

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 8-137, 8-138, 11-134, and 11-134.1 as
6 follows:

7 (40 ILCS 5/8-137) (from Ch. 108 1/2, par. 8-137)

8 Sec. 8-137. Automatic increase in annuity.

9 (a) An employee who retired or retires from service
10 after December 31, 1959 and before January 1, 1987, having
11 attained age 60 or more, shall, in January of the year after
12 the year in which the first anniversary of retirement occurs,
13 have the amount of his then fixed and payable monthly annuity
14 increased by 1 1/2%, and such first fixed annuity as granted
15 at retirement increased by a further 1 1/2% in January of
16 each year thereafter. Beginning with January of the year
17 1972, such increases shall be at the rate of 2% in lieu of
18 the aforesaid specified 1 1/2%, and beginning with January of
19 the year 1984 such increases shall be at the rate of 3%.
20 Beginning in January of 1999, such increases shall be at the
21 rate of 3% of the currently payable monthly annuity,
22 including any increases previously granted under this
23 Article. An employee who retires on annuity after December
24 31, 1959 and before January 1, 1987, but before age 60, shall
25 receive such increases beginning in January of the year after
26 the year in which he attains age 60.

27 An employee who retires from service on or after January
28 1, 1987 shall, upon the first annuity payment date following
29 the first anniversary of the date of retirement, or upon the
30 first annuity payment date following attainment of age 60,
31 whichever occurs later, have his then fixed and payable

1 monthly annuity increased by 3%, and such annuity shall be
2 increased by an additional 3% of the original fixed annuity
3 on the same date each year thereafter. Beginning in January
4 of 1999, such increases shall be at the rate of 3% of the
5 currently payable monthly annuity, including any increases
6 previously granted under this Article.

7 (a-5) Notwithstanding the provisions of subsection (a),
8 upon the first annuity payment date following (1) the third
9 anniversary of retirement, (2) the attainment of age 53, or
10 (3) January 1, 2002, whichever occurs latest, the monthly
11 annuity of an employee who retires on annuity prior to the
12 attainment of age 60 and has not received an increase under
13 subsection (a) shall be increased by 3%, and the annuity
14 shall be increased by an additional 3% of the current payable
15 monthly annuity, including any increases previously granted
16 under this Article, on the same date each year thereafter.
17 The increases provided under this subsection are in lieu of
18 the increases provided in subsection (a).

19 (b) Subsections (a) and (a-5) are ~~The--foregoing~~
20 ~~provision-~~is not applicable to an employee retiring and
21 receiving a term annuity, as herein defined, nor to any
22 otherwise qualified employee who retires before he makes
23 employee contributions (at the 1/2 of 1% rate as provided in
24 this Act) for this additional annuity for not less than the
25 equivalent of one full year. Such employee, however, shall
26 make arrangement to pay to the fund a balance of such 1/2 of
27 1% contributions, based on his final salary, as will bring
28 such 1/2 of 1% contributions, computed without interest, to
29 the equivalent of or completion of one year's contributions.

30 Beginning with January, 1960, each employee shall
31 contribute by means of salary deductions 1/2 of 1% of each
32 salary payment, concurrently with and in addition to the
33 employee contributions otherwise made for annuity purposes.

34 Each such additional contribution shall be credited to an

1 account in the prior service annuity reserve, to be used,
2 together with city contributions, to defray the cost of the
3 specified annuity increments. Any balance in such account at
4 the beginning of each calendar year shall be credited with
5 interest at the rate of 3% per annum.

6 Such additional employee contributions are not
7 refundable, except to an employee who withdraws and applies
8 for refund under this Article, and in cases where a term
9 annuity becomes payable. In such cases his contributions
10 shall be refunded, without interest, and charged to such
11 account in the prior service annuity reserve.

12 (Source: P.A. 90-766, eff. 8-14-98.)

13 (40 ILCS 5/8-138) (from Ch. 108 1/2, par. 8-138)

14 Sec. 8-138. Minimum annuities - Additional provisions.

15 (a) An employee who withdraws after age 65 or more with
16 at least 20 years of service, for whom the amount of age and
17 service and prior service annuity combined is less than the
18 amount stated in this Section, shall from the date of
19 withdrawal, instead of all annuities otherwise provided, be
20 entitled to receive an annuity for life of \$150 a year, plus
21 1 1/2% for each year of service, to and including 20 years,
22 and 1 2/3% for each year of service over 20 years, of his
23 highest average annual salary for any 4 consecutive years
24 within the last 10 years of service immediately preceding the
25 date of withdrawal.

