

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 Sections 5-153, 5-155, 5-163, 5-167.1, 5-167.4, 5-169, 5-170,
6 5-238, 6-128.4, 6-150, 6-158, 6-164, 6-166, 6-167, and 6-229 as
7 follows:

8 (40 ILCS 5/5-153) (from Ch. 108 1/2, par. 5-153)

9 Sec. 5-153. Death benefit.

10 (a) Effective January 1, 1962, an ordinary death benefit is
11 payable on account of any policeman in service and in receipt
12 of salary on or after such date, which benefit is in addition
13 to all other annuities and benefits herein provided. This
14 benefit is payable upon death of a policeman:

15 (1) occurring in active service while in receipt of
16 salary;

17 (2) on an authorized and approved leave of absence,
18 without salary, beginning on or after January 1, 1962, if
19 the death occurs within 60 days from the date the employee
20 was in receipt of salary; or otherwise in the service and
21 not separated by resignation or discharge beginning
22 January 1, 1962 if death occurs before his resignation or
23 discharge from the service;

1 (3) receiving duty disability or ordinary disability
2 benefit;

3 (4) occurring within 60 days from the date of
4 termination of duty disability or ordinary disability
5 benefit payments if re-entry into service had not occurred;
6 or

7 (5) occurring on retirement and while in receipt of an
8 age and service annuity, Tier 2 monthly retirement annuity,
9 or prior service annuity; provided (a) retirement on such
10 annuity occurred on or after January 1, 1962, and (b) such
11 separation from service was effective on or after the
12 policeman's attainment of age 50, and (c) application for
13 such annuity was made within 60 days after separation from
14 service.

15 (b) The ordinary death benefit is payable to such
16 beneficiary or beneficiaries as the policeman has nominated by
17 written direction duly signed and acknowledged before an
18 officer authorized to take acknowledgments, and filed with the
19 board. If no such written direction has been filed or if the
20 designated beneficiaries do not survive the policeman, payment
21 of the benefit shall be made to his estate.

22 (c) Until December 31, 1977, if death occurs prior to
23 retirement on annuity and before the policeman's attainment of
24 age 50, the amount of the benefit payable is \$6,000. If death
25 occurs prior to retirement, at age 50 or over, the benefit of
26 \$6,000 shall be reduced \$400 for each year (commencing on the

1 policeman's attainment of age 50, and thereafter on each
2 succeeding birthdate) that the policeman's age, at date of
3 death, is more than age 50, but in no event below the amount of
4 \$2,000. However, if death results from injury incurred in the
5 performance of an act or acts of duty, prior to retirement on
6 annuity, the amount of the benefit payable is \$6,000
7 notwithstanding the age attained.

8 Until December 31, 1977, if the policeman's death occurs
9 while he is in receipt of an annuity, the benefit is \$2,000 if
10 retirement was effective upon attainment of age 55 or greater.
11 If the policeman retired at age 50 or over and before age 55,
12 the benefit of \$2,000 shall be reduced \$100 for each year or
13 fraction of a year that the policeman's age at retirement was
14 less than age 55 to a minimum payment of \$1,500.

15 After December 31, 1977, and on or before January 1, 1986,
16 if death occurs prior to retirement on annuity and before the
17 policeman's attainment of age 50, the amount of the benefit
18 payable is \$7,000. If death occurs prior to retirement, at age
19 50 or over, the benefit of \$7,000 shall be reduced \$400 for
20 each year (commencing on the policeman's attainment of age 50,
21 and thereafter on each succeeding birthdate) that the
22 policeman's age, at date of death, is more than age 50, but in
23 no event below the amount of \$3,000. However, if death results
24 from injury incurred in the performance of an act or acts of
25 duty, prior to retirement on annuity, the amount of the benefit
26 payable is \$7,000 notwithstanding the age attained.

1 After December 31, 1977, and on or before January 1, 1986,
2 if the policeman's death occurs while he is in receipt of an
3 annuity, the benefit is \$2,250 if retirement was effective upon
4 attainment of age 55 or greater. If the policeman retired at
5 age 50 or over and before age 55, the benefit of \$2,250 shall
6 be reduced \$100 for each year or fraction of a year that the
7 policeman's age at retirement was less than age 55 to a minimum
8 payment of \$1,750.

9 After January 1, 1986, if death occurs prior to retirement
10 on annuity and before the policeman's attainment of age 50, the
11 amount of benefit payable is \$12,000. If death occurs prior to
12 retirement, at age 50 or over, the benefit of \$12,000 shall be
13 reduced \$400 for each year (commencing on the policeman's
14 attainment of age 50, and thereafter on each succeeding
15 birthdate) that the policeman's age, at date of death, is more
16 than age 50, but in no event below the amount of \$6,000.
17 However, if death results from injury in the performance of an
18 act or acts of duty, prior to retirement on annuity, the amount
19 of benefit payable is \$12,000 notwithstanding the age attained.

20 After January 1, 1986, if the policeman's death occurs
21 while he is in receipt of an annuity, the benefit is \$6,000.

22 (Source: P.A. 84-1104.)

23 (40 ILCS 5/5-155) (from Ch. 108 1/2, par. 5-155)

24 Sec. 5-155. Ordinary disability benefit. A policeman less
25 than age 63 who becomes disabled after the effective date as

1 the result of any cause other than injury incurred in the
2 performance of an act of duty, shall receive ordinary
3 disability benefit during any period or periods of disability
4 exceeding 30 days, for which he does not have a right to
5 receive any part of his salary. Payment of such benefit shall
6 not exceed, in the aggregate, throughout the total service of
7 the policeman, a period equal to one-fourth of the service
8 rendered to the city prior to the time he became disabled, nor
9 more than 5 years. In computing such period of service, the
10 time that the policeman received ordinary disability benefit
11 shall not be included.

12 When a disabled policeman becomes age 63 or would have been
13 retired by operation of law, whichever is later, the disability
14 benefit shall cease. The policeman, if still disabled, shall
15 thereafter receive such annuity as is provided in accordance
16 with other provisions of this Article.

17 Ordinary disability benefit shall be 50% of the policeman's
18 salary, as salary is defined in this Article (including the
19 limitation in Section 5-238 if applicable), at the time
20 disability occurs. Until September 1, 1969, before any payment,
21 an amount equal to the sum ordinarily deducted from the
22 policeman's salary for all annuity purposes for the period for
23 which payment of ordinary disability benefit is made shall be
24 deducted from such payment and credited as a deduction from
25 salary for such period. Beginning September 1, 1969, the city
26 shall also contribute all amounts ordinarily contributed by it

1 for annuity purposes for the policeman as if he were in active
2 discharge of his duties. Such sums so credited shall be
3 regarded, for annuity and refund purposes, as sums contributed
4 by the policeman.

5 (Source: P.A. 86-272.)

