



96TH GENERAL ASSEMBLY

State of Illinois

2009 and 2010

HB2584

Introduced 2/20/2009, by Rep. Joseph M. Lyons

SYNOPSIS AS INTRODUCED:

40 ILCS 5/17-119	from Ch. 108 1/2, par. 17-119
40 ILCS 5/17-156.1	from Ch. 108 1/2, par. 17-156.1
30 ILCS 805/8.33 new	

Amends the Chicago Teacher Article of the Illinois Pension Code. In provisions concerning increases in teacher's and retired member's pensions, changes the amount of the annual increase from 3% to 4%. Effective immediately.

LRB096 04561 AMC 14616 b

FISCAL NOTE ACT
MAY APPLY

PENSION IMPACT
NOTE ACT MAY
APPLY

STATE MANDATES
ACT MAY REQUIRE
REIMBURSEMENT

1 AN ACT concerning State government.

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 Sections 17-119 and 17-156.1 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. Each
8 teacher retiring on or after September 1, 1959, is entitled to
9 the annual increase in pension, defined herein, while he is
10 receiving a pension from the Fund.

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

14 2. The annual increase in pension shall be at the rate of 1
15 1/2% of base pension. This increase shall first occur in
16 January of the year next following the first anniversary of
17 retirement. At such time the Fund shall pay the pro rata part
18 of the increase for the period from the first anniversary date
19 to the date of the first increase in pension. Beginning January
20 1, 1972, the rate of annual increase in pension shall be 2% of
21 the base pension. Beginning January 1, 1979, the rate of annual
22 increase in pension shall be 3% of the base pension. Beginning
23 January 1, 1990, all automatic annual increases payable under

1 this Section shall be calculated as a percentage of the total
2 pension payable at the time of the increase, including all
3 increases previously granted under this Article,
4 notwithstanding Section 17-157. Beginning January 1, 2010, all
5 annual increases in pension payable under this Section shall be
6 calculated at the rate of 4% of the amount of pension payable
7 at the time of the increase, including all increases previously
8 granted under this Article, notwithstanding Section 17-157.

9 3. An increase in pension shall be granted only if the
10 retired teacher is age 60 or over. If the teacher attains age
11 60 after retirement, the increase in pension shall begin in
12 January of the year following the 61st birthday. At such time
13 the Fund also shall pay the pro rata part of the increase from
14 the 61st birthday to the date of first increase in pension.

15 In addition to other increases which may be provided by
16 this Section, on January 1, 1981 any teacher who was receiving
17 a retirement pension on or before January 1, 1971 shall have
18 his retirement pension then being paid increased \$1 per month
19 for each year of creditable service. On January 1, 1982, any
20 teacher whose retirement pension began on or before January 1,
21 1977, shall have his retirement pension then being paid
22 increased \$1 per month for each year of creditable service.

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

1 elapsed since the retirement pension began.

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

3 (40 ILCS 5/17-156.1) (from Ch. 108 1/2, par. 17-156.1)

4 Sec. 17-156.1. Increases to retired members. A teacher who
5 retired prior to September 1, 1959 on service retirement
6 pension who was at least 55 years of age at date of retirement
7 and had at least 20 years of validated service shall be
8 entitled to receive benefits under this Section.

9 These benefits shall be in an amount equal to 1-1/2% of the
10 total of (1) the initial service retirement pension plus (2)
11 any emeritus payment payable under Sections 34-86 and 34-87
12 (now repealed) of the School Code, multiplied by the number of
13 full years on pension. This payment shall begin in January of
14 1970. An additional 1-1/2% shall be added in January of each
15 year thereafter. Beginning January 1, 1972 the rate of increase
16 in the service retirement pension each year shall be 2%.
17 Beginning January 1, 1979, the rate of increase in the service
18 retirement pension each year shall be 3%. Beginning January 1,
19 1990, all automatic annual increases payable under this Section
20 shall be calculated as a percentage of the total pension
21 payable at the time of the increase, including all increases
22 previously granted under this Article, notwithstanding Section
23 17-157. Beginning January 1, 2010, all annual increases in
24 pension payable under this Section shall be calculated at the
25 rate of 4% of the amount of pension payable at the time of the

1 increase, including all increases previously granted under
2 this Article, notwithstanding Section 17-157.

3 A pensioner who otherwise qualifies for the aforesaid
4 benefit shall make a one-time payment of 1% of the final
5 monthly average salary multiplied by the number of completed
6 years of service forming the basis of his service retirement
7 pension or, if the pension was not computed according to
8 average salary as defined in Section 17-116, 1% of the monthly
9 base pension multiplied by each complete year of service
10 forming the basis of his service retirement pension. Unless the
11 pensioner rejects the benefits of this Section, such sum shall
12 be deducted from the pensioner's December 1969 pension check
13 and shall not be refundable.

14 (Source: P.A. 94-1105, eff. 6-1-07.)

15 Section 90. The State Mandates Act is amended by adding
16 Section 8.33 as follows:

17 (30 ILCS 805/8.33 new)

18 Sec. 8.33. Exempt mandate. Notwithstanding Sections 6 and 8
19 of this Act, no reimbursement by the State is required for the
20 implementation of any mandate created by this amendatory Act of
21 the 96th General Assembly.

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