



## 100TH GENERAL ASSEMBLY

### State of Illinois

2017 and 2018

HB5138

by Rep. Robert Martwick

#### SYNOPSIS AS INTRODUCED:

See Index

Amends the Illinois Pension Code. In provisions of the State Universities and Downstate Teacher Articles that require a participant's employer to make an additional contribution if the participant's salary exceeds the amount of salary set for the Governor, removes a provision that specifies that the salary of the participant is determined on a full-time equivalent basis. In the Downstate Teacher Article, provides that for the purpose of calculating a refund under the Article, "accumulated contributions" does not include any contributions greater than those actually received by the System. Provides that any person (rather than any person, member, trustee, or employee of the Board) who knowingly makes any false statement or falsifies or permits to be falsified any record of the System in an attempt to defraud the System, any other retirement system or pension fund created under the Code, or the Illinois State Board of Investment (rather than the System) is guilty of a Class 3 felony (rather than a Class A misdemeanor). Provides that the violation shall be deemed to be relating to the person's service as a teacher for the purpose of the felony forfeiture provisions of the Article. Effective immediately.

LRB100 20027 RPS 35309 b

CORRECTIONAL  
BUDGET AND  
IMPACT NOTE ACT  
MAY APPLY

FISCAL NOTE ACT  
MAY APPLY

PENSION IMPACT  
NOTE ACT MAY  
APPLY

STATE MANDATES  
ACT MAY REQUIRE  
REIMBURSEMENT

1 AN ACT concerning public employee benefits.

2 **Be it enacted by the People of the State of Illinois,**  
3 **represented in the General Assembly:**

4 Section 5. The Illinois Pension Code is amended by changing  
5 Sections 15-155, 16-113, 16-158, 16-198, and 16-199 as follows:

6 (40 ILCS 5/15-155) (from Ch. 108 1/2, par. 15-155)  
7 Sec. 15-155. Employer contributions.

8 (a) The State of Illinois shall make contributions by  
9 appropriations of amounts which, together with the other  
10 employer contributions from trust, federal, and other funds,  
11 employee contributions, income from investments, and other  
12 income of this System, will be sufficient to meet the cost of  
13 maintaining and administering the System on a 90% funded basis  
14 in accordance with actuarial recommendations.

15 The Board shall determine the amount of State contributions  
16 required for each fiscal year on the basis of the actuarial  
17 tables and other assumptions adopted by the Board and the  
18 recommendations of the actuary, using the formula in subsection  
19 (a-1).

20 (a-1) For State fiscal years 2012 through 2045, the minimum  
21 contribution to the System to be made by the State for each  
22 fiscal year shall be an amount determined by the System to be  
23 sufficient to bring the total assets of the System up to 90% of

1 the total actuarial liabilities of the System by the end of  
2 State fiscal year 2045. In making these determinations, the  
3 required State contribution shall be calculated each year as a  
4 level percentage of payroll over the years remaining to and  
5 including fiscal year 2045 and shall be determined under the  
6 projected unit credit actuarial cost method.

7 For each of State fiscal years 2018, 2019, and 2020, the  
8 State shall make an additional contribution to the System equal  
9 to 2% of the total payroll of each employee who is deemed to  
10 have elected the benefits under Section 1-161 or who has made  
11 the election under subsection (c) of Section 1-161.

12 A change in an actuarial or investment assumption that  
13 increases or decreases the required State contribution and  
14 first applies in State fiscal year 2018 or thereafter shall be  
15 implemented in equal annual amounts over a 5-year period  
16 beginning in the State fiscal year in which the actuarial  
17 change first applies to the required State contribution.

18 A change in an actuarial or investment assumption that  
19 increases or decreases the required State contribution and  
20 first applied to the State contribution in fiscal year 2014,  
21 2015, 2016, or 2017 shall be implemented:

22 (i) as already applied in State fiscal years before  
23 2018; and

24 (ii) in the portion of the 5-year period beginning in  
25 the State fiscal year in which the actuarial change first  
26 applied that occurs in State fiscal year 2018 or

1           thereafter, by calculating the change in equal annual  
2           amounts over that 5-year period and then implementing it at  
3           the resulting annual rate in each of the remaining fiscal  
4           years in that 5-year period.

5           For State fiscal years 1996 through 2005, the State  
6           contribution to the System, as a percentage of the applicable  
7           employee payroll, shall be increased in equal annual increments  
8           so that by State fiscal year 2011, the State is contributing at  
9           the rate required under this Section.

10          Notwithstanding any other provision of this Article, the  
11          total required State contribution for State fiscal year 2006 is  
12          \$166,641,900.

13          Notwithstanding any other provision of this Article, the  
14          total required State contribution for State fiscal year 2007 is  
15          \$252,064,100.

16          For each of State fiscal years 2008 through 2009, the State  
17          contribution to the System, as a percentage of the applicable  
18          employee payroll, shall be increased in equal annual increments  
19          from the required State contribution for State fiscal year  
20          2007, so that by State fiscal year 2011, the State is  
21          contributing at the rate otherwise required under this Section.

22          Notwithstanding any other provision of this Article, the  
23          total required State contribution for State fiscal year 2010 is  
24          \$702,514,000 and shall be made from the State Pensions Fund and  
25          proceeds of bonds sold in fiscal year 2010 pursuant to Section  
26          7.2 of the General Obligation Bond Act, less (i) the pro rata

1 share of bond sale expenses determined by the System's share of  
2 total bond proceeds, (ii) any amounts received from the General  
3 Revenue Fund in fiscal year 2010, (iii) any reduction in bond  
4 proceeds due to the issuance of discounted bonds, if  
5 applicable.

6 Notwithstanding any other provision of this Article, the  
7 total required State contribution for State fiscal year 2011 is  
8 the amount recertified by the System on or before April 1, 2011  
9 pursuant to Section 15-165 and shall be made from the State  
10 Pensions Fund and proceeds of bonds sold in fiscal year 2011  
11 pursuant to Section 7.2 of the General Obligation Bond Act,  
12 less (i) the pro rata share of bond sale expenses determined by  
13 the System's share of total bond proceeds, (ii) any amounts  
14 received from the General Revenue Fund in fiscal year 2011, and  
15 (iii) any reduction in bond proceeds due to the issuance of  
16 discounted bonds, if applicable.

17 Beginning in State fiscal year 2046, the minimum State  
18 contribution for each fiscal year shall be the amount needed to  
19 maintain the total assets of the System at 90% of the total  
20 actuarial liabilities of the System.

