

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 9-134 and 9-146.1 as follows:

6 (40 ILCS 5/9-134) (from Ch. 108 1/2, par. 9-134)

7 Sec. 9-134. Minimum annuity - Additional provisions.

8 (a) An employee who withdraws after July 1, 1957 at age
9 60 or more with 20 or more years of service, for whom the
10 amount of age and service and prior service annuity combined
11 is less than the amount stated in this Section from the date
12 of withdrawal, instead of all annuities otherwise provided in
13 this Article, is entitled to receive an annuity for life of
14 an amount equal to 1 2/3% for each year of service, of his
15 highest average annual salary for any 5 consecutive years
16 within the last 10 years of service immediately preceding the
17 date of withdrawal; provided that in the case of any employee
18 who withdraws on or after July 1, 1971, such employee age 60
19 or over with 20 or more years of service, or who withdraws on
20 or after January 1, 1982 and on or after attainment of age 65
21 with 10 or more years of service, shall instead receive an
22 annuity for life equal to 1.67% for each of the first 10
23 years of service; 1.90% for each of the next 10 years of
24 service; 2.10% for each year of service in excess of 20 but
25 not exceeding 30; and 2.30% for each year of service in
26 excess of 30, based on the highest average annual salary for
27 any 4 consecutive years within the last 10 years of service
28 immediately preceding the date of withdrawal.

29 An employee who withdraws after July 1, 1957, but prior
30 to January 1, 1988, with 20 or more years of service, before
31 age 60 is entitled to annuity, to begin not earlier than age

1 55, if under such age at withdrawal, as computed in the last
2 preceding paragraph, reduced 1/2 of 1% for each full month or
3 fractional part thereof that his attained age when annuity is
4 to begin is less than 60 to the end that the total reduction
5 at age 55 shall be 30%, except that an employee retiring at
6 age 55 or over but less than age 60, having at least 35 years
7 of service, shall not be subject to the reduction in his
8 retirement annuity because of retirement below age 60.

9 An employee who withdraws on or after January 1, 1988,
10 with 20 or more years of service and before age 60, is
11 entitled to annuity as computed above, to begin not earlier
12 than age 50 if under such age at withdrawal, reduced 1/2 of
13 1% for each full month or fractional part thereof that his
14 attained age when annuity is to begin is less than 60, to the
15 end that the total reduction at age 50 shall be 60%, except
16 that an employee retiring at age 50 or over but less than age
17 60, having at least 30 years of service, shall not be subject
18 to the reduction in retirement annuity because of retirement
19 below age 60.

20 An employee who withdraws on or after January 1, 1992 but
21 before January 1, 1993, at age 60 or over with 5 or more
22 years of service, may elect, in lieu of any other employee
23 annuity provided in this Section, to receive an annuity for
24 life equal to 2.20% for each of the first 20 years of
25 service, and 2.40% for each year of service in excess of 20,
26 based on the highest average annual salary for any 4
27 consecutive years within the last 10 years of service
28 immediately preceding the date of withdrawal. An employee
29 who withdraws on or after January 1, 1992, but before January
30 1, 1993, on or after attainment of age 55 but before
31 attainment of age 60 with 5 or more years of service, is
32 entitled to elect such annuity, but the annuity shall be
33 reduced 0.25% for each full month or fractional part thereof
34 that his attained age when the annuity is to begin is less

1 than age 60, to the end that the total reduction at age 55
2 shall be 15%, except that an employee retiring at age 55 or
3 over but less than age 60, having at least 30 years of
4 service, shall not be subject to the reduction in retirement
5 annuity because of retirement below age 60. This annuity
6 benefit formula shall only apply to those employees who are
7 age 55 or over prior to January 1, 1993, and who elect to
8 withdraw at age 55 or over on or after January 1, 1992 but
9 before January 1, 1993.

