

**THE RETIREMENT BOARD
of the
FIREMEN'S ANNUITY AND BENEFIT FUND
OF CHICAGO**

20 S. Clark Street, Suite 300
(312) 726-5823
(800) 782-7425

Chicago, IL 60603-1899

Fax (312) 726-2316

<http://www.fabf.org>



August 20, 2025

IMPACT OF NEW AND EXISTING LEGISLATION ON MEMBER BENEFITS

TIER 1 AND TIER 2 BENEFIT SUMMARY OVERVIEW

Please review the updated summary comparison of Tier 1 and Tier 2 benefits. The information is based on current law as of August 20, 2025, and should assist members in understanding the benefits they are entitled to receive under the Pension Code. Members should be aware that the law can change resulting in modifications to current benefits. Questions regarding any member's specific situation should be addressed directly to the Fund office. The full text of the law governing the Fund may be found in Chapter 40, Act 5, Article 6 of the Illinois Compiled Statutes, and supersedes anything stated or implied herein.

	Tier 1 Participants hired before 01/01/2011	Tier 2 Participants hired on or after 01/01/2011
Employee Contribution Rate	Salary refers to Career Service Salary and Exempt Rank Salary for participants meeting certain criteria. Each participant's total contribution percentage is 9 1/8% of salary.	The same total contribution percentage as Tier 1, except contributions cease when the participant meets the annual salary cap. The new salary cap effective July 1, 2025, is \$141,407.74. This amount - shall annually thereafter be increased by the lesser of (i) 3% of that amount, including all previous adjustments, or (ii) the annual unadjusted percentage increase in the consumer price index-u for the 12 months ending with September preceding each November 1, including all previous adjustments.
Final Average Salary	Highest average monthly salary of 48 <u>consecutive</u> months within the last 10 years of service.	Greater of (1) the highest average monthly salary of 96 <u>consecutive</u> months within the last 120 months of service, or (2) the highest average monthly salary of 48 <u>consecutive</u> months within the last 60 months of service. Salary is limited to the annual (January 1 – December 31) salary cap.
Minimum Formula Annuity Eligibility	Age 50 with at least 20 years of service.	Unreduced at age 55 with at least 10 years of service.
Minimum Annuity Formula	50% of Final Average Salary for 1st 20 years of service + 2.5% of Final Average Salary for each year (<u>or fraction thereof</u>) of service more than 20 years of service.	2.5% of Final Average Salary for each <u>completed</u> year of service.
Early Retirement Eligibility	Age 50 with 10 years of service.	

REQUIRED DISCLAIMER

The information set forth herein is believed to be reliable but is not guaranteed as to accuracy or completeness and is presented for general information concerning the provisions and benefits currently available to participants under the Illinois Pension Code (40 ILCS 5/1 et seq.), as same may be amended by the General Assembly. The information and expressions of opinion contained herein are subject to change without notice. All expressions of opinion, whether expressly so stated, are intended merely as such and not as representations of fact. The Illinois Pension Code supersedes anything state or implied herein. Questions regarding any member's specific situation should be addressed directly to the Fund's office.

