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New Laws will Help Preserve Benefits, Save Taxpayer Dollars CHICAGO - December 30, 2010. Governor Pat Quinn today signed legislation that will help further stabilize pension systems for law enforcement officers and firefighters throughout Illinois, while protecting their retirement benefits. "Firefighters and police officers put their lives on the line each and every day to keep us safe," said Governor Quinn. "These men and women who serve so selflessly must continue to have access to quality pension benefits that are also affordable for municipalities throughout the state. I would like to thank the Illinois General Assembly for their broad bi-partisan support in passing this critical legislation."

Senate Bill 3538, sponsored by Sen. Terry Link (D-Waukegan) and Rep. Kevin McCarthy (D-Orland Park), is an important step toward stabilizing pension systems for police officers, sheriffs' employees and firefighters. The new law makes changes to pension requirements for individuals hired on or after Jan. 1, 2011.

Some reforms under the law include: a normal retirement age of 55 with 10 or more years of service; and an early retirement age of 50 with 10 or more years of service and with a 0.5 percent reduction for each month the pensioner's age is under 55. Other changes include: the maximum pension of 75 percent of an individual's average salary; the pensionable salary maximum will be capped at $106,800, with annual increases as outlined in the law; and monthly cost-of-living adjustments will begin at age 60 for retirees and survivors, and will be either 3 percent or one-half of the urban consumer price index, whichever is less.

As cities and towns throughout the state struggle to recover from the effects of the nation's economic recession, municipalities face the increased challenge of funding pensions. The changes made under Senate Bill 3538 will help ease that burden. The legislation will stabilize municipal pension systems, protect current municipal employees and provide attractive pension benefits to future police, sheriff's employees and firefighters.

Today Governor Quinn also signed Senate Bill 550, sponsored by Senate President John Cullerton (D-Chicago) and Rep. McCarthy. The technical law will enable public employee retirement systems to administer the two-tier pension system Governor Quinn signed into law during the spring.

This past spring, Governor Quinn signed Senate Bill 1946 into law. The law was a historic pension reform which will help save Illinois taxpayers hundreds of billions of dollars while preserving public employee pension benefits.

Senate Bill 3538 and Senate Bill 550 both go into effect Jan. 1, 2011.