



96TH GENERAL ASSEMBLY

State of Illinois

2009 and 2010

HB5373

Introduced 2/5/2010, by Rep. Joseph M. Lyons

SYNOPSIS AS INTRODUCED:

40 ILCS 5/6-164

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

30 ILCS 805/8.34 new

Amends the Chicago Firefighter Article of the Illinois Pension Code. Provides that a fireman who qualifies for a minimum annuity and retires after September 1, 1967 but has not received the initial increase to his or her annuity before January 1, 2011 is entitled to receive the initial increase on (1) January 1, 2011, (2) the first anniversary of the date of retirement, or (3) attainment of age 55, whichever occurs last. Amends the State Mandates Act to require implementation without reimbursement. Effective immediately.

LRB096 18278 AMC 33653 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, such increases shall be 3% and such
4 firemen shall not be subject to the 30% maximum increase.

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

16 Any fireman born before January 1, 1955 who qualifies for a
17 minimum annuity and retires after September 1, 1967 but has not
18 received the initial increase under this subsection before
19 January 1, 2004 is entitled to receive the initial increase
20 under this subsection on (1) January 1, 2004, (2) the first
21 anniversary of the date of retirement, or (3) attainment of age
22 55, whichever occurs last. The changes to this Section made by
23 this amendatory Act of the 93rd General Assembly apply without
24 regard to whether the fireman or annuitant terminated service
25 before the effective date of this amendatory Act.

26 Any fireman who qualifies for a minimum annuity and retires

1 after September 1, 1967 but has not received the initial
2 increase under this subsection before January 1, 2011 is
3 entitled to receive the initial increase under this subsection
4 on (1) January 1, 2011, (2) the first anniversary of the date
5 of retirement, or (3) attainment of age 55, whichever occurs
6 last. The changes to this Section made by this amendatory Act
7 of the 96th General Assembly apply without regard to whether
8 the fireman or annuitant terminated service before the
9 effective date of this amendatory Act.

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

12 (c) To help defray the cost of such increases in annuity,
13 there shall be deducted, beginning September 1, 1959, from each
14 payment of salary to a fireman, 1/8 of 1% of each such salary
15 payment and an additional 1/8 of 1% beginning on September 1,
16 1961, and September 1, 1963, respectively, concurrently with
17 and in addition to the salary deductions otherwise made for
18 annuity purposes.

19 Each such additional 1/8 of 1% deduction from salary which
20 shall, on September 1, 1963, result in a total increase of 3/8
21 of 1% of salary, shall be credited to the Automatic Increase
22 Reserve, to be used, together with city contributions as
23 provided in this Article, to defray the cost of the 1 1/2%
24 annuity increments herein specified. Any balance in such
25 reserve as of the beginning of each calendar year shall be
26 credited with interest at the rate of 3% per annum.

1 The salary deductions provided in this Section are not
2 subject to refund, except to the fireman himself, in any case
3 in which a fireman withdraws prior to qualification for minimum
4 annuity and applies for refund, or applies for annuity, and
5 also where a term annuity becomes payable. In such cases, the
6 total of such salary deductions shall be refunded to the
7 fireman, without interest, and charged to the aforementioned
8 reserve.

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

10 Section 90. The State Mandates Act is amended by adding
11 Section 8.34 as follows:

12 (30 ILCS 805/8.34 new)

13 Sec. 8.34. Exempt mandate. Notwithstanding Sections 6 and 8
14 of this Act, no reimbursement by the State is required for the
15 implementation of any mandate created by this amendatory Act of
16 the 96th General Assembly.

17 Section 99. Effective date. This Act takes effect upon
18 becoming law.