

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 5-132 and 6-128 as follows:

6 (40 ILCS 5/5-132) (from Ch. 108 1/2, par. 5-132)

7 Sec. 5-132. Minimum annuity. Any policeman who withdraws  
8 on or after July 8, 1957, or any policeman transferred to the  
9 police service of the city under the Exchange of Functions  
10 Act of 1957 who withdraws on or after July 17, 1959, after  
11 completing at least 20 years of service, for whom the annuity  
12 otherwise provided in this Article is less than that stated  
13 in this Section has a right to receive annuity as follows:

14 (a) If he is age 55 or more on withdrawal, his annuity  
15 after such withdrawal, shall be equal to 2% of the average  
16 salary for 4 consecutive years of highest salaries within the  
17 last 10 years of service before withdrawal, for each year of  
18 service, together with 1/6 of 1% of such average salary for  
19 each complete month of service of each fractional year, but  
20 not in excess of 75% of the average annual salary.

21 (b) If he is age 50 or more but less than age 55 on  
22 withdrawal, his annuity shall be equal to 2% of the average  
23 salary for the 4 highest consecutive years of the last 10  
24 years of service for each year of service, together with 1/16  
25 of 1% of such average salary for each month of each  
26 fractional year of service, reduced by 1/2 of 1% for each  
27 month that he is less than age 55.

28 (c) If he is less than age 50 on withdrawal, he may,  
29 upon attainment of age 50 or over, become entitled to the  
30 annuity provided in this Section or, he may, upon application  
31 before age 50, receive a refund of the deductions from

1 salary, plus interest at 1 1/2% per annum if he is entitled  
2 to refund under Section 5-163.

3 (d) In lieu of the annuity provided in the foregoing  
4 provisions of this Section 5-132 any policeman who withdraws  
5 from the service after December 31, 1973, after having  
6 attained age 53 in the service with 23 or more years of  
7 service credit shall be entitled to an annuity computed as  
8 follows if such annuity is greater than that provided in the  
9 foregoing paragraphs of this Section 5-132: An annuity equal  
10 to 50% of the average salary for the 4 highest consecutive  
11 years of the last 10 years of service plus additional annuity  
12 equal to 2% of such average salary for each completed year of  
13 service or fraction thereof rendered after his attainment of  
14 age 53 and the completion of 23 years of service.

15 Any policeman who has completed 23 years of service prior  
16 to his attainment of age 53 in the service and continues in  
17 the service until his attainment of age 53 shall have added  
18 to his annuity, computed as provided in the immediately  
19 preceding paragraph, an additional annuity equal to 1% of  
20 such average salary for each completed year of service or  
21 fraction thereof in excess of 23 years up to age 53.

22 (e) In lieu of the annuity provided in the foregoing  
23 provisions of this Section any policeman who withdraws from  
24 the service either (i) after December 31, 1983 with at least  
25 22 years of service credit and having attained age 52 in the  
26 service, or (ii) after December 31, 1984 with at least 21  
27 years of service credit and having attained age 51 in the  
28 service, or (iii) after December 31, 1985 with at least 20  
29 years of service credit and having attained age 50 in the  
30 service, or (iv) after December 31, 1990, with at least 20  
31 years of service credit regardless of age, shall be entitled  
32 to an annuity to begin not earlier than upon attainment of  
33 age 50 if under such age at withdrawal, computed as follows:  
34 an annuity equal to 50% of the average salary for the 4

1 highest consecutive years of the last 10 years of service,  
2 plus additional annuity equal to 2% of such average salary  
3 for each completed year of service or fraction thereof  
4 rendered after his completion of the minimum number of years  
5 of service required for him to be eligible under this  
6 subsection (e). However, the annuity provided under this  
7 subsection (e) may not exceed 75% of such average salary.

8 (f) A policeman withdrawing after September 1, 1969,  
9 may, in addition, be entitled to the benefits provided by  
10 Section 5-167.1 of this Article if he so qualifies under that  
11 Section.

12 (g) Any policeman who withdraws from service on or after  
13 January 1, 2003 with not less than 20 years of service under  
14 this Article and has attained age 55, and any policeman who  
15 withdraws from service on or after January 1, 2003 with not  
16 less than 25 years of service under this Article and has  
17 attained age 50, regardless of whether the attainment of  
18 either of the specified ages occurs while the policeman is  
19 still in service, shall be entitled to receive at the option  
20 of the policeman, in lieu of any other annuity available  
21 under this Article, a retirement annuity equal to 3% of  
22 final salary for each year of creditable service, subject to  
23 a maximum of 80% of final salary. For the purpose of this  
24 subsection (g), "final salary" means the rate of salary  
25 received by the policeman on the last day of service (but not  
26 to exceed 115% of the average salary received by the  
27 policeman for the last 2 years of service) or the average  
28 salary received by the policeman for the 4 highest  
29 consecutive years of the last 10 years of service prior to  
30 retirement, whichever is greater.