6 (40 ILCS 5/5-163) (from Ch. 108 1/2, par. 5-163)

7 Sec. 5-163. Refund - General. (a) A policeman, without
8 regard to his period of service, who withdraws before age 50,
9 and a policeman with less than 10 years of service who
10 withdraws before age 57, is entitled to a refund of the amount
11 deducted from his salary for age and service annuity or Tier 2
12 monthly retirement annuity, for automatic annual increase in
13 annuity as provided in Section 5-167.1, and for widow's annuity
14 or Tier 2 surviving spouse's annuity, together with interest at
15 1-1/2% per year on each deduction from the date of each
16 deduction until the date of his withdrawal from the service.

17 (b) A policeman may receive a refund until the annuity to
18 which he is entitled has been fixed. Thereafter, he shall have
19 no such right of refund.

20 (c) A policeman who withdraws the amount credited to him
21 surrenders and forfeits all rights to any annuity or other
22 benefit from the fund, for himself and for any other person or
23 persons who might otherwise have benefited through him. The
24 rights so forfeited shall be restored to him, his wife or widow
25 and his children upon full repayment as provided in Section

1 5-164.

2 If the policeman subsequently re-enters service before age
3 57, and has not so repaid in full the amounts refunded the
4 rights forfeited shall not be restored, but the policeman shall
5 retain the right (which is also secured to the widow) to have
6 the period of service represented by the refunds counted in the
7 compensation of length of service, except as otherwise provided
8 in Section 5-164.

9 (d) A policeman who has served less than 10 years who has
10 not received a refund shall have all amounts to his credit for
11 purposes on the date of his withdrawal improved by interest
12 while he is out of service until he attains age 57, if he
13 subsequently re-enters the service and attains a right to
14 annuity.

15 (e) If a policeman elects to make additional contribution
16 for past service as provided in Section 5-174 and fails to pay
17 such contributions in full within the time specified in said
18 section, a refund of the amount so paid, with interest at
19 1-1/2% per year, compounded annually, shall be refunded as
20 provided in said section.

21 (f) If a policeman makes contributions in accordance with
22 the provisions of Section 5-174(b) and subsequently returns to
23 the position he holds by certification and appointment as the
24 result of competitive civil service examination, he shall
25 receive a refund of such contributions, upon application
26 therefor, together with interest at 1-1/2% per year on each

1 such deduction from the date it was made to the date of refund.
2 Application for refund must be made before the annuity to which
3 he has a right has been fixed.

4 (Source: P.A. 81-1536.)

5 (40 ILCS 5/5-167.1) (from Ch. 108 1/2, par. 5-167.1)

6 Sec. 5-167.1. Automatic increase in annuity; retirement
7 from service after September 1, 1967.

8 (a) A policeman who retires from service after September 1,
9 1967 with at least 20 years of service credit shall, upon
10 either the first of the month following the first anniversary
11 of his date of retirement if he is age 60 (age 55 if born before
12 January 1, 1966 ~~1955~~) or over on that anniversary date, or upon
13 the first of the month following his attainment of age 60 (age
14 55 if born before January 1, 1966 ~~1955~~) if it occurs after the
15 first anniversary of his retirement date, have his then fixed
16 and payable monthly annuity increased by 1 1/2% and such first
17 fixed annuity as granted at retirement increased by an
18 additional 1 1/2% in January of each year thereafter up to a
19 maximum increase of 30%. Beginning January 1, 1983 for
20 policemen born before January 1, 1930, and beginning January 1,
21 1988 for policemen born on or after January 1, 1930 but before
22 January 1, 1940, and beginning January 1, 1996 for policemen
23 born on or after January 1, 1940 but before January 1, 1945,
24 and beginning January 1, 2000 for policemen born on or after
25 January 1, 1945 but before January 1, 1950, and beginning

1 January 1, 2005 for policemen born on or after January 1, 1950
2 but before January 1, 1955, and beginning January 1, 2017 for
3 policemen born on or after January 1, 1955 but before January
4 1, 1966, such increases shall be 3% and such policemen shall
5 not be subject to the 30% maximum increase.

6 Any policeman born before January 1, 1945 who qualifies for
7 a minimum annuity and retires after September 1, 1967 but has
8 not received the initial increase under this subsection before
9 January 1, 1996 is entitled to receive the initial increase
10 under this subsection on (1) January 1, 1996, (2) the first
11 anniversary of the date of retirement, or (3) attainment of age
12 55, whichever occurs last. The changes to this Section made by
13 Public Act 89-12 apply beginning January 1, 1996 and without
14 regard to whether the policeman or annuitant terminated service
15 before the effective date of that Act.

16 Any policeman born before January 1, 1950 who qualifies for
17 a minimum annuity and retires after September 1, 1967 but has
18 not received the initial increase under this subsection before
19 January 1, 2000 is entitled to receive the initial increase
20 under this subsection on (1) January 1, 2000, (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 92nd General Assembly apply without
24 regard to whether the policeman or annuitant terminated service
25 before the effective date of this amendatory Act.

26 Any policeman born before January 1, 1955 who qualifies for

1 a minimum annuity and retires after September 1, 1967 but has
2 not received the initial increase under this subsection before
3 January 1, 2005 is entitled to receive the initial increase
4 under this subsection on (1) January 1, 2005, (2) the first
5 anniversary of the date of retirement, or (3) attainment of age
6 55, whichever occurs last. The changes to this Section made by
7 this amendatory Act of the 94th General Assembly apply without
8 regard to whether the policeman or annuitant terminated service
9 before the effective date of this amendatory Act.

10 Any policeman born before January 1, 1966 who qualifies for
11 a minimum annuity and retires after September 1, 1967 but has
12 not received the initial increase under this subsection before
13 January 1, 2017 is entitled to receive an initial increase
14 under this subsection on (1) January 1, 2017, (2) the first
15 anniversary of the date of retirement, or (3) attainment of age
16 55, whichever occurs last, in an amount equal to 3% for each
17 complete year following the date of retirement or attainment of
18 age 55, whichever occurs later. The changes to this subsection
19 made by this amendatory Act of the 99th General Assembly apply
20 without regard to whether the policeman or annuitant terminated
21 service before the effective date of this amendatory Act.

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

24 (c) To help defray the cost of such increases in annuity,
25 there shall be deducted, beginning September 1, 1967, from each
26 payment of salary to a policeman, 1/2 of 1% of each salary

1 payment concurrently with and in addition to the salary
2 deductions otherwise made for annuity purposes.

3 The city, in addition to the contributions otherwise made
4 by it for annuity purposes under other provisions of this
5 Article, shall make matching contributions concurrently with
6 such salary deductions.

7 Each such 1/2 of 1% deduction from salary and each such
8 contribution by the city of 1/2 of 1% of salary shall be
9 credited to the Automatic Increase Reserve, to be used to
10 defray the cost of the ~~1-1/2%~~ annuity increase provided by this
11 Section. Any balance in such reserve as of the beginning of
12 each calendar year shall be credited with interest at the rate
13 of 3% per annum.

14 Such deductions from salary and city contributions shall
15 continue while the policeman is in service.

16 The salary deductions provided in this Section are not
17 subject to refund, except to the policeman himself, in any case
18 in which: (i) the a policeman withdraws prior to qualification
19 for minimum annuity or Tier 2 monthly retirement annuity and
20 applies for refund, (ii) the policeman or applies for an
21 annuity of a type that is not subject to annual increases under
22 this Section, or (iii), ~~and also where~~ a term annuity becomes
23 payable. In such cases, the total of such salary deductions
24 shall be refunded to the policeman, without interest, and
25 charged to the Automatic Increase Reserve.