26 An employee who withdraws after 20 or more years of
27 service, before age 65, shall be entitled to such annuity, to
28 begin not earlier than upon attained age of 55 years if under
29 such age at withdrawal, reduced by 2% for each full year or
30 fractional part thereof that his attained age is less than
31 65, plus an additional 2% reduction for each full year or
32 fractional part thereof that his attained age when annuity is
33 to begin is less than 60 so that the total reduction at age

1 55 shall be 30%.

2 (b) An employee who withdraws after July 1, 1957, at age
3 60 or over, with 20 or more years of service, for whom the
4 age and service and prior service annuity combined, is less
5 than the amount stated in this paragraph, shall, from the
6 date of withdrawal, instead of such annuities, be entitled to
7 receive an annuity for life equal to $1\frac{2}{3}\%$ for each year of
8 service, of the highest average annual salary for any 5
9 consecutive years within the last 10 years of service
10 immediately preceding the date of withdrawal; provided, that
11 in the case of any employee who withdraws on or after July 1,
12 1971, such employee age 60 or over with 20 or more years of
13 service, shall receive an annuity for life equal to 1.67% for
14 each of the first 10 years of service; 1.90% for each of the
15 next 10 years of service; 2.10% for each year of service in
16 excess of 20 but not exceeding 30; and 2.30% for each year of
17 service in excess of 30, based on the highest average annual
18 salary for any 4 consecutive years within the last 10 years
19 of service immediately preceding the date of withdrawal.

20 An employee who withdraws after July 1, 1957 and before
21 January 1, 1988, with 20 or more years of service, before age
22 60 years is entitled to annuity, to begin not earlier than
23 upon attained age of 55 years, if under such age at
24 withdrawal, as computed in the last preceding paragraph,
25 reduced 0.25% for each full month or fractional part thereof
26 that his attained age when annuity is to begin is less than
27 60 if the employee was born before January 1, 1936, or 0.5%
28 for each such month if the employee was born on or after
29 January 1, 1936.

30 Any employee born before January 1, 1936, who withdraws
31 with 20 or more years of service, and any employee with 20 or
32 more years of service who withdraws on or after January 1,
33 1988, may elect to receive, in lieu of any other employee
34 annuity provided in this Section, an annuity for life equal

1 to 1.80% for each of the first 10 years of service, 2.00% for
2 each of the next 10 years of service, 2.20% for each year of
3 service in excess of 20 but not exceeding 30, and 2.40% for
4 each year of service in excess of 30, of the highest average
5 annual salary for any 4 consecutive years within the last 10
6 years of service immediately preceding the date of
7 withdrawal, to begin not earlier than upon attained age of 55
8 years, if under such age at withdrawal, reduced 0.25% for
9 each full month or fractional part thereof that his attained
10 age when annuity is to begin is less than 60; except that an
11 employee retiring on or after January 1, 1988, at age 55 or
12 over but less than age 60, having at least 35 years of
13 service, or an employee retiring on or after July 1, 1990, at
14 age 55 or over but less than age 60, having at least 30 years
15 of service, or an employee retiring on or after the effective
16 date of this amendatory Act of 1997, at age 55 or over but
17 less than age 60, having at least 25 years of service, shall
18 not be subject to the reduction in retirement annuity because
19 of retirement below age 60.

20 However, in the case of an employee who retired on or
21 after January 1, 1985 but before January 1, 1988, at age 55
22 or older and with at least 35 years of service, and who was
23 subject under this subsection (b) to the reduction in
24 retirement annuity because of retirement below age 60, that
25 reduction shall cease to be effective January 1, 1991, and
26 the retirement annuity shall be recalculated accordingly.

27 Any employee who withdraws on or after July 1, 1990, with
28 20 or more years of service, may elect to receive, in lieu of
29 any other employee annuity provided in this Section, an
30 annuity for life equal to 2.20% for each year of service if
31 withdrawal is before January 1, 2002, or 2.40% for each year
32 of service if withdrawal is on or after January 1, 2002, of
33 the highest average annual salary for any 4 consecutive years
34 within the last 10 years of service immediately preceding the

1 date of withdrawal, to begin not earlier than upon attained
2 age of 55 years, if under such age at withdrawal, reduced
3 0.25% for each full month or fractional part thereof that his
4 attained age when annuity is to begin is less than 60; except
5 that an employee retiring at age 55 or over but less than age
6 60, having at least 30 years of service, shall not be subject
7 to the reduction in retirement annuity because of retirement
8 below age 60.

