



95TH GENERAL ASSEMBLY

State of Illinois

2007 and 2008

HB1906

Introduced 2/23/2007, by Rep. Joseph M. Lyons

SYNOPSIS AS INTRODUCED:

40 ILCS 5/6-164

from Ch. 108 1/2, par. 6-164

30 ILCS 805/8.31 new

Amends the Chicago Firefighter Article of the Illinois Pension Code. Compounds the automatic annual increase in retirement annuity. Increases the rate of increase to 3% and removes the 30% maximum for all firemen, regardless of date of birth. For certain firemen with at least 20 years of service, makes the initial annual increase occur on the first anniversary of retirement, regardless of age. Amends the State Mandates Act to require implementation without reimbursement. Effective immediately.

LRB095 09103 AMC 29295 b

FISCAL NOTE ACT
MAY APPLY

PENSION IMPACT
NOTE ACT MAY
APPLY

STATE MANDATES
ACT MAY REQUIRE
REIMBURSEMENT

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 6-164 as follows:

6 (40 ILCS 5/6-164) (from Ch. 108 1/2, par. 6-164)

7 Sec. 6-164. Automatic annual increase; retirement after
8 September 1, 1959.

9 (a) A fireman qualifying for a minimum annuity who retires
10 from service after September 1, 1959 shall, upon either the
11 first of the month following the first anniversary of his date
12 of retirement if he is age 60 (age 55 if born before January 1,
13 1955) or over on that anniversary date, or upon the first of
14 the month following his attainment of age 60 (age 55 if born
15 before January 1, 1955) if that occurs after the first
16 anniversary of his retirement date, have his then fixed and
17 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 July 1, 1982 for firemen
21 born before January 1, 1930, and beginning January 1, 1990 for
22 firemen born after December 31, 1929 and before January 1,
23 1940, and beginning January 1, 1996 for firemen born after

1 December 31, 1939 but before January 1, 1945, and beginning
2 January 1, 2004, for firemen born after December 31, 1944 but
3 before January 1, 1955, and beginning January 1, 2008 for all
4 firemen qualifying under this subsection without regard to date
5 of birth, such increases shall be 3% and such firemen shall not
6 be subject to the 30% maximum increase. Beginning January 1,
7 2008, the increases provided under this subsection shall be 3%
8 of the total amount of annuity payable at the time of the
9 increase, including any previous increases granted under this
10 Article.

11 Any fireman born before January 1, 1945 who qualifies for a
12 minimum annuity and retires after September 1, 1967 but has not
13 received the initial increase under this subsection before
14 January 1, 1996 is entitled to receive the initial increase
15 under this subsection on (1) January 1, 1996, (2) the first
16 anniversary of the date of retirement, or (3) attainment of age
17 55, whichever occurs last. The changes to this Section made by
18 this amendatory Act of 1995 apply beginning January 1, 1996 and
19 apply without regard to whether the fireman or annuitant
20 terminated service before the effective date of this amendatory
21 Act of 1995.

22 Any fireman born before January 1, 1955 who qualifies for a
23 minimum annuity and retires after September 1, 1967 but before
24 the effective date of this amendatory Act of the 95th General
25 Assembly and has not received the initial increase under this
26 subsection before January 1, 2004 is entitled to receive the

1 initial increase under this subsection on (1) January 1, 2004,
2 (2) the first anniversary of the date of retirement, or (3)
3 attainment of age 55, whichever occurs last. The changes to
4 this Section made by this amendatory Act of the 93rd General
5 Assembly apply without regard to whether the fireman or
6 annuitant terminated service before the effective date of this
7 amendatory Act.

8 A fireman who withdraws from service on or after the
9 effective date of this amendatory Act of the 95th General
10 Assembly with at least 20 years of service credit is entitled
11 to receive the initial increase under this subsection on the
12 first anniversary of the date of retirement, regardless of age.

13 A fireman who withdrew from service before the effective
14 date of this amendatory Act of the 95th General Assembly with
15 at least 20 years of service credit and has not received the
16 initial increase under this subsection before January 1, 2008
17 is entitled to receive the initial increase under this
18 subsection on the later of January 1, 2008 or the first
19 anniversary of the date of retirement, regardless of age. The
20 changes to this Section made by this amendatory Act apply
21 without regard to whether the fireman or annuitant terminated
22 service before the effective date of this amendatory Act.

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

25 (c) To help defray the cost of such increases in annuity,
26 there shall be deducted, beginning September 1, 1959, from each

1 payment of salary to a fireman, 1/8 of 1% of each such salary
2 payment and an additional 1/8 of 1% beginning on September 1,
3 1961, and September 1, 1963, respectively, concurrently with
4 and in addition to the salary deductions otherwise made for
5 annuity purposes.

6 Each such additional 1/8 of 1% deduction from salary which
7 shall, on September 1, 1963, result in a total increase of 3/8
8 of 1% of salary, shall be credited to the Automatic Increase
9 Reserve, to be used, together with city contributions as
10 provided in this Article, to defray the cost of the 1 1/2%
11 annuity increments herein specified. Any balance in such
12 reserve as of the beginning of each calendar year shall be
13 credited with interest at the rate of 3% per annum.

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

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

23 Section 90. The State Mandates Act is amended by adding
24 Section 8.31 as follows:

1 (30 ILCS 805/8.31 new)

2 Sec. 8.31. Exempt mandate. Notwithstanding Sections 6 and 8
3 of this Act, no reimbursement by the State is required for the
4 implementation of any mandate created by this amendatory Act of
5 the 95th General Assembly.

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