21 Amounts received by the System pursuant to Section 25 of  
22 the Budget Stabilization Act or Section 8.12 of the State  
23 Finance Act in any fiscal year do not reduce and do not  
24 constitute payment of any portion of the minimum State  
25 contribution required under this Article in that fiscal year.  
26 Such amounts shall not reduce, and shall not be included in the

1 calculation of, the required State contributions under this  
2 Article in any future year until the System has reached a  
3 funding ratio of at least 90%. A reference in this Article to  
4 the "required State contribution" or any substantially similar  
5 term does not include or apply to any amounts payable to the  
6 System under Section 25 of the Budget Stabilization Act.

7 Notwithstanding any other provision of this Section, the  
8 required State contribution for State fiscal year 2005 and for  
9 fiscal year 2008 and each fiscal year thereafter, as calculated  
10 under this Section and certified under Section 15-165, shall  
11 not exceed an amount equal to (i) the amount of the required  
12 State contribution that would have been calculated under this  
13 Section for that fiscal year if the System had not received any  
14 payments under subsection (d) of Section 7.2 of the General  
15 Obligation Bond Act, minus (ii) the portion of the State's  
16 total debt service payments for that fiscal year on the bonds  
17 issued in fiscal year 2003 for the purposes of that Section  
18 7.2, as determined and certified by the Comptroller, that is  
19 the same as the System's portion of the total moneys  
20 distributed under subsection (d) of Section 7.2 of the General  
21 Obligation Bond Act. In determining this maximum for State  
22 fiscal years 2008 through 2010, however, the amount referred to  
23 in item (i) shall be increased, as a percentage of the  
24 applicable employee payroll, in equal increments calculated  
25 from the sum of the required State contribution for State  
26 fiscal year 2007 plus the applicable portion of the State's

1 total debt service payments for fiscal year 2007 on the bonds  
2 issued in fiscal year 2003 for the purposes of Section 7.2 of  
3 the General Obligation Bond Act, so that, by State fiscal year  
4 2011, the State is contributing at the rate otherwise required  
5 under this Section.

6 (a-2) Beginning in fiscal year 2018, each employer under  
7 this Article shall pay to the System a required contribution  
8 determined as a percentage of projected payroll and sufficient  
9 to produce an annual amount equal to:

10 (i) for each of fiscal years 2018, 2019, and 2020, the  
11 defined benefit normal cost of the defined benefit plan,  
12 less the employee contribution, for each employee of that  
13 employer who has elected or who is deemed to have elected  
14 the benefits under Section 1-161 or who has made the  
15 election under subsection (c) of Section 1-161; for fiscal  
16 year 2021 and each fiscal year thereafter, the defined  
17 benefit normal cost of the defined benefit plan, less the  
18 employee contribution, plus 2%, for each employee of that  
19 employer who has elected or who is deemed to have elected  
20 the benefits under Section 1-161 or who has made the  
21 election under subsection (c) of Section 1-161; plus

22 (ii) the amount required for that fiscal year to  
23 amortize any unfunded actuarial accrued liability  
24 associated with the present value of liabilities  
25 attributable to the employer's account under Section  
26 15-155.2, determined as a level percentage of payroll over

1 a 30-year rolling amortization period.

2 In determining contributions required under item (i) of  
3 this subsection, the System shall determine an aggregate rate  
4 for all employers, expressed as a percentage of projected  
5 payroll.

6 In determining the contributions required under item (ii)  
7 of this subsection, the amount shall be computed by the System  
8 on the basis of the actuarial assumptions and tables used in  
9 the most recent actuarial valuation of the System that is  
10 available at the time of the computation.

11 The contributions required under this subsection (a-2)  
12 shall be paid by an employer concurrently with that employer's  
13 payroll payment period. The State, as the actual employer of an  
14 employee, shall make the required contributions under this  
15 subsection.

16 As used in this subsection, "academic year" means the  
17 12-month period beginning September 1.

18 (b) If an employee is paid from trust or federal funds, the  
19 employer shall pay to the Board contributions from those funds  
20 which are sufficient to cover the accruing normal costs on  
21 behalf of the employee. However, universities having employees  
22 who are compensated out of local auxiliary funds, income funds,  
23 or service enterprise funds are not required to pay such  
24 contributions on behalf of those employees. The local auxiliary  
25 funds, income funds, and service enterprise funds of  
26 universities shall not be considered trust funds for the



1 purpose of this Article, but funds of alumni associations,  
2 foundations, and athletic associations which are affiliated  
3 with the universities included as employers under this Article  
4 and other employers which do not receive State appropriations  
5 are considered to be trust funds for the purpose of this  
6 Article.

7 (b-1) The City of Urbana and the City of Champaign shall  
8 each make employer contributions to this System for their  
9 respective firefighter employees who participate in this  
10 System pursuant to subsection (h) of Section 15-107. The rate  
11 of contributions to be made by those municipalities shall be  
12 determined annually by the Board on the basis of the actuarial  
13 assumptions adopted by the Board and the recommendations of the  
14 actuary, and shall be expressed as a percentage of salary for  
15 each such employee. The Board shall certify the rate to the  
16 affected municipalities as soon as may be practical. The  
17 employer contributions required under this subsection shall be  
18 remitted by the municipality to the System at the same time and  
19 in the same manner as employee contributions.

20 (c) Through State fiscal year 1995: The total employer  
21 contribution shall be apportioned among the various funds of  
22 the State and other employers, whether trust, federal, or other  
23 funds, in accordance with actuarial procedures approved by the  
24 Board. State of Illinois contributions for employers receiving  
25 State appropriations for personal services shall be payable  
26 from appropriations made to the employers or to the System. The

1 contributions for Class I community colleges covering earnings  
2 other than those paid from trust and federal funds, shall be  
3 payable solely from appropriations to the Illinois Community  
4 College Board or the System for employer contributions.

5 (d) Beginning in State fiscal year 1996, the required State  
6 contributions to the System shall be appropriated directly to  
7 the System and shall be payable through vouchers issued in  
8 accordance with subsection (c) of Section 15-165, except as  
9 provided in subsection (g).

10 (e) The State Comptroller shall draw warrants payable to  
11 the System upon proper certification by the System or by the  
12 employer in accordance with the appropriation laws and this  
13 Code.

14 (f) Normal costs under this Section means liability for  
15 pensions and other benefits which accrues to the System because  
16 of the credits earned for service rendered by the participants  
17 during the fiscal year and expenses of administering the  
18 System, but shall not include the principal of or any  
19 redemption premium or interest on any bonds issued by the Board  
20 or any expenses incurred or deposits required in connection  
21 therewith.

