

AN ACT concerning public employee benefits.

**Be it enacted by the People of the State of Illinois,  
represented in the General Assembly:**

Section 5. The Illinois Pension Code is amended by changing Section 6-164 as follows:

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

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

(a) A fireman qualifying for a minimum annuity who retires from service after September 1, 1959 shall, upon either the first of the month following the first anniversary of his date of retirement if he is ~~age 60~~ (age 55 ~~if born before January 1, 1966~~) or over on that anniversary date, or upon the first of the month following his attainment of ~~age 60~~ (age 55 ~~if born before January 1, 1966~~) if that occurs after the first anniversary of his retirement date, have his then fixed and payable monthly annuity increased by 1 1/2%, and such first fixed annuity as granted at retirement increased by an additional 1 1/2% in January of each year thereafter up to a maximum increase of 30%. Beginning July 1, 1982 for firemen born before January 1, 1930, and beginning January 1, 1990 for firemen born after December 31, 1929 and before January 1, 1940, and beginning January 1, 1996 for firemen born after

December 31, 1939 but before January 1, 1945, and beginning January 1, 2004, for firemen born after December 31, 1944 but before January 1, 1955, and beginning January 1, 2017, for firemen born after December 31, 1954 ~~but before January 1, 1966~~, such increases shall be 3% and such firemen shall not be subject to the 30% maximum increase.

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

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

before the effective date of this amendatory Act.

Any fireman born after December 31, 1954 but before January 1, 1966 who qualifies for a minimum annuity and retires after September 1, 1967 is entitled to receive an increase under this subsection on (1) January 1, 2017, (2) the first anniversary of the date of retirement, or (3) attainment of age 55, whichever occurs last, in an amount equal to an increase of 3% of his then fixed and payable monthly annuity upon the first of the month following the first anniversary of his date of retirement if he is age 55 or over on that anniversary date or upon the first of the month following his attainment of age 55 if that date occurs after the first anniversary of his retirement date and such first fixed annuity as granted at retirement shall be increased by an additional 3% in January of each year thereafter. In the case of a fireman born after December 31, 1954 but before January 1, 1966 who received an increase in any year of 1.5%, that fireman shall receive an increase for any such year so that the total increase is equal to 3% for each year the fireman would have been otherwise eligible had the fireman not received any increase. The changes to this subsection made by this amendatory Act of the 99th General Assembly apply without regard to whether the fireman or annuitant terminated service before the effective date of this amendatory Act. The changes to this subsection made by this amendatory Act of the 100th General Assembly are a declaration of existing law and shall not be construed as a new enactment.

Any fireman who qualifies for a minimum annuity and retires after September 1, 1967 is entitled to receive an increase under this subsection on (1) January 1, 2020, (2) the first anniversary of the date of retirement, or (3) attainment of age 55, whichever occurs last, in an amount equal to an increase of 3% of his or her then fixed and payable monthly annuity upon the first of the month following the first anniversary of his or her date of retirement if he or she is age 55 or over on that anniversary date or upon the first of the month following his or her attainment of age 55 if that date occurs after the first anniversary of his or her retirement date and such first fixed annuity as granted at retirement shall be increased by an additional 3% in January of each year thereafter. In the case of a fireman who received an increase in any year of 1.5%, that fireman shall receive an increase for any such year so that the total increase is equal to 3% for each year the fireman would have been otherwise eligible had the fireman not received any increase. The changes to this subsection made by this amendatory Act of the 101st General Assembly apply without regard to whether the fireman or annuitant terminated service before the effective date of this amendatory Act of the 101st General Assembly.

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

(c) To help defray the cost of such increases in annuity, there shall be deducted, beginning September 1, 1959, from each

payment of salary to a fireman,  $1/8$  of 1% of each such salary payment and an additional  $1/8$  of 1% beginning on September 1, 1961, and September 1, 1963, respectively, concurrently with and in addition to the salary deductions otherwise made for annuity purposes.

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

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

(d) Notwithstanding any other provision of this Article, the Tier 2 monthly retirement annuity of a person who first becomes a fireman under this Article on or after January 1,

2011 shall be increased on the January 1 occurring either on or after (i) the attainment of age 60 or (ii) the first anniversary of the annuity start date, whichever is later. Each annual increase shall be calculated at 3% or one-half the annual unadjusted percentage increase (but not less than zero) in the consumer price index-u for the 12 months ending with the September preceding each November 1, whichever is less, of the originally granted retirement annuity. If the annual unadjusted percentage change in the consumer price index-u for a 12-month period ending in September is zero or, when compared with the preceding period, decreases, then the annuity shall not be increased.

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

(Source: P.A. 99-905, eff. 11-29-16; 100-23, eff. 7-6-17; 100-539, eff. 11-7-17.)

Section 90. The State Mandates Act is amended by adding Section 8.43 as follows:

Public Act 101-0673

HB2451 Enrolled

LRB101 07989 RPS 53046 b

(30 ILCS 805/8.43 new)

Sec. 8.43. Exempt mandate. Notwithstanding Sections 6 and 8 of this Act, no reimbursement by the State is required for the implementation of any mandate created by this amendatory Act of the 101st General Assembly.

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