

1 AN ACT concerning public employee benefits.

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

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

6 (40 ILCS 5/5-167.1) (from Ch. 108 1/2, par. 5-167.1)

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

9 (a) A policeman who retires from service after September 1,
10 1967 with at least 20 years of service credit shall, upon
11 either the first of the month following the first anniversary
12 of his date of retirement if he is age 60 (age 55 if born before
13 January 1, 1955 ~~1950~~) or over on that anniversary date, or upon
14 the first of the month following his attainment of age 60 (age
15 55 if born before January 1, 1955 ~~1950~~) if it occurs after the
16 first anniversary of his retirement date, have his then fixed
17 and payable monthly annuity increased by 1 1/2% and such first
18 fixed annuity as granted at retirement increased by an
19 additional 1 1/2% in January of each year thereafter up to a
20 maximum increase of 30%. Beginning January 1, 1983 for
21 policemen born before January 1, 1930, and beginning January 1,
22 1988 for policemen born on or after January 1, 1930 but before
23 January 1, 1940, and beginning January 1, 1996 for policemen
24 born on or after January 1, 1940 but before January 1, 1945,
25 and beginning January 1, 2000 for policemen born on or after
26 January 1, 1945 but before January 1, 1950, and beginning
27 January 1, 2005 for policemen born on or after January 1, 1950
28 but before January 1, 1955, such increases shall be 3% and such
29 policemen shall not be subject to the 30% maximum increase.

30 Any policeman born before January 1, 1945 who qualifies for
31 a minimum annuity and retires after September 1, 1967 but has
32 not received the initial increase under this subsection before

1 January 1, 1996 is entitled to receive the initial increase
2 under this subsection on (1) January 1, 1996, (2) the first
3 anniversary of the date of retirement, or (3) attainment of age
4 55, whichever occurs last. The changes to this Section made by
5 Public Act 89-12 apply beginning January 1, 1996 and without
6 regard to whether the policeman or annuitant terminated service
7 before the effective date of that Act.

8 Any policeman born before January 1, 1950 who qualifies for
9 a minimum annuity and retires after September 1, 1967 but has
10 not received the initial increase under this subsection before
11 January 1, 2000 is entitled to receive the initial increase
12 under this subsection on (1) January 1, 2000, (2) the first
13 anniversary of the date of retirement, or (3) attainment of age
14 55, whichever occurs last. The changes to this Section made by
15 this amendatory Act of the 92nd General Assembly apply without
16 regard to whether the policeman or annuitant terminated service
17 before the effective date of this amendatory Act.

18 Any policeman born before January 1, 1955 who qualifies for
19 a minimum annuity and retires after September 1, 1967 but has
20 not received the initial increase under this subsection before
21 January 1, 2005 is entitled to receive the initial increase
22 under this subsection on (1) January 1, 2005, (2) the first
23 anniversary of the date of retirement, or (3) attainment of age
24 55, whichever occurs last. The changes to this Section made by
25 this amendatory Act of the 94th General Assembly apply without
26 regard to whether the policeman or annuitant terminated service
27 before the effective date of this amendatory Act.

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

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

35 The city, in addition to the contributions otherwise made
36 by it for annuity purposes under other provisions of this

1 Article, shall make matching contributions concurrently with
2 such salary deductions.

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

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

12 The salary deductions provided in this Section are not
13 subject to refund, except to the policeman himself, in any case
14 in which a policeman withdraws prior to qualification for
15 minimum annuity and applies for refund or applies for annuity,
16 and also where a term annuity becomes payable. In such cases,
17 the total of such salary deductions shall be refunded to the
18 policeman, without interest, and charged to the Automatic
19 Increase Reserve.

20 (Source: P.A. 92-52, eff. 7-12-01.)

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

23 (30 ILCS 805/8.29 new)

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

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