22 (g) If the amount of a participant's earnings for any  
23 academic year used to determine the final rate of earnings,  
24 determined on a full-time equivalent basis, exceeds the amount  
25 of his or her earnings with the same employer for the previous  
26 academic year, determined on a full-time equivalent basis, by

1 more than 6%, the participant's employer shall pay to the  
2 System, in addition to all other payments required under this  
3 Section and in accordance with guidelines established by the  
4 System, the present value of the increase in benefits resulting  
5 from the portion of the increase in earnings that is in excess  
6 of 6%. This present value shall be computed by the System on  
7 the basis of the actuarial assumptions and tables used in the  
8 most recent actuarial valuation of the System that is available  
9 at the time of the computation. The System may require the  
10 employer to provide any pertinent information or  
11 documentation.

12 Whenever it determines that a payment is or may be required  
13 under this subsection (g), the System shall calculate the  
14 amount of the payment and bill the employer for that amount.  
15 The bill shall specify the calculations used to determine the  
16 amount due. If the employer disputes the amount of the bill, it  
17 may, within 30 days after receipt of the bill, apply to the  
18 System in writing for a recalculation. The application must  
19 specify in detail the grounds of the dispute and, if the  
20 employer asserts that the calculation is subject to subsection  
21 (h) or (i) of this Section, must include an affidavit setting  
22 forth and attesting to all facts within the employer's  
23 knowledge that are pertinent to the applicability of subsection  
24 (h) or (i). Upon receiving a timely application for  
25 recalculation, the System shall review the application and, if  
26 appropriate, recalculate the amount due.

1           The employer contributions required under this subsection  
2           (g) may be paid in the form of a lump sum within 90 days after  
3           receipt of the bill. If the employer contributions are not paid  
4           within 90 days after receipt of the bill, then interest will be  
5           charged at a rate equal to the System's annual actuarially  
6           assumed rate of return on investment compounded annually from  
7           the 91st day after receipt of the bill. Payments must be  
8           concluded within 3 years after the employer's receipt of the  
9           bill.

10          When assessing payment for any amount due under this  
11          subsection (g), the System shall include earnings, to the  
12          extent not established by a participant under Section 15-113.11  
13          or 15-113.12, that would have been paid to the participant had  
14          the participant not taken (i) periods of voluntary or  
15          involuntary furlough occurring on or after July 1, 2015 and on  
16          or before June 30, 2017 or (ii) periods of voluntary pay  
17          reduction in lieu of furlough occurring on or after July 1,  
18          2015 and on or before June 30, 2017. Determining earnings that  
19          would have been paid to a participant had the participant not  
20          taken periods of voluntary or involuntary furlough or periods  
21          of voluntary pay reduction shall be the responsibility of the  
22          employer, and shall be reported in a manner prescribed by the  
23          System.

24          (h) This subsection (h) applies only to payments made or  
25          salary increases given on or after June 1, 2005 but before July  
26          1, 2011. The changes made by Public Act 94-1057 shall not

1 require the System to refund any payments received before July  
2 31, 2006 (the effective date of Public Act 94-1057).

3 When assessing payment for any amount due under subsection  
4 (g), the System shall exclude earnings increases paid to  
5 participants under contracts or collective bargaining  
6 agreements entered into, amended, or renewed before June 1,  
7 2005.

8 When assessing payment for any amount due under subsection  
9 (g), the System shall exclude earnings increases paid to a  
10 participant at a time when the participant is 10 or more years  
11 from retirement eligibility under Section 15-135.

12 When assessing payment for any amount due under subsection  
13 (g), the System shall exclude earnings increases resulting from  
14 overload work, including a contract for summer teaching, or  
15 overtime when the employer has certified to the System, and the  
16 System has approved the certification, that: (i) in the case of  
17 overloads (A) the overload work is for the sole purpose of  
18 academic instruction in excess of the standard number of  
19 instruction hours for a full-time employee occurring during the  
20 academic year that the overload is paid and (B) the earnings  
21 increases are equal to or less than the rate of pay for  
22 academic instruction computed using the participant's current  
23 salary rate and work schedule; and (ii) in the case of  
24 overtime, the overtime was necessary for the educational  
25 mission.

26 When assessing payment for any amount due under subsection

1 (g), the System shall exclude any earnings increase resulting  
2 from (i) a promotion for which the employee moves from one  
3 classification to a higher classification under the State  
4 Universities Civil Service System, (ii) a promotion in academic  
5 rank for a tenured or tenure-track faculty position, or (iii) a  
6 promotion that the Illinois Community College Board has  
7 recommended in accordance with subsection (k) of this Section.  
8 These earnings increases shall be excluded only if the  
9 promotion is to a position that has existed and been filled by  
10 a member for no less than one complete academic year and the  
11 earnings increase as a result of the promotion is an increase  
12 that results in an amount no greater than the average salary  
13 paid for other similar positions.

14 (i) When assessing payment for any amount due under  
15 subsection (g), the System shall exclude any salary increase  
16 described in subsection (h) of this Section given on or after  
17 July 1, 2011 but before July 1, 2014 under a contract or  
18 collective bargaining agreement entered into, amended, or  
19 renewed on or after June 1, 2005 but before July 1, 2011.  
20 Notwithstanding any other provision of this Section, any  
21 payments made or salary increases given after June 30, 2014  
22 shall be used in assessing payment for any amount due under  
23 subsection (g) of this Section.

24 (j) The System shall prepare a report and file copies of  
25 the report with the Governor and the General Assembly by  
26 January 1, 2007 that contains all of the following information:

1           (1) The number of recalculations required by the  
2 changes made to this Section by Public Act 94-1057 for each  
3 employer.

4           (2) The dollar amount by which each employer's  
5 contribution to the System was changed due to  
6 recalculations required by Public Act 94-1057.

7           (3) The total amount the System received from each  
8 employer as a result of the changes made to this Section by  
9 Public Act 94-4.

10           (4) The increase in the required State contribution  
11 resulting from the changes made to this Section by Public  
12 Act 94-1057.

13           (j-5) For academic years beginning on or after July 1,  
14 2017, if the amount of a participant's earnings for any school  
15 year, ~~determined on a full-time equivalent basis,~~ exceeds the  
16 amount of the salary set for the Governor, the participant's  
17 employer shall pay to the System, in addition to all other  
18 payments required under this Section and in accordance with  
19 guidelines established by the System, an amount determined by  
20 the System to be equal to the employer normal cost, as  
21 established by the System and expressed as a total percentage  
22 of payroll, multiplied by the amount of earnings in excess of  
23 the amount of the salary set for the Governor. This amount  
24 shall be computed by the System on the basis of the actuarial  
25 assumptions and tables used in the most recent actuarial  
26 valuation of the System that is available at the time of the

1 computation. The System may require the employer to provide any  
2 pertinent information or documentation.