9 Any employee who withdraws on or after the effective date
10 of this amendatory Act of 1997 with 20 or more years of
11 service may elect to receive, in lieu of any other employee
12 annuity provided in this Section, an annuity for life equal
13 to 2.20%, for each year of service, if withdrawal is before
14 January 1, 2002, or 2.40% for each year of service if
15 withdrawal is on or after January 1, 2002, of the highest
16 average annual salary for any 4 consecutive years within the
17 last 10 years of service immediately preceding the date of
18 withdrawal, to begin not earlier than upon attainment of age
19 55 (age 50 if the employee has at least 30 years of service),
20 reduced 0.25% for each full month or remaining fractional
21 part thereof that the employee's attained age when annuity is
22 to begin is less than 60; except that an employee retiring at
23 age 50 or over with at least 30 years of service or at age 55
24 or over with at least 25 years of service shall not be
25 subject to the reduction in retirement annuity because of
26 retirement below age 60.

27 The maximum annuity payable under part (a) and (b) of
28 this Section shall not exceed 70% of highest average annual
29 salary in the case of an employee who withdraws prior to July
30 1, 1971, and 75% if withdrawal takes place on or after July
31 1, 1971 and prior to January 1, 2002, or 80% if withdrawal
32 takes place on or after January 1, 2002. For the purpose of
33 the minimum annuity provided in this Section \$1,500 is
34 considered the minimum annual salary for any year; and the

1 maximum annual salary for the computation of such annuity is
2 \$4,800 for any year before 1953, \$6000 for the years 1953 to
3 1956, inclusive, and the actual annual salary, as salary is
4 defined in this Article, for any year thereafter.

5 To preserve rights existing on December 31, 1959, for
6 participants and contributors on that date to the fund
7 created by the Court and Law Department Employees' Annuity
8 Act, who became participants in the fund provided for on
9 January 1, 1960, the maximum annual salary to be considered
10 for such persons for the years 1955 and 1956 is \$7,500.

11 (c) For an employee receiving disability benefit, his
12 salary for annuity purposes under paragraphs (a) and (b) of
13 this Section, for all periods of disability benefit
14 subsequent to the year 1956, is the amount on which his
15 disability benefit was based.

16 (d) An employee with 20 or more years of service, whose
17 entire disability benefit credit period expires before
18 attainment of age 55 while still disabled for service, is
19 entitled upon withdrawal to the larger of (1) the minimum
20 annuity provided above, assuming he is then age 55, and
21 reducing such annuity to its actuarial equivalent as of his
22 attained age on such date or (2) the annuity provided from
23 his age and service and prior service annuity credits.

24 (e) The minimum annuity provisions do not apply to any
25 former municipal employee receiving an annuity from the fund
26 who re-enters service as a municipal employee, unless he
27 renders at least 3 years of additional service after the date
28 of re-entry.

29 (f) An employee in service on July 1, 1947, or who
30 became a contributor after July 1, 1947 and before attainment
31 of age 70, who withdraws after age 65, with less than 20
32 years of service for whom the annuity has been fixed under
33 this Article shall, instead of the annuity so fixed, receive
34 an annuity as follows:

1 Such amount as he could have received had the accumulated
2 amounts for annuity been improved with interest at the
3 effective rate to the date of his withdrawal, or to
4 attainment of age 70, whichever is earlier, and had the city
5 contributed to such earlier date for age and service annuity
6 the amount that it would have contributed had he been under
7 age 65, after the date his annuity was fixed in accordance
8 with this Article, and assuming his annuity were computed
9 from such accumulations as of his age on such earlier date.
10 The annuity so computed shall not exceed the annuity which
11 would be payable under the other provisions of this Section
12 if the employee was credited with 20 years of service and
13 would qualify for annuity thereunder.

14 (g) Instead of the annuity provided in this Article, an
15 employee having attained age 65 with at least 15 years of
16 service who withdraws from service on or after July 1, 1971
17 and whose annuity computed under other provisions of this
18 Article is less than the amount provided under this
19 paragraph, is entitled to a minimum annuity for life equal to
20 1% of the highest average annual salary, as salary is defined
21 and limited in this Section for any 4 consecutive years
22 within the last 10 years of service for each year of service,
23 plus the sum of \$25 for each year of service. The annuity
24 shall not exceed 60% of such highest average annual salary.

25 (g-1) Instead of any other retirement annuity provided
26 in this Article, an employee who has at least 10 years of
27 service and withdraws from service on or after January 1,
28 1999 may elect to receive a retirement annuity for life,
29 beginning no earlier than upon attainment of age 60, equal to
30 2.2% if withdrawal is before January 1, 2002, or 2.4% if
31 withdrawal is on or after January 1, 2002, of final average
32 salary for each year of service, subject to a maximum of 75%
33 of final average salary if withdrawal is before January 1,
34 2002, or 80% if withdrawal is on or after January 1, 2002.