10 The maximum annuity under this paragraph (a) shall not
11 exceed 70% of highest average annual salary for any 5
12 consecutive years within the last 10 years of service in the
13 case of an employee who withdraws prior to July 1, 1971, and
14 75% of the highest average annual salary for any 4
15 consecutive years within the last 10 years of service
16 immediately preceding the date of withdrawal if withdrawal
17 takes place on or after July 1, 1971 and prior to January 1,
18 1988, and 80% of the highest average annual salary for any 4
19 consecutive years within the last 10 years of service
20 immediately preceding the date of withdrawal if withdrawal
21 takes place on or after January 1, 1988. Fifteen hundred
22 dollars shall be considered the minimum amount of annual
23 salary for any year, and the maximum shall be his salary as
24 defined in this Article, except that for the years before
25 1957 and subsequent to 1952 the maximum annual salary to be
26 considered shall be \$6,000, and for any year before the year
27 1953, \$4,800.

28 (b) Any employee who withdraws on or after July 1, 1985
29 but prior to January 1, 1988, at age 60 or over with 10 or
30 more years of service, may elect in lieu of the benefit in
31 paragraph (a) to receive an annuity for life equal to 2.00%
32 for each year of service, based on the highest average annual
33 salary for any 4 consecutive years within the last 10 years
34 of service immediately preceding the date of withdrawal. An

1 employee who withdraws on or after July 1, 1985, but prior to
2 January 1, 1988, with 10 or more years of service, but before
3 age 60, is entitled to elect such annuity, to begin not
4 earlier than age 55, but the annuity shall be reduced 0.5%
5 for each full month or fractional part thereof that his
6 attained age when the annuity is to begin is less than 60, to
7 the end that the total reduction at age 55 shall be 30%;
8 except that an employee retiring at age 55 or over but less
9 than age 60, having at least 30 years of service, shall not
10 be subject to the reduction in retirement annuity because of
11 retirement below age 60.

12 An employee who withdraws on or after January 1, 1988, at
13 age 60 or over with 10 or more years of service, may elect,
14 in lieu of the benefit in paragraph (a), to receive an
15 annuity for life equal to 2.20% for each of the first 20
16 years of service, and 2.4% for each year of service in excess
17 of 20, based on the highest average annual salary for any 4
18 consecutive years within the last 10 years of service
19 immediately preceding the date of withdrawal. An employee who
20 withdraws on or after January 1, 1988, with 10 or more years
21 of service, but before age 60, is entitled to elect such
22 annuity, to begin not earlier than age 50, but the annuity
23 shall be reduced 0.5% for each full month or fractional part
24 thereof that his attained age when the annuity is to begin is
25 less than 60, to the end that the total reduction at age 50
26 shall be 60%, except that an employee retiring at age 50 or
27 over but less than age 60, having at least 30 years of
28 service, shall not be subject to the reduction in retirement
29 annuity because of retirement below age 60.

30 An employee who withdraws on or after June 30, 2001 with
31 10 or more years of service may elect, in lieu of any other
32 retirement annuity provided under this Article, to receive an
33 annuity for life, beginning no earlier than upon attainment
34 of age 50, equal to 2.40% of his or her highest average

1 annual salary for any 4 consecutive years within the last 10
2 years of service immediately preceding withdrawal, for each
3 year of service. If the employee has less than 30 years of
4 service, the annuity shall be reduced by 0.5% for each full
5 month or remaining fraction thereof that the employee's
6 attained age when the annuity is to begin is less than 60.

7 The maximum annuity under this paragraph (b) shall not
8 exceed 75% of the highest average annual salary for any 4
9 consecutive years within the last 10 years of service
10 immediately preceding the date of withdrawal if withdrawal
11 occurs prior to January 1, 1988, or 80% of the highest
12 average annual salary for any 4 consecutive years within the
13 last 10 years of service immediately preceding the date of
14 withdrawal if withdrawal takes place on or after January 1,
15 1988.

16 The provisions of this paragraph (b) do not apply to any
17 former County employee receiving an annuity from the fund,
18 who re-enters service as a County employee, unless he renders
19 at least 3 years of additional service after the date of
20 re-entry.

21 (c) For an employee receiving disability benefit, the
22 salary for annuity purposes under paragraph (a) or (b) of
23 this Section shall, for all periods of disability benefit
24 subsequent to the year 1956, be the amount on which his
25 disability benefit was based.

