

1 AN ACT in relation to public employee benefits.

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

4 Section 5. The Illinois Pension Code is amended by  
5 changing Section 2-119.1 as follows:

6 (40 ILCS 5/2-119.1) (from Ch. 108 1/2, par. 2-119.1)

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

8 (a) A participant who retires after June 30, 1967, and  
9 who has not received an initial increase under this Section  
10 before the effective date of this amendatory Act of 1991,  
11 shall, in January or July next following the first  
12 anniversary of retirement, whichever occurs first, and in the  
13 same month of each year thereafter, but in no event prior to  
14 age 60, have the amount of the originally granted retirement  
15 annuity increased as follows: for each year through 1971, 1  
16 1/2%; for each year from 1972 through 1979, 2%; and for 1980  
17 and each year thereafter, 3%. Annuitants who have received  
18 an initial increase under this subsection prior to the  
19 effective date of this amendatory Act of 1991 shall continue  
20 to receive their annual increases in the same month as the  
21 initial increase.

22 (b) Beginning January 1, 1990, for eligible participants  
23 who remain in service after attaining 20 years of creditable  
24 service, the 3% increases provided under subsection (a) shall  
25 begin to accrue on the January 1 next following the date upon  
26 which the participant (1) attains age 55, or (2) attains 20  
27 years of creditable service, whichever occurs later, and  
28 shall continue to accrue while the participant remains in  
29 service; such increases shall become payable on January 1 or  
30 July 1, whichever occurs first, next following the first  
31 anniversary of retirement. For any person who has service

1 credit in the System for the entire period from January 15,  
2 1969 through December 31, 1992, regardless of the date of  
3 termination of service, the reference to age 55 in clause (1)  
4 of this subsection (b) shall be deemed to mean age 50.

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

8 (c) The foregoing provisions relating to automatic  
9 increases are not applicable to a participant who retires  
10 before having made contributions (at the rate prescribed in  
11 Section 2-126) for automatic increases for less than the  
12 equivalent of one full year. However, in order to be  
13 eligible for the automatic increases, such a participant may  
14 make arrangements to pay to the system the amount required to  
15 bring the total contributions for the automatic increase to  
16 the equivalent of one year's contributions based upon his or  
17 her last salary.

18 (d) A participant who terminated service prior to July  
19 1, 1967, with at least 14 years of service is entitled to an  
20 increase in retirement annuity beginning January, 1976, and  
21 to additional increases in January of each year thereafter.

22 The initial increase shall be 1 1/2% of the originally  
23 granted retirement annuity multiplied by the number of full  
24 years that the annuitant was in receipt of such annuity  
25 prior to January 1, 1972, plus 2% of the originally granted  
26 retirement annuity for each year after that date. The  
27 subsequent annual increases shall be at the rate of 2% of the  
28 originally granted retirement annuity for each year through  
29 1979 and at the rate of 3% for 1980 and thereafter.

30 (e) Beginning January 1, 1990, all automatic annual  
31 increases payable under this Section shall be calculated as a  
32 percentage of the total annuity payable at the time of the  
33 increase, including previous increases granted under this  
34 Article.

1 (Source: P.A. 86-273; 87-794; 87-1265.)

2 Section 99. Effective date. This Act takes effect upon

3 becoming law.