



99TH GENERAL ASSEMBLY

State of Illinois

2015 and 2016

HB1390

by Rep. Daniel J. Burke

SYNOPSIS AS INTRODUCED:

40 ILCS 5/6-164

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

30 ILCS 805/8.39 new

Amends the Chicago Firefighter Article of the Illinois Pension Code. Beginning December 1, 2015, extends eligibility for the 3% annual increase in retirement annuity at age 55 to firemen born after December 31, 1954 but before January 1, 1965 who began service prior to January 1, 2011. Amends the State Mandates Act to require implementation without reimbursement. Effective immediately.

LRB099 07912 EFG 28052 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 he began service prior
13 to January 1, 2011 and was born before January 1, 1965 ~~1955~~) or
14 over on that anniversary date, or upon the first of the month
15 following his attainment of age 60 (age 55 if he began service
16 prior to January 1, 2011 and was born before January 1, 1965
17 ~~1955~~) if that occurs after the first anniversary of his
18 retirement date, have his then fixed and payable monthly
19 annuity increased by 1 1/2%, and such first fixed annuity as
20 granted at retirement increased by an additional 1 1/2% in
21 January of each year thereafter up to a maximum increase of
22 30%. Beginning July 1, 1982 for firemen born before January 1,
23 1930, and beginning January 1, 1990 for firemen born after

1 December 31, 1929 and before January 1, 1940, and beginning
2 January 1, 1996 for firemen born after December 31, 1939 but
3 before January 1, 1945, and beginning January 1, 2004, for
4 firemen born after December 31, 1944 but before January 1,
5 1955, and beginning December 1, 2015 for firemen born after
6 December 31, 1954 but before January 1, 1965 who began service
7 prior to January 1, 2011, such increases shall be 3% and such
8 firemen shall not be subject to the 30% maximum increase.

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

20 Any fireman born before January 1, 1955 who qualifies for a
21 minimum annuity and retires after September 1, 1967 but has not
22 received the initial increase under this subsection before
23 January 1, 2004 is entitled to receive the initial increase
24 under this subsection on (1) January 1, 2004, (2) the first
25 anniversary of the date of retirement, or (3) attainment of age
26 55, whichever occurs last. The changes to this Section made by

1 this amendatory Act of the 93rd General Assembly apply without
2 regard to whether the fireman or annuitant terminated service
3 before the effective date of this amendatory Act.

4 Any fireman born before January 1, 1965 who began service
5 prior to January 1, 2011, qualifies for a minimum annuity, and
6 retires after September 1, 1967 but has not received the
7 initial increase under this subsection before December 1, 2015
8 is entitled to receive the initial increase under this
9 subsection on (1) December 1, 2015, (2) the first anniversary
10 of the date of retirement, or (3) attainment of age 55,
11 whichever occurs last. The changes to this Section made by this
12 amendatory Act of the 99th General Assembly apply without
13 regard to whether the fireman or annuitant terminated service
14 before the effective date of this amendatory Act.

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

17 (c) To help defray the cost of such increases in annuity,
18 there shall be deducted, beginning September 1, 1959, from each
19 payment of salary to a fireman, 1/8 of 1% of each such salary
20 payment and an additional 1/8 of 1% beginning on September 1,
21 1961, and September 1, 1963, respectively, concurrently with
22 and in addition to the salary deductions otherwise made for
23 annuity purposes.

24 Each such additional 1/8 of 1% deduction from salary which
25 shall, on September 1, 1963, result in a total increase of 3/8
26 of 1% of salary, shall be credited to the Automatic Increase

1 Reserve, to be used, together with city contributions as
2 provided in this Article, to defray the cost of the 1 1/2%
3 annuity increments herein specified. Any balance in such
4 reserve as of the beginning of each calendar year shall be
5 credited with interest at the rate of 3% per annum.

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

14 (d) Notwithstanding any other provision of this Article,
15 the monthly annuity of a person who first becomes a fireman
16 under this Article on or after January 1, 2011 shall be
17 increased on the January 1 occurring either on or after the
18 attainment of age 60 or the first anniversary of the annuity
19 start date, whichever is later. Each annual increase shall be
20 calculated at 3% or one-half the annual unadjusted percentage
21 increase (but not less than zero) in the consumer price index-u
22 for the 12 months ending with the September preceding each
23 November 1, whichever is less, of the originally granted
24 retirement annuity. If the annual unadjusted percentage change
25 in the consumer price index-u for a 12-month period ending in
26 September is zero or, when compared with the preceding period,

1 decreases, then the annuity shall not be increased.

2 For the purposes of this subsection (d), "consumer price
3 index-u" means the index published by the Bureau of Labor
4 Statistics of the United States Department of Labor that
5 measures the average change in prices of goods and services
6 purchased by all urban consumers, United States city average,
7 all items, 1982-84 = 100. The new amount resulting from each
8 annual adjustment shall be determined by the Public Pension
9 Division of the Department of Insurance and made available to
10 the boards of the pension funds.

11 (Source: P.A. 96-1495, eff. 1-1-11.)

12 Section 90. The State Mandates Act is amended by adding
13 Section 8.39 as follows:

14 (30 ILCS 805/8.39 new)

15 Sec. 8.39. Exempt mandate. Notwithstanding Sections 6 and 8
16 of this Act, no reimbursement by the State is required for the
17 implementation of any mandate created by this amendatory Act of
18 the 99th General Assembly.

19 Section 99. Effective date. This Act takes effect upon
20 becoming law.