3 Whenever it determines that a payment is or may be required  
4 under this subsection, the System shall calculate the amount of  
5 the payment and bill the employer for that amount. The bill  
6 shall specify the calculations used to determine the amount  
7 due. If the employer disputes the amount of the bill, it may,  
8 within 30 days after receipt of the bill, apply to the System  
9 in writing for a recalculation. The application must specify in  
10 detail the grounds of the dispute. Upon receiving a timely  
11 application for recalculation, the System shall review the  
12 application and, if appropriate, recalculate the amount due.

13 The employer contributions required under this subsection  
14 may be paid in the form of a lump sum within 90 days after  
15 receipt of the bill. If the employer contributions are not paid  
16 within 90 days after receipt of the bill, then interest will be  
17 charged at a rate equal to the System's annual actuarially  
18 assumed rate of return on investment compounded annually from  
19 the 91st day after receipt of the bill. Payments must be  
20 concluded within 3 years after the employer's receipt of the  
21 bill.

22 (k) The Illinois Community College Board shall adopt rules  
23 for recommending lists of promotional positions submitted to  
24 the Board by community colleges and for reviewing the  
25 promotional lists on an annual basis. When recommending  
26 promotional lists, the Board shall consider the similarity of



1 the positions submitted to those positions recognized for State  
2 universities by the State Universities Civil Service System.  
3 The Illinois Community College Board shall file a copy of its  
4 findings with the System. The System shall consider the  
5 findings of the Illinois Community College Board when making  
6 determinations under this Section. The System shall not exclude  
7 any earnings increases resulting from a promotion when the  
8 promotion was not submitted by a community college. Nothing in  
9 this subsection (k) shall require any community college to  
10 submit any information to the Community College Board.

11 (l) For purposes of determining the required State  
12 contribution to the System, the value of the System's assets  
13 shall be equal to the actuarial value of the System's assets,  
14 which shall be calculated as follows:

15 As of June 30, 2008, the actuarial value of the System's  
16 assets shall be equal to the market value of the assets as of  
17 that date. In determining the actuarial value of the System's  
18 assets for fiscal years after June 30, 2008, any actuarial  
19 gains or losses from investment return incurred in a fiscal  
20 year shall be recognized in equal annual amounts over the  
21 5-year period following that fiscal year.

22 (m) For purposes of determining the required State  
23 contribution to the system for a particular year, the actuarial  
24 value of assets shall be assumed to earn a rate of return equal  
25 to the system's actuarially assumed rate of return.

26 (Source: P.A. 99-897, eff. 1-1-17; 100-23, eff. 7-6-17.)

1 (40 ILCS 5/16-113) (from Ch. 108 1/2, par. 16-113)

2 Sec. 16-113. Accumulated contributions. "Accumulated  
3 contributions": The sum of all contributions to this System  
4 made by or on behalf of a member in respect to membership  
5 service and credited to his or her account in the Benefit Trust  
6 Reserve, together with regular interest thereon. However, for  
7 the purpose of calculating a refund under this Article,  
8 "accumulated contributions" does not include any contributions  
9 greater than those actually received by the System.

10 (Source: P.A. 93-469, eff. 8-8-03.)

11 (40 ILCS 5/16-158) (from Ch. 108 1/2, par. 16-158)

12 Sec. 16-158. Contributions by State and other employing  
13 units.

14 (a) The State shall make contributions to the System by  
15 means of appropriations from the Common School Fund and other  
16 State funds of amounts which, together with other employer  
17 contributions, employee contributions, investment income, and  
18 other income, will be sufficient to meet the cost of  
19 maintaining and administering the System on a 90% funded basis  
20 in accordance with actuarial recommendations.

21 The Board shall determine the amount of State contributions  
22 required for each fiscal year on the basis of the actuarial  
23 tables and other assumptions adopted by the Board and the  
24 recommendations of the actuary, using the formula in subsection

1 (b-3).

2 (a-1) Annually, on or before November 15 until November 15,  
3 2011, the Board shall certify to the Governor the amount of the  
4 required State contribution for the coming fiscal year. The  
5 certification under this subsection (a-1) shall include a copy  
6 of the actuarial recommendations upon which it is based and  
7 shall specifically identify the System's projected State  
8 normal cost for that fiscal year.

9 On or before May 1, 2004, the Board shall recalculate and  
10 recertify to the Governor the amount of the required State  
11 contribution to the System for State fiscal year 2005, taking  
12 into account the amounts appropriated to and received by the  
13 System under subsection (d) of Section 7.2 of the General  
14 Obligation Bond Act.

15 On or before July 1, 2005, the Board shall recalculate and  
16 recertify to the Governor the amount of the required State  
17 contribution to the System for State fiscal year 2006, taking  
18 into account the changes in required State contributions made  
19 by Public Act 94-4 ~~this amendatory Act of the 94th General~~  
20 ~~Assembly.~~

21 On or before April 1, 2011, the Board shall recalculate and  
22 recertify to the Governor the amount of the required State  
23 contribution to the System for State fiscal year 2011, applying  
24 the changes made by Public Act 96-889 to the System's assets  
25 and liabilities as of June 30, 2009 as though Public Act 96-889  
26 was approved on that date.

1 (a-5) On or before November 1 of each year, beginning  
2 November 1, 2012, the Board shall submit to the State Actuary,  
3 the Governor, and the General Assembly a proposed certification  
4 of the amount of the required State contribution to the System  
5 for the next fiscal year, along with all of the actuarial  
6 assumptions, calculations, and data upon which that proposed  
7 certification is based. On or before January 1 of each year,  
8 beginning January 1, 2013, the State Actuary shall issue a  
9 preliminary report concerning the proposed certification and  
10 identifying, if necessary, recommended changes in actuarial  
11 assumptions that the Board must consider before finalizing its  
12 certification of the required State contributions. On or before  
13 January 15, 2013 and each January 15 thereafter, the Board  
14 shall certify to the Governor and the General Assembly the  
15 amount of the required State contribution for the next fiscal  
16 year. The Board's certification must note any deviations from  
17 the State Actuary's recommended changes, the reason or reasons  
18 for not following the State Actuary's recommended changes, and  
19 the fiscal impact of not following the State Actuary's  
20 recommended changes on the required State contribution.

