



Rep. Kevin A. McCarthy

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LRB096 18785 AMC 41626 a

1 AMENDMENT TO SENATE BILL 3537

2 AMENDMENT NO. _____. Amend Senate Bill 3537 by replacing
3 everything after the enacting clause with the following:

4 "Section 5. The Illinois Pension Code is amended by
5 changing Sections 2-119, 2-119.01, 2-119.1, 2-121.1, 18-124,
6 18-125.1, and 18-128.01 as follows:

7 (40 ILCS 5/2-119) (from Ch. 108 1/2, par. 2-119)

8 (Text of Section after amendment by P.A. 96-889)

9 Sec. 2-119. Retirement annuity - conditions for
10 eligibility.

11 (a) A participant whose service as a member is terminated,
12 regardless of age or cause, is entitled to a retirement annuity
13 beginning on the date specified by the participant in a written
14 application subject to the following conditions:

15 1. The date the annuity begins does not precede the
16 date of final termination of service, or is not more than

1 30 days before the receipt of the application by the board
2 in the case of annuities based on disability or one year
3 before the receipt of the application in the case of
4 annuities based on attained age;

5 2. The participant meets one of the following
6 eligibility requirements:

7 For a participant who first becomes a participant of
8 this System before January 1, 2011 (the effective date of
9 Public Act 96-889) ~~this amendatory Act of the 96th General~~
10 ~~Assembly:~~

11 (A) He or she has attained age 55 and has at least
12 8 years of service credit;

13 (B) He or she has attained age 62 and terminated
14 service after July 1, 1971 with at least 4 years of
15 service credit; or

16 (C) He or she has completed 8 years of service and
17 has become permanently disabled and as a consequence,
18 is unable to perform the duties of his or her office.

19 For a participant who first becomes a participant of
20 this System on or after January 1, 2011 (the effective date
21 of Public Act 96-889) ~~this amendatory Act of the 96th~~
22 ~~General Assembly~~, he or she has attained age 67 and has at
23 least 10 & years of service credit.

24 (a-5) A participant who first becomes a participant of this
25 System on or after January 1, 2011 (the effective date of
26 Public Act 96-889) ~~this amendatory Act of the 96th General~~

1 ~~Assembly~~ who has attained age 62 and has at least 10 ~~8~~ years of
2 service credit may elect to receive the lower retirement
3 annuity provided in paragraph (c) of Section 2-119.01 of this
4 Code.

5 (b) A participant shall be considered permanently disabled
6 only if: (1) disability occurs while in service and is of such
7 a nature as to prevent him or her from reasonably performing
8 the duties of his or her office at the time; and (2) the board
9 has received a written certificate by at least 2 licensed
10 physicians appointed by the board stating that the member is
11 disabled and that the disability is likely to be permanent.

12 (Source: P.A. 96-889, eff. 1-1-11.)

13 (40 ILCS 5/2-119.01) (from Ch. 108 1/2, par. 2-119.01)

14 (Text of Section after amendment by P.A. 96-889)

15 Sec. 2-119.01. Retirement annuities - Amount.

16 (a) For a participant in service after June 30, 1977 who
17 has not made contributions to this System after January 1,
18 1982, the annual retirement annuity is 3% for each of the first
19 8 years of service, plus 4% for each of the next 4 years of
20 service, plus 5% for each year of service in excess of 12
21 years, based on the participant's highest salary for annuity
22 purposes. The maximum retirement annuity payable shall be 80%
23 of the participant's highest salary for annuity purposes.

24 (b) For a participant in service after June 30, 1977 who
25 has made contributions to this System on or after January 1,

1 1982, the annual retirement annuity is 3% for each of the first
2 4 years of service, plus 3 1/2% for each of the next 2 years of
3 service, plus 4% for each of the next 2 years of service, plus
4 4 1/2% for each of the next 4 years of service, plus 5% for each
5 year of service in excess of 12 years, of the participant's
6 highest salary for annuity purposes. The maximum retirement
7 annuity payable shall be 85% of the participant's highest
8 salary for annuity purposes.

