2017 for policemen born on or after January 1, 1955~~  
15 ~~but before January 1, 1966, such increases shall be 3% and such~~  
16 ~~policemen shall not be subject to the 30% maximum increase.~~

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

1 Any policeman born before January 1, 1950 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, 2000 is entitled to receive the initial  
5 increase under this subsection on (1) January 1, 2000, (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 92nd 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, 1955 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, 2005 is entitled to receive the initial  
16 increase under this subsection on (1) January 1, 2005, (2) the  
17 first anniversary of the date of retirement, or (3) attainment  
18 of age 55, whichever occurs last. The changes to this Section  
19 made by this amendatory Act of the 94th General Assembly apply  
20 without regard to whether the policeman or annuitant  
21 terminated service before the effective date of this  
22 amendatory Act.

23 Any policeman born before January 1, 1966 who qualifies  
24 for a minimum annuity and retires after September 1, 1967 but  
25 has not received the initial increase under this subsection  
26 before January 1, 2017 is entitled to receive an initial

1 increase under this subsection on (1) January 1, 2017, (2) the  
2 first anniversary of the date of retirement, or (3) attainment  
3 of age 55, whichever occurs last, in an amount equal to 3% for  
4 each complete year following the date of retirement or  
5 attainment of age 55, whichever occurs later. The changes to  
6 this subsection made by this amendatory Act of the 99th  
7 General Assembly apply without regard to whether the policeman  
8 or annuitant terminated service before the effective date of  
9 this amendatory Act.

10 Any policeman born on or after January 1, 1966 who  
11 qualifies for a minimum annuity and retires after September 1,  
12 1967 but has not received the initial increase under this  
13 subsection before January 1, 2023 is entitled to receive the  
14 initial increase under this subsection on (1) January 1, 2023,  
15 (2) the first anniversary of the date of retirement, or (3)  
16 attainment of age 55, whichever occurs last. The changes to  
17 this Section made by this amendatory Act of the 103rd General  
18 Assembly apply without regard to whether the policeman or  
19 annuitant terminated service before the effective date of this  
20 amendatory Act of the 103rd General Assembly.

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

23 (c) To help defray the cost of such increases in annuity,  
24 there shall be deducted, beginning September 1, 1967, from  
25 each payment of salary to a policeman, 1/2 of 1% of each salary  
26 payment concurrently with and in addition to the salary

1 deductions otherwise made for annuity purposes.

2 The city, in addition to the contributions otherwise made  
3 by it for annuity purposes under other provisions of this  
4 Article, shall make matching contributions concurrently with  
5 such salary deductions.

6 Each such 1/2 of 1% deduction from salary and each such  
7 contribution by the city of 1/2 of 1% of salary shall be  
8 credited to the Automatic Increase Reserve, to be used to  
9 defray the cost of the annuity increase provided by this  
10 Section. Any balance in such reserve as of the beginning of  
11 each calendar year shall be credited with interest at the rate  
12 of 3% per annum.

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

15 The salary deductions provided in this Section are not  
16 subject to refund, except to the policeman himself, in any  
17 case in which: (i) the policeman withdraws prior to  
18 qualification for minimum annuity or Tier 2 monthly retirement  
19 annuity and applies for refund, (ii) the policeman applies for  
20 an annuity of a type that is not subject to annual increases  
21 under this Section, or (iii) a term annuity becomes payable.  
22 In such cases, the total of such salary deductions shall be  
23 refunded to the policeman, without interest, and charged to  
24 the Automatic Increase Reserve.

25 (d) Notwithstanding any other provision of this Article,  
26 the Tier 2 monthly retirement annuity of a person who first

1 becomes a policeman under this Article on or after the  
2 effective date of this amendatory Act of the 97th General  
3 Assembly shall be increased on the January 1 occurring either  
4 on or after (i) the attainment of age 60 or (ii) the first  
5 anniversary of the annuity start date, whichever is later.  
6 Each annual increase shall be calculated at 3% or one-half the  
7 annual unadjusted percentage increase (but not less than zero)  
8 in the 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 a 12-month period ending in September is zero or, when  
13 compared with the preceding period, decreases, then the  
14 annuity shall not be increased.

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

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

25 Section 90. The State Mandates Act is amended by adding

1 Section 8.47 as follows:

2 (30 ILCS 805/8.47 new)

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

7 Section 999. Effective date. This Act takes effect upon  
8 becoming law.".