21 (a-10) By November 1, 2017, the Board shall recalculate and  
22 recertify to the State Actuary, the Governor, and the General  
23 Assembly the amount of the State contribution to the System for  
24 State fiscal year 2018, taking into account the changes in  
25 required State contributions made by Public Act 100-23 ~~this~~  
26 ~~amendatory Act of the 100th General Assembly~~. The State Actuary

1 shall review the assumptions and valuations underlying the  
2 Board's revised certification and issue a preliminary report  
3 concerning the proposed recertification and identifying, if  
4 necessary, recommended changes in actuarial assumptions that  
5 the Board must consider before finalizing its certification of  
6 the required State contributions. The Board's final  
7 certification must note any deviations from the State Actuary's  
8 recommended changes, the reason or reasons for not following  
9 the State Actuary's recommended changes, and the fiscal impact  
10 of not following the State Actuary's recommended changes on the  
11 required State contribution.

12 (b) Through State fiscal year 1995, the State contributions  
13 shall be paid to the System in accordance with Section 18-7 of  
14 the School Code.

15 (b-1) Beginning in State fiscal year 1996, on the 15th day  
16 of each month, or as soon thereafter as may be practicable, the  
17 Board shall submit vouchers for payment of State contributions  
18 to the System, in a total monthly amount of one-twelfth of the  
19 required annual State contribution certified under subsection  
20 (a-1). From March 5, 2004 (the effective date of Public Act  
21 93-665) ~~this amendatory Act of the 93rd General Assembly~~  
22 through June 30, 2004, the Board shall not submit vouchers for  
23 the remainder of fiscal year 2004 in excess of the fiscal year  
24 2004 certified contribution amount determined under this  
25 Section after taking into consideration the transfer to the  
26 System under subsection (a) of Section 6z-61 of the State

1 Finance Act. These vouchers shall be paid by the State  
2 Comptroller and Treasurer by warrants drawn on the funds  
3 appropriated to the System for that fiscal year.

4 If in any month the amount remaining unexpended from all  
5 other appropriations to the System for the applicable fiscal  
6 year (including the appropriations to the System under Section  
7 8.12 of the State Finance Act and Section 1 of the State  
8 Pension Funds Continuing Appropriation Act) is less than the  
9 amount lawfully vouchered under this subsection, the  
10 difference shall be paid from the Common School Fund under the  
11 continuing appropriation authority provided in Section 1.1 of  
12 the State Pension Funds Continuing Appropriation Act.

13 (b-2) Allocations from the Common School Fund apportioned  
14 to school districts not coming under this System shall not be  
15 diminished or affected by the provisions of this Article.

16 (b-3) For State fiscal years 2012 through 2045, the minimum  
17 contribution to the System to be made by the State for each  
18 fiscal year shall be an amount determined by the System to be  
19 sufficient to bring the total assets of the System up to 90% of  
20 the total actuarial liabilities of the System by the end of  
21 State fiscal year 2045. In making these determinations, the  
22 required State contribution shall be calculated each year as a  
23 level percentage of payroll over the years remaining to and  
24 including fiscal year 2045 and shall be determined under the  
25 projected unit credit actuarial cost method.

26 For each of State fiscal years 2018, 2019, and 2020, the

1 State shall make an additional contribution to the System equal  
2 to 2% of the total payroll of each employee who is deemed to  
3 have elected the benefits under Section 1-161 or who has made  
4 the election under subsection (c) of Section 1-161.

5 A change in an actuarial or investment assumption that  
6 increases or decreases the required State contribution and  
7 first applies in State fiscal year 2018 or thereafter shall be  
8 implemented in equal annual amounts over a 5-year period  
9 beginning in the State fiscal year in which the actuarial  
10 change first applies to the required State contribution.

11 A change in an actuarial or investment assumption that  
12 increases or decreases the required State contribution and  
13 first applied to the State contribution in fiscal year 2014,  
14 2015, 2016, or 2017 shall be implemented:

15 (i) as already applied in State fiscal years before  
16 2018; and

17 (ii) in the portion of the 5-year period beginning in  
18 the State fiscal year in which the actuarial change first  
19 applied that occurs in State fiscal year 2018 or  
20 thereafter, by calculating the change in equal annual  
21 amounts over that 5-year period and then implementing it at  
22 the resulting annual rate in each of the remaining fiscal  
23 years in that 5-year period.

24 For State fiscal years 1996 through 2005, the State  
25 contribution to the System, as a percentage of the applicable  
26 employee payroll, shall be increased in equal annual increments

1 so that by State fiscal year 2011, the State is contributing at  
2 the rate required under this Section; except that in the  
3 following specified State fiscal years, the State contribution  
4 to the System shall not be less than the following indicated  
5 percentages of the applicable employee payroll, even if the  
6 indicated percentage will produce a State contribution in  
7 excess of the amount otherwise required under this subsection  
8 and subsection (a), and notwithstanding any contrary  
9 certification made under subsection (a-1) before May 27, 1998  
10 (the effective date of Public Act 90-582) ~~this amendatory Act~~  
11 ~~of 1998~~: 10.02% in FY 1999; 10.77% in FY 2000; 11.47% in FY  
12 2001; 12.16% in FY 2002; 12.86% in FY 2003; and 13.56% in FY  
13 2004.

14 Notwithstanding any other provision of this Article, the  
15 total required State contribution for State fiscal year 2006 is  
16 \$534,627,700.

17 Notwithstanding any other provision of this Article, the  
18 total required State contribution for State fiscal year 2007 is  
19 \$738,014,500.

20 For each of State fiscal years 2008 through 2009, the State  
21 contribution to the System, as a percentage of the applicable  
22 employee payroll, shall be increased in equal annual increments  
23 from the required State contribution for State fiscal year  
24 2007, so that by State fiscal year 2011, the State is  
25 contributing at the rate otherwise required under this Section.

26 Notwithstanding any other provision of this Article, the



1 total required State contribution for State fiscal year 2010 is  
2 \$2,089,268,000 and shall be made from the proceeds of bonds  
3 sold in fiscal year 2010 pursuant to Section 7.2 of the General  
4 Obligation Bond Act, less (i) the pro rata share of bond sale  
5 expenses determined by the System's share of total bond  
6 proceeds, (ii) any amounts received from the Common School Fund  
7 in fiscal year 2010, and (iii) any reduction in bond proceeds  
8 due to the issuance of discounted bonds, if applicable.

9 Notwithstanding any other provision of this Article, the  
10 total required State contribution for State fiscal year 2011 is  
11 the amount recertified by the System on or before April 1, 2011  
12 pursuant to subsection (a-1) of this Section and shall be made  
13 from the proceeds of bonds sold in fiscal year 2011 pursuant to  
14 Section 7.2 of the General Obligation Bond Act, less (i) the  
15 pro rata share of bond sale expenses determined by the System's  
16 share of total bond proceeds, (ii) any amounts received from  
17 the Common School Fund in fiscal year 2011, and (iii) any  
18 reduction in bond proceeds due to the issuance of discounted  
19 bonds, if applicable. This amount shall include, in addition to  
20 the amount certified by the System, an amount necessary to meet  
21 employer contributions required by the State as an employer  
22 under paragraph (e) of this Section, which may also be used by  
23 the System for contributions required by paragraph (a) of  
24 Section 16-127.