9 (c) Notwithstanding any other provision of this Article,
10 for a participant who first becomes a participant on or after
11 January 1, 2011 (the effective date of Public Act 96-889) ~~this~~
12 ~~amendatory Act of the 96th General Assembly~~, the annual
13 retirement annuity is 3% of the participant's highest salary
14 for annuity purposes for each year of service. The maximum
15 retirement annuity payable shall be 60% of the participant's
16 highest salary for annuity purposes.

17 (d) Notwithstanding any other provision of this Article,
18 for a participant who first becomes a participant on or after
19 January 1, 2011 (the effective date of Public Act 96-889) ~~this~~
20 ~~amendatory Act of the 96th General Assembly~~ and who is retiring
21 after attaining age 62 with at least 10 ~~8~~ years of service
22 credit, the retirement annuity shall be reduced by one-half of
23 1% for each month that the member's age is under age 67.

24 (Source: P.A. 96-889, eff. 1-1-11.)

1 (Text of Section after amendment by P.A. 96-889)

2 Sec. 2-119.1. Automatic increase in retirement annuity.

3 (a) A participant who retires after June 30, 1967, and who
4 has not received an initial increase under this Section before
5 the effective date of this amendatory Act of 1991, shall, in
6 January or July next following the first anniversary of
7 retirement, whichever occurs first, and in the same month of
8 each year thereafter, but in no event prior to age 60, have the
9 amount of the originally granted retirement annuity increased
10 as follows: for each year through 1971, 1 1/2%; for each year
11 from 1972 through 1979, 2%; and for 1980 and each year
12 thereafter, 3%. Annuitants who have received an initial
13 increase under this subsection prior to the effective date of
14 this amendatory Act of 1991 shall continue to receive their
15 annual increases in the same month as the initial increase.

16 (b) Beginning January 1, 1990, for eligible participants
17 who remain in service after attaining 20 years of creditable
18 service, the 3% increases provided under subsection (a) shall
19 begin to accrue on the January 1 next following the date upon
20 which the participant (1) attains age 55, or (2) attains 20
21 years of creditable service, whichever occurs later, and shall
22 continue to accrue while the participant remains in service;
23 such increases shall become payable on January 1 or July 1,
24 whichever occurs first, next following the first anniversary of
25 retirement. For any person who has service credit in the System
26 for the entire period from January 15, 1969 through December

1 31, 1992, regardless of the date of termination of service, the
2 reference to age 55 in clause (1) of this subsection (b) shall
3 be deemed to mean age 50.

4 This subsection (b) does not apply to any person who first
5 becomes a member of the System after the effective date of this
6 amendatory Act of the 93rd General Assembly.

7 (b-5) Notwithstanding any other provision of this Article,
8 a participant who first becomes a participant on or after
9 January 1, 2011 (the effective date of Public Act 96-889) ~~this~~
10 ~~amendatory Act of the 96th General Assembly~~ shall, in January
11 or July next following the first anniversary of retirement,
12 whichever occurs first, and in the same month of each year
13 thereafter, but in no event prior to age 67, have the amount of
14 the retirement annuity then being paid increased by 3% or
15 one-half the annual change in the Consumer Price Index for All
16 Urban Consumers, whichever is less.

17 (c) The foregoing provisions relating to automatic
18 increases are not applicable to a participant who retires
19 before having made contributions (at the rate prescribed in
20 Section 2-126) for automatic increases for less than the
21 equivalent of one full year. However, in order to be eligible
22 for the automatic increases, such a participant may make
23 arrangements to pay to the system the amount required to bring
24 the total contributions for the automatic increase to the
25 equivalent of one year's contributions based upon his or her
26 last salary.

1 (d) A participant who terminated service prior to July 1,
2 1967, with at least 14 years of service is entitled to an
3 increase in retirement annuity beginning January, 1976, and to
4 additional increases in January of each year thereafter.

5 The initial increase shall be 1 1/2% of the originally
6 granted retirement annuity multiplied by the number of full
7 years that the annuitant was in receipt of such annuity prior
8 to January 1, 1972, plus 2% of the originally granted
9 retirement annuity for each year after that date. The
10 subsequent annual increases shall be at the rate of 2% of the
11 originally granted retirement annuity for each year through
12 1979 and at the rate of 3% for 1980 and thereafter.

13 (e) Beginning January 1, 1990, all automatic annual
14 increases payable under this Section shall be calculated as a
15 percentage of the total annuity payable at the time of the
16 increase, including previous increases granted under this
17 Article.