26 (d) Notwithstanding any other provision of this Article,

1 the Tier 2 monthly retirement annuity of a person who first
2 becomes a policeman under this Article on or after the
3 effective date of this amendatory Act of the 97th General
4 Assembly shall be increased on the January 1 occurring either
5 on or after (i) the attainment of age 60 or (ii) the first
6 anniversary of the annuity start date, whichever is later. Each
7 annual increase shall be calculated at 3% or one-half the
8 annual unadjusted percentage increase (but not less than zero)
9 in the consumer price index-u for the 12 months ending with the
10 September preceding each November 1, whichever is less, of the
11 originally granted retirement annuity. If the annual
12 unadjusted percentage change in the consumer price index-u for
13 a 12-month period ending in September is zero or, when compared
14 with the preceding period, decreases, then the annuity shall
15 not be increased.

16 For the purposes of this subsection (d), "consumer price
17 index-u" means the index published by the Bureau of Labor
18 Statistics of the United States Department of Labor that
19 measures the average change in prices of goods and services
20 purchased by all urban consumers, United States city average,
21 all items, 1982-84 = 100. The new amount resulting from each
22 annual adjustment shall be determined by the Public Pension
23 Division of the Department of Insurance and made available to
24 the boards of the pension funds by November 1 of each year.

25 (Source: P.A. 96-1495, eff. 1-1-11; 97-344, eff. 8-12-11.)

1 (40 ILCS 5/5-167.4) (from Ch. 108 1/2, par. 5-167.4)

2 Sec. 5-167.4. Widow annuitant minimum annuity.

3 (a) Notwithstanding any other provision of this Article,
4 beginning January 1, 1996, the minimum amount of widow's
5 annuity payable to any person who is entitled to receive a
6 widow's annuity under this Article is \$700 per month, without
7 regard to whether the deceased policeman is in service on or
8 after the effective date of this amendatory Act of 1995.

9 Notwithstanding any other provision of this Article,
10 beginning January 1, 1999, the minimum amount of widow's
11 annuity payable to any person who is entitled to receive a
12 widow's annuity under this Article is \$800 per month, without
13 regard to whether the deceased policeman is in service on or
14 after the effective date of this amendatory Act of 1998.

15 Notwithstanding any other provision of this Article,
16 beginning January 1, 2004, the minimum amount of widow's
17 annuity payable to any person who is entitled to receive a
18 widow's annuity under this Article is \$900 per month, without
19 regard to whether the deceased policeman is in service on or
20 after the effective date of this amendatory Act of the 93rd
21 General Assembly.

22 Notwithstanding any other provision of this Article,
23 beginning January 1, 2005, the minimum amount of widow's
24 annuity payable to any person who is entitled to receive a
25 widow's annuity under this Article is \$1,000 per month, without
26 regard to whether the deceased policeman is in service on or

1 after the effective date of this amendatory Act of the 93rd
2 General Assembly.

3 (b) Effective January 1, 1994, the minimum amount of
4 widow's annuity shall be \$700 per month for the following
5 classes of widows, without regard to whether the deceased
6 policeman is in service on or after the effective date of this
7 amendatory Act of 1993: (1) the widow of a policeman who dies
8 in service with at least 10 years of service credit, or who
9 dies in service after June 30, 1981; and (2) the widow of a
10 policeman who withdraws from service with 20 or more years of
11 service credit and does not withdraw a refund, provided that
12 the widow is married to the policeman before he withdraws from
13 service.

14 (b-5) Notwithstanding any other provision of this Article,
15 beginning January 1, 2017, the minimum widow's annuity under
16 this Article shall be no less than 125% of the Federal Poverty
17 Level for all persons receiving widow's annuities on or after
18 that date, without regard to whether the deceased policeman is
19 in service on or after the effective date of this amendatory
20 Act of the 99th General Assembly. For purposes of this Section,
21 "Federal Poverty Level" means the poverty guidelines
22 applicable to an individual in a single-person household
23 located in Illinois, as updated periodically in the Federal
24 Register by the United States Department of Health and Human
25 Services under the authority of 42 U.S.C. 9902(2).

26 (c) The city, in addition to the contributions otherwise

1 made by it under the other provisions of this Article, shall
2 make such contributions as are necessary for the minimum
3 widow's annuities provided under this Section in the manner
4 prescribed in Section 5-175.

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

6 (40 ILCS 5/5-169) (from Ch. 108 1/2, par. 5-169)

7 Sec. 5-169. Contributions for age and service annuities or
8 Tier 2 monthly retirement annuities for present employees and
9 future entrants.

10 (a) Beginning on the effective date and before January 1,
11 1954, 3 1/2% per annum (except that beginning July 1, 1939 and
12 before January 1, 1954 for a future entrant, 4%) and beginning
13 January 1, 1954 and before August 1, 1957, 6%, and beginning
14 August 1, 1957, 7% of each payment of the salary of each
15 present employee and future entrant shall be deducted and
16 contributed to the fund for age and service annuity or Tier 2
17 monthly retirement annuity. The deductions shall be made from
18 each payment of salary and shall continue while the employee is
19 in service.

20 Any policeman whose employment has been transferred to the
21 police service of the city as a result of "An Act in relation
22 to or exchange of certain functions, property and personnel
23 among cities, and park districts having co-extensive
24 geographic areas and populations in excess of 500,000",
25 approved July 5, 1957, as now and hereafter amended, shall also

1 contribute a sum equal to 2% of the total salary received by
2 him in his employment between August 1, 1957 to July 17, 1959,
3 with the park district from which he has been transferred
4 together with interest on the unpaid contributions of 4% per
5 annum from July 17, 1959 to the date such payments are made.
6 Such additional sum may be paid at any time before the time
7 such policeman enters into age and service annuity.

8 Concurrently with each such deduction, beginning on the
9 effective date and prior to January 1, 1954, 8 1/2% (except for
10 a future entrant beginning on July 1, 1939, 9 5/7%) and
11 beginning January 1, 1954, 9 5/7% of each payment of salary
12 shall be contributed by the city, but in the case of a future
13 entrant who attains age 63 prior to January 1, 1988 while still
14 in service, no contributions shall be made for the period
15 between the date the employee attains age 63 and January 1,
16 1988.

17 (b) Each deduction from salary made prior to the date the
18 age and service annuity for the employee is fixed, and each
19 contribution by the city, shall be credited to the employee and
20 be improved by interest for a present employee during the time
21 he is in service until age and service annuity is fixed, and,
22 for a future entrant, during the time he is in service. The sum
23 accumulated shall be used to provide age and service annuity
24 for the employee.

25 Beginning September 1, 1967, the deductions from salary
26 provided in Section 5-167.1 shall also be made.

1 (Source: P.A. 86-272.)