1 For the purpose of calculating this annuity, "final average
2 salary" means the highest average annual salary for any 4
3 consecutive years in the last 10 years of service.

4 (h) The minimum annuities provided under this Section
5 shall be paid in equal monthly installments.

6 (i) The amendatory provisions of part (b) and (g) of
7 this Section shall be effective July 1, 1971 and apply in the
8 case of every qualifying employee withdrawing on or after
9 July 1, 1971.

10 (j) The amendatory provisions of this amendatory Act of
11 1985 (P.A. 84-23) relating to the discount of annuity because
12 of retirement prior to attainment of age 60, and to the
13 retirement formula, for those born before January 1, 1936,
14 shall apply only to qualifying employees withdrawing on or
15 after July 18, 1985.

16 (j-1) The changes made to this Section by this
17 amendatory Act of the 92nd General Assembly (increasing the
18 retirement formula to 2.4% per year of service and increasing
19 the maximum to 80%) apply to persons who withdraw from
20 service on or after January 1, 2002, regardless of whether
21 that withdrawal takes place before the effective date of this
22 amendatory Act. In the case of a person who withdraws from
23 service on or after January 1, 2002 but begins to receive a
24 retirement annuity before the effective date of this
25 amendatory Act, the annuity shall be recalculated, with the
26 increase resulting from this amendatory Act accruing from the
27 date the retirement annuity began.

28 (k) Beginning on January 1, 1999, the minimum amount of
29 employee's annuity shall be \$850 per month for life for the
30 following classes of employees, without regard to the fact
31 that withdrawal occurred prior to the effective date of this
32 amendatory Act of 1998:

33 (1) any employee annuitant alive and receiving a
34 life annuity on the effective date of this amendatory Act

1 of 1998, except a reciprocal annuity;

2 (2) any employee annuitant alive and receiving a
3 term annuity on the effective date of this amendatory Act
4 of 1998, except a reciprocal annuity;

5 (3) any employee annuitant alive and receiving a
6 reciprocal annuity on the effective date of this
7 amendatory Act of 1998, whose service in this fund is at
8 least 5 years;

9 (4) any employee annuitant withdrawing after age 60
10 on or after the effective date of this amendatory Act of
11 1998, with at least 10 years of service in this fund.

12 The increases granted under items (1), (2) and (3) of
13 this subsection (k) shall not be limited by any other Section
14 of this Act.

15 (Source: P.A. 90-32, eff. 6-27-97; 90-511, eff. 8-22-97;
16 90-766, eff. 8-14-98.)

17 (40 ILCS 5/11-134) (from Ch. 108 1/2, par. 11-134)
18 Sec. 11-134. Minimum annuities.

19 (a) An employee whose withdrawal occurs after July 1,
20 1957 at age 60 or over, with 20 or more years of service, (as
21 service is defined or computed in Section 11-216), for whom
22 the age and service and prior service annuity combined is
23 less than the amount stated in this Section, shall, from and
24 after the date of withdrawal, in lieu of all annuities
25 otherwise provided in this Article, be entitled to receive an
26 annuity for life of an amount equal to 1 2/3% for each year
27 of service, of the highest average annual salary for any 5
28 consecutive years within the last 10 years of service
29 immediately preceding the date of withdrawal; provided, that
30 in the case of any employee who withdraws on or after July 1,
31 1971, such employee age 60 or over with 20 or more years of
32 service, shall be entitled to instead receive an annuity for
33 life equal to 1.67% for each of the first 10 years of

1 service; 1.90% for each of the next 10 years of service;
2 2.10% for each year of service in excess of 20 but not
3 exceeding 30; and 2.30% for each year of service in excess of
4 30, based on the highest average annual salary for any 4
5 consecutive years within the last 10 years of service
6 immediately preceding the date of withdrawal.

7 An employee who withdraws after July 1, 1957 and before
8 January 1, 1988, with 20 or more years of service, before age
9 60, shall be entitled to an annuity, to begin not earlier
10 than age 55, if under such age at withdrawal, as computed in
11 the last preceding paragraph, reduced 0.25% if the employee
12 was born before January 1, 1936, or 0.5% if the employee was
13 born on or after January 1, 1936, for each full month or
14 fractional part thereof that his attained age when such
15 annuity is to begin is less than 60.