18 (Source: P.A. 96-889, eff. 1-1-11.)

19 (40 ILCS 5/2-121.1) (from Ch. 108 1/2, par. 2-121.1)

20 (Text of Section after amendment by P.A. 96-889)

21 Sec. 2-121.1. Survivor's annuity - amount.

22 (a) A surviving spouse shall be entitled to 66 2/3% of the
23 amount of retirement annuity to which the participant or
24 annuitant was entitled on the date of death, without regard to
25 whether the participant had attained age 55 prior to his or her

1 death, subject to a minimum payment of 10% of salary. If a
2 surviving spouse, regardless of age, has in his or her care at
3 the date of death any eligible child or children of the
4 participant, the survivor's annuity shall be the greater of the
5 following: (1) 66 2/3% of the amount of retirement annuity to
6 which the participant or annuitant was entitled on the date of
7 death, or (2) 30% of the participant's salary increased by 10%
8 of salary on account of each such child, subject to a total
9 payment for the surviving spouse and children of 50% of salary.
10 If eligible children survive but there is no surviving spouse,
11 or if the surviving spouse dies or becomes disqualified by
12 remarriage while eligible children survive, each eligible
13 child shall be entitled to an annuity of 20% of salary, subject
14 to a maximum total payment for all such children of 50% of
15 salary.

16 However, the survivor's annuity payable under this Section
17 shall not be less than 100% of the amount of retirement annuity
18 to which the participant or annuitant was entitled on the date
19 of death, if he or she is survived by a dependent disabled
20 child.

21 The salary to be used for determining these benefits shall
22 be the salary used for determining the amount of retirement
23 annuity as provided in Section 2-119.01.

24 (b) Upon the death of a participant after the termination
25 of service or upon death of an annuitant, the maximum total
26 payment to a surviving spouse and eligible children, or to

1 eligible children alone if there is no surviving spouse, shall
2 be 75% of the retirement annuity to which the participant or
3 annuitant was entitled, unless there is a dependent disabled
4 child among the survivors.

5 (c) When a child ceases to be an eligible child, the
6 annuity to that child, or to the surviving spouse on account of
7 that child, shall thereupon cease, and the annuity payable to
8 the surviving spouse or other eligible children shall be
9 recalculated if necessary.

10 Upon the ineligibility of the last eligible child, the
11 annuity shall immediately revert to the amount payable upon
12 death of a participant or annuitant who leaves no eligible
13 children. If the surviving spouse is then under age 50, the
14 annuity as revised shall be deferred until the attainment of
15 age 50.

16 (d) Beginning January 1, 1990, every survivor's annuity
17 shall be increased (1) on each January 1 occurring on or after
18 the commencement of the annuity if the deceased member died
19 while receiving a retirement annuity, or (2) in other cases, on
20 each January 1 occurring on or after the first anniversary of
21 the commencement of the annuity, by an amount equal to 3% of
22 the current amount of the annuity, including any previous
23 increases under this Article. Such increases shall apply
24 without regard to whether the deceased member was in service on
25 or after the effective date of this amendatory Act of 1991, but
26 shall not accrue for any period prior to January 1, 1990.

1 (d-5) Notwithstanding any other provision of this Article,
2 the initial survivor's annuity of a survivor of a participant
3 who first becomes a participant on or after January 1, 2011
4 ~~(the effective date of Public Act 96-889) this amendatory Act~~
5 ~~of the 96th General Assembly~~ shall be in the amount of 66 2/3%
6 of the amount of the retirement annuity to which the
7 participant or annuitant was entitled on the date of death and
8 shall be increased (1) on each January 1 occurring on or after
9 the commencement of the annuity if the deceased member died
10 while receiving a retirement annuity or (2) in other cases, on
11 each January 1 occurring on or after the first anniversary of
12 the commencement of the annuity, by an amount equal to 3% or
13 one-half the annual change in the Consumer Price Index for All
14 Urban Consumers, whichever is less, of the survivor's annuity
15 then being paid.

16 (e) Notwithstanding any other provision of this Article,
17 beginning January 1, 1990, the minimum survivor's annuity
18 payable to any person who is entitled to receive a survivor's
19 annuity under this Article shall be \$300 per month, without
20 regard to whether or not the deceased participant was in
21 service on the effective date of this amendatory Act of 1989.

