

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 16-133.1 as follows:

6 (40 ILCS 5/16-133.1) (from Ch. 108 1/2, par. 16-133.1)  
7 Sec. 16-133.1. Automatic annual increase in annuity.

8 (a) Each member with creditable service and retiring on  
9 or after August 26, 1969 is entitled to the automatic annual  
10 increases in annuity provided under this Section while  
11 receiving a retirement annuity or disability retirement  
12 annuity from the system.

13 An annuitant who has not received the initial increase  
14 under this Section before January 1, 2002 shall ~~first~~ be  
15 entitled to an initial increase under this Section on the  
16 January 1 next following the first anniversary of retirement,  
17 or January 1, 2002 ~~of-the-year-next-following-attainment-of~~  
18 ~~age-61~~, whichever is later. At such time, the system shall  
19 pay an initial increase determined as follows:

20 (1) 1.5% of the originally granted retirement  
21 annuity or disability retirement annuity multiplied by  
22 the number of years elapsed, if any, from the date of  
23 retirement until January 1, 1972, plus

24 (2) 2% of the originally granted annuity multiplied  
25 by the number of years elapsed, if any, from the date of  
26 retirement or January 1, 1972, whichever is later, until  
27 January 1, 1978, plus

28 (3) 3% of the originally granted annuity multiplied  
29 by the number of years elapsed from the date of  
30 retirement or January 1, 1978, whichever is later, until  
31 the effective date of the initial increase.

1 However, the initial annual increase calculated under this  
2 Section for the recipient of a disability retirement annuity  
3 granted under Section 16-149.2 shall be reduced by an amount  
4 equal to the total of all increases in that annuity received  
5 under Section 16-149.5 (but not exceeding 100% of the amount  
6 of the initial increase otherwise provided under this  
7 Section).

8 Following the initial increase, automatic annual  
9 increases in annuity shall be payable on each January 1  
10 thereafter during the lifetime of the annuitant, determined  
11 as a percentage of the originally granted retirement annuity  
12 or disability retirement annuity for increases granted prior  
13 to January 1, 1990, and calculated as a percentage of the  
14 total amount of annuity, including previous increases under  
15 this Section, for increases granted on or after January 1,  
16 1990, as follows: 1.5% for periods prior to January 1, 1972,  
17 2% for periods after December 31, 1971 and prior to January  
18 1, 1978, and 3% for periods after December 31, 1977.

19 (b) The automatic annual increases in annuity provided  
20 under this Section shall not be applicable unless a member  
21 has made contributions toward such increases for a period  
22 equivalent to one full year of creditable service. If a  
23 member contributes for service performed after August 26,  
24 1969 but the member becomes an annuitant before such  
25 contributions amount to one full year's contributions based  
26 on the salary at the date of retirement, he or she may pay  
27 the necessary balance of the contributions to the system and  
28 be eligible for the automatic annual increases in annuity  
29 provided under this Section.

30 (c) Each member shall make contributions toward the cost  
31 of the automatic annual increases in annuity as provided  
32 under Section 16-152.

33 (d) An annuitant receiving a retirement annuity or  
34 disability retirement annuity on July 1, 1969, who

1 subsequently re-enters service as a teacher is eligible for  
2 the automatic annual increases in annuity provided under this  
3 Section if he or she renders at least one year of creditable  
4 service following the latest re-entry.

5 (e) In addition to the automatic annual increases in  
6 annuity provided under this Section, an annuitant who meets  
7 the service requirements of this Section and whose retirement  
8 annuity or disability retirement annuity began on or before  
9 January 1, 1971 shall receive, on January 1, 1981, an  
10 increase in the annuity then being paid of one dollar per  
11 month for each year of creditable service. On January 1,  
12 1982, an annuitant whose retirement annuity or disability  
13 retirement annuity began on or before January 1, 1977 shall  
14 receive an increase in the annuity then being paid of one  
15 dollar per month for each year of creditable service.

16 On January 1, 1987, any annuitant whose retirement  
17 annuity began on or before January 1, 1977, shall receive an  
18 increase in the monthly retirement annuity equal to 8¢ per  
19 year of creditable service times the number of years that  
20 have elapsed since the annuity began.

21 (Source: P.A. 91-927, eff. 12-14-00.)

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