26 (d) A county employee with 20 or more years of service,
27 whose entire disability benefit credit period expires before
28 attainment of age 50 (age 55 if expiration occurs before
29 January 1, 1988), while still disabled for service is
30 entitled upon withdrawal to the larger of:

- 31 (1) The minimum annuity provided above, assuming
32 that he is then age 50 (age 55 if expiration occurs
33 before January 1, 1988), and reducing such annuity to its
34 actuarial equivalent at his attained age on such date, or

1 (2) the annuity provided from his age and service
2 and prior service annuity credits.

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

8 (f) Any employee in service on July 1, 1947, or who
9 enters service thereafter before attaining age 65 and
10 withdraws after age 65 with less than 10 years of service for
11 whom the annuity has been fixed under the foregoing Sections
12 of this Article, shall, instead of the annuity so fixed,
13 receive an annuity as follows:

14 Such amount as he could have received had the accumulated
15 amounts for annuity been improved with interest at the
16 effective rate to the date of withdrawal, or to attainment of
17 age 70, whichever is earlier, and had the county contributed
18 to such earlier date for age and service annuity the amount
19 that it would have contributed had he been under age 65,
20 after the date his annuity was fixed in accordance with this
21 Article, and assuming his annuity were computed from such
22 accumulations as of his age on such earlier date. However
23 those employees who before July 1, 1953, made additional
24 contributions in accordance with this Article, the annuity so
25 computed under this paragraph shall not exceed the annuity
26 which would be payable under the other provisions of this
27 Section if the employee concerned was credited with 20 years
28 of service and would qualify for annuity thereunder.

29 (g) Instead of the annuity provided in this or any other
30 Section of this Article, an employee having attained age 65
31 with at least 15 years of service may elect to receive a
32 minimum annual annuity for life equal to 1% of the highest
33 average annual salary for any 4 consecutive years within the
34 last 10 years of service immediately preceding retirement for

1 each year of service, plus the sum of \$25 for each year of
2 service provided that no such minimum annual annuity may be
3 greater than 60% of such highest average annual salary.

4 (h) The annuity is payable in equal monthly
5 installments.

6 (i) If, by operation of law, a function of a
7 governmental unit, as defined by Section 20-107 of this Code,
8 is transferred in whole or in part to the county in which
9 this Article 9 is created as set forth in Section 9-101, and
10 employees of the governmental unit are transferred as a class
11 to such county, the earnings credits in the retirement system
12 covering the governmental unit which have been validated
13 under Section 20-109 of this Code shall be considered in
14 determining the highest average annual salary for purposes of
15 this Section 9-134.

16 (j) The annuity being paid to an employee annuitant on
17 July 1, 1988, shall be increased on that date by 1% for each
18 full year that has elapsed from the date the annuity began.

19 (k) Notwithstanding anything to the contrary in this
20 Article 9, Section 20-131 shall not apply to an employee who
21 withdraws on or after January 1, 1988, but prior to attaining
22 age 55. Therefore, no employee shall be entitled to elect to
23 have the alternative formula previously set forth in Section
24 20-122 prior to the amendatory Act of 1975 apply to any
25 annuity, the payment of which commenced after January 1,
26 1988, but prior to such employee's attainment of age 55.

27 (Source: P.A. 86-272; 87-794.)

28 (40 ILCS 5/9-146.1) (from Ch. 108 1/2, par. 9-146.1)
29 Sec. 9-146.1. Minimum annuities for widows. The widow of
30 an employee who retires from service or dies while in the
31 service subsequent to June 11, 1965, who is otherwise
32 eligible for widow's annuity under this Article and for whom
33 the amount of widow's annuity and widow's prior service

1 annuity combined, fixed or provided for such widow under
2 other provisions of this Article 9 is less than the amount
3 hereinafter provided in this Section, shall, from and after
4 the date her otherwise provided annuity would begin, in lieu
5 of such otherwise provided widow's and widow's prior service
6 annuity, be entitled to the following indicated amount of
7 annuity:

8 (a) The widow, of any employee who dies while in the
9 service on or after the date on which he attains the age of
10 60 or more years with at least 20 years of service, or 10 or
11 more years of service if death occurs on or after attainment
12 of age 65 and on or after January 1, 1982, shall be entitled
13 to an annuity equal to one-half of the amount of annuity
14 which her deceased husband would have been entitled to
15 receive had he withdrawn from the service on the day
16 immediately preceding the date of his death, conditional upon
17 such widow having attained the age of 60 or more years on
18 such date. Such amount of widow's annuity shall not, however,
19 exceed the sum of \$500 a month if death in service occurs
20 before July 1, 1985.