16 Any employee born before January 1, 1936 who withdraws
17 with 20 or more years of service, and any employee with 20 or
18 more years of service who withdraws on or after January 1,
19 1988, may elect to receive, in lieu of any other employee
20 annuity provided in this Section, an annuity for life equal
21 to 1.80% for each of the first 10 years of service, 2.00% for
22 each of the next 10 years of service, 2.20% for each year of
23 service in excess of 20, but not exceeding 30, and 2.40% for
24 each year of service in excess of 30, of the highest average
25 annual salary for any 4 consecutive years within the last 10
26 years of service immediately preceding the date of
27 withdrawal, to begin not earlier than upon attained age of 55
28 years, if under such age at withdrawal, reduced 0.25% for
29 each full month or fractional part thereof that his attained
30 age when annuity is to begin is less than 60; except that an
31 employee retiring on or after January 1, 1988, at age 55 or
32 over but less than age 60, having at least 35 years of
33 service, or an employee retiring on or after July 1, 1990, at
34 age 55 or over but less than age 60, having at least 30 years

1 of service, or an employee retiring on or after the effective
 2 date of this amendatory Act of 1997, at age 55 or over but
 3 less than age 60, having at least 25 years of service, shall
 4 not be subject to the reduction in retirement annuity because
 5 of retirement below age 60.

6 However, in the case of an employee who retired on or
 7 after January 1, 1985 but before January 1, 1988, at age 55
 8 or older and with at least 35 years of service, and who was
 9 subject under this subsection (a) to the reduction in
 10 retirement annuity because of retirement below age 60, that
 11 reduction shall cease to be effective January 1, 1991, and
 12 the retirement annuity shall be recalculated accordingly.

13 Any employee who withdraws on or after July 1, 1990, with
 14 20 or more years of service, may elect to receive, in lieu of
 15 any other employee annuity provided in this Section, an
 16 annuity for life equal to 2.20% for each year of service if
 17 withdrawal is before January 1, 2002, or 2.40% for each year
 18 of service if withdrawal is on or after January 1, 2002, of
 19 the highest average annual salary for any 4 consecutive years
 20 within the last 10 years of service immediately preceding the
 21 date of withdrawal, to begin not earlier than upon attained
 22 age of 55 years, if under such age at withdrawal, reduced
 23 0.25% for each full month or fractional part thereof that his
 24 attained age when annuity is to begin is less than 60; except
 25 that an employee retiring at age 55 or over but less than age
 26 60, having at least 30 years of service, shall not be subject
 27 to the reduction in retirement annuity because of retirement
 28 below age 60.

29 Any employee who withdraws on or after the effective date
 30 of this amendatory Act of 1997 with 20 or more years of
 31 service may elect to receive, in lieu of any other employee
 32 annuity provided in this Section, an annuity for life equal
 33 to 2.20%, for each year of service if withdrawal is before
 34 January 1, 2002, or 2.40% for each year of service if

1 withdrawal is on or after January 1, 2002, of the highest
2 average annual salary for any 4 consecutive years within the
3 last 10 years of service immediately preceding the date of
4 withdrawal, to begin not earlier than upon attainment of age
5 55 (age 50 if the employee has at least 30 years of service),
6 reduced 0.25% for each full month or remaining fractional
7 part thereof that the employee's attained age when annuity is
8 to begin is less than 60; except that an employee retiring at
9 age 50 or over with at least 30 years of service or at age 55
10 or over with at least 25 years of service shall not be
11 subject to the reduction in retirement annuity because of
12 retirement below age 60.

13 The maximum annuity payable under this paragraph (a) of
14 this Section shall not exceed 70% of highest average annual
15 salary in the case of an employee who withdraws prior to July
16 1, 1971, 75% if withdrawal takes place on or after July 1,
17 1971 and prior to January 1, 2002, or 80% if withdrawal is on
18 or after January 1, 2002. For the purpose of the minimum
19 annuity provided in said paragraphs \$1,500 shall be
20 considered the minimum annual salary for any year; and the
21 maximum annual salary to be considered for the computation of
22 such annuity shall be \$4,800 for any year prior to 1953,
23 \$6,000 for the years 1953 to 1956, inclusive, and the actual
24 annual salary, as salary is defined in this Article, for any
25 year thereafter.

26 (b) For an employee receiving disability benefit, his
27 salary for annuity purposes under this Section shall, for all
28 periods of disability benefit subsequent to the year 1956, be
29 the amount on which his disability benefit was based.

30 (c) An employee with 20 or more years of service, whose
31 entire disability benefit credit period expires prior to
32 attainment of age 55 while still disabled for service, shall
33 be entitled upon withdrawal to the larger of (1) the minimum
34 annuity provided above assuming that he is then age 55, and

1 reducing such annuity to its actuarial equivalent at his
2 attained age on such date, or (2) the annuity provided from
3 his age and service and prior service annuity credits.

