

1 AN ACT in relation to 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  
5 changing Sections 11-134 and 11-145.1 as follows:

6 (40 ILCS 5/11-134) (from Ch. 108 1/2, par. 11-134)

7 Sec. 11-134. Minimum annuities.

8 (a) An employee whose withdrawal occurs after July 1,  
9 1957 at age 60 or over, with 20 or more years of service, (as  
10 service is defined or computed in Section 11-216), for whom  
11 the age and service and prior service annuity combined is  
12 less than the amount stated in this Section, shall, from and  
13 after the date of withdrawal, in lieu of all annuities  
14 otherwise provided in this Article, be entitled to receive an  
15 annuity for life of an amount equal to 1 2/3% for each year  
16 of service, of the highest average annual salary for any 5  
17 consecutive years within the last 10 years of service  
18 immediately preceding the date of withdrawal; provided, that  
19 in the case of any employee who withdraws on or after July 1,  
20 1971, such employee age 60 or over with 20 or more years of  
21 service, shall be entitled to instead receive an annuity for  
22 life equal to 1.67% for each of the first 10 years of  
23 service; 1.90% for each of the next 10 years of service;  
24 2.10% for each year of service in excess of 20 but not  
25 exceeding 30; and 2.30% for each year of service in excess of  
26 30, based on the highest average annual salary for any 4  
27 consecutive years within the last 10 years of service  
28 immediately preceding the date of withdrawal.

29 An employee who withdraws after July 1, 1957 and before  
30 January 1, 1988, with 20 or more years of service, before age  
31 60, shall be entitled to an annuity, to begin not earlier

1 than age 55, if under such age at withdrawal, as computed in  
2 the last preceding paragraph, reduced 0.25% if the employee  
3 was born before January 1, 1936, or 0.5% if the employee was  
4 born on or after January 1, 1936, for each full month or  
5 fractional part thereof that his attained age when such  
6 annuity is to begin is less than 60.

7 Any employee born before January 1, 1936 who withdraws  
8 with 20 or more years of service, and any employee with 20 or  
9 more years of service who withdraws on or after January 1,  
10 1988, may elect to receive, in lieu of any other employee  
11 annuity provided in this Section, an annuity for life equal  
12 to 1.80% for each of the first 10 years of service, 2.00% for  
13 each of the next 10 years of service, 2.20% for each year of  
14 service in excess of 20, but not exceeding 30, and 2.40% for  
15 each year of service in excess of 30, of the highest average  
16 annual salary for any 4 consecutive years within the last 10  
17 years of service immediately preceding the date of  
18 withdrawal, to begin not earlier than upon attained age of 55  
19 years, if under such age at withdrawal, reduced 0.25% for  
20 each full month or fractional part thereof that his attained  
21 age when annuity is to begin is less than 60; except that an  
22 employee retiring on or after January 1, 1988, at age 55 or  
23 over but less than age 60, having at least 35 years of  
24 service, or an employee retiring on or after July 1, 1990, at  
25 age 55 or over but less than age 60, having at least 30 years  
26 of service, or an employee retiring on or after the effective  
27 date of this amendatory Act of 1997, at age 55 or over but  
28 less than age 60, having at least 25 years of service, shall  
29 not be subject to the reduction in retirement annuity because  
30 of retirement below age 60.

31 However, in the case of an employee who retired on or  
32 after January 1, 1985 but before January 1, 1988, at age 55  
33 or older and with at least 35 years of service, and who was  
34 subject under this subsection (a) to the reduction in

1 retirement annuity because of retirement below age 60, that  
2 reduction shall cease to be effective January 1, 1991, and  
3 the retirement annuity shall be recalculated accordingly.