21 If such widow of such described employee shall not be 60
22 or more years of age on such date of death, the amount
23 provided in the immediately preceding paragraph for a widow
24 60 or more years of age, shall, in the case of such younger
25 widow, be reduced by 1/2 of 1 per cent for each month that
26 her then attained age is less than 60 years; except that such
27 younger widow of an employee who dies while in service on or
28 after July 1, 1985 with at least 30 years of service, shall
29 not be subject to the reduction in widow's annuity because of
30 her age less than 60 on the date of the employee's death.

31 (b) The widow, of any employee who dies subsequent to
32 the date of his retirement on annuity, and who so retired on
33 or after the date on which he attained the age of 60 or more
34 years with at least 20 years of service, or 10 or more years

1 of service if retirement occurs on or after attainment of age
2 65 and on or after January 1, 1982, shall be entitled to an
3 annuity equal to one-half of the amount of annuity which her
4 deceased husband received as of the date of his retirement on
5 annuity, conditional upon such widow having attained the age
6 of 60 or more years on the date of her husband's retirement
7 on annuity. Such amount of widow's annuity shall not,
8 however, exceed the sum of \$500 a month if the death occurs
9 before the effective date of this amendatory Act of 1991.

10 If such widow of such described employee shall not have
11 attained such age of 60 or more years on such date of her
12 husband's retirement on annuity, the amount provided in the
13 immediately preceding paragraph for a widow 60 or more years
14 of age on the date of her husband's retirement on annuity,
15 shall, in the case of such then younger widow, be reduced by
16 1/2 of 1 per cent for each month that her then attained age
17 was less than 60 years; except that such younger widow of an
18 employee retiring on or after July 1, 1985 with at least 30
19 years of service, shall not be subject to the reduction in
20 widow's annuity because of her age less than 60 on the date
21 of the employee's retirement.

22 (c) The foregoing provisions relating to minimum
23 annuities for widows shall not apply to the widow of any
24 former county employee receiving an annuity from the Fund on
25 June 11, 1965, who re-enters service as a county employee,
26 unless such employee renders at least 3 years of additional
27 service after the date of re-entry.

28 (d) An annuity being paid to a surviving spouse on
29 January 1, 1984 shall be increased by 10% and shall
30 thereafter be paid at the increased rate until the
31 termination of the annuity by death or other cause. The
32 annuity for a qualifying widow shall not exceed \$500 per
33 month.

34 (e) The widow of any employee who dies while in service

1 on or after July 1, 1985 but prior to January 1, 1988, and
2 the widow of an employee who retires on or after July 1, 1985
3 but prior to January 1, 1988 with at least 10 years of
4 service, and the widow of an employee who retires on or after
5 January 1, 1984 but prior to July 1, 1985 with at least 30
6 years of service, shall be entitled to an annuity equal to
7 one-half of the amount of annuity which her deceased husband
8 would have received had he retired immediately prior to his
9 death or one-half the amount of the originally granted
10 retirement annuity, whichever is applicable. Such widow's
11 annuity will be reduced 0.5% for each month that the widow's
12 attained age is less than age 60 on the date of the
13 employee's death in service or retirement if the employee's
14 death in service or retirement is before January 1, 1988;
15 except that such younger widow of an employee with at least
16 30 years of service shall not be subject to the reduction in
17 widow's annuity because of her age less than 60 on the date
18 of the employee's death in service or retirement.