2 (40 ILCS 5/5-170) (from Ch. 108 1/2, par. 5-170)

3 Sec. 5-170. Contributions for widow's annuities and Tier 2
4 surviving spouse's annuity ~~for present employees and future~~
5 ~~entrants~~. Beginning on the effective date 1%, and beginning
6 January 1, 1976, 1-1/2% of the salary of each male present
7 employee and future entrant shall be deducted and contributed
8 to the fund for widow's annuity or Tier 2 surviving spouse's
9 annuity; however, in the case of a future entrant who attains
10 age 63 prior to January 1, 1988 while still in service, no
11 deductions shall be made for the period between the date the
12 employee attains age 63 and January 1, 1988. The deductions
13 shall be made from each payment of salary and shall continue
14 during the employee's service.

15 An employee in the service and over age 57 on the effective
16 date of this amendatory Act of 1969 shall have the option of
17 contributing 1% of salary together with the effective rate of
18 interest for service rendered by him subsequent to his
19 attainment of age 57 and prior to such effective date. If such
20 retroactive contributions are made the wife or widow shall be
21 entitled to the widow's annuity provided in Section 5-136.

22 Concurrently with each such deduction, the city shall
23 contribute 2% of each such payment of salary.

24 Each deduction from salary and contribution by the city
25 shall be allocated to the account of and credited to the

1 employee. The amount so credited shall be improved at the
2 applicable rate of interest; except that in the case of an
3 employee who attains age 63 prior to January 1, 1988 while
4 still in service, no interest shall be credited between the
5 date the employee attains age 63 and January 1, 1988.

6 (Source: P.A. 86-272.)

7 (40 ILCS 5/5-238)

8 Sec. 5-238. Provisions applicable to new hires; Tier 2.

9 (a) Notwithstanding any other provision of this Article,
10 the provisions of this Section apply to a person who first
11 becomes a policeman under this Article on or after January 1,
12 2011, and to certain qualified survivors of such a policeman.
13 Such persons, and the benefits and restrictions that apply
14 specifically to them under this Article, may be referred to as
15 "Tier 2".

16 (b) A policeman who has withdrawn from service, has
17 attained age 50 ~~55~~ or more, and ~~who~~ has 10 or more years of
18 service in that capacity shall be entitled, upon proper
19 application being received by the Fund, at his option to
20 receive a Tier 2 monthly retirement annuity for his service as
21 a police officer. The Tier 2 monthly retirement annuity shall
22 be computed by multiplying 2.5% for each year of such service
23 by his or her final average salary, subject to an annuity
24 reduction factor of. ~~The retirement annuity of a policeman who~~
25 ~~is retiring after attaining age 50 with 10 or more years of~~

1 ~~creditable service shall be reduced by~~ one-half of 1% for each
2 month that the police officer's age at retirement is under age
3 55. The Tier 2 monthly retirement annuity is in lieu of any age
4 and service annuity or other form of retirement annuity under
5 this Article.

6 The maximum retirement annuity under this subsection (b)
7 shall be 75% of final average salary.

8 For the purposes of this subsection (b), "final average
9 salary" means the average monthly salary obtained by dividing
10 the total salary of the policeman during the 96 consecutive
11 months of service within the last 120 months of service in
12 which the total salary was the highest by the number of months
13 of service in that period.

14 Beginning on January 1, 2011, for all purposes under this
15 Code (including without limitation the calculation of benefits
16 and employee contributions), the annual salary based on the
17 plan year of a member or participant to whom this Section
18 applies shall not exceed \$106,800; however, that amount shall
19 annually thereafter be increased by the lesser of (i) 3% of
20 that amount, including all previous adjustments, or (ii)
21 one-half the annual unadjusted percentage increase (but not
22 less than zero) in the consumer price index-u for the 12 months
23 ending with the September preceding each November 1, including
24 all previous adjustments.

25 (c) Notwithstanding any other provision of this Article,
26 for a person who first becomes a policeman under this Article

1 on or after January 1, 2011, eligibility for and the amount of
2 the annuity to which the qualified surviving spouse, children,
3 and ~~or~~ parents are entitled under this subsection (c) shall be
4 determined as follows:

5 (1) The surviving spouse of a deceased policeman to
6 whom this Section applies shall be deemed qualified to
7 receive a Tier 2 surviving spouse's annuity under this
8 paragraph (1) if: (i) the deceased policeman meets the
9 requirements specified under subdivision (A), (B), (C), or
10 (D) of this paragraph (1); and (ii) the surviving spouse
11 would not otherwise be excluded from receiving a widow's
12 annuity under the eligibility requirements for a widow's
13 annuity set forth in Section 5-146. The Tier 2 surviving
14 spouse's annuity is in lieu of the widow's annuity
15 determined under any other Section of this Article and is
16 subject to the requirements of Section 5-147.1.

17 As used in this subsection (c), "earned annuity" means
18 a Tier 2 monthly retirement annuity determined under
19 subsection (b) of this Section, including any increases the
20 policeman had received pursuant to Section 5-167.1.

21 (A) If the deceased policeman was receiving an
22 earned annuity at the date of his or her death, the
23 Tier 2 surviving spouse's annuity under this paragraph
24 (1) shall be in the amount of 66 2/3% of the
25 policeman's earned annuity at the date of death.

26 (B) If the deceased policeman was not receiving an

1 earned annuity but had at least 10 years of service at
2 the time of death, the Tier 2 surviving spouse's
3 annuity under this paragraph (1) shall be the greater
4 of: (i) 30% of the annual maximum salary attached to
5 the classified civil service position of a first class
6 patrolman at the time of his death; or (ii) 66 2/3% of
7 the Tier 2 monthly retirement annuity that the deceased
8 policeman would have been eligible to receive under
9 subsection (b) of this Section, based upon the actual
10 service accrued through the day before the policeman's
11 death, but determined as though the policeman was at
12 least age 55 on the day before his or her death and
13 retired on that day.

14 (C) If the deceased policeman was an active
15 policeman with at least 1 1/2 but less than 10 years of
16 service at the time of death, the Tier 2 surviving
17 spouse's annuity under this paragraph (1) shall be in
18 the amount of 30% of the annual maximum salary attached
19 to the classified civil service position of a first
20 class patrolman at the time of his death.

21 (D) If the performance of an act or acts of duty
22 results directly in the death of a policeman subject to
23 this Section, or prevents him from subsequently
24 resuming active service in the police department, and
25 if the policeman's Tier 2 surviving spouse would
26 otherwise meet the eligibility requirements for a

1 compensation annuity or supplemental annuity granted
2 under Section 5-144, then in addition to the Tier 2
3 surviving spouse's annuity provided under subdivision
4 (A), (B), or (C) of this paragraph (1), whichever
5 applies, the Tier 2 surviving spouse shall be qualified
6 to receive compensation annuity or supplemental
7 annuity, as would be provided under Section 5-144, in
8 order to bring the total benefit up to the applicable
9 75% salary limitation provided in that Section, but
10 subject to the Tier 2 salary cap provided under
11 subsection (b) of this Section; except that no such
12 annuity shall be paid to the surviving spouse of a
13 policeman who dies while in receipt of disability
14 benefits when the policeman's death was caused by an
15 intervening illness or injury unrelated to the illness
16 or injury that had prevented him from subsequently
17 resuming active service in the police department.