4 Any employee who withdraws on or after July 1, 1990, with  
5 20 or more years of service, may elect to receive, in lieu of  
6 any other employee annuity provided in this Section, an  
7 annuity for life equal to 2.20% for each year of service of  
8 the highest average annual salary for any 4 consecutive years  
9 within the last 10 years of service immediately preceding the  
10 date of withdrawal, to begin not earlier than upon attained  
11 age of 55 years, if under such age at withdrawal, reduced  
12 0.25% for each full month or fractional part thereof that his  
13 attained age when annuity is to begin is less than 60; except  
14 that an employee retiring at age 55 or over but less than age  
15 60, having at least 30 years of service, shall not be subject  
16 to the reduction in retirement annuity because of retirement  
17 below age 60.

18 Any employee who withdraws on or after the effective date  
19 of this amendatory Act of 1997 with 20 or more years of  
20 service may elect to receive, in lieu of any other employee  
21 annuity provided in this Section, an annuity for life equal  
22 to 2.20%, for each year of service, of the highest average  
23 annual salary for any 4 consecutive years within the last 10  
24 years of service immediately preceding the date of  
25 withdrawal, to begin not earlier than upon attainment of age  
26 55 (age 50 if the employee has at least 30 years of service),  
27 reduced 0.25% for each full month or remaining fractional  
28 part thereof that the employee's attained age when annuity is  
29 to begin is less than 60; except that an employee retiring at  
30 age 50 or over with at least 30 years of service or at age 55  
31 or over with at least 25 years of service shall not be  
32 subject to the reduction in retirement annuity because of  
33 retirement below age 60.

34 The maximum annuity payable under this paragraph (a) of

1 this Section shall not exceed 70% of highest average annual  
2 salary in the case of an employee who withdraws prior to July  
3 1, 1971, and 75% if withdrawal takes place on or after July  
4 1, 1971. For the purpose of the minimum annuity provided in  
5 said paragraphs \$1,500 shall be considered the minimum annual  
6 salary for any year; and the maximum annual salary to be  
7 considered for the computation of such annuity shall be  
8 \$4,800 for any year prior to 1953, \$6,000 for the years 1953  
9 to 1956, inclusive, and the actual annual salary, as salary  
10 is defined in this Article, for any year thereafter.

11 (b) For an employee receiving disability benefit, his  
12 salary for annuity purposes under this Section shall, for all  
13 periods of disability benefit subsequent to the year 1956, be  
14 the amount on which his disability benefit was based.

15 (c) An employee with 20 or more years of service, whose  
16 entire disability benefit credit period expires prior to  
17 attainment of age 55 while still disabled for service, shall  
18 be entitled upon withdrawal to the larger of (1) the minimum  
19 annuity provided above assuming that he is then age 55, and  
20 reducing such annuity to its actuarial equivalent at his  
21 attained age on such date, or (2) the annuity provided from  
22 his age and service and prior service annuity credits.

23 (d) The minimum annuity provisions as aforesaid shall  
24 not apply to any former employee receiving an annuity from  
25 the fund, and who re-enters service as an employee, unless he  
26 renders at least 3 years of additional service after the date  
27 of re-entry.

28 (e) An employee in service on July 1, 1947, or who  
29 became a contributor after July 1, 1947 and prior to July 1,  
30 1950, or who shall become a contributor to the fund after  
31 July 1, 1950 prior to attainment of age 70, who withdraws  
32 after age 65 with less than 20 years of service, for whom the  
33 annuity has been fixed under the foregoing Sections of this  
34 Article shall, in lieu of the annuity so fixed, receive an

1 annuity as follows:

2       Such amount as he could have received had the accumulated  
3 amounts for annuity been improved with interest at the  
4 effective rate to the date of his withdrawal, or to  
5 attainment of age 70, whichever is earlier, and had the city  
6 contributed to such earlier date for age and service annuity  
7 the amount that would have been contributed had he been under  
8 age 65, after the date his annuity was fixed in accordance  
9 with this Article, and assuming his annuity were computed  
10 from such accumulations as of his age on such earlier date.  
11 The annuity so computed shall not exceed the annuity which  
12 would be payable under the other provisions of this Section  
13 if the employee was credited with 20 years of service and  
14 would qualify for annuity thereunder.

