



94TH GENERAL ASSEMBLY
State of Illinois
2005 and 2006
HB4796

Introduced 1/18/2006, by Rep. Robert S. Molaro

SYNOPSIS AS INTRODUCED:

40 ILCS 5/17-119
30 ILCS 805/8.30 new

from Ch. 108 1/2, par. 17-119

Amends the Chicago Teacher Article of the Pension Code. Accelerates the initial annual increase in retirement pension to the January following the first anniversary of retirement. Amends the State Mandates Act to require implementation without reimbursement. Effective immediately.

LRB094 16338 AMC 51589 b

FISCAL NOTE ACT
MAY APPLY

PENSION IMPACT
NOTE ACT MAY
APPLY

STATE MANDATES
ACT MAY REQUIRE
REIMBURSEMENT

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 changing
5 Section 17-119 as follows:

6 (40 ILCS 5/17-119) (from Ch. 108 1/2, par. 17-119)
7 Sec. 17-119. Automatic annual increase in pension.

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

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

14 2. The annual increase in pension shall be at the rate
15 of 1 1/2% of base pension. This increase shall first occur
16 in January of the year next following the first anniversary
17 of retirement. At such time the Fund shall pay the pro rata
18 part of the increase for the period from the first
19 anniversary date to the date of the first increase in
20 pension. Beginning January 1, 1972, the rate of annual
21 increase in pension shall be 2% of the base pension.
22 Beginning January 1, 1979, the rate of annual increase in
23 pension shall be 3% of the base pension. Beginning January
24 1, 1990, all automatic annual increases payable under this
25 Section shall be calculated as a percentage of the total
26 pension payable at the time of the increase, including all
27 increases previously granted under this Article,
28 notwithstanding Section 17-157.

29 3. For a retired teacher who withdraws from service
30 before January 1, 2007, an increase in pension shall be
31 granted only if the retired teacher is age 60 or over. If
32 the teacher attains age 60 after retirement, the increase

1 in pension shall begin in January of the year following the
2 61st birthday. At such time the Fund also shall pay the pro
3 rata part of the increase from the 61st birthday to the
4 date of first increase in pension.

5 For a retired teacher who withdraws from service on or
6 after January 1, 2007, the increase in pension shall begin
7 in the January next following the first anniversary of
8 retirement. At such time the Fund shall also pay the pro
9 rata part of the increase from the first anniversary of
10 retirement to the date of first increase in pension.

11 (b) In addition to other increases which may be provided by
12 this Section, on January 1, 1981 any teacher who was receiving
13 a retirement pension on or before January 1, 1971 shall have
14 his retirement pension then being paid increased \$1 per month
15 for each year of creditable service. On January 1, 1982, any
16 teacher whose retirement pension began on or before January 1,
17 1977, shall have his retirement pension then being paid
18 increased \$1 per month for each year of creditable service.

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

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

25 Section 90. The State Mandates Act is amended by adding
26 Section 8.30 as follows:

27 (30 ILCS 805/8.30 new)

28 Sec. 8.30. Exempt mandate. Notwithstanding Sections 6 and 8
29 of this Act, no reimbursement by the State is required for the
30 implementation of any mandate created by this amendatory Act of
31 the 94th General Assembly.

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