18 (E) Notwithstanding any other provision of this
19 Article, the monthly Tier 2 surviving spouse's annuity
20 under subdivision (A) or (B) of this paragraph (1) ~~of a~~
21 ~~survivor of a person who first becomes a policeman~~
22 ~~under this Article on or after January 1, 2011~~ shall be
23 increased on the January 1 next occurring after (i)
24 attainment of age 60 by the recipient of the Tier 2
25 surviving spouse's annuity or (ii) the first
26 anniversary of the Tier 2 surviving spouse's annuity

1 start date, whichever is later, ~~survivor's annuity~~ and
2 on each January 1 thereafter, by 3% or one-half the
3 annual unadjusted percentage increase (but not less
4 than zero) in the consumer price index-u for the 12
5 months ending with the September preceding each
6 November 1, whichever is less, of the originally
7 granted Tier 2 surviving spouse's ~~survivor's~~ annuity.
8 If the unadjusted percentage change in the consumer
9 price index-u for a 12-month period ending in September
10 is zero or, when compared with the preceding period,
11 decreases, then the annuity shall not be increased.

12 For the purposes of this Section, "consumer price
13 index-u" means the index published by the Bureau of
14 Labor Statistics of the United States Department of
15 Labor that measures the average change in prices of
16 goods and services purchased by all urban consumers,
17 United States city average, all items, 1982-84 = 100.
18 The new amount resulting from each annual adjustment
19 shall be determined by the Public Pension Division of
20 the Department of Insurance and made available to the
21 boards of the pension funds.

22 (F) Notwithstanding the other provisions of this
23 paragraph (1), for a qualified surviving spouse who is
24 entitled to a Tier 2 surviving spouse's annuity under
25 subdivision (A), (B), (C), or (D) of this paragraph
26 (1), that Tier 2 surviving spouse's annuity shall not

1 be less than the amount of the minimum widow's annuity
2 established from time to time under Section 5-167.4.

3 (2) Surviving children of a deceased policeman subject
4 to this Section who would otherwise meet the eligibility
5 requirements for a child's annuity set forth in Sections
6 5-151 and 5-152 shall be deemed qualified to receive a Tier
7 2 child's annuity under this subsection (c), which shall be
8 in lieu of, but in the same amount and paid in the same
9 manner as, the child's annuity provided under those
10 Sections; except that any salary used for computing a Tier
11 2 child's annuity shall be subject to the Tier 2 salary cap
12 provided under subsection (b) of this Section. For purposes
13 of determining any pro rata reduction in child's annuities
14 under this subsection (c), references in Section 5-152 to
15 the combined annuities of the family shall be deemed to
16 refer to the combined Tier 2 surviving spouse's annuity, if
17 any, and the Tier 2 child's annuities payable under this
18 subsection (c).

19 (3) Surviving parents of a deceased policeman subject
20 to this Section who would otherwise meet the eligibility
21 requirements for a parent's annuity set forth in Section
22 5-152 shall be deemed qualified to receive a Tier 2
23 parent's annuity under this subsection (c), which shall be
24 in lieu of, but in the same amount and paid in the same
25 manner as, the parent's annuity provided under Section
26 5-152.1; except that any salary used for computing a Tier 2

1 parent's annuity shall be subject to the Tier 2 salary cap
2 provided under subsection (b) of this Section. For the
3 purposes of this Section, a reference to "annuity" in
4 Section 5-152.1 includes: (i) in the context of a widow, a
5 Tier 2 surviving spouse's annuity and (ii) in the context
6 of a child, a Tier 2 child's annuity.

7 (d) The General Assembly finds and declares that the
8 provisions of this Section, as enacted by Public Act 96-1495,
9 require clarification relating to necessary eligibility
10 standards and the manner of determining and paying the intended
11 Tier 2 benefits and contributions in order to enable the Fund
12 to unambiguously implement and administer benefits for Tier 2
13 members. The changes to this Section and the conforming changes
14 to Sections 5-153, 5-155, 5-163, 5-167.1 (except for the
15 changes to subsection (a) of that Section), 5-169, and 5-170
16 made by this amendatory Act of the 99th General Assembly are
17 enacted to clarify the provisions of this Section as enacted by
18 Public Act 96-1495, and are hereby declared to represent and be
19 consistent with the original and continuing intent of this
20 Section and Public Act 96-1495.

21 (e) The changes to Sections 5-153, 5-155, 5-163, 5-167.1
22 (except for the changes to subsection (a) of that Section),
23 5-169, and 5-170 made by this amendatory Act of the 99th
24 General Assembly are intended to be retroactive to January 1,
25 2011 (the effective date of Public Act 96-1495) and, for the
26 purposes of Section 1-103.1 of this Code, they apply without

1 regard to whether the relevant policeman was in service on or
2 after the effective date of this amendatory Act of the 99th
3 General Assembly.

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

5 (40 ILCS 5/6-128.4) (from Ch. 108 1/2, par. 6-128.4)

6 Sec. 6-128.4. Minimum widow's annuities.

7 (a) Notwithstanding any other provision of this Article,
8 beginning January 1, 1996, the minimum amount of widow's
9 annuity payable to any person who is entitled to receive a
10 widow's annuity under this Article is \$700 per month, without
11 regard to whether the deceased fireman is in service on or
12 after the effective date of this amendatory Act of 1995.

13 (b) Notwithstanding Section 6-128.3, beginning January 1,
14 1994, the minimum widow's annuity under this Article shall be
15 \$700 per month for (1) all persons receiving widow's annuities
16 on that date who are survivors of employees who retired at age
17 50 or over with at least 20 years of service, and (2) persons
18 who become eligible for widow's annuities and are survivors of
19 employees who retired at age 50 or over with at least 20 years
20 of service.

21 (c) Notwithstanding Section 6-128.3, beginning January 1,
22 1999, the minimum widow's annuity under this Article shall be
23 \$800 per month for (1) all persons receiving widow's annuities
24 on that date who are survivors of employees who retired at age
25 50 or over with at least 20 years of service, and (2) persons

1 who become eligible for widow's annuities and are survivors of
2 employees who retired at age 50 or over with at least 20 years
3 of service.

4 (d) Notwithstanding Section 6-128.3, beginning January 1,
5 2004, the minimum widow's annuity under this Article shall be
6 \$900 per month for all persons receiving widow's annuities on
7 or after that date, without regard to whether the deceased
8 fireman is in service on or after the effective date of this
9 amendatory Act of the 93rd General Assembly.

10 (e) Notwithstanding Section 6-128.3, beginning January 1,
11 2005, the minimum widow's annuity under this Article shall be
12 \$1,000 per month for all persons receiving widow's annuities on
13 or after that date, without regard to whether the deceased
14 fireman is in service on or after the effective date of this
15 amendatory Act of the 93rd General Assembly.