15       (f) In lieu of the annuity provided in this or in any  
16 other Section of this Article, an employee having attained  
17 age 65 with at least 15 years of service who withdraws from  
18 service on or after July 1, 1971 and whose annuity computed  
19 under other provisions of this Article is less than the  
20 amount provided under this paragraph shall be entitled to  
21 receive a minimum annual annuity for life equal to 1% of the  
22 highest average annual salary for any 4 consecutive years  
23 within the last 10 years of service immediately preceding  
24 retirement for each year of his service plus the sum of \$25  
25 for each year of service. Such annual annuity shall not  
26 exceed the maximum percentages stated under paragraph (a) of  
27 this Section of such highest average annual salary.

28       (f-1) Instead of any other retirement annuity provided  
29 in this Article, an employee who has at least 10 years of  
30 service and withdraws from service on or after January 1,  
31 1999 may elect to receive a retirement annuity for life,  
32 beginning no earlier than upon attainment of age 60, equal to  
33 2.2% of final average salary for each year of service,  
34 subject to a maximum of 75% of final average salary. For the

1 purpose of calculating this annuity, "final average salary"  
2 means the highest average annual salary for any 4 consecutive  
3 years in the last 10 years of service.

4 (g) Any annuity payable under the preceding subsections  
5 of this Section 11-134 shall be paid in equal monthly  
6 installments.

7 (h) The amendatory provisions of part (a) and (f) of  
8 this Section shall be effective July 1, 1971 and apply in the  
9 case of every qualifying employee withdrawing on or after  
10 July 1, 1971.

11 (i) The amendatory provisions of this amendatory Act of  
12 1985 relating to the discount of annuity because of  
13 retirement prior to attainment of age 60 and increasing the  
14 retirement formula for those born before January 1, 1936,  
15 shall apply only to qualifying employees withdrawing on or  
16 after August 16, 1985.

17 (j) Beginning on January 1, 2002 ~~1999~~, the minimum  
18 amount of employee's annuity shall be \$1,250 ~~\$850~~ per month  
19 for life for the following classes of employees, without  
20 regard to the fact that withdrawal occurred prior to the  
21 effective date of this amendatory Act of the 92nd General  
22 Assembly ~~1998~~:

23 (1) any employee annuitant alive and receiving a  
24 life annuity on the effective date of this amendatory Act  
25 of the 92nd General Assembly ~~1998~~, except a reciprocal  
26 annuity;

27 (2) any employee annuitant alive and receiving a  
28 term annuity on the effective date of this amendatory Act  
29 of the 92nd General Assembly ~~1998~~, except a reciprocal  
30 annuity;

31 (3) any employee annuitant alive and receiving a  
32 reciprocal annuity on the effective date of this  
33 amendatory Act of the 92nd General Assembly ~~1998~~, whose  
34 service in this fund is at least 5 years;

1           (4) any employee annuitant withdrawing after age 60  
2           on or after the effective date of this amendatory Act of  
3           the 92nd General Assembly 1998, with at least 10 years of  
4           service in this fund.

5           The increases granted under items (1), (2) and (3) of  
6           this subsection (j) shall not be limited by any other Section  
7           of this Act.

8           (Source: P.A. 90-32, eff. 6-27-97; 90-511, eff. 8-22-97;  
9           90-766, eff. 8-14-98.)

10           (40 ILCS 5/11-145.1) (from Ch. 108 1/2, par. 11-145.1)

11           Sec. 11-145.1. Minimum annuities for widows. The widow  
12           otherwise eligible for widow's annuity under other Sections  
13           of this Article 11, of an employee hereinafter described, who  
14           retires from service or dies while in the service subsequent  
15           to the effective date of this amendatory provision, and for  
16           which widow the amount of widow's annuity and widow's prior  
17           service annuity combined, fixed or provided for such widow  
18           under other provisions of said Article 11 is less than the  
19           amount hereinafter provided in this section, shall, from and  
20           after the date her otherwise provided annuity would begin, in  
21           lieu of such otherwise provided widow's and widow's prior  
22           service annuity, be entitled to the following indicated  
23           amount of annuity:

