



94TH GENERAL ASSEMBLY

State of Illinois

2005 and 2006

HB4888

Introduced 1/19/2006, by Rep. Michael P. McAuliffe

SYNOPSIS AS INTRODUCED:

40 ILCS 5/5-132

from Ch. 108 1/2, par. 5-132

30 ILCS 805/8.30 new

Amends the Chicago Police Article of the Illinois Pension Code to base retirement benefits on the highest 36 months, rather than 4 years, of salary within the last 10 years of service, for persons retiring after December 31, 2006. Amends the State Mandates Act to require implementation without reimbursement. Effective immediately.

LRB094 17531 AMC 52827 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 5-132 as follows:

6 (40 ILCS 5/5-132) (from Ch. 108 1/2, par. 5-132)
7 Sec. 5-132. Minimum annuity.

8 (1) Any policeman who withdraws on or after July 8, 1957,
9 or any policeman transferred to the police service of the city
10 under the Exchange of Functions Act of 1957 who withdraws on or
11 after July 17, 1959, after completing at least 20 years of
12 service, for whom the annuity otherwise provided in this
13 Article is less than that stated in this Section has a right to
14 receive annuity as follows:

15 (a) If he is age 55 or more on withdrawal, his annuity
16 after ~~such~~ withdrawal, shall be equal to 2% of ~~the~~ average
17 salary ~~for 4 consecutive years of highest salaries within~~
18 ~~the last 10 years of service before withdrawal,~~ for each
19 year of service, together with 1/6 of 1% of ~~such~~ average
20 salary for each complete month of service of each
21 fractional year, but not in excess of 75% of the average
22 annual salary.

23 (b) If he is age 50 or more but less than age 55 on
24 withdrawal, his annuity shall be equal to 2% of ~~the~~ average
25 salary ~~for the 4 highest consecutive years of the last 10~~
26 ~~years of service~~ for each year of service, together with
27 1/16 of 1% of ~~such~~ average salary for each month of each
28 fractional year of service, reduced by 1/2 of 1% for each
29 month that he is less than age 55.

30 (c) If he is less than age 50 on withdrawal, he may,
31 upon attainment of age 50 or over, become entitled to the
32 annuity provided in this Section or, he may, upon

1 application before age 50, receive a refund of the
2 deductions from salary, plus interest at 1 1/2% per annum
3 if he is entitled to refund under Section 5-163.

4 (d) In lieu of the annuity provided in the foregoing
5 provisions of this Section 5-132 any policeman who
6 withdraws from the service after December 31, 1973, after
7 having attained age 53 in the service with 23 or more years
8 of service credit shall be entitled to an annuity computed
9 as follows if such annuity is greater than that provided in
10 the foregoing paragraphs of this Section 5-132: An annuity
11 equal to 50% of ~~the~~ average salary ~~for the 4 highest~~
12 ~~consecutive years of the last 10 years of service~~ plus
13 additional annuity equal to 2% of ~~such~~ average salary for
14 each completed year of service or fraction thereof rendered
15 after his attainment of age 53 and the completion of 23
16 years of service.

17 Any policeman who has completed 23 years of service
18 prior to his attainment of age 53 in the service and
19 continues in the service until his attainment of age 53
20 shall have added to his annuity, computed as provided in
21 the immediately preceding paragraph, an additional annuity
22 equal to 1% of ~~such~~ average salary for each completed year
23 of service or fraction thereof in excess of 23 years up to
24 age 53.

25 (e) In lieu of the annuity provided in the foregoing
26 provisions of this Section any policeman who withdraws from
27 the service either (i) after December 31, 1983 with at
28 least 22 years of service credit and having attained age 52
29 in the service, or (ii) after December 31, 1984 with at
30 least 21 years of service credit and having attained age 51
31 in the service, or (iii) after December 31, 1985 with at
32 least 20 years of service credit and having attained age 50
33 in the service, or (iv) after December 31, 1990, with at
34 least 20 years of service credit regardless of age, shall
35 be entitled to an annuity to begin not earlier than upon
36 attainment of age 50 if under such age at withdrawal,

1 computed as follows: an annuity equal to 50% of ~~the~~ average
2 salary ~~for the 4 highest consecutive years of the last 10~~
3 ~~years of service,~~ plus additional annuity equal to 2% of
4 ~~such~~ average salary for each completed year of service or
5 fraction thereof rendered after his completion of the
6 minimum number of years of service required for him to be
7 eligible under this subsection (e). In lieu of any annuity
8 provided in the foregoing provisions of this Section, any
9 policeman who withdraws from the service after December 31,
10 2003, with at least 20 years of service credit regardless
11 of age, shall be entitled to an annuity to begin not
12 earlier than upon attainment of age 50, if under that age
13 at withdrawal, equal to 2.5% of the average salary for the
14 4 highest consecutive years of the last 10 years of service
15 for each completed year of service or fraction thereof.
16 However, the annuity provided under this subsection (e) may
17 not exceed 75% of ~~such~~ average salary.

18 (2) ~~(f)~~ A policeman withdrawing after September 1, 1969,
19 may, in addition, be entitled to the benefits provided by
20 Section 5-167.1 of this Article if he so qualifies under that
21 Section.

22 (3) If, on withdrawal, total service is less than 20 years,
23 the policeman shall not be entitled to an annuity under this
24 Section but may receive an annuity under the other provisions
25 of this Article or, if entitled thereto under Section 5--163, a
26 refund of the deductions from salary, including, in the case of
27 policemen transferred to the police service of the city under
28 the Exchange of Functions Act of 1957, the additional
29 contribution paid on salary received from August 1, 1957, to
30 July 17, 1959, as provided in the Park Policemen's Annuity Act,
31 together with interest at 1 1/2% per annum.

32 Moneys voluntarily contributed under the Policemen's
33 Annuity and Benefit Fund Act of the Illinois Municipal Code, or
34 the Park Policemen's Annuity Act, shall be refunded to the
35 contributing policemen who were in service on January 1, 1954,
36 or in the case of policemen transferred to the police service

1 of the city under the Exchange of Functions Act of 1957, who
2 were in service on July 17, 1959.

3 The age and service annuity formula in this Section shall
4 not apply to any policeman who, having retired before July 8,
5 1957, or before July 17, 1959, in the case of a policeman
6 transferred under the provisions of the Exchange of Functions
7 Act of 1957, re-enters the police service after such dates,
8 whichever are applicable.

9 (4) For the purpose of this Section, "average salary"
10 means:

11 (a) for a policeman withdrawing from service before
12 January 1, 2007, the average of the highest 4 consecutive
13 years of salary within the last 10 years of service; and

14 (b) for a policeman withdrawing from service on or
15 after January 1, 2007, the average of the highest 36
16 consecutive months of salary within the last 10 years of
17 service.

18 (Source: P.A. 93-654, eff. 1-16-04.)

19 Section 90. The State Mandates Act is amended by adding
20 Section 8.30 as follows:

21 (30 ILCS 805/8.30 new)

22 Sec. 8.30. Exempt mandate. Notwithstanding Sections 6 and 8
23 of this Act, no reimbursement by the State is required for the
24 implementation of any mandate created by this amendatory Act of
25 the 94th General Assembly.

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