16 (f) Notwithstanding Section 6-128.3, beginning January 1,
17 2017, the minimum widow's annuity under this Article shall be
18 no less than 125% of the Federal Poverty Level for all persons
19 receiving widow's annuities on or after that date, without
20 regard to whether the deceased fireman is in service on or
21 after the effective date of this amendatory Act of the 99th
22 General Assembly. For purposes of this Section, "Federal
23 Poverty Level" means the poverty guidelines applicable to an
24 individual in a single-person household located in Illinois, as
25 updated periodically in the Federal Register by the United
26 States Department of Health and Human Services under the

1 authority of 42 U.S.C. 9902(2).

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

3 (40 ILCS 5/6-150) (from Ch. 108 1/2, par. 6-150)

4 Sec. 6-150. Death benefit.

5 (a) Effective January 1, 1962, an ordinary death benefit
6 shall be payable on account of any fireman in service and in
7 receipt of salary on or after such date, which benefit shall be
8 in addition to all other annuities and benefits herein
9 provided. This benefit shall be payable upon death of a
10 fireman:

11 (1) occurring in active service while in receipt of
12 salary;

13 (2) on an authorized and approved leave of absence,
14 without salary, beginning on or after January 1, 1962, if
15 the death occurs within 60 days from the date the fireman
16 was in receipt of salary;

17 (3) receiving duty, occupational disease, or ordinary
18 disability benefit;

19 (4) occurring within 60 days from the date of
20 termination of duty disability, occupational disease
21 disability or ordinary disability benefit payments if
22 re-entry into service had not occurred; or

23 (5) occurring on retirement and while in receipt of an
24 age and service annuity, prior service annuity, Tier 2
25 monthly retirement annuity, or minimum annuity; provided

1 (a) retirement on such annuity occurred on or after January
2 1, 1962, and (b) such separation from service was effective
3 on or after the fireman's attainment of age 50, and (c)
4 application for such annuity was made within 60 days after
5 separation from service.

6 (b) The ordinary death benefit shall be payable to such
7 beneficiary or beneficiaries as the fireman has nominated by
8 written direction duly signed and acknowledged before an
9 officer authorized to take acknowledgments, and filed with the
10 board. If no such written direction has been filed or if the
11 designated beneficiaries do not survive the fireman, payment of
12 the benefit shall be made to his estate.

13 (c) Beginning July 1, 1983, if death occurs prior to
14 retirement on annuity and before the fireman's attainment of
15 age 50, the amount of the benefit payable shall be \$12,000.
16 Beginning July 1, 1983, if death occurs prior to retirement, at
17 age 50 or over, the benefit of \$12,000 shall be reduced \$400
18 for each year (commencing on the fireman's attainment of age 50
19 and thereafter on each succeeding birth date) that the
20 fireman's age, at date of death, is more than age 49, but in no
21 event below the amount of \$6,000.

22 Beginning July 1, 1983, if the fireman's death occurs while
23 he is in receipt of an annuity, the benefit shall be \$6,000.

24 (Source: P.A. 83-152.)

25 (40 ILCS 5/6-158) (from Ch. 108 1/2, par. 6-158)

1 Sec. 6-158. Refund - General.

2 (a) A fireman who withdraws before age 50 and a fireman
3 with less than 10 years of service who withdraws before age 57,
4 or any fireman who withdraws and enters the service of another
5 department of the city, has a right to a refund of the entire
6 amount to his credit as of the date of withdrawal for age and
7 service annuity or Tier 2 monthly retirement annuity, for
8 automatic annual increase in annuity as provided in Section
9 6-164, and for widow's annuity or Tier 2 surviving spouse's
10 annuity, from deductions from salary.

11 (b) Any such fireman shall be entitled to refund until he
12 re-enters service or until his annuity is fixed.

13 (c) A fireman who receives a refund forfeits all rights to
14 any annuity or benefit from the fund, for himself and for any
15 other person who might benefit through him because of his
16 service, provided he shall retain the right to credit for any
17 such service, for the purpose of computing his total service if
18 he re-enters service before age 57, becomes a beneficiary of
19 the fund and makes repayment of the refund with interest.

20 (d) A fireman completing 10 years of service who does not
21 receive a refund, may receive an annuity as provided in this
22 Article.

23 (e) A fireman completing less than 10 years who does not
24 receive a refund has a right to have all amounts to his credit
25 for annuity purposes on the date of withdrawal improved by
26 interest while he is out of service until age 57 only, for his

1 benefit and the benefit of any person who may have any right to
2 annuity through him, if he subsequently reenters service and
3 attains a right to annuity.

4 (Source: Laws 1965, p. 2464.)

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

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

8 (a) A fireman qualifying for a minimum annuity who retires
9 from service after September 1, 1959 shall, upon either the
10 first of the month following the first anniversary of his date
11 of retirement if he is age 60 (age 55 if born before January 1,
12 1966 ~~1955~~) or over on that anniversary date, or upon the first
13 of the month following his attainment of age 60 (age 55 if born
14 before January 1, 1966 ~~1955~~) if that occurs after the first
15 anniversary of his retirement date, have his then fixed and
16 payable monthly annuity increased by 1 1/2%, and such first
17 fixed annuity as granted at retirement increased by an
18 additional 1 1/2% in January of each year thereafter up to a
19 maximum increase of 30%. Beginning July 1, 1982 for firemen
20 born before January 1, 1930, and beginning January 1, 1990 for
21 firemen born after December 31, 1929 and before January 1,
22 1940, and beginning January 1, 1996 for firemen born after
23 December 31, 1939 but before January 1, 1945, and beginning
24 January 1, 2004, for firemen born after December 31, 1944 but
25 before January 1, 1955, and beginning January 1, 2017, for

1 firemen born after December 31, 1954 but before January 1,
2 1966, such increases shall be 3% and such firemen shall not be
3 subject to the 30% maximum increase.

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

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

25 Any fireman born before January 1, 1966 who qualifies for a
26 minimum annuity and retires after September 1, 1967 but has not

1 received the initial increase under this subsection before
2 January 1, 2017 is entitled to receive an initial increase
3 under this subsection on (1) January 1, 2017, (2) the first
4 anniversary of the date of retirement, or (3) attainment of age
5 55, whichever occurs last, in an amount equal to 3% for each
6 complete year following the date of retirement or attainment of
7 age 55, whichever occurs later. The changes to this subsection
8 made by this amendatory Act of the 99th General Assembly apply
9 without regard to whether the fireman or annuitant terminated
10 service before the effective date of this amendatory Act.

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

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

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

1 year shall be credited with interest at the rate of 3% per
2 annum.

3 The salary deductions provided in this Section are not
4 subject to refund, except to the fireman himself, in any case
5 in which: (i) the a fireman withdraws prior to qualification
6 for minimum annuity or Tier 2 monthly retirement annuity and
7 applies for refund, (ii) the fireman or applies for an annuity
8 of a type that is not subject to annual increases under this
9 Section, or (iii), and also where a term annuity becomes
10 payable. In such cases, the total of such salary deductions
11 shall be refunded to the fireman, without interest, and charged
12 to the aforementioned reserve.

