
PENSIONS - ILLINOIS

Jones v. Municipal Employees' Annuity and Ben. Fund of Chicago

Supreme Court of Illinois - March 24, 2016 - N.E.3d - 2016 IL 119618 - 2016 WL 1137984

Current and former city employees filed suits challenging constitutionality of amendments to Pension Code that reduced value of annual annuity increases, eliminated them entirely for certain years, postponed time at which they began, and completely eliminated compounding component. The Circuit Court enjoined enforcement of act. Pension funds appealed.

The Supreme Court of Illinois held that:

- Amendments violated state Constitution’s pension protection clause, and
- Invalid provisions were not severable from valid provisions.

Amendments to Pension Code that reduced value of annual annuity increases, eliminated them entirely for certain years, postponed time at which they began, and completely eliminated compounding component violated state Constitution’s pension protection clause and exceeded General Assembly’s authority. Promise of solvency could not be “netted” against unconstitutional diminishment of benefits.

Nothing in legislative process that led to passage of act reducing annuity benefits to city employees constituted a waiver of employees’ constitutional rights under state pension protection clause. Negotiations between union and city were no different from legislative advocacy on behalf of any interest group supporting collective interests to a lawmaking body.

Unconstitutional portions of act reducing annuity benefits to city employees were not severable from valid portions, and thus act was unenforceable in its entirety. Statute contained clause stating that provisions were mutually dependent and inseverable, and General Assembly had expressly found that the legislation intended to tie reduction in employee benefits to funding and enforcement provisions of act as part of a unified package.

Copyright © 2026 Bond Case Briefs | bondcasebriefs.com