22 (f) In the case of a proportional survivor's annuity
23 arising under the Retirement Systems Reciprocal Act where the
24 amount payable by the System on January 1, 1993 is less than
25 \$300 per month, the amount payable by the System shall be
26 increased beginning on that date by a monthly amount equal to

1 \$2 for each full year that has expired since the annuity began.

2 (Source: P.A. 96-889, eff. 1-1-11.)

3 (40 ILCS 5/18-124) (from Ch. 108 1/2, par. 18-124)

4 (Text of Section after amendment by P.A. 96-889)

5 Sec. 18-124. Retirement annuities - conditions for
6 eligibility.

7 (a) This subsection (a) applies to a participant who first
8 serves as a judge before January 1, 2011 (the effective date of
9 Public Act 96-889) ~~this amendatory Act of the 96th General~~
10 ~~Assembly.~~

11 A participant whose employment as a judge is terminated,
12 regardless of age or cause is entitled to a retirement annuity
13 beginning on the date specified in a written application
14 subject to the following:

15 (1) the date the annuity begins is subsequent to the
16 date of final termination of employment, or the date 30
17 days prior to the receipt of the application by the board
18 for annuities based on disability, or one year before the
19 receipt of the application by the board for annuities based
20 on attained age;

21 (2) the participant is at least age 55, or has become
22 permanently disabled and as a consequence is unable to
23 perform the duties of his or her office;

24 (3) the participant has at least 10 years of service
25 credit except that a participant terminating service after

1 June 30 1975, with at least 6 years of service credit,
2 shall be entitled to a retirement annuity at age 62 or
3 over;

4 (4) the participant is not receiving or entitled to
5 receive, at the date of retirement, any salary from an
6 employer for service currently performed.

7 (b) This subsection (b) applies to a participant who first
8 serves as a judge on or after January 1, 2011 (the effective
9 date of Public Act 96-889) ~~this amendatory Act of the 96th~~
10 ~~General Assembly.~~

11 A participant who has at least 10 & years of creditable
12 service is entitled to a retirement annuity when he or she has
13 attained age 67.

14 A member who has attained age 62 and has at least 10 &
15 years of service credit may elect to receive the lower
16 retirement annuity provided in subsection (d) of Section 18-125
17 of this Code.

18 (Source: P.A. 96-889, eff. 1-1-11.)

19 (40 ILCS 5/18-125.1) (from Ch. 108 1/2, par. 18-125.1)

20 (Text of Section after amendment by P.A. 96-889)

21 Sec. 18-125.1. Automatic increase in retirement annuity. A
22 participant who retires from service after June 30, 1969,
23 shall, in January of the year next following the year in which
24 the first anniversary of retirement occurs, and in January of
25 each year thereafter, have the amount of his or her originally

1 granted retirement annuity increased as follows: for each year
2 up to and including 1971, 1 1/2%; for each year from 1972
3 through 1979 inclusive, 2%; and for 1980 and each year
4 thereafter, 3%.

5 Notwithstanding any other provision of this Article, a
6 retirement annuity for a participant who first serves as a
7 judge on or after January 1, 2011 (the effective date of Public
8 Act 96-889) ~~this amendatory Act of the 96th General Assembly~~
9 shall be increased in January of the year next following the
10 year in which the first anniversary of retirement occurs, and
11 in January of each year thereafter, by an amount equal to 3% or
12 one-half the annual change in the Consumer Price Index for All
13 Urban Consumers, whichever is less, of the retirement annuity
14 then being paid.

15 This Section is not applicable to a participant who retires
16 before he or she has made contributions at the rate prescribed
17 in Section 18-133 for automatic increases for not less than the
18 equivalent of one full year, unless such a participant arranges
19 to pay the system the amount required to bring the total
20 contributions for the automatic increase to the equivalent of
21 one year's contribution based upon his or her last year's
22 salary.

23 This Section is applicable to all participants in service
24 after June 30, 1969 unless a participant has elected, prior to
25 September 1, 1969, in a written direction filed with the board
26 not to be subject to the provisions of this Section. Any

1 participant in service on or after July 1, 1992 shall have the
2 option of electing prior to April 1, 1993, in a written
3 direction filed with the board, to be covered by the provisions
4 of the 1969 amendatory Act. Such participant shall be required
5 to make the aforesaid additional contributions with compound
6 interest at 4% per annum.

