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1 AN ACT concerning 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 changing
5 Section 6-164 as follows:
6 (40 ILCS 5/6-164) (from Ch. 108 1/2, par. 6-164)
7 Sec. 6-164. Automatic annual increase; retirement after
8 September 1, 1959.
9 (a) A fireman qualifying for a minimum annuity who retires
10 from service after September 1, 1959 shall, upon either the
11 first of the month following the first anniversary of his date
12 of retirement if he is ~~age 60 (age 55 if born before January 1,~~
13 ~~1966)~~ or over on that anniversary date, or upon the first of
14 the month following his attainment of ~~age 60 (age 55 if born~~
15 ~~before January 1, 1966)~~ if that occurs after the first
16 anniversary of his retirement date, have his then fixed and
17 payable monthly annuity increased by 1 1/2%, and such first
18 fixed annuity as granted at retirement increased by an
19 additional 1 1/2% in January of each year thereafter up to a
20 maximum increase of 30%. Beginning July 1, 1982 for firemen
21 born before January 1, 1930, and beginning January 1, 1990 for
22 firemen born after December 31, 1929 and before January 1,
23 1940, and beginning January 1, 1996 for firemen born after

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1 December 31, 1939 but before January 1, 1945, and beginning
2 January 1, 2004, for firemen born after December 31, 1944 but
3 before January 1, 1955, and beginning January 1, 2017, for
4 firemen born after December 31, 1954 ~~but before January 1,~~
5 ~~1966~~, such increases shall be 3% and such firemen shall not be
6 subject to the 30% maximum increase.
7 Any fireman born before January 1, 1945 who qualifies for a
8 minimum annuity and retires after September 1, 1967 but has not
9 received the initial increase under this subsection before
10 January 1, 1996 is entitled to receive the initial increase
11 under this subsection on (1) January 1, 1996, (2) the first
12 anniversary of the date of retirement, or (3) attainment of age
13 55, whichever occurs last. The changes to this Section made by
14 this amendatory Act of 1995 apply beginning January 1, 1996 and
15 apply without regard to whether the fireman or annuitant
16 terminated service before the effective date of this amendatory

17 Act of 1995.

18 Any fireman born before January 1, 1955 who qualifies for a
19 minimum annuity and retires after September 1, 1967 but has not
20 received the initial increase under this subsection before
21 January 1, 2004 is entitled to receive the initial increase
22 under this subsection on (1) January 1, 2004, (2) the first
23 anniversary of the date of retirement, or (3) attainment of age
24 55, whichever occurs last. The changes to this Section made by
25 this amendatory Act of the 93rd General Assembly apply without
26 regard to whether the fireman or annuitant terminated service

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1 before the effective date of this amendatory Act.
2 Any fireman born after December 31, 1954 but before January
3 1, 1966 who qualifies for a minimum annuity and retires after
4 September 1, 1967 is entitled to receive an increase under this
5 subsection on (1) January 1, 2017, (2) the first anniversary of
6 the date of retirement, or (3) attainment of age 55, whichever
7 occurs last, in an amount equal to an increase of 3% of his
8 then fixed and payable monthly annuity upon the first of the
9 month following the first anniversary of his date of retirement
10 if he is age 55 or over on that anniversary date or upon the
11 first of the month following his attainment of age 55 if that
12 date occurs after the first anniversary of his retirement date
13 and such first fixed annuity as granted at retirement shall be
14 increased by an additional 3% in January of each year
15 thereafter. In the case of a fireman born after December 31,
16 1954 but before January 1, 1966 who received an increase in any
17 year of 1.5%, that fireman shall receive an increase for any
18 such year so that the total increase is equal to 3% for each
19 year the fireman would have been otherwise eligible had the
20 fireman not received any increase. The changes to this
21 subsection made by this amendatory Act of the 99th General
22 Assembly apply without regard to whether the fireman or
23 annuitant terminated service before the effective date of this
24 amendatory Act. The changes to this subsection made by this
25 amendatory Act of the 100th General Assembly are a declaration
26 of existing law and shall not be construed as a new enactment.

