

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 7-142 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 by multiplying (a) 1 2/3% for annuitants
24 with not more than 15 years or (b) 1 2/3% for the
25 first 15 years and 2% for each year in excess of 15
26 years for annuitants with more than 15 years by the
27 number of years plus fractional years, prorated on a
28 basis of months, of creditable service and multiply
29 the product thereof by the employee's final rate of
30 earnings.

31 (ii) For the sole purpose of computing the

1 formula (and not for the purposes of the limitations
2 hereinafter stated) \$125 shall be considered the
3 final rate of earnings in all cases where the final
4 rate of earnings is less than such amount.

5 (iii) The monthly annuity computed in
6 accordance with this subparagraph b, shall not
7 exceed an amount equal to 75% of the final rate of
8 earnings.

9 (iv) For employees who have less than 35 years
10 of service, the annuity computed in accordance with
11 this subparagraph b (as reduced by application of
12 subparagraph (iii) above) shall be reduced by 0.25%
13 thereof (0.5% if service was terminated before
14 January 1, 1988) for each month or fraction thereof
15 (1) that the employee's age is less than 60 years,
16 or (2) if the employee has at least 30 years of
17 service credit, that the employee's service credit
18 is less than 35 years, whichever is less, on the
19 date the annuity begins. The reduction under this
20 item (iv) does not apply to a person who retires on
21 or after the effective date of this amendatory Act
22 of the 92nd General Assembly with at least 15 years
23 of creditable service in the position of Assistant
24 State's Attorney.

25 2. The annuity which can be provided from the total
26 accumulated additional credits as of the attained age of
27 the employee on the date the annuity begins.

28 (b) If payment of an annuity begins prior to the
29 earliest age at which the employee will become eligible for
30 an old age insurance benefit under the Federal Social
31 Security Act, he may elect that the annuity payments from
32 this fund shall exceed those payable after his attaining such
33 age by an amount, computed as determined by rules of the
34 Board, but not in excess of his estimated Social Security

1 Benefit, determined as of the effective date of the annuity,
2 provided that in no case shall the total annuity payments
3 made by this fund exceed in actuarial value the annuity which
4 would have been payable had no such election been made.

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

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

18 Section 90. The State Mandates Act is amended by adding
19 Section 8.26 as follows:

20 (30 ILCS 805/8.26 new)

21 Sec. 8.26. Exempt mandate. Notwithstanding Sections 6
22 and 8 of this Act, no reimbursement by the State is required
23 for the implementation of any mandate created by this
24 amendatory Act of the 92nd General Assembly.

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