	<u>Tier 1</u> Participants hired before 01/01/2011	<u>Tier 2</u> Participants hired on or after 01/01/2011
Early Retirement Formula	Accumulation of age and service annuity contributions plus 10% of city contributions for each completed year after 10 years of service.	Service Annuity is reduced by 0.5% per month under the age of 55.
Compulsory Age Annuity Age 63 ≥ 10 years and ≤ 20 years of service	30% of Final Average Salary for 1st 10 years of service plus an additional 2% for each year or fraction thereof more than 10 years; can't exceed 50% of Final Average Salary.	2.5% of Final Average Salary for each completed year of service.
Maximum Annuity	Annuity cannot exceed 75% of Final Average Salary (Annuity can exceed 75% of FAS if qualified for alternative minimum annuity - 53/23 but cannot exceed 75% of highest salary).	Annuity cannot exceed 75% of Final Average Salary.
Duty Disability	Duty disability benefits are equal to and are fixed (subject to 10-year review) at 75% of the participant's salary on the date of removal from the payroll.	Duty disability benefits are equal to and are fixed at 75% of the participant's <u>salary</u> on the date of removal from the payroll. Salary is limited to the annual (January 1 – December 31) salary cap.
Occupational Disease Disability	Participants with a minimum of seven years of credible service that become disabled from heart disease, tuberculosis, breast cancer ¹ any disease of the lungs or respiratory tract, AIDS, hepatitis C, stroke, or cancer resulting from his or her service in the department are entitled to occupational disease disability benefits during any period of such disability. Occupational disease disability benefits are equal to and are fixed at 65% (subject to 10-year review) of the participant's salary on the date of removal from payroll.	Participants with a minimum of seven years of credible service that become disabled from heart disease, tuberculosis, breast cancer ¹ any disease of the lungs or respiratory tract, AIDS, hepatitis C, stroke, or cancer resulting from his or her service in the department are entitled to occupational disease disability benefits during any period of such disability. Occupational disease disability benefits are equal to and are fixed at 65% of the participant's <u>salary</u> on the date of removal from payroll. Salary is limited to the annual (January 1 – December 31) salary cap.
Ordinary Disability	Ordinary disability benefits are provided for a participant who becomes disabled as the result of any cause other than duty or occupational disease disabilities are equal to and are fixed at 50% less 9% (for pension deductions) for a total of 41% of salary on the date of removal from the payroll. Ordinary disability benefits are payable for a period of half the participants' service, limited to a maximum of five years or becomes eligible for a minimum formula annuity	Ordinary disability benefits are provided for a participant who becomes disabled as the result of any cause other than duty or occupational disease disabilities are equal to and are fixed at 50% less 9% (for pension deductions) for a total of 41% of <u>salary</u> on the date of removal from the payroll. Ordinary disability benefits are payable for a period of half the participants' service, limited to a maximum of five years. Salary is limited to the annual (January 1 – December 31) salary cap.
Retired Participants - Automatic Annual Increase	3% simple interest starts later of age 55 or 1 year after retirement and every January 1st thereafter for life.	Lesser of 3% or 1/2 of the annual increase in CPI-U, not compounded; begins the January 1st after the later of age 60 or the first anniversary of retirement for life.
Survivor Benefits – In Retirement	An eligible widow of a participant that dies after retirement is entitled to receive 50% of the participant's annuity at the time of death.	An eligible widow of a participant that dies after retirement is entitled to receive 66 2/3% of the participant's annuity at the time of death.

REQUIRED DISCLAIMER

The information set forth herein is believed to be reliable but is not guaranteed as to accuracy or completeness and is presented for general information concerning the provisions and benefits currently available to participants under the Illinois Pension Code (40 ILCS 5/1 et seq.), as same may be amended by the General Assembly. The information and expressions of opinion contained herein are subject to change without notice. All expressions of opinion, whether expressly so stated, are intended merely as such and not as representations of fact. The Illinois Pension Code supersedes anything state or implied herein. Questions regarding any member's specific situation should be addressed directly to the Fund's office.