24           (a) The widow of any employee who dies while in service  
25           on or after the date on which he attains age 60 if the death  
26           occurs before July 1, 1990, or on or after the date on which  
27           he attains age 55 if the death occurs on or after July 1,  
28           1990, with at least 20 years of service, or on or after the  
29           date on which he attains age 50 if the death occurs on or  
30           after the effective date of this amendatory Act of 1997 with  
31           at least 30 years of service, shall be entitled to an annuity  
32           equal to one-half of the amount of annuity which her deceased  
33           husband would have been entitled to receive had he withdrawn

1 from the service on the day immediately preceding the date of  
2 his death, conditional upon such widow having attained age 60  
3 on or before such date if the death occurs before July 1,  
4 1990, or age 55 if the death occurs on or after July 1, 1990,  
5 or age 50 if the death occurs on or after January 1, 1998 and  
6 the employee is age 50 or over with at least 30 years of  
7 service or age 55 or over with at least 25 years of service.  
8 Except as provided in subsection (j), the widow's annuity  
9 shall not, however, exceed the sum of \$500 a month if the  
10 employee's death in service occurs before January 23, 1987.  
11 The widow's annuity shall not be limited to a maximum dollar  
12 amount if the employee's death in service occurs on or after  
13 January 23, 1987.

14 If the employee dies in service before July 1, 1990, and  
15 if such widow of such described employee shall not be 60 or  
16 more years of age on such date of death, the amount provided  
17 in the immediately preceding paragraph for a widow 60 or more  
18 years of age, shall, in the case of such younger widow, be  
19 reduced by 0.25% for each month that her then attained age is  
20 less than 60 years if the employee was born before January 1,  
21 1936, or dies in service on or after January 1, 1988, or 0.5%  
22 for each month that her then attained age is less than 60  
23 years if the employee was born on or after January 1, 1936  
24 and dies in service before January 1, 1988.

25 If the employee dies in service on or after July 1, 1990,  
26 and if the widow of the employee has not attained age 55 on  
27 or before the employee's date of death, the amount otherwise  
28 provided in this subsection (a) shall be reduced by 0.25% for  
29 each month that her then attained age is less than 55 years;  
30 except that if the employee dies in service on or after  
31 January 1, 1998 at age 50 or over with at least 30 years of  
32 service or at age 55 or over with at least 25 years of  
33 service, there shall be no reduction due to the widow's age  
34 if she has attained age 50 on or before the employee's date



1 of death, and if the widow has not attained age 50 on or  
2 before the employee's date of death the amount otherwise  
3 provided in this subsection (a) shall be reduced by 0.25% for  
4 each month that her then attained age is less than 50 years.

5 (b) The widow of any employee who dies subsequent to the  
6 date of his retirement on annuity, and who so retired on or  
7 after the date on which he attained age 60 if retirement  
8 occurs before July 1, 1990, or on or after the date on which  
9 he attained age 55 if retirement occurs on or after July 1,  
10 1990, with at least 20 years of service, or on or after the  
11 date on which he attained age 50 if the retirement occurs on  
12 or after the effective date of this amendatory Act of 1997  
13 with at least 30 years of service, shall be entitled to an  
14 annuity equal to one-half of the amount of annuity which her  
15 deceased husband received as of the date of his retirement on  
16 annuity, conditional upon such widow having attained age 60  
17 on or before the date of her husband's retirement on annuity  
18 if retirement occurs before July 1, 1990, or age 55 if  
19 retirement occurs on or after July 1, 1990, or age 50 if the  
20 retirement on annuity occurs on or after January 1, 1998 and  
21 the employee is age 50 or over with at least 30 years of  
22 service or age 55 or over with at least 25 years of service.  
23 Except as provided in subsection (j), this widow's annuity  
24 shall not, however, exceed the sum of \$500 a month if the  
25 employee's death occurs before January 23, 1987. The widow's  
26 annuity shall not be limited to a maximum dollar amount if  
27 the employee's death occurs on or after January 23, 1987,  
28 regardless of the date of retirement; provided that, if  
29 retirement was before January 23, 1987, the employee or  
30 eligible spouse repays the excess spouse refund with interest  
31 at the effective rate from the date of refund to the date of  
32 repayment.

