

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 7-142 and 7-142.1 as follows:

6 (40 ILCS 5/7-142) (from Ch. 108 1/2, par. 7-142)

7 Sec. 7-142. Retirement annuities - Amount.

8 (a) The amount of a retirement annuity shall be the sum
9 of the following, determined in accordance with the actuarial
10 tables in effect at the time of the grant of the annuity:

11 1. For employees with 8 or more years of service,
12 an annuity computed pursuant to subparagraphs a or b of
13 this subparagraph 1, whichever is the higher, and for
14 employees with less than 8 years of service the annuity
15 computed pursuant to subparagraph a:

16 a. The monthly annuity which can be provided
17 from the total accumulated normal, municipality and
18 prior service credits, as of the attained age of the
19 employee on the date the annuity begins provided
20 that such annuity shall not exceed 75% of the final
21 rate of earnings of the employee.

22 b. (i) The monthly annuity amount determined
23 as follows:

24 If withdrawal occurs before January 1, 2002, by
25 multiplying (a) 1 2/3% for annuitants with not more
26 than 15 years or (b) 1 2/3% for the first 15 years
27 and 2% for each year in excess of 15 years for
28 annuitants with more than 15 years by the number of
29 years plus fractional years, prorated on a basis of
30 months, of creditable service and multiply the
31 product thereof by the employee's final rate of

1 earnings.

2 If withdrawal occurs on or after January 1,
3 2002, by multiplying 2.0% by the number of years
4 plus fractional years, prorated on a basis of
5 months, of creditable service and multiplying the
6 product thereof by the employee's final rate of
7 earnings.

8 (ii) For the sole purpose of computing the
9 formula (and not for the purposes of the limitations
10 hereinafter stated) \$125 shall be considered the
11 final rate of earnings in all cases where the final
12 rate of earnings is less than such amount.

13 (iii) The monthly annuity computed in
14 accordance with this subparagraph b, shall not
15 exceed an amount equal to 75% of the final rate of
16 earnings.

17 (iv) For employees who have less than 35 years
18 of service, the annuity computed in accordance with
19 this subparagraph b (as reduced by application of
20 subparagraph (iii) above) shall be reduced by 0.25%
21 thereof (0.5% if service was terminated before
22 January 1, 1988) for each month or fraction thereof
23 (1) that the employee's age is less than 60 years,
24 or (2) if the employee has at least 30 years of
25 service credit, that the employee's service credit
26 is less than 35 years, whichever is less, on the
27 date the annuity begins.

28 2. The annuity which can be provided from the total
29 accumulated additional credits as of the attained age of
30 the employee on the date the annuity begins.

31 (b) If payment of an annuity begins prior to the
32 earliest age at which the employee will become eligible for
33 an old age insurance benefit under the Federal Social
34 Security Act, he may elect that the annuity payments from

1 this fund shall exceed those payable after his attaining such
2 age by an amount, computed as determined by rules of the
3 Board, but not in excess of his estimated Social Security
4 Benefit, determined as of the effective date of the annuity,
5 provided that in no case shall the total annuity payments
6 made by this fund exceed in actuarial value the annuity which
7 would have been payable had no such election been made.

8 (c) The retirement annuity shall be increased each year
9 by 2%, not compounded, of the monthly amount of annuity,
10 taking into consideration any adjustment under paragraph (b)
11 of this Section. This increase shall be effective each
12 January 1 and computed from the effective date of the
13 retirement annuity, the first increase being .167% of the
14 monthly amount times the number of months from the effective
15 date to January 1. Beginning January 1, 1984 and thereafter,
16 the retirement annuity shall be increased by 3% each year,
17 not compounded. This increase shall not be applicable to
18 annuitants who are not in service on or after September 8,
19 1971.

20 (Source: P.A. 91-357, eff. 7-29-99.)

21 (40 ILCS 5/7-142.1) (from Ch. 108 1/2, par. 7-142.1)
22 Sec. 7-142.1. Sheriff's law enforcement employees.

23 (a) In lieu of the retirement annuity provided by
24 subparagraph 1 of paragraph (a) of Section 7-142:

25 Any sheriff's law enforcement employee who has 20 or more
26 years of service in that capacity and who terminates service
27 prior to January 1, 1988 shall be entitled at his option to
28 receive a monthly retirement annuity for his service as a
29 sheriff's law enforcement employee computed by multiplying 2%
30 for each year of such service up to 10 years, 2 1/4% for each
31 year of such service above 10 years and up to 20 years, and 2
32 1/2% for each year of such service above 20 years, by his
33 annual final rate of earnings and dividing by 12.

1 Any sheriff's law enforcement employee who has 20 or more
2 years of service in that capacity and who terminates service
3 on or after January 1, 1988 and before January 1, 2002 shall
4 be entitled at his option to receive a monthly retirement
5 annuity for his service as a sheriff's law enforcement
6 employee computed by multiplying 2.5% for each year of such
7 service up to 20 years, 2% for each year of such service
8 above 20 years and up to 30 years, and 1% for each year of
9 such service above 30 years, by his annual final rate of
10 earnings and dividing by 12.

11 Any sheriff's law enforcement employee who has 20 or more
12 years of service in that capacity and who terminates service
13 on or after January 1, 2002 shall be entitled at his or her
14 option to receive a monthly retirement annuity for service as
15 a sheriff's law enforcement employee computed by multiplying
16 2.5% for each year of such service by his annual final rate
17 of earnings and dividing by 12.

18 If a sheriff's law enforcement employee has service in
19 any other capacity, his retirement annuity for service as a
20 sheriff's law enforcement employee may be computed under this
21 Section and the retirement annuity for his other service
22 under Section 7-142.

23 In no case shall the total monthly retirement annuity
24 exceed 75% of the monthly final rate of earnings.

25 (b) Whenever continued group insurance coverage is
26 elected in accordance with the provisions of Section 367h of
27 the Illinois Insurance Code, as now or hereafter amended, the
28 total monthly premium for such continued group insurance
29 coverage or such portion thereof as is not paid by the
30 municipality shall, upon request of the person electing such
31 continued group insurance coverage, be deducted from any
32 monthly pension benefit otherwise payable to such person
33 pursuant to this Section, to be remitted by the Fund to the
34 insurance company or other entity providing the group

1 insurance coverage.

2 (Source: P.A. 85-941.)

3 Section 90. The State Mandates Act is amended by adding
4 Section 8.25 as follows:

5 (30 ILCS 805/8.25 new)

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

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