



## 100TH GENERAL ASSEMBLY

### State of Illinois

#### 2017 and 2018

#### SB0005

Introduced 1/11/2017, by Sen. John J. Cullerton

#### SYNOPSIS AS INTRODUCED:

40 ILCS 5/17-127  
40 ILCS 15/1.1

from Ch. 108 1/2, par. 17-127

Amends the Chicago Teacher Article of the Illinois Pension Code. Requires the State to contribute to the Fund \$215,200,000 for fiscal year 2017 and \$221,300,000 for fiscal year 2018; includes provisions for certifications and monthly payments by voucher. Provides that beginning in fiscal year 2019, the State shall contribute an amount equal to the employer normal cost for that fiscal year. Amends the State Pension Funds Continuing Appropriation Act. Provides for a continuing appropriation to the Public School Teachers' Pension and Retirement Fund of Chicago, on a continuing monthly basis, of the amount, if any, by which the total available amount of all other State appropriations to that Retirement Fund for the payment of certain State contributions is less than the total amount of the vouchers for required State contributions lawfully submitted by the Fund for that month under applicable provisions of the Illinois Pension Code. Effective immediately, but this Act does not take effect at all unless Senate Bills 1, 2, 3, 4, 6, 7, 8, 9, 10, 11, 12, and 13 of the 100th General Assembly become law.

LRB100 06247 RPS 16284 b

FISCAL NOTE ACT  
MAY APPLY

PENSION IMPACT  
NOTE ACT MAY  
APPLY

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 Section 