33 If the date of the employee's retirement on annuity is  
34 before July 1, 1990, and if such widow of such described

1 employee shall not have attained such age of 60 or more years  
2 on such date of her husband's retirement on annuity, the  
3 amount provided in the immediately preceding paragraph for a  
4 widow 60 or more years of age on the date of her husband's  
5 retirement on annuity, shall, in the case of such then  
6 younger widow, be reduced by 0.25% for each month that her  
7 then attained age was less than 60 years if the employee was  
8 born before January 1, 1936, or withdraws from service on or  
9 after January 1, 1988, or 0.5% for each month that her then  
10 attained age was less than 60 years if the employee was born  
11 on or after January 1, 1936 and withdraws from service before  
12 January 1, 1988.

13 If the date of the employee's retirement on annuity is on  
14 or after July 1, 1990, and if the widow of the employee has  
15 not attained age 55 by the date of the employee's retirement  
16 on annuity, the amount otherwise provided in this subsection  
17 (b) shall be reduced by 0.25% for each month that her then  
18 attained age is less than 55 years; except that if the  
19 employee retires on annuity on or after January 1, 1998 at  
20 age 50 or over with at least 30 years of service or at age 55  
21 or over with at least 25 years of service, there shall be no  
22 reduction due to the widow's age if she has attained age 50  
23 on or before the employee's date of death, and if the widow  
24 has not attained age 50 on or before the employee's date of  
25 death the amount otherwise provided in this subsection (b)  
26 shall be reduced by 0.25% for each month that her then  
27 attained age is less than 50 years.

28 (c) The foregoing provisions relating to minimum  
29 annuities for widows shall not apply to the widow of any  
30 former employee receiving an annuity from the fund on August  
31 2, 1965 or on the effective date of this amendatory  
32 provision, who re-enters service as a former employee, unless  
33 such employee renders at least 3 years of additional service  
34 after the date of re-entry.

1 (d) (Blank).

2 (e) (Blank).

3 (f) The amendments to this Section by this amendatory  
4 Act of 1985, relating to changing the discount because of age  
5 from 1/2 of 1% to 0.25% per month for widows of employees  
6 born before January 1, 1936, shall apply only to qualifying  
7 widows whose husbands die while in the service on or after  
8 August 16, 1985 or withdraw and enter on annuity on or after  
9 August 16, 1985.

10 (g) Beginning on January 1, 2002 ~~1999~~, the minimum  
11 amount of widow's annuity shall be \$1,200 ~~\$800~~ per month for  
12 life for the following classes of widows, without regard to  
13 the fact that the death of the employee occurred prior to the  
14 effective date of this amendatory Act of the 92nd General  
15 Assembly ~~1998~~:

16 (1) any widow annuitant alive and receiving a term  
17 annuity on the effective date of this amendatory Act of  
18 the 92nd General Assembly ~~1998~~, except a reciprocal  
19 annuity;

20 (2) any widow annuitant alive and receiving a life  
21 annuity on the effective date of this amendatory Act of  
22 the 92nd General Assembly ~~1998~~, except a reciprocal  
23 annuity;

24 (3) any widow annuitant alive and receiving a  
25 reciprocal annuity on the effective date of this  
26 amendatory Act of the 92nd General Assembly ~~1998~~, whose  
27 employee spouse's service in this fund was at least 5  
28 years;

29 (4) the widow of an employee with at least 10 years  
30 of service in this fund who dies after retirement, if the  
31 retirement occurred prior to the effective date of this  
32 amendatory Act of the 92nd General Assembly ~~1998~~;

33 (5) the widow of an employee with at least 10 years  
34 of service in this fund who dies after retirement, if

1 withdrawal occurs on or after the effective date of this  
2 amendatory Act of the 92nd General Assembly 1998;

3 (6) the widow of an employee who dies in service  
4 with at least 5 years of service in this fund, if the  
5 death in service occurs on or after the effective date of  
6 this amendatory Act of the 92nd General Assembly 1998.