31 (h) If, on withdrawal, total service is less than 20  
32 years, the policeman shall not be entitled to an annuity  
33 under this Section but may receive an annuity under the other  
34 provisions of this Article or, if entitled thereto under

1 Section 5-163, a refund of the deductions from salary,  
2 including, in the case of policemen transferred to the police  
3 service of the city under the Exchange of Functions Act of  
4 1957, the additional contribution paid on salary received  
5 from August 1, 1957, to July 17, 1959, as provided in the  
6 Park Policemen's Annuity Act, together with interest at 1  
7 1/2% per annum.

8 (i) Moneys voluntarily contributed under the Policemen's  
9 Annuity and Benefit Fund Act of the Illinois Municipal Code,  
10 or the Park Policemen's Annuity Act, shall be refunded to the  
11 contributing policemen who were in service on January 1,  
12 1954, or in the case of policemen transferred to the police  
13 service of the city under the Exchange of Functions Act of  
14 1957, who were in service on July 17, 1959.

15 (j) The age and service annuity formula in this Section  
16 shall not apply to any policeman who, having retired before  
17 July 8, 1957, or before July 17, 1959, in the case of a  
18 policeman transferred under the provisions of the Exchange of  
19 Functions Act of 1957, re-enters the police service after  
20 such dates, whichever are applicable.

21 (Source: P.A. 86-1488.)

22 (40 ILCS 5/6-128) (from Ch. 108 1/2, par. 6-128)

23 Sec. 6-128. (a) A future entrant who withdraws on or  
24 after July 21, 1959, after completing at least 23 years of  
25 service, and for whom the annuity otherwise provided in this  
26 Article is less than that stated in this section, has a right  
27 to receive annuity as follows:

28 If he is age 53 or more on withdrawal, his annuity after  
29 withdrawal, shall be equal to 50% of his average salary  
30 determined by striking an average of 4 consecutive highest  
31 years of salary within the last 10 years of service  
32 immediately preceding the date of withdrawal.

33 An employee who reaches compulsory retirement age and who

1 has less than 23 years of service shall be entitled to a  
2 minimum annuity equal to an amount determined by the product  
3 of (1) his years of service and (2) 2% of his average salary  
4 for the 4 consecutive highest years of salary within the last  
5 10 years of service immediately prior to his reaching  
6 compulsory retirement age.

7 An employee who remains in service after qualifying for  
8 annuity under this section shall have added to this annuity  
9 an additional 1% of salary for each completed year of service  
10 or fraction thereof rendered until July 21, 1959, and an  
11 additional 1% for a total of 2% of salary from July 21, 1959.  
12 Each future entrant who has completed 23 years of service  
13 before reaching age 53 shall have added to this annuity 1% of  
14 salary for each completed year of service or fraction thereof  
15 in excess of 23 years up to age 53. "Salary" as referred to  
16 in this paragraph shall be determined by striking an average  
17 of the 4 consecutive highest years of salary within the last  
18 10 years of service immediately preceding withdrawal.

19 (b) In lieu of the annuity provided in the foregoing  
20 provisions of this Section any future entrant who withdraws  
21 from the service either (i) after December 31, 1983 with at  
22 least 22 years of service credit and having attained age 52  
23 in the service, or (ii) after December 31, 1984 with at least  
24 21 years of service credit and having attained age 51 in the  
25 service, or (iii) after December 31, 1985 with at least 20  
26 years of service credit and having attained age 50 in the  
27 service, or (iv) after December 31, 1990 with at least 20  
28 years of service regardless of age, may elect to receive an  
29 annuity, to begin not earlier than upon attainment of age 50  
30 if under that age at withdrawal, computed as follows: an  
31 annuity equal to 50% of the average salary for the 4 highest  
32 consecutive years of the last 10 years of service, plus  
33 additional annuity equal to 2% of such average salary for  
34 each completed year of service or fraction thereof rendered

1 after his completion of the minimum number of years of  
2 service required for him to be eligible under this subsection  
3 (b). However, the annuity provided under this subsection (b)  
4 may not exceed 75% of such average salary.

5 (c) Any fireman who withdraws from service on or after  
6 January 1, 2003 with not less than 20 years of service under  
7 this Article and has attained age 55, and any fireman who  
8 withdraws from service on or after January 1, 2003 with not  
9 less than 25 years of service under this Article and has  
10 attained age 50, regardless of whether the attainment of  
11 either of the specified ages occurs while the fireman is  
12 still in service, shall be entitled to receive at the option  
13 of the fireman, in lieu of any other annuity available under  
14 this Article, a retirement annuity equal to 3% of final  
15 salary for each year of creditable service, subject to a  
16 maximum of 80% of final salary. For the purpose of this  
17 subsection (c), "final salary" means the rate of salary  
18 received by the fireman on the last day of service (but not  
19 to exceed 115% of the average salary received by the fireman  
20 for the last 2 years of service) or the average salary  
21 received by the fireman for the 4 highest consecutive years  
22 of the last 10 years of service prior to retirement,  
23 whichever is greater.

24 (Source: P.A. 86-1488.)

25 Section 90. The State Mandates Act is amended by adding  
26 Section 8.26 as follows:

27 (30 ILCS 805/8.26 new)

28 Sec. 8.26. Exempt mandate. Notwithstanding Sections 6  
29 and 8 of this Act, no reimbursement by the State is required  
30 for the implementation of any mandate created by this  
31 amendatory Act of the 92nd General Assembly.

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