

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 Section 5-167.1 as follows:

6 (40 ILCS 5/5-167.1) (from Ch. 108 1/2, par. 5-167.1)

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

9 (a) A policeman who retires from service after September
10 1, 1967 with at least 20 years of service credit shall, upon
11 either the first of the month following the first anniversary
12 of his date of retirement if he is age 60 (age 55 if born
13 before January 1, 1950 ~~1945~~) or over on that anniversary
14 date, or upon the first of the month following his attainment
15 of age 60 (age 55 if born before January 1, 1950 ~~1945~~) if it
16 occurs after the first anniversary of his retirement date,
17 have his then fixed and payable monthly annuity increased by
18 1 1/2% and such first fixed annuity as granted at retirement
19 increased by an additional 1 1/2% in January of each year
20 thereafter up to a maximum increase of 30%. Beginning
21 January 1, 1983 for policemen born before January 1, 1930,
22 and beginning January 1, 1988 for policemen born on or after
23 January 1, 1930 but before January 1, 1940, and beginning
24 January 1, 1996 for policemen born on or after January 1,
25 1940 but before January 1, 1945, and beginning January 1,
26 2000 for policemen born on or after January 1, 1945 but
27 before January 1, 1950, such increases shall be 3% and such
28 policemen shall not be subject to the 30% maximum increase.

29 Any policeman born before January 1, 1945 who qualifies
30 for a minimum annuity and retires after September 1, 1967 but
31 has not received the initial increase under this subsection

1 before January 1, 1996 is entitled to receive the initial
2 increase under this subsection on (1) January 1, 1996, (2)
3 the first anniversary of the date of retirement, or (3)
4 attainment of age 55, whichever occurs last. The changes to
5 this Section made by Public Act 89-12 ~~this-amendatory-Act-of~~
6 ~~1995~~ apply beginning January 1, 1996 and without regard to
7 whether the policeman or annuitant terminated service before
8 the effective date of that ~~this-amendatory Act of-1995~~.

9 Any policeman born before January 1, 1950 who qualifies
10 for a minimum annuity and retires after September 1, 1967 but
11 has not received the initial increase under this subsection
12 before January 1, 2000 is entitled to receive the initial
13 increase under this subsection effective on (1) January 1,
14 2000, (2) the first anniversary of the date of retirement, or
15 (3) attainment of age 55, whichever occurs last. The changes
16 to this Section made by this amendatory Act of the 92nd
17 General Assembly apply without regard to whether the
18 policeman or annuitant terminated service before the
19 effective date of this amendatory Act.

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

22 (c) To help defray the cost of such increases in
23 annuity, there shall be deducted, beginning September 1,
24 1967, from each payment of salary to a policeman, 1/2 of 1%
25 of each salary payment concurrently with and in addition to
26 the salary deductions otherwise made for annuity purposes.

27 The city, in addition to the contributions otherwise made
28 by it for annuity purposes under other provisions of this
29 Article, shall make matching contributions concurrently with
30 such salary deductions.

31 Each such 1/2 of 1% deduction from salary and each such
32 contribution by the city of 1/2 of 1% of salary shall be
33 credited to the Automatic Increase Reserve, to be used to
34 defray the cost of the 1 1/2% annuity increase provided by

1 this Section. Any balance in such reserve as of the
2 beginning of each calendar year shall be credited with
3 interest at the rate of 3% per annum.

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

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

14 (Source: P.A. 89-12, eff. 4-20-95.)

15 Section 90. The State Mandates Act is amended by adding
16 Section 8.25 as follows:

17 (30 ILCS 805/8.25 new)

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

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