13 (d) Notwithstanding any other provision of this Article,
14 the Tier 2 monthly retirement annuity of a person who first
15 becomes a fireman under this Article on or after January 1,
16 2011 shall be increased on the January 1 occurring either on or
17 after (i) the attainment of age 60 or (ii) the first
18 anniversary of the annuity start date, whichever is later. Each
19 annual increase shall be calculated at 3% or one-half the
20 annual unadjusted percentage increase (but not less than zero)
21 in the consumer price index-u for the 12 months ending with the
22 September preceding each November 1, whichever is less, of the
23 originally granted retirement annuity. If the annual
24 unadjusted percentage change in the consumer price index-u for
25 a 12-month period ending in September is zero or, when compared
26 with the preceding period, decreases, then the annuity shall

1 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 by November 1 of each year.

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

12 (40 ILCS 5/6-166) (from Ch. 108 1/2, par. 6-166)

13 Sec. 6-166. Contributions for age and service annuities or
14 Tier 2 monthly retirement annuities for present employees and
15 future entrants.

16 (a) After the effective date and prior to July 1, 1953, 3
17 1/2%, and after June 30, 1953, and prior to September 1, 1959,
18 6%, and beginning September 1, 1959, 7 1/8% of each payment of
19 the salary of each present employee and future entrant shall be
20 deducted and contributed to the fund for age and service
21 annuity or Tier 2 monthly retirement annuity. The deductions
22 shall be made at the time payments of salary are payable and
23 shall continue while the employee is in service.

24 Concurrently with each such contribution, the city shall
25 contribute 8 1/2% of each payment of salary, but the city

1 contributions shall cease for all employees upon their
2 attainment of age 63.

3 (b) Each contribution by the employee and the city shall be
4 allocated to the account of and credited to the employee, and
5 shall be improved by interest at the applicable rate during the
6 time he is in service until the age and service annuity is
7 fixed. Any accretion, by way of interest or otherwise, upon
8 such sum or any deduction from salary made after the annuity is
9 fixed for a present employee or after attainment of age 63 by a
10 future entrant who first becomes a fireman under this Article
11 before January 1, 2011 shall not be credited to the employee
12 for age and service annuity.

13 (Source: P.A. 76-1668.)

14 (40 ILCS 5/6-167) (from Ch. 108 1/2, par. 6-167)

15 Sec. 6-167. Contributions for widow's annuity and Tier 2
16 surviving spouse's annuity. Beginning on the effective date and
17 prior to September 1, 1957, 1% of each payment of salary of not
18 more than \$3,000 of each employee and beginning September 1,
19 1957, 1% of each payment of salary of not more than \$6,000 of
20 each present employee and future entrant shall be deducted and
21 contributed to the fund for widow's annuity. After September 1,
22 1967 and prior to January 1, 1976, 1%, and beginning January 1,
23 1976, 1 1/2% of salary without limitation shall be deducted
24 from the pay of each present employee and future entrant and
25 contributed to the fund for widow's annuity or Tier 2 surviving

1 spouse's annuity. The deduction shall be made at the time the
2 payments of salary are payable and shall continue during the
3 service of the employee.

4 Concurrently with each contribution, the city shall
5 contribute 2% of each payment of salary.

6 Each contribution by the employee and the city shall be
7 allocated to the accounts of and credited to the employee for
8 widow's annuity or Tier 2 surviving spouse's annuity.

9 (Source: P.A. 79-633.)

10 (40 ILCS 5/6-229)

11 Sec. 6-229. Provisions applicable to new hires; Tier 2.

12 (a) Notwithstanding any other provision of this Article,
13 the provisions of this Section apply to a person who first
14 becomes a fireman under this Article on or after January 1,
15 2011, and to certain qualified survivors of such a fireman.
16 Such persons, and the benefits and restrictions that apply
17 specifically to them under this Article, may be referred to as
18 "Tier 2".

19 (b) A fireman who has withdrawn from service, has attained
20 age 50 ~~55~~ or more, and who has 10 or more years of service in
21 that capacity shall be entitled, upon proper application being
22 received by the Fund, at his option to receive a Tier 2 monthly
23 retirement annuity for his service as a fireman. The Tier 2
24 monthly retirement annuity shall be computed by multiplying
25 2.5% for each year of such service by his or her final average

1 salary, subject to an annuity reduction factor of. ~~The~~
2 ~~retirement annuity of a fireman who is retiring after attaining~~
3 ~~age 50 with 10 or more years of creditable service shall be~~
4 ~~reduced by~~ one-half of 1% for each month that the fireman's age
5 at retirement is under age 55. The Tier 2 monthly retirement
6 annuity is in lieu of any age and service annuity or other form
7 of retirement annuity under this Article.

8 The maximum retirement annuity under this subsection (b)
9 shall be 75% of final average salary.

10 For the purposes of this subsection (b), "final average
11 salary" means the average monthly salary obtained by dividing
12 the total salary of the fireman during the 96 consecutive
13 months of service within the last 120 months of service in
14 which the total salary was the highest by the number of months
15 of service in that period.

16 Beginning on January 1, 2011, for all purposes under this
17 Code (including without limitation the calculation of benefits
18 and employee contributions), the annual salary based on the
19 plan year of a member or participant to whom this Section
20 applies shall not exceed \$106,800; however, that amount shall
21 annually thereafter be increased by the lesser of (i) 3% of
22 that amount, including all previous adjustments, or (ii)
23 one-half the annual unadjusted percentage increase (but not
24 less than zero) in the consumer price index-u for the 12 months
25 ending with the September preceding each November 1, including
26 all previous adjustments.

1 (b-5) For the purposes of this Section, "consumer price
2 index-u" means the index published by the Bureau of Labor
3 Statistics of the United States Department of Labor that
4 measures the average change in prices of goods and services
5 purchased by all urban consumers, United States city average,
6 all items, 1982-84 = 100. The new amount resulting from each
7 annual adjustment shall be determined by the Public Pension
8 Division of the Department of Insurance and made available to
9 the boards of the retirement systems and pension funds by
10 November 1 of each year.

11 (c) Notwithstanding any other provision of this Article,
12 for a person who first becomes a fireman under this Article on
13 or after January 1, 2011, eligibility for and the amount of the
14 annuity to which the qualified surviving spouse, children, and
15 ~~or~~ parents of the fireman are entitled under this subsection

16 (c) shall be determined as follows:

17 (1) The surviving spouse of a deceased fireman to whom
18 this Section applies shall be deemed qualified to receive a
19 Tier 2 surviving spouse's annuity under this paragraph (1)
20 if: (i) the deceased fireman meets the requirements
21 specified under subdivision (A), (B), (C), or (D) of this
22 paragraph (1); and (ii) the surviving spouse would not
23 otherwise be excluded from receiving a widow's annuity
24 under the eligibility requirements for a widow's annuity
25 set forth in Section 6-142. The Tier 2 surviving spouse's
26 annuity is in lieu of the widow's annuity determined under

1 any other Section of this Article and is subject to the
2 requirements of Section 6-143.2.

3 As used in this subsection (c), "earned pension" means
4 a Tier 2 monthly retirement annuity determined under
5 subsection (b) of this Section, including any increases the
6 fireman had received pursuant to Section 6-164.