7 The increases granted under items (1), (2), (3) and (4)  
8 of this subsection (g) shall not be limited by any other  
9 Section of this Act.

10 (h) The widow of an employee who retired or died in  
11 service on or after January 1, 1985 and before July 1, 1990,  
12 at age 55 or older, and with at least 35 years of service  
13 credit, shall be entitled to have her widow's annuity  
14 increased, effective January 1, 1991, to an amount equal to  
15 50% of the retirement annuity that the deceased employee  
16 received on the date of retirement, or would have been  
17 eligible to receive if he had retired on the day preceding  
18 the date of his death in service, provided that if the widow  
19 had not attained age 60 by the date of the employee's  
20 retirement or death in service, the amount of the annuity  
21 shall be reduced by 0.25% for each month that her then  
22 attained age was less than age 60 if the employee's  
23 retirement or death in service occurred on or after January  
24 1, 1988, or by 0.5% for each month that her attained age is  
25 less than age 60 if the employee's retirement or death in  
26 service occurred prior to January 1, 1988. However, in cases  
27 where a refund of excess contributions for widow's annuity  
28 has been paid by the Fund, the increase in benefit provided  
29 by this subsection (h) shall be contingent upon repayment of  
30 the refund to the Fund with interest at the effective rate  
31 from the date of refund to the date of payment.

32 (i) If a deceased employee is receiving a retirement  
33 annuity at the time of death and that death occurs on or  
34 after June 27, 1997, the widow may elect to receive, in lieu

1 of any other annuity provided under this Article, 50% of the  
2 deceased employee's retirement annuity at the time of death  
3 reduced by 0.25% for each month that the widow's age on the  
4 date of death is less than 55; except that if the employee  
5 dies on or after January 1, 1998 and withdrew from service on  
6 or after June 27, 1997 at age 50 or over with at least 30  
7 years of service or at age 55 or over with at least 25 years  
8 of service, there shall be no reduction due to the widow's  
9 age if she has attained age 50 on or before the employee's  
10 date of death, and if the widow has not attained age 50 on or  
11 before the employee's date of death the amount otherwise  
12 provided in this subsection (i) shall be reduced by 0.25% for  
13 each month that her age on the date of death is less than 50  
14 years. However, in cases where a refund of excess  
15 contributions for widow's annuity has been paid by the Fund,  
16 the benefit provided by this subsection (i) is contingent  
17 upon repayment of the refund to the Fund with interest at the  
18 effective rate from the date of refund to the date of  
19 payment.

20 (j) For widows of employees who died before January 23,  
21 1987 after retirement on annuity or in service, the maximum  
22 dollar amount limitation on widow's annuity shall cease to  
23 apply, beginning with the first annuity payment after the  
24 effective date of this amendatory Act of 1997; except that if  
25 a refund of excess contributions for widow's annuity has been  
26 paid by the Fund, the increase resulting from this subsection  
27 (j) shall not begin before the refund has been repaid to the  
28 Fund, together with interest at the effective rate from the  
29 date of the refund to the date of repayment.

30 (Source: P.A. 90-32, eff. 6-27-97; 90-511, eff. 8-22-97;  
31 90-766, eff. 8-14-98.)

32 Section 90. The State Mandates Act is amended by adding  
33 Section 8.25 as follows:

1 (30 ILCS 805/8.25 new)

2 Sec. 8.25. Exempt mandate. Notwithstanding Sections 6  
3 and 8 of this Act, no reimbursement by the State is required  
4 for the implementation of any mandate created by this  
5 amendatory Act of the 92nd General Assembly.

6 Section 99. Effective date. This Act takes effect upon  
7 becoming law.