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Illinois Department of Insurance

Public Pension Division

The Siren

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Bruce Rauner
Governor

Jennifer Hammer
Director

TO : All Retirement Systems and Pension Funds established under the Illinois Pension Code

FROM : Illinois Department of Insurance, Public Pension Division

DATE : November 1, 2017

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 benefit calculation

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 impacting the Retirement Systems and Pension Funds by November 1 of each year.

CPI-U, September 2017, unadjusted change in the CPI-U over the last 12 months: 2.2%
Source: US Bureau of Labor Statistics

For the General Assembly Retirement System (**Article 2**) and the Judges Retirement System (**Article 18**), for calendar year 2018, the COLA and the annual salary maximum equals:

| <u>YEAR</u> | <u>COLA</u> | <u>SALARY MAXIMUM</u> |
|-------------|-------------|-----------------------|
| 2018 | 2.20% | \$119,791.79 |

For the Retirement Systems and Pension Funds **other than those** established under Article 2 and Article 18 of the Illinois Pension Code, for calendar year 2018, the annuity COLA and the annual salary maximum equals:

| <u>YEAR</u> | <u>COLA</u> | <u>SALARY MAXIMUM</u> |
|-------------|-------------|-----------------------|
| 2018 | 1.10% | \$113,644.91 |

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