

Senate Bill 1922 - Summary

Proposed Benefit Changes

Retirement Age: A decrease for Tier 2 participants from ages 67 to 65 and from ages 62 to 60 for early retirement. No change for Tier 1 participants.

Cost of Living Adjustment (COLA) Amount: For Tier 1 participants (including current retirees) and Tier 2 participants, is changed to the lesser of 3% simple increase or ½ of Consumer Price Index-Urban (CPI-U).

COLA: For current and future Tier 1 retirees the COLA will be skipped in years 2017, 2019 and 2025. For Tier 2 retirees the COLA will be skipped in 2025. For those not yet granted an annuity before the effective date of the amendment, increases begin one year later than they otherwise would have. A minimum annual increase of 1% of the applicable annuity in all years the annuitant is eligible for an annual increase if the annual annuity (including increases) is less than \$22,000.

Proposed Employee Contribution Increases: The following table is for Tier 1 and Tier 2 participants:

Year	Percentage of Salary
2014	8.5%
2015	9.0%
2016	9.5%
2017	10.0%
2018	10.5%
2019	11.0%

When the fund reaches 90% funded, employee contributions would decrease to 9.75% and remain 9.75% as long as the fund is 90% funded.

Proposed Employer Contribution Increases: The City of Chicago currently contributes an amount equal to 1 times (multiplier) the total contribution by participants 2 years earlier. The schedule below beginning in 2016 is based on the lesser of the increased multiplier or an actuarial schedule:

Year	Multiplier
2016	1.6
2017	1.9
2018	2.2
2019	2.5
2020	2.8

In 2021 the City will make contributions based on an actuarial funding schedule.