19 The widow of an employee who dies in service on or after
20 January 1, 1988, or retires on or after January 1, 1988 with
21 at least 10 years of service, shall be entitled to an annuity
22 equal to 1/2 of the amount of annuity which her deceased
23 husband would have received had he retired immediately prior
24 to his death or 1/2 of the amount of the annuity which her
25 deceased husband received as of the date of his death,
26 whichever is applicable. Such widow's annuity shall be
27 reduced 0.5% for each month that the widow's attained age is
28 less than age 60 on the date of the employee's death if
29 employee's death in service or retirement is after January 1,
30 1988; except that such younger widow of an employee with at
31 least 30 years of service shall not be subject to the
32 reduction in widow's annuity because of her age on the date
33 of the employee's death.

34 In lieu of any other annuity provided by this Article,

1 the widow of an employee who dies in service on or after
2 January 1, 1992, or retires on or after January 1, 1992 with
3 at least 10 years of service, shall be entitled to an annuity
4 equal to 1/2 of the amount of annuity which her deceased
5 husband would have received had he retired immediately prior
6 to his death or 1/2 of the amount of the annuity which her
7 deceased husband received as of the date of his death,
8 whichever is applicable. Such widow's annuity shall be
9 reduced 0.5% for each month that the widow's attained age is
10 less than age 55 on the date of the employee's death; except
11 that such younger widow of an employee with at least 30 years
12 of service shall not be subject to the reduction in widow's
13 annuity because of her age on the date of the employee's
14 death.

15 In lieu of any other annuity provided by this Article,
16 the widow of an employee who dies in service or withdraws
17 from service on or after January 1, 1992 but before January
18 1, 1993 at age 55 or over with at least 5 but less than 10
19 years of service, shall be entitled to an annuity equal to
20 half of the amount of annuity which her deceased husband
21 would have received had he retired immediately prior to his
22 death or half of the amount of the annuity which her deceased
23 husband received as of the date of his death, whichever is
24 applicable. This widow's annuity shall be reduced 0.5% for
25 each month that the widow's attained age is less than 60 on
26 the date of the employee's death.

27 However, in the case of an employee dying in service, the
28 amount of widow's annuity shall not be less than 10% of the
29 highest average annual salary for any 4 consecutive years
30 within the last 10 years of service immediately preceding the
31 date of withdrawal. The maximum amount of annuity under this
32 paragraph shall not be limited to a dollar maximum. The
33 provisions of this paragraph shall not apply to the widow of
34 any former County employee receiving an annuity from the fund

1 who re-enters service as a County employee, unless such
2 employee renders at least 3 years of additional service after
3 the date of re-entry.

4 (f) An annuity being paid to a surviving spouse on July
5 1, 1988, shall be increased on that date by 1% for each full
6 year that has elapsed from the date the annuity began.

7 (g) In lieu of any other annuity provided under this
8 Article, if the deceased employee was receiving a retirement
9 annuity at the time of his death and that death occurs on or
10 after January 1, 1993, the widow's annuity shall be 50% of
11 the deceased employee's retirement annuity at the time of
12 death, reduced by 0.5% for each month that the widow's age on
13 the date of death is less than 55, except that the reduction
14 does not apply if the deceased employee had at least 30 years
15 of service.

16 (h) In lieu of any other annuity provided under this
17 Article, the widow of an employee who dies in service on or
18 after January 1, 2001 or has at least 10 years of service and
19 dies on or after January 1, 2001 while receiving an annuity
20 shall be entitled to a widow's annuity equal to 65% of the
21 amount of annuity which her deceased husband would have
22 received had he retired immediately prior to his death or 65%
23 of the amount of the annuity which her deceased husband
24 received as of the date of his death, whichever is
25 applicable. This widow's annuity shall be reduced by 0.5%
26 for each month that the widow's age on the date of the
27 employee's death is less than 55, unless the deceased husband
28 had at least 30 years of service, in which case the reduction
29 does not apply.

30 (Source: P.A. 86-273; 87-794; 87-1265.)

31 Section 90. The State Mandates Act is amended by adding
32 Section 8.25 as follows:

1 (30 ILCS 805/8.25 new)

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

6 Section 99. Effective date. This Act takes effect upon
7 becoming law.