25 Beginning in State fiscal year 2046, the minimum State  
26 contribution for each fiscal year shall be the amount needed to

1 maintain the total assets of the System at 90% of the total  
2 actuarial liabilities of the System.

3       Amounts received by the System pursuant to Section 25 of  
4 the Budget Stabilization Act or Section 8.12 of the State  
5 Finance Act in any fiscal year do not reduce and do not  
6 constitute payment of any portion of the minimum State  
7 contribution required under this Article in that fiscal year.  
8 Such amounts shall not reduce, and shall not be included in the  
9 calculation of, the required State contributions under this  
10 Article in any future year until the System has reached a  
11 funding ratio of at least 90%. A reference in this Article to  
12 the "required State contribution" or any substantially similar  
13 term does not include or apply to any amounts payable to the  
14 System under Section 25 of the Budget Stabilization Act.

15       Notwithstanding any other provision of this Section, the  
16 required State contribution for State fiscal year 2005 and for  
17 fiscal year 2008 and each fiscal year thereafter, as calculated  
18 under this Section and certified under subsection (a-1), shall  
19 not exceed an amount equal to (i) the amount of the required  
20 State contribution that would have been calculated under this  
21 Section for that fiscal year if the System had not received any  
22 payments under subsection (d) of Section 7.2 of the General  
23 Obligation Bond Act, minus (ii) the portion of the State's  
24 total debt service payments for that fiscal year on the bonds  
25 issued in fiscal year 2003 for the purposes of that Section  
26 7.2, as determined and certified by the Comptroller, that is

1 the same as the System's portion of the total moneys  
2 distributed under subsection (d) of Section 7.2 of the General  
3 Obligation Bond Act. In determining this maximum for State  
4 fiscal years 2008 through 2010, however, the amount referred to  
5 in item (i) shall be increased, as a percentage of the  
6 applicable employee payroll, in equal increments calculated  
7 from the sum of the required State contribution for State  
8 fiscal year 2007 plus the applicable portion of the State's  
9 total debt service payments for fiscal year 2007 on the bonds  
10 issued in fiscal year 2003 for the purposes of Section 7.2 of  
11 the General Obligation Bond Act, so that, by State fiscal year  
12 2011, the State is contributing at the rate otherwise required  
13 under this Section.

14 (b-4) Beginning in fiscal year 2018, each employer under  
15 this Article shall pay to the System a required contribution  
16 determined as a percentage of projected payroll and sufficient  
17 to produce an annual amount equal to:

18 (i) for each of fiscal years 2018, 2019, and 2020, the  
19 defined benefit normal cost of the defined benefit plan,  
20 less the employee contribution, for each employee of that  
21 employer who has elected or who is deemed to have elected  
22 the benefits under Section 1-161 or who has made the  
23 election under subsection (b) of Section 1-161; for fiscal  
24 year 2021 and each fiscal year thereafter, the defined  
25 benefit normal cost of the defined benefit plan, less the  
26 employee contribution, plus 2%, for each employee of that

1 employer who has elected or who is deemed to have elected  
2 the benefits under Section 1-161 or who has made the  
3 election under subsection (b) of Section 1-161; plus

4 (ii) the amount required for that fiscal year to  
5 amortize any unfunded actuarial accrued liability  
6 associated with the present value of liabilities  
7 attributable to the employer's account under Section  
8 16-158.3, determined as a level percentage of payroll over  
9 a 30-year rolling amortization period.

10 In determining contributions required under item (i) of  
11 this subsection, the System shall determine an aggregate rate  
12 for all employers, expressed as a percentage of projected  
13 payroll.

14 In determining the contributions required under item (ii)  
15 of this subsection, the amount shall be computed by the System  
16 on the basis of the actuarial assumptions and tables used in  
17 the most recent actuarial valuation of the System that is  
18 available at the time of the computation.

19 The contributions required under this subsection (b-4)  
20 shall be paid by an employer concurrently with that employer's  
21 payroll payment period. The State, as the actual employer of an  
22 employee, shall make the required contributions under this  
23 subsection.

24 (c) Payment of the required State contributions and of all  
25 pensions, retirement annuities, death benefits, refunds, and  
26 other benefits granted under or assumed by this System, and all

1 expenses in connection with the administration and operation  
2 thereof, are obligations of the State.

3 If members are paid from special trust or federal funds  
4 which are administered by the employing unit, whether school  
5 district or other unit, the employing unit shall pay to the  
6 System from such funds the full accruing retirement costs based  
7 upon that service, which, beginning July 1, 2017, shall be at a  
8 rate, expressed as a percentage of salary, equal to the total  
9 employer's normal cost, expressed as a percentage of payroll,  
10 as determined by the System. Employer contributions, based on  
11 salary paid to members from federal funds, may be forwarded by  
12 the distributing agency of the State of Illinois to the System  
13 prior to allocation, in an amount determined in accordance with  
14 guidelines established by such agency and the System. Any  
15 contribution for fiscal year 2015 collected as a result of the  
16 change made by Public Act 98-674 ~~this amendatory Act of the~~  
17 ~~98th General Assembly~~ shall be considered a State contribution  
18 under subsection (b-3) of this Section.

19 (d) Effective July 1, 1986, any employer of a teacher as  
20 defined in paragraph (8) of Section 16-106 shall pay the  
21 employer's normal cost of benefits based upon the teacher's  
22 service, in addition to employee contributions, as determined  
23 by the System. Such employer contributions shall be forwarded  
24 monthly in accordance with guidelines established by the  
25 System.

26 However, with respect to benefits granted under Section

1 16-133.4 or 16-133.5 to a teacher as defined in paragraph (8)  
2 of Section 16-106, the employer's contribution shall be 12%  
3 (rather than 20%) of the member's highest annual salary rate  
4 for each year of creditable service granted, and the employer  
5 shall also pay the required employee contribution on behalf of  
6 the teacher. For the purposes of Sections 16-133.4 and  
7 16-133.5, a teacher as defined in paragraph (8) of Section  
8 16-106 who is serving in that capacity while on leave of  
9 absence from another employer under this Article shall not be  
10 considered an employee of the employer from which the teacher  
11 is on leave.