4 (d) The minimum annuity provisions as aforesaid shall
5 not apply to any former employee receiving an annuity from
6 the fund, and who re-enters service as an employee, unless he
7 renders at least 3 years of additional service after the date
8 of re-entry.

9 (e) An employee in service on July 1, 1947, or who
10 became a contributor after July 1, 1947 and prior to July 1,
11 1950, or who shall become a contributor to the fund after
12 July 1, 1950 prior to attainment of age 70, who withdraws
13 after age 65 with less than 20 years of service, for whom the
14 annuity has been fixed under the foregoing Sections of this
15 Article shall, in lieu of the annuity so fixed, receive an
16 annuity as follows:

17 Such amount as he could have received had the accumulated
18 amounts for annuity been improved with interest at the
19 effective rate to the date of his withdrawal, or to
20 attainment of age 70, whichever is earlier, and had the city
21 contributed to such earlier date for age and service annuity
22 the amount that would have been contributed had he been under
23 age 65, after the date his annuity was fixed in accordance
24 with this Article, and assuming his annuity were computed
25 from such accumulations as of his age on such earlier date.
26 The annuity so computed shall not exceed the annuity which
27 would be payable under the other provisions of this Section
28 if the employee was credited with 20 years of service and
29 would qualify for annuity thereunder.

30 (f) In lieu of the annuity provided in this or in any
31 other Section of this Article, an employee having attained
32 age 65 with at least 15 years of service who withdraws from
33 service on or after July 1, 1971 and whose annuity computed
34 under other provisions of this Article is less than the

1 amount provided under this paragraph shall be entitled to
2 receive a minimum annual annuity for life equal to 1% of the
3 highest average annual salary for any 4 consecutive years
4 within the last 10 years of service immediately preceding
5 retirement for each year of his service plus the sum of \$25
6 for each year of service. Such annual annuity shall not
7 exceed the maximum percentages stated under paragraph (a) of
8 this Section of such highest average annual salary.

9 (f-1) Instead of any other retirement annuity provided
10 in this Article, an employee who has at least 10 years of
11 service and withdraws from service on or after January 1,
12 1999 may elect to receive a retirement annuity for life,
13 beginning no earlier than upon attainment of age 60, equal to
14 2.2% if withdrawal is before January 1, 2002, or 2.4% for
15 each year of service if withdrawal is on or after January 1,
16 2002, of final average salary for each year of service,
17 subject to a maximum of 75% of final average salary if
18 withdrawal is before January 1, 2002, or 80% if withdrawal is
19 on or after January 1, 2002. For the purpose of calculating
20 this annuity, "final average salary" means the highest
21 average annual salary for any 4 consecutive years in the last
22 10 years of service.

23 (g) Any annuity payable under the preceding subsections
24 of this Section 11-134 shall be paid in equal monthly
25 installments.

26 (h) The amendatory provisions of part (a) and (f) of
27 this Section shall be effective July 1, 1971 and apply in the
28 case of every qualifying employee withdrawing on or after
29 July 1, 1971.

30 (h-1) The changes made to this Section by this
31 amendatory Act of the 92nd General Assembly (increasing the
32 retirement formula to 2.4% per year of service and increasing
33 the maximum to 80%) apply to persons who withdraw from
34 service on or after January 1, 2002, regardless of whether

1 that withdrawal takes place before the effective date of this
2 amendatory Act. In the case of a person who withdraws from
3 service on or after January 1, 2002 but begins to receive a
4 retirement annuity before the effective date of this
5 amendatory Act, the annuity shall be recalculated, with the
6 increase resulting from this amendatory Act accruing from the
7 date the retirement annuity began.

8 (i) The amendatory provisions of this amendatory Act of
9 1985 relating to the discount of annuity because of
10 retirement prior to attainment of age 60 and increasing the
11 retirement formula for those born before January 1, 1936,
12 shall apply only to qualifying employees withdrawing on or
13 after August 16, 1985.

14 (j) Beginning on January 1, 1999, the minimum amount of
15 employee's annuity shall be \$850 per month for life for the
16 following classes of employees, without regard to the fact
17 that withdrawal occurred prior to the effective date of this
18 amendatory Act of 1998:

19 (1) any employee annuitant alive and receiving a
20 life annuity on the effective date of this amendatory Act
21 of 1998, except a reciprocal annuity;

22 (2) any employee annuitant alive and receiving a
23 term annuity on the effective date of this amendatory Act
24 of 1998, except a reciprocal annuity;

25 (3) any employee annuitant alive and receiving a
26 reciprocal annuity on the effective date of this
27 amendatory Act of 1998, whose service in this fund is at
28 least 5 years;

29 (4) any employee annuitant withdrawing after age 60
30 on or after the effective date of this amendatory Act of
31 1998, with at least 10 years of service in this fund.

