



Illinois Department of Insurance Public Pension Division *The Siren*

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B u l l e t i n B u l l e t i n **Bulletin** B u l l e t i n B u l l e t i n

TO : All Retirement Systems and Pension Funds established under the Illinois Pension Code
FROM : Illinois Department of Insurance, Public Pension Division
DATE : November 1, 2015
RE : Annual Salary Limitation and Annual Increase to the Monthly Pension for New Hires on or after January 1, 2011

In accordance with state law, the Department of Insurance (“Department”) is to annually determine certain annuity limitations for use in benefit determinations by the Retirement Systems and Pension Funds operating under the Illinois Pension Code. The calculations include:

- The retirement Cost of Living Adjustment (“COLA”) applicable to Tier II participants, and;
- The annual salary maximum applicable to Tier II participants.

The annual increase to be used in determining the COLA for Tier II is derived from the change in the Consumer Price Index-Urban (“CPI-U”) for the 12 months ending with the September preceding each November 1. State statute requires that the Department provide these calculations to impacted Retirement Systems and Pension Funds by November 1 of each year.

CPI-U, September 2015, unadjusted change in the CPI-U over the last 12 months: 0.0%
Source: US Bureau of Labor Statistics

For the General Assembly Retirement System (Article 2) and the Judges Retirement System (Article 18), the annuity COLA and the increase in the annual salary maximum equals the lesser of 3% or the full CPI-U. The following table (Table 1) outlines the COLA to be applied and the maximum salary for Tier II annuity purposes:

Table 1:

<u>Calendar Year</u>	<u>Prior Year CPI-U</u>	<u>Tier II COLA or Annuity Increase</u>	<u>Tier II Annual Earnings, Salary or Wages Maximum</u>
2011		3.00%	\$106,800.00
2012	3.90%	3.00%	\$110,004.00
2013	2.00%	2.00%	\$112,204.08

2014	1.20%	1.20%	\$113,550.53
2015	1.70%	1.70%	\$115,480.89
2016	0.00%	0.00%	\$115,480.89

For the Retirement Systems and Pension Funds other than those established under Article 2 and Article 18 of the Illinois Pension Code, the annuity COLA and the increase in the annual salary maximum equals the lesser of 3% or ½ the CPI-U. The following table (Table 2) outlines the COLA to be applied and the maximum salary for Tier II annuity purposes:

Table 2:

<u>Calendar Year</u>	<u>Prior Year CPI-U</u>	<u>½ CPI-U</u>	<u>Tier II COLA or Annuity Increase</u>	<u>Tier II Annual Earnings, Salary or Wages Maximum</u>
2011			3.00%	\$106,800.00
2012	3.90%	1.95%	1.95%	\$108,882.60
2013	2.00%	1.00%	1.00%	\$109,971.43
2014	1.20%	0.60%	0.60%	\$110,631.26
2015	1.70%	0.85%	0.85%	\$111,571.63
2016	0.00%	0.00%	0.00%	\$111,571.63

For the Chicago Park Employees' Retirement Fund (Article 12), the COLA increase for all retirees for 2015 is 0.00%, pursuant to Section 12-133(b-2) of the Illinois Pension Code.¹

If you have any questions regarding this Bulletin, please contact the Public Pension Division of the Department of Insurance at (800) 207-6958.

¹ This is pursuant to Public Act 98-0622, which is currently the subject of litigation regarding its constitutionality. The Division will update this Siren if appropriate.