7 (A) If the deceased fireman was receiving an earned
8 pension at the date of his or her death, the Tier 2
9 surviving spouse's annuity under this paragraph (1)
10 shall be in the amount of 66 2/3% of the fireman's
11 earned pension at the date of death.

12 (B) If the deceased fireman was not receiving an
13 earned pension but had at least 10 years of service at
14 the time of death, the Tier 2 surviving spouse's
15 annuity under this paragraph (1) shall be the greater
16 of: (i) 30% of the salary attached to the rank of first
17 class firefighter in the classified career service at
18 the time of the fireman's death; or (ii) 66 2/3% of the
19 Tier 2 monthly retirement annuity that the deceased
20 fireman would have been eligible to receive under
21 subsection (b) of this Section, based upon the actual
22 service accrued through the day before the fireman's
23 death, but determined as though the fireman was at
24 least age 55 on the day before his or her death and
25 retired on that day.

26 (C) If the deceased fireman was an active fireman

1 with at least 1 1/2 but less than 10 years of service
2 at the time of death, the Tier 2 surviving spouse's
3 annuity under this paragraph (1) shall be in the amount
4 of 30% of the salary attached to the rank of first
5 class firefighter in the classified career service at
6 the time of the fireman's death.

7 (D) Notwithstanding subdivisions (A), (B), and (C)
8 of this paragraph (1), if the performance of an act or
9 acts of duty results directly in the death of a fireman
10 subject to this Section, or prevents him from
11 subsequently resuming active service in the fire
12 department, then a surviving spouse who would
13 otherwise meet the eligibility requirements for a
14 death in the line of duty widow's annuity granted under
15 Section 6-140 shall be deemed to be qualified for a
16 Tier 2 surviving spouse's annuity under this
17 subdivision (D); except that no such annuity shall be
18 paid to the surviving spouse of a fireman who dies
19 while in receipt of disability benefits when the
20 fireman's death was caused by an intervening illness or
21 injury unrelated to the illness or injury that had
22 prevented him from subsequently resuming active
23 service in the fire department. The Tier 2 surviving
24 spouse's annuity calculated under this subdivision (D)
25 shall be in lieu of, but in the same amount and paid in
26 the same manner as, the widow's annuity provided under

1 Section 6-140; except that the salary used for
2 computing a Tier 2 surviving spouse's annuity under
3 this subdivision (D) shall be subject to the Tier 2
4 salary cap provided under subsection (b) of this
5 Section.

6 (E) Notwithstanding any other provision of this
7 Article, the monthly Tier 2 surviving spouse's annuity
8 under subdivision (A) or (B) of this paragraph (1) of a
9 survivor of a person who first becomes a fireman under
10 this Article on or after January 1, 2011 shall be
11 increased on the January 1 next occurring after (i)
12 attainment of age 60 by the recipient of the Tier 2
13 surviving spouse's annuity or (ii) the first
14 anniversary of the Tier 2 surviving spouse's annuity
15 start date, whichever is later, survivor's pension and
16 on each January 1 thereafter, by 3% or one-half the
17 annual unadjusted percentage increase in the consumer
18 price index-u for the 12 months ending with September
19 preceding each November 1, whichever is less, of the
20 originally granted Tier 2 surviving spouse's
21 survivor's annuity. If the annual unadjusted
22 percentage change in the consumer price index-u for a
23 12-month period ending in September is zero or, when
24 compared with the preceding period, decreases, then
25 the annuity shall not be increased.

26 (F) Notwithstanding the other provisions of this

1 paragraph (1), for a qualified surviving spouse who is
2 entitled to a Tier 2 surviving spouse's annuity under
3 subdivision (A), (B), (C), or (D) of this paragraph
4 (1), that Tier 2 surviving spouse's annuity shall not
5 be less than the amount of the minimum widow's annuity
6 established from time to time under Section 6-128.4.

7 (2) Surviving children of a deceased fireman subject to
8 this Section who would otherwise meet the eligibility
9 requirements for a child's annuity set forth in Sections
10 6-147 and 6-148 shall be deemed qualified to receive a Tier
11 2 child's annuity under this subsection (c), which shall be
12 in lieu of, but in the same amount and paid in the same
13 manner as, the child's annuity provided under those
14 Sections; except that any salary used for computing a Tier
15 2 child's annuity shall be subject to the Tier 2 salary cap
16 provided under subsection (b) of this Section. For purposes
17 of determining any pro rata reduction in child's annuities
18 under this subsection (c), references in Section 6-148 to
19 the combined annuities of the family shall be deemed to
20 refer to the combined Tier 2 surviving spouse's annuity, if
21 any, and the Tier 2 child's annuities payable under this
22 subsection (c).

23 (3) Surviving parents of a deceased fireman subject to
24 this Section who would otherwise meet the eligibility
25 requirements for a parent's annuity set forth in Section
26 6-149 shall be deemed qualified to receive a Tier 2

1 parent's annuity under this subsection (c), which shall be
2 in lieu of, but in the same amount and paid in the same
3 manner as, the parent's annuity provided under Section
4 6-149; except that any salary used for computing a Tier 2
5 parent's annuity shall be subject to the Tier 2 salary cap
6 provided under subsection (b) of this Section. For the
7 purposes of this Section, a reference to "annuity" in
8 Section 6-149 includes: (i) in the context of a widow, a
9 Tier 2 surviving spouse's annuity and (ii) in the context
10 of a child, a Tier 2 child's annuity.

11 (d) The General Assembly finds and declares that the
12 provisions of this Section, as enacted by Public Act 96-1495,
13 require clarification relating to necessary eligibility
14 standards and the manner of determining and paying the intended
15 Tier 2 benefits and contributions in order to enable the Fund
16 to unambiguously implement and administer benefits for Tier 2
17 members. The changes to this Section and the conforming changes
18 to Sections 6-150, 6-158, 6-164 (except for the changes to
19 subsection (a) of that Section), 6-166, and 6-167 made by this
20 amendatory Act of the 99th General Assembly are enacted to
21 clarify the provisions of this Section as enacted by Public Act
22 96-1495, and are hereby declared to represent and be consistent
23 with the original and continuing intent of this Section and
24 Public Act 96-1495.

25 (e) The changes to Sections 6-150, 6-158, 6-164 (except for
26 the changes to subsection (a) of that Section), 6-166, and

1 6-167 made by this amendatory Act of the 99th General Assembly
2 are intended to be retroactive to January 1, 2011 (the
3 effective date of Public Act 96-1495) and, for the purposes of
4 Section 1-103.1 of this Code, they apply without regard to
5 whether the relevant fireman was in service on or after the
6 effective date of this amendatory Act of the 99th General
7 Assembly.

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

9 Section 90. The State Mandates Act is amended by adding
10 Section 8.40 as follows:

11 (30 ILCS 805/8.40 new)

12 Sec. 8.40. Exempt mandate. Notwithstanding Sections 6 and 8
13 of this Act, no reimbursement by the State is required for the
14 implementation of any mandate created by this amendatory Act of
15 the 99th General Assembly.

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