32 The increases granted under items (1), (2) and (3) of
33 this subsection (j) shall not be limited by any other Section
34 of this Act.

1 (Source: P.A. 90-32, eff. 6-27-97; 90-511, eff. 8-22-97;
2 90-766, eff. 8-14-98.)

3 (40 ILCS 5/11-134.1) (from Ch. 108 1/2, par. 11-134.1)
4 Sec. 11-134.1. Automatic increase in annuity.

5 (a) An employee who retired or retires from service
6 after December 31, 1963, and before January 1, 1987, having
7 attained age 60 or more, shall, in the month of January of
8 the year following the year in which the first anniversary of
9 retirement occurs, have the amount of his then fixed and
10 payable monthly annuity increased by 1 1/2%, and such first
11 fixed annuity as granted at retirement increased by a further
12 1 1/2% in January of each year thereafter. Beginning with
13 January of the year 1972, such increases shall be at the rate
14 of 2% in lieu of the aforesaid specified 1 1/2%. Beginning
15 January, 1984, such increases shall be at the rate of 3%.
16 Beginning in January of 1999, such increases shall be at the
17 rate of 3% of the currently payable monthly annuity,
18 including any increases previously granted under this
19 Article. An employee who retires on annuity after December
20 31, 1963 and before January 1, 1987, but prior to age 60,
21 shall receive such increases beginning with January of the
22 year immediately following the year in which he attains the
23 age of 60 years.

24 An employee who retires from service on or after January
25 1, 1987 shall, upon the first annuity payment date following
26 the first anniversary of the date of retirement, or upon the
27 first annuity payment date following attainment of age 60,
28 whichever occurs later, have his then fixed and payable
29 monthly annuity increased by 3%, and such annuity shall be
30 increased by an additional 3% of the original fixed annuity
31 on the same date each year thereafter. Beginning in January
32 of 1999, such increases shall be at the rate of 3% of the
33 currently payable monthly annuity, including any increases

1 previously granted under this Article.

2 (a-5) Notwithstanding the provisions of subsection (a),
3 upon the first annuity payment date following (1) the third
4 anniversary of retirement, (2) the attainment of age 53, or
5 (3) January 1, 2002, whichever occurs latest, the monthly
6 annuity of an employee who retires on annuity prior to the
7 attainment of age 60 and has not received an increase under
8 subsection (a) shall be increased by 3%, and the annuity
9 shall be increased by an additional 3% of the current payable
10 monthly annuity, including any increases previously granted
11 under this Article, on the same date each year thereafter.
12 The increases provided under this subsection are in lieu of
13 the increases provided in subsection (a).

14 (b) Subsections (a) and (a-5) are ~~The--foregoing~~
15 ~~provision-is~~ not applicable to an employee retiring and
16 receiving a term annuity, as defined in this Article, nor to
17 any otherwise qualified employee who retires before he shall
18 have made employee contributions (at the 1/2 of 1% rate as
19 hereinafter provided) for the purposes of this additional
20 annuity for not less than the equivalent of one full year.
21 Such employee, however, shall make arrangement to pay to the
22 fund a balance of such 1/2 of 1% contributions, based on his
23 final salary, as will bring such 1/2 of 1% contributions,
24 computed without interest, to the equivalent of or completion
25 of one year's contributions.

26 Beginning with the month of January, 1964, each employee
27 shall contribute by means of salary deductions 1/2 of 1% of
28 each salary payment, concurrently with and in addition to the
29 employee contributions otherwise made for annuity purposes.

30 Each such additional employee contribution shall be
31 credited to an account in the prior service annuity reserve,
32 to be used, together with city contributions, to defray the
33 cost of the specified annuity increments. Any balance as of
34 the beginning of each calendar year existing in such account

1 shall be credited with interest at the rate of 3% per annum.

2 Such employee contributions shall not be subject to
3 refund, except to an employee who resigns or is discharged
4 and applies for refund under this Article, and also in cases
5 where a term annuity becomes payable.

6 In such cases the employee contributions shall be
7 refunded him, without interest, and charged to the
8 aforementioned account in the prior service annuity reserve.

9 (Source: P.A. 90-766, eff. 8-14-98.)