	<u>Tier 1</u> Participants hired before 01/01/2011	<u>Tier 2</u> Participants hired on or after 01/01/2011
Survivor Benefits – In Service	<p>If the death occurs after 1½ years of service but before 10 years of service, the spouse’s annuity shall amount to 30% of the salary attached to the rank of first-class firefighter (minimum of step 6) at the time of the participant’s death but does not exceed the final step of the first-class firefighter pay scale.</p> <p>If the death occurs after 10 years of service, the surviving spouse annuity shall be the greater of; 30% of the salary attached to the rank of first class firefighter (minimum of step 6, but does not exceed the final step of the first class firefighter pay scale) at the time of the participant’s death, or 50% of the retirement annuity the deceased participant would have been eligible to receive if he had retired from service on the day before his death and qualified for the minimum formula annuity (age 50 with at least 20 years of service).</p>	<p>If the death occurs after 1½ years of service but before 10 years of service, the spouse’s annuity shall amount to the greater of (i) 30% of the salary attached to the rank of first-class firefighter (minimum of step 6 but does not exceed the final step of the first-class firefighter pay scale, limited by any applicable salary cap, or (ii) 54% of the fireman's monthly salary (annualized) at the time of the fireman's death, or any applicable salary cap, whichever is lesser.</p> <p>If the death occurs after 10 years of service, the surviving spouse annuity shall be the greater of: (i) 30% of the salary attached to the rank of first class firefighter (minimum of step 6, but does not exceed the final step of the first class firefighter pay scale, limited by any applicable salary cap) at the time of the participant’s death, or (ii) 54% of the fireman's monthly salary (annualized) at the time of the fireman's death, or any applicable salary cap, whichever is lesser; or (iii) 66 2/3% of the Tier 2 retirement annuity that the deceased participant would have been eligible to receive based on his actual service but determined as though the participant was at least age 55 on the day before death.²</p>
Line of Duty Death	<p>Upon Board approval, when a Tier 1 participant is killed in the performance of duty or dies while in receipt of Duty Disability benefits that rendered the participant unable to resume service in the fire department, the widow shall receive 75% of the current annual salary attached to his rank and grade at the time of the participant’s death provided the spouse and the participant were married at the time the disability occurred. This benefit is increased proportionately with all future department increases in salary.</p>	<p>Upon Board approval, when a Tier 2 participant is killed in the performance of duty or dies while in receipt of disability benefits and the act or acts of duty resulted in his death, the widow shall receive 75% of the current annual salary attached to his rank and grade; provided, however, that no such benefit shall be paid to the widow spouse of a fireman who dies while in receipt of disability benefits when the fireman’s death was caused by an intervening illness or injury unrelated to the illness or injury that had prevented him from subsequently resuming active service or if the widow and participant were not married at the time the disability occurred. This benefit is increased proportionately with all future department increases in salary. The salary used for computing a Tier 2 surviving spouse's annuity under this subsection shall be subject to the Tier 2 salary cap and may be adjusted annually.</p>
Occupational Disease Disability and Ordinary Disability Survivor Benefits	<p>A participant dies while in receipt of an Occupational or Ordinary Disability, the surviving spouse benefit is calculated as if the member was in active service as detailed above.</p>	<p>A participant dies while in receipt of an Occupational or Ordinary Disability, the surviving spouse benefit is calculated as if the member was in active service as detailed above. The salary used for computing a Tier 2 surviving spouse's annuity under this subdivision shall be subject to the Tier 2 salary cap.</p>
Minimum Widow’s Annuity	<p>Beginning January 1, 2023, the minimum widow’s annuity is payable to any person who is entitled to receive a widow’s annuity under this Article is 150% of the Federal Poverty Level. The current 2025/26 (February 1 to January 31) applicable minimum survivor pension is \$1,956.25 monthly.</p>	

REQUIRED DISCLAIMER

The information set forth herein is believed to be reliable but is not guaranteed as to accuracy or completeness and is presented for general information concerning the provisions and benefits currently available to participants under the Illinois Pension Code (40 ILCS 5/1 et seq.), as same may be amended by the General Assembly. The information and expressions of opinion contained herein are subject to change without notice. All expressions of opinion, whether expressly so stated, are intended merely as such and not as representations of fact. The Illinois Pension Code supersedes anything state or implied herein. Questions regarding any member’s specific situation should be addressed directly to the Fund’s office.