7 Any participant who has become eligible to receive the
8 maximum rate of annuity and who resumes service as a judge
9 after receiving a retirement annuity under this Article shall
10 have the amount of his or her retirement annuity increased by
11 3% of the originally granted annuity amount for each year of
12 such resumed service, beginning in January of the year next
13 following the date of such resumed service, upon subsequent
14 termination of such resumed service.

15 Beginning January 1, 1990, all automatic annual increases
16 payable under this Section shall be calculated as a percentage
17 of the total annuity payable at the time of the increase,
18 including previous increases granted under this Article.

19 (Source: P.A. 96-889, eff. 1-1-11.)

20 (40 ILCS 5/18-128.01) (from Ch. 108 1/2, par. 18-128.01)

21 (Text of Section after amendment by P.A. 96-889)

22 Sec. 18-128.01. Amount of survivor's annuity.

23 (a) Upon the death of an annuitant, his or her surviving
24 spouse shall be entitled to a survivor's annuity of 66 2/3% of
25 the annuity the annuitant was receiving immediately prior to

1 his or her death, inclusive of annual increases in the
2 retirement annuity to the date of death.

3 (b) Upon the death of an active participant, his or her
4 surviving spouse shall receive a survivor's annuity of 66 2/3%
5 of the annuity earned by the participant as of the date of his
6 or her death, determined without regard to whether the
7 participant had attained age 60 as of that time, or 7 1/2% of
8 the last salary of the decedent, whichever is greater.

9 (c) Upon the death of a participant who had terminated
10 service with at least 10 years of service, his or her surviving
11 spouse shall be entitled to a survivor's annuity of 66 2/3% of
12 the annuity earned by the deceased participant at the date of
13 death.

14 (d) Upon the death of an annuitant, active participant, or
15 participant who had terminated service with at least 10 years
16 of service, each surviving child under the age of 18 or
17 disabled as defined in Section 18-128 shall be entitled to a
18 child's annuity in an amount equal to 5% of the decedent's
19 final salary, not to exceed in total for all such children the
20 greater of 20% of the decedent's last salary or 66 2/3% of the
21 annuity received or earned by the decedent as provided under
22 subsections (a) and (b) of this Section. This child's annuity
23 shall be paid whether or not a survivor's annuity was elected
24 under Section 18-123.

25 (e) The changes made in the survivor's annuity provisions
26 by Public Act 82-306 shall apply to the survivors of a deceased

1 participant or annuitant whose death occurs on or after August
2 21, 1981.

3 (f) Beginning January 1, 1990, every survivor's annuity
4 shall be increased (1) on each January 1 occurring on or after
5 the commencement of the annuity if the deceased member died
6 while receiving a retirement annuity, or (2) in other cases, on
7 each January 1 occurring on or after the first anniversary of
8 the commencement of the annuity, by an amount equal to 3% of
9 the current amount of the annuity, including any previous
10 increases under this Article. Such increases shall apply
11 without regard to whether the deceased member was in service on
12 or after the effective date of this amendatory Act of 1991, but
13 shall not accrue for any period prior to January 1, 1990.

14 (g) Notwithstanding any other provision of this Article,
15 the initial survivor's annuity for a survivor of a participant
16 who first serves as a judge after January 1, 2011 (the
17 effective date of Public Act 96-889) ~~this amendatory Act of the~~
18 ~~96th General Assembly~~ shall be in the amount of 66 2/3% of the
19 annuity received or earned by the decedent, and shall be
20 increased (1) on each January 1 occurring on or after the
21 commencement of the annuity if the deceased participant died
22 while receiving a retirement annuity, or (2) in other cases, on
23 each January 1 occurring on or after the first anniversary of
24 the commencement of the annuity, by an amount equal to 3% or
25 one-half the annual change in the Consumer Price Index for All
26 Urban Consumers, whichever is less, of the survivor's annuity

1 then being paid.

2 (Source: P.A. 96-889, eff. 1-1-11.)

3 Section 99. Effective date. This Act takes effect January
4 1, 2011.".