10 Section 10. The Law Enforcement Officers, Civil Defense
11 Workers, Civil Air Patrol Members, Paramedics, Firemen,
12 Chaplains, and State Employees Compensation Act is amended by
13 changing Section 3 as follows:

14 (820 ILCS 315/3) (from Ch. 48, par. 283)

15 Sec. 3. Duty death benefit. If a claim therefor is made
16 within one year of the date of death of a the law enforcement
17 officer, civil defense worker, civil air patrol member,
18 paramedic, fireman, chaplain, or State employee killed in the
19 line of duty, compensation ~~in-the-amount-of-\$10,000~~ shall be
20 paid to the person designated by the a law enforcement
21 officer, civil defense worker, civil air patrol member,
22 paramedic, fireman, chaplain, or State employee.

23 The amount of compensation shall be \$10,000 if the death
24 killed in the line of duty occurred prior to January 1,
25 1974;~~i~~ and \$20,000 if such death occurred after December 31,
26 1973 and before July 1, 1983;~~i~~ \$50,000 if such death occurred
27 on or after July 1, 1983 and before January 1, 1996;~~i~~
28 \$100,000 if the death occurred on or after January 1, 1996
29 and before May 18, 2001; ~~the--effective--date--of---this~~
30 ~~amendatory--Act-of-the-92nd-General-Assembly~~, and \$118,000 if
31 the death occurred on or after May 18, 2001 ~~the--effective~~
32 ~~date--of-this-amendatory-Act-of-the-92nd-General-Assembly~~ and

1 before the effective date of this amendatory Act of the 92nd
 2 General Assembly; and \$259,038 if the death occurs on or
 3 after the effective date of this amendatory Act of the 92nd
 4 General Assembly and before January 1, 2003.

5 For deaths occurring on or after Beginning January 1,
 6 2003, the death compensation rate for death in the line of
 7 duty occurring in a particular calendar year shall be the
 8 death compensation rate for death occurring in the previous
 9 calendar year (or in the case of deaths occurring in 2003,
 10 the rate in effect on December 31, 2002) increased by a
 11 percentage thereof equal to the percentage increase, if any,
 12 in the index known as the Consumer Price Index for All Urban
 13 Consumers: U.S. city average, unadjusted, for all items,
 14 "Employment-Cost-Index,-Wages-and-Salaries,-by-Occupation-and
 15 Industry-Group:-State-and-Local-Government--Workers:---Public
 16 Administration", as published by the United States Department
 17 of Labor, Bureau of Labor Statistics, for the 12 months
 18 ending with the month of June of that previous calendar year.

19 If no beneficiary is designated or surviving at the death
 20 of the law enforcement officer, civil defense worker, civil
 21 air patrol member, paramedic, fireman, chaplain, or State
 22 employee killed in the line of duty, the compensation shall
 23 be paid as follows:

- 24 (a) when there is a surviving spouse, the entire
 25 sum shall be paid to the spouse;
- 26 (b) when there is no surviving spouse, but a
 27 surviving descendant of the decedent, the entire sum
 28 shall be paid to the decedent's descendants per stirpes;
- 29 (c) when there is neither a surviving spouse nor a
 30 surviving descendant, the entire sum shall be paid to the
 31 parents of the decedent in equal parts, allowing to the
 32 surviving parent, if one is dead, the entire sum; and
- 33 (d) when there is no surviving spouse, descendant
 34 or parent of the decedent, but there are surviving

1 brothers or sisters, or descendants of a brother or
2 sister, who were receiving their principal support from
3 the decedent at his death, the entire sum shall be paid,
4 in equal parts, to the dependent brothers or sisters or
5 dependent descendant of a brother or sister. Dependency
6 shall be determined by the Court of Claims based upon the
7 investigation and report of the Attorney General.

8 When there is no beneficiary designated or surviving at
9 the death of the law enforcement officer, civil defense
10 worker, civil air patrol member, paramedic, fireman,
11 chaplain, or State employee killed in the line of duty and no
12 surviving spouse, descendant, parent, dependent brother or
13 sister, or dependent descendant of a brother or sister, no
14 compensation shall be payable under this Act.

15 No part of such compensation may be paid to any other
16 person for any efforts in securing such compensation.

17 (Source: P.A. 92-3, eff. 5-18-01.)

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 95. To the extent that the changes made in
26 Section 5 of this Act (increasing the retirement formula
27 under Articles 8 and 11 of the Illinois Pension Code)
28 conflict with the corresponding changes made in House Bill
29 5168 of the 92nd General Assembly, the provisions of this Act
30 are intended to control.

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