

Currently, pensions for Tier 2 police officers under the Chicago Police and Chicago Firefighters Articles are calculated based upon the 96 consecutive months within the last 120 months of service in which the total salary was highest.

SB 3612 amends the Chicago Police and Chicago Firefighters Articles so that:

- Final average salary is calculated using the greater of: (i) the method stated above, or (ii) the 48 consecutive months within the last 120 months of service (as opposed to last 60 months of service in P.A. 101-0610) in which the total salary was highest.
- The bill would not cause any retroactive adjustment of employee contributions.

Under current law, the highest salary that can be used for calculation of a final average salary for Tier 2 employees in an Article 3 (Downstate Police) or Article 4 (Downstate Fire) fund is \$106,800. However, that amount has been increased annually since 2011 by the lesser of (i) 3% of that amount, or, one-half the increase in the consumer price index-u. Public Act 101-0610 changed this calculation for Tier 2 Downstate Police and Fire participants to the lesser of 3% or the full unadjusted percentage increase in the CPI-U.

SB 3621 grants the same final average salary calculation to Chicago police officers and firefighters, increasing the annual final average salary base by the lesser of 3% or the annual unadjusted percentage increase in the full CPI-U.

Matching Chicago Police and Firefighter Tier 2 Survivor Benefits to P.A. 101-0610

Current law entitles spouses, children, or parents of a Tier 2 Chicago police officer or firefighter to survivor pensions equal to 66 2/3% of the police officer or firefighter's earned pension at the date of death.

SB 3612 amends Chicago Police Article so that:

- The survivors are entitled to the greater of (i) the current survivor benefit, as mentioned above, or (ii) 54% of the police officer or firefighter's monthly salary at the date of death.
- If a survivor is a spouse, then the guardian of any minor children, including children not yet born, is entitled to 12% of such monthly salary for each child until they reach 18.
- A monthly pension of 20% of such monthly salary is granted upon the death of the surviving spouse, or upon the death of a police officer or firefighter leaving one or more minor children but no surviving spouse, to an appointed guardian until the children reach 18.

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