	<u>Tier 1</u> Participants hired before 01/01/2011	<u>Tier 2</u> Participants hired on or after 01/01/2011
Survivor Automatic Annual Increase	N/A	The monthly annuity of a surviving spouse of a Tier 2 participant that died after retirement or with 10 or more years of service shall be increased on the January 1st after (1) attainment of age 60 by the widow or (2) the 1st anniversary of the Tier 2 widow's annuity start date; whichever is later and each January 1st thereafter. Each annual increase shall be calculated at 3% or ½ of the annual unadjusted percentage increase (but not less than zero) in the consumer price index-u for the 12-month period ending with the September preceding each November 1, whichever is less of the originally granted annuity.
Surviving Child Annuity	Minor children of participants who die while in service, on disability, or while receiving an annuity are eligible for children's annuity benefits. The amount of this benefit is equal to 10% of the current annual maximum salary attached to the position of first-class firefighter (Step 10), for each child as set by the Statute. If there is no surviving parent, these benefits amount to 15% of the same.	<p>Minor children (including any child conceived but not yet born)³ of participants who die while receiving an earned annuity are eligible for children's annuity benefits. The amount of this benefit is equal to 10% of the current annual maximum salary attached to the position of first-class firefighter (Step 10), or 12% fixed of the earned annuity, whichever is greater, for each child as set by the Statute.⁴ If there is no surviving parent (spouse)⁵, these benefits amount to 15% of the current annual maximum salary attached to the position of first-class firefighter (Step 10), or 20% fixed of the earned annuity, whichever is greater, for each child as set by the Statute.⁴</p> <p>Minor children (including any child conceived but not yet born)³ of participants who die while in service, or on disability, are eligible for children's annuity benefits. The amount of this benefit is the greater of 10% of the current annual maximum salary attached to the position of first-class firefighter (Step 10), or 12% fixed of the fireman's monthly salary (annualized) at the time of the fireman's death, or any applicable salary cap, whichever is lesser, for each child as set by the Statute.⁴ If there is no surviving parent (spouse)⁵, these benefits amount to the great of 15% of the current annual maximum salary attached to the position of first-class firefighter (Step 10), or 20% fixed of the fireman's monthly salary (annualized) at the time of the fireman's death, or any applicable salary cap, whichever is lesser, for each child as set by the Statute.⁴</p> <p>The monthly salary (annualized) used for computing a Tier 2 member's child annuity under this subsection shall be subject to the Tier 2 salary cap.²</p>

REQUIRED DISCLAIMER

The information set forth herein is believed to be reliable but is not guaranteed as to accuracy or completeness and is presented for general information concerning the provisions and benefits currently available to participants under the Illinois Pension Code (40 ILCS 5/1 et seq.), as same may be amended by the General Assembly. The information and expressions of opinion contained herein are subject to change without notice. All expressions of opinion, whether expressly so stated, are intended merely as such and not as representations of fact. The Illinois Pension Code supersedes anything state or implied herein. Questions regarding any member's specific situation should be addressed directly to the Fund's office.

	<u>Tier 1</u> Participants hired before 01/01/2011	<u>Tier 2</u> Participants hired on or after 01/01/2011
Death Benefit	The Fund pays an ordinary death benefit to the designated beneficiary or beneficiaries of deceased participants. For active participants in receipt of salary at the time of their death, age 49 and under, the death benefit amounts to \$12,000.00 and is reduced by \$400.00 for each year over age 49 to a minimum of \$6,000.00. A participant receiving a disability is treated as though he were in active service in this regard. Eligible beneficiaries for participants retired after January 1, 1962, in receipt of retirement benefits, and whose separation from service (active duty) was effective on or after the participant's attainment of age 50, and application for such annuity was made within 60 days after separation from service (active duty), receive \$6,000.00.	

Footnotes: There are several variations and alternative benefit provisions for current employees. Benefits shown in this table are simplified descriptions of major benefit provisions. For more information regarding the Fund's provisions see Article 6 Statute which specifically refers to our Fund or reach out to Fund Staff for specific clarifications.

¹ Amended PA 104 0284

² Amended by PA 104 0065

³ The Board has determined "conceived but not yet born" shall be defined, for Tier 2 members, as an infant in utero who is then born within 10 months after the firefighter's death.

⁴ The Board has determined that as August 1, 2025 new Tier 2 eligible child applicants shall be entitled to a proportional benefit calculated using the current annual maximum salary attached to the position of first-class firefighter (Step 10), or the applicable fixed current salary, or if the member is retired the applicable fixed earned annuity, whichever is greater at the time of entitlement (date of death).

⁵ The Board has determined that for Tier 2 child applicants, that 'surviving spouse' shall be defined as either natural or adoptive parent.

REQUIRED DISCLAIMER

The information set forth herein is believed to be reliable but is not guaranteed as to accuracy or completeness and is presented for general information concerning the provisions and benefits currently available to participants under the Illinois Pension Code (40 ILCS 5/1 et seq.), as same may be amended by the General Assembly. The information and expressions of opinion contained herein are subject to change without notice. All expressions of opinion, whether expressly so stated, are intended merely as such and not as representations of fact. The Illinois Pension Code supersedes anything state or implied herein. Questions regarding any member's specific situation should be addressed directly to the Fund's office.