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1 Any fireman who qualifies for a minimum annuity and retires
2 after September 1, 1967 is entitled to receive an increase
3 under this subsection on (1) January 1, 2020, (2) the first

4 anniversary of the date of retirement, or (3) attainment of age
5 55, whichever occurs last, in an amount equal to an increase of
6 3% of his or her then fixed and payable monthly annuity upon
7 the first of the month following the first anniversary of his
8 or her date of retirement if he or she is age 55 or over on that
9 anniversary date or upon the first of the month following his
10 or her attainment of age 55 if that date occurs after the first
11 anniversary of his or her retirement date and such first fixed
12 annuity as granted at retirement shall be increased by an
13 additional 3% in January of each year thereafter. In the case
14 of a fireman who received an increase in any year of 1.5%, that
15 fireman shall receive an increase for any such year so that the
16 total increase is equal to 3% for each year the fireman would
17 have been otherwise eligible had the fireman not received any
18 increase. The changes to this subsection made by this
19 amendatory Act of the 101st General Assembly apply without
20 regard to whether the fireman or annuitant terminated service
21 before the effective date of this amendatory Act of the 101st
22 General Assembly.
23 (b) Subsection (a) of this Section is not applicable to an
24 employee receiving a term annuity.
25 (c) To help defray the cost of such increases in annuity,
26 there shall be deducted, beginning September 1, 1959, from each

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1 payment of salary to a fireman, 1/8 of 1% of each such salary
2 payment and an additional 1/8 of 1% beginning on September 1,
3 1961, and September 1, 1963, respectively, concurrently with
4 and in addition to the salary deductions otherwise made for
5 annuity purposes.
6 Each such additional 1/8 of 1% deduction from salary which
7 shall, on September 1, 1963, result in a total increase of 3/8
8 of 1% of salary, shall be credited to the Automatic Increase
9 Reserve, to be used, together with city contributions as
10 provided in this Article, to defray the cost of the annuity
11 increments specified in this Section. Any balance in such
12 reserve as of the beginning of each calendar year shall be
13 credited with interest at the rate of 3% per annum.
14 The salary deductions provided in this Section are not
15 subject to refund, except to the fireman himself in any case in
16 which: (i) the fireman withdraws prior to qualification for
17 minimum annuity or Tier 2 monthly retirement annuity and
18 applies for refund, (ii) the fireman applies for an annuity of
19 a type that is not subject to annual increases under this

20 Section, or (iii) a term annuity becomes payable. In such
21 cases, the total of such salary deductions shall be refunded to
22 the fireman, without interest, and charged to the
23 aforementioned reserve.

24 (d) Notwithstanding any other provision of this Article,
25 the Tier 2 monthly retirement annuity of a person who first
26 becomes a fireman under this Article on or after January 1,

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1 2011 shall be increased on the January 1 occurring either on or
2 after (i) the attainment of age 60 or (ii) the first
3 anniversary of the annuity start date, whichever is later. Each
4 annual increase shall be calculated at 3% or one-half the
5 annual unadjusted percentage increase (but not less than zero)
6 in the consumer price index-u for the 12 months ending with the
7 September preceding each November 1, whichever is less, of the
8 originally granted retirement annuity. If the annual
9 unadjusted percentage change in the consumer price index-u for
10 a 12-month period ending in September is zero or, when compared
11 with the preceding period, decreases, then the annuity shall
12 not be increased.

13 For the purposes of this subsection (d), "consumer price
14 index-u" means the index published by the Bureau of Labor
15 Statistics of the United States Department of Labor that
16 measures the average change in prices of goods and services
17 purchased by all urban consumers, United States city average,
18 all items, 1982-84 = 100. The new amount resulting from each
19 annual adjustment shall be determined by the Public Pension
20 Division of the Department of Insurance and made available to
21 the boards of the pension funds by November 1 of each year.

22 (Source: P.A. 99-905, eff. 11-29-16; 100-23, eff. 7-6-17;
23 100-539, eff. 11-7-17.)

24 Section 90. The State Mandates Act is amended by adding
25 Section 8.43 as follows:

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1 (30 ILCS 805/8.43 new)

2 Sec. 8.43. Exempt mandate. Notwithstanding Sections 6 and 8
3 of this Act, no reimbursement by the State is required for the
4 implementation of any mandate created by this amendatory Act of
5 the 101st General Assembly.

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