12 (e) Beginning July 1, 1998, every employer of a teacher  
13 shall pay to the System an employer contribution computed as  
14 follows:

15 (1) Beginning July 1, 1998 through June 30, 1999, the  
16 employer contribution shall be equal to 0.3% of each  
17 teacher's salary.

18 (2) Beginning July 1, 1999 and thereafter, the employer  
19 contribution shall be equal to 0.58% of each teacher's  
20 salary.

21 The school district or other employing unit may pay these  
22 employer contributions out of any source of funding available  
23 for that purpose and shall forward the contributions to the  
24 System on the schedule established for the payment of member  
25 contributions.

26 These employer contributions are intended to offset a

1 portion of the cost to the System of the increases in  
2 retirement benefits resulting from Public Act 90-582 ~~this~~  
3 ~~amendatory Act of 1998~~.

4 Each employer of teachers is entitled to a credit against  
5 the contributions required under this subsection (e) with  
6 respect to salaries paid to teachers for the period January 1,  
7 2002 through June 30, 2003, equal to the amount paid by that  
8 employer under subsection (a-5) of Section 6.6 of the State  
9 Employees Group Insurance Act of 1971 with respect to salaries  
10 paid to teachers for that period.

11 The additional 1% employee contribution required under  
12 Section 16-152 by Public Act 90-582 ~~this amendatory Act of 1998~~  
13 is the responsibility of the teacher and not the teacher's  
14 employer, unless the employer agrees, through collective  
15 bargaining or otherwise, to make the contribution on behalf of  
16 the teacher.

17 If an employer is required by a contract in effect on May  
18 1, 1998 between the employer and an employee organization to  
19 pay, on behalf of all its full-time employees covered by this  
20 Article, all mandatory employee contributions required under  
21 this Article, then the employer shall be excused from paying  
22 the employer contribution required under this subsection (e)  
23 for the balance of the term of that contract. The employer and  
24 the employee organization shall jointly certify to the System  
25 the existence of the contractual requirement, in such form as  
26 the System may prescribe. This exclusion shall cease upon the

1 termination, extension, or renewal of the contract at any time  
2 after May 1, 1998.

3 (f) If the amount of a teacher's salary for any school year  
4 used to determine final average salary exceeds the member's  
5 annual full-time salary rate with the same employer for the  
6 previous school year by more than 6%, the teacher's employer  
7 shall pay to the System, in addition to all other payments  
8 required under this Section and in accordance with guidelines  
9 established by the System, the present value of the increase in  
10 benefits resulting from the portion of the increase in salary  
11 that is in excess of 6%. This present value shall be computed  
12 by the System on the basis of the actuarial assumptions and  
13 tables used in the most recent actuarial valuation of the  
14 System that is available at the time of the computation. If a  
15 teacher's salary for the 2005-2006 school year is used to  
16 determine final average salary under this subsection (f), then  
17 the changes made to this subsection (f) by Public Act 94-1057  
18 shall apply in calculating whether the increase in his or her  
19 salary is in excess of 6%. For the purposes of this Section,  
20 change in employment under Section 10-21.12 of the School Code  
21 on or after June 1, 2005 shall constitute a change in employer.  
22 The System may require the employer to provide any pertinent  
23 information or documentation. The changes made to this  
24 subsection (f) by Public Act 94-1111 ~~this amendatory Act of the~~  
25 ~~94th General Assembly~~ apply without regard to whether the  
26 teacher was in service on or after its effective date.



1           Whenever it determines that a payment is or may be required  
2 under this subsection, the System shall calculate the amount of  
3 the payment and bill the employer for that amount. The bill  
4 shall specify the calculations used to determine the amount  
5 due. If the employer disputes the amount of the bill, it may,  
6 within 30 days after receipt of the bill, apply to the System  
7 in writing for a recalculation. The application must specify in  
8 detail the grounds of the dispute and, if the employer asserts  
9 that the calculation is subject to subsection (g) or (h) of  
10 this Section, must include an affidavit setting forth and  
11 attesting to all facts within the employer's knowledge that are  
12 pertinent to the applicability of that subsection. Upon  
13 receiving a timely application for recalculation, the System  
14 shall review the application and, if appropriate, recalculate  
15 the amount due.

16           The employer contributions required under this subsection  
17 (f) may be paid in the form of a lump sum within 90 days after  
18 receipt of the bill. If the employer contributions are not paid  
19 within 90 days after receipt of the bill, then interest will be  
20 charged at a rate equal to the System's annual actuarially  
21 assumed rate of return on investment compounded annually from  
22 the 91st day after receipt of the bill. Payments must be  
23 concluded within 3 years after the employer's receipt of the  
24 bill.

25           (g) This subsection (g) applies only to payments made or  
26 salary increases given on or after June 1, 2005 but before July

1 1, 2011. The changes made by Public Act 94-1057 shall not  
2 require the System to refund any payments received before July  
3 31, 2006 (the effective date of Public Act 94-1057).

4 When assessing payment for any amount due under subsection  
5 (f), the System shall exclude salary increases paid to teachers  
6 under contracts or collective bargaining agreements entered  
7 into, amended, or renewed before June 1, 2005.

8 When assessing payment for any amount due under subsection  
9 (f), the System shall exclude salary increases paid to a  
10 teacher at a time when the teacher is 10 or more years from  
11 retirement eligibility under Section 16-132 or 16-133.2.

12 When assessing payment for any amount due under subsection  
13 (f), the System shall exclude salary increases resulting from  
14 overload work, including summer school, when the school  
15 district has certified to the System, and the System has  
16 approved the certification, that (i) the overload work is for  
17 the sole purpose of classroom instruction in excess of the  
18 standard number of classes for a full-time teacher in a school  
19 district during a school year and (ii) the salary increases are  
20 equal to or less than the rate of pay for classroom instruction  
21 computed on the teacher's current salary and work schedule.

22 When assessing payment for any amount due under subsection  
23 (f), the System shall exclude a salary increase resulting from  
24 a promotion (i) for which the employee is required to hold a  
25 certificate or supervisory endorsement issued by the State  
26 Teacher Certification Board that is a different certification

1 or supervisory endorsement than is required for the teacher's  
2 previous position and (ii) to a position that has existed and  
3 been filled by a member for no less than one complete academic  
4 year and the salary increase from the promotion is an increase  
5 that results in an amount no greater than the lesser of the  
6 average salary paid for other similar positions in the district  
7 requiring the same certification or the amount stipulated in  
8 the collective bargaining agreement for a similar position  
9 requiring the same certification.

10 When assessing payment for any amount due under subsection  
11 (f), the System shall exclude any payment to the teacher from  
12 the State of Illinois or the State Board of Education over  
13 which the employer does not have discretion, notwithstanding  
14 that the payment is included in the computation of final  
15 average salary.

16 (h) When assessing payment for any amount due under  
17 subsection (f), the System shall exclude any salary increase  
18 described in subsection (g) of this Section given on or after  
19 July 1, 2011 but before July 1, 2014 under a contract or  
20 collective bargaining agreement entered into, amended, or  
21 renewed on or after June 1, 2005 but before July 1, 2011.  
22 Notwithstanding any other provision of this Section, any  
23 payments made or salary increases given after June 30, 2014  
24 shall be used in assessing payment for any amount due under  
25 subsection (f) of this Section.

26 (i) The System shall prepare a report and file copies of

1 the report with the Governor and the General Assembly by  
2 January 1, 2007 that contains all of the following information:

3 (1) The number of recalculations required by the  
4 changes made to this Section by Public Act 94-1057 for each  
5 employer.

6 (2) The dollar amount by which each employer's  
7 contribution to the System was changed due to  
8 recalculations required by Public Act 94-1057.

9 (3) The total amount the System received from each  
10 employer as a result of the changes made to this Section by  
11 Public Act 94-4.

12 (4) The increase in the required State contribution  
13 resulting from the changes made to this Section by Public  
14 Act 94-1057.

15 (i-5) For school years beginning on or after July 1, 2017,  
16 if the amount of a participant's salary for any school year  
17 ~~determined on a full time equivalent basis,~~ exceeds the amount  
18 of the salary set for the Governor, the participant's employer  
19 shall pay to the System, in addition to all other payments  
20 required under this Section and in accordance with guidelines  
21 established by the System, an amount determined by the System  
22 to be equal to the employer normal cost, as established by the  
23 System and expressed as a total percentage of payroll,  
24 multiplied by the amount of salary in excess of the amount of  
25 the salary set for the Governor. This amount shall be computed  
26 by the System on the basis of the actuarial assumptions and

1 tables used in the most recent actuarial valuation of the  
2 System that is available at the time of the computation. The  
3 System may require the employer to provide any pertinent  
4 information or documentation.

5 Whenever it determines that a payment is or may be required  
6 under this subsection, the System shall calculate the amount of  
7 the payment and bill the employer for that amount. The bill  
8 shall specify the calculations used to determine the amount  
9 due. If the employer disputes the amount of the bill, it may,  
10 within 30 days after receipt of the bill, apply to the System  
11 in writing for a recalculation. The application must specify in  
12 detail the grounds of the dispute. Upon receiving a timely  
13 application for recalculation, the System shall review the  
14 application and, if appropriate, recalculate the amount due.

15 The employer contributions required under this subsection  
16 may be paid in the form of a lump sum within 90 days after  
17 receipt of the bill. If the employer contributions are not paid  
18 within 90 days after receipt of the bill, then interest will be  
19 charged at a rate equal to the System's annual actuarially  
20 assumed rate of return on investment compounded annually from  
21 the 91st day after receipt of the bill. Payments must be  
22 concluded within 3 years after the employer's receipt of the  
23 bill.

24 (j) For purposes of determining the required State  
25 contribution to the System, the value of the System's assets  
26 shall be equal to the actuarial value of the System's assets,

1 which shall be calculated as follows:

2 As of June 30, 2008, the actuarial value of the System's  
3 assets shall be equal to the market value of the assets as of  
4 that date. In determining the actuarial value of the System's  
5 assets for fiscal years after June 30, 2008, any actuarial  
6 gains or losses from investment return incurred in a fiscal  
7 year shall be recognized in equal annual amounts over the  
8 5-year period following that fiscal year.

9 (k) For purposes of determining the required State  
10 contribution to the system for a particular year, the actuarial  
11 value of assets shall be assumed to earn a rate of return equal  
12 to the system's actuarially assumed rate of return.

13 (Source: P.A. 100-23, eff. 7-6-17; 100-340, eff. 8-25-17;  
14 revised 9-25-17.)

15 (40 ILCS 5/16-198) (from Ch. 108 1/2, par. 16-198)

16 Sec. 16-198. Fraud. Any person, ~~member, trustee, or~~  
17 ~~employee of the board~~ who knowingly makes any false statement  
18 or falsifies or permits to be falsified any record of the  
19 System this retirement system in an any attempt to defraud the  
20 System, any other retirement system or pension fund created  
21 under this Code, or the Illinois State Board of Investment is  
22 guilty of a Class 3 felony ~~such system as a result of such act,~~  
23 ~~or intentionally or knowingly defrauds this retirement system~~  
24 ~~in any manner, is guilty of a Class A misdemeanor.~~

25 (Source: P.A. 77-2830.)

1 (40 ILCS 5/16-199) (from Ch. 108 1/2, par. 16-199)

2 Sec. 16-199. Felony conviction. None of the benefits  
3 provided for in this Article shall be paid to any person who is  
4 convicted of any felony relating to or arising out of or in  
5 connection with his or her service as a teacher. A conviction  
6 under Section 16-198 shall be deemed to be relating to the  
7 person's service as a teacher.

8 None of the benefits provided for in this Article shall be  
9 paid to any person who otherwise would receive a survivor  
10 benefit who is convicted of any felony relating to or arising  
11 out of or in connection with the service of the teacher from  
12 whom the benefit results.

13 This Section shall not operate to impair any contract or  
14 vested right acquired prior to July 9, 1955 under any law or  
15 laws continued in this Article, nor to preclude the right to a  
16 refund, and for the changes under this amendatory Act of the  
17 100th General Assembly, shall not impair any contract or vested  
18 right acquired by a survivor prior to the effective date of  
19 this amendatory Act of the 100th General Assembly. The System  
20 may sue any such person to collect all moneys paid in excess of  
21 refundable contributions.

22 All teachers entering or re-entering service after July 9,  
23 1955 shall be deemed to have consented to the provisions of  
24 this Section as a condition of membership, and all participants  
25 entering service subsequent to the effective date of this

1 amendatory Act of the 100th General Assembly shall be deemed to  
2 have consented to the provisions of this amendatory Act as a  
3 condition of participation.

4 (Source: P.A. 100-334, eff. 8-25-17.)

5 Section 99. Effective date. This Act takes effect upon  
6 becoming law.



1

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2

Statutes amended in order of appearance

3

40 ILCS 5/15-155

from Ch. 108 1/2, par. 15-155

4

40 ILCS 5/16-113

from Ch. 108 1/2, par. 16-113

5

40 ILCS 5/16-158

from Ch. 108 1/2, par. 16-158

6

40 ILCS 5/16-198

from Ch. 108 1/2, par. 16-198

7

40 ILCS 5/16-199

from Ch. 108 1/2, par. 16-199