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94TH GENERAL ASSEMBLY
State of Illinois
2005 and 2006
HB0304

Introduced 1/19/2005, by Rep. Robert S. Molaro

SYNOPSIS AS INTRODUCED:

40 ILCS 5/17-119	from Ch. 108 1/2, par. 17-119
30 ILCS 805/8.29 new	

Amends the Chicago Teacher Article of the Pension Code. Calculates the pro rata portion of the initial annual increase in retirement pension from attainment of age 55 (or the date of retirement) rather than from attainment of age 61. Amends the State Mandates Act to require implementation without reimbursement. Effective immediately.

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FISCAL NOTE ACT MAY APPLY	PENSION IMPACT NOTE ACT MAY APPLY	STATE MANDATES ACT MAY REQUIRE REIMBURSEMENT

A BILL FOR

AN ACT in relation to public employee benefits.

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

Section 5. The Illinois Pension Code is amended by changing Section 17-119 as follows:

(40 ILCS 5/17-119) (from Ch. 108 1/2, par. 17-119)

Sec. 17-119. Automatic annual increase in pension.

(a) Each teacher retiring on or after September 1, 1959, is entitled to the annual increase in pension, defined herein, while he is receiving a pension from the Fund.

1. The term "base pension" means a service retirement or disability retirement pension in the amount fixed and payable at the date of retirement of a teacher.

2. The annual increase in pension shall be at the rate of 1 1/2% of base pension. This increase shall first occur in January of the year next following the first anniversary of retirement. At such time the Fund shall pay the pro rata part of the increase for the period from the first anniversary date to the date of the first increase in pension. Beginning January 1, 1972, the rate of annual increase in pension shall be 2% of the base pension. Beginning January 1, 1979, the rate of annual increase in pension shall be 3% of the base pension. Beginning January 1, 1990, all automatic annual increases payable under this Section shall be calculated as a percentage of the total pension payable at the time of the increase, including all increases previously granted under this Article, notwithstanding Section 17-157.

3. An increase in pension shall be granted only if the retired teacher is age 60 or over. If the teacher attains age 60 after retirement, the increase in pension shall begin in January of the year following the 61st birthday.

At such time the Fund also shall pay the pro rata part of the increase from the later of (i) attainment of age 55 or (ii) the date of retirement ~~61st birthday~~ to the date of first increase in pension.

(b) In addition to other increases which may be provided by this Section, on January 1, 1981 any teacher who was receiving a retirement pension on or before January 1, 1971 shall have his retirement pension then being paid increased $1 per month for each year of creditable service. On January 1, 1982, any teacher whose retirement pension began on or before January 1, 1977, shall have his retirement pension then being paid increased $1 per month for each year of creditable service.

On January 1, 1987, any teacher whose retirement pension began on or before January 1, 1977, shall have the monthly retirement pension increased by an amount equal to 8¢ per year of creditable service times the number of years that have elapsed since the retirement pension began.

(Source: P.A. 90-566, eff. 1-2-98.)

Section 90. The State Mandates Act is amended by adding Section 8.29 as follows:

(30 ILCS 805/8.29 new)

Sec. 8.29. Exempt mandate. Notwithstanding Sections 6 and 8 of this Act, no reimbursement by the State is required for the implementation of any mandate created by this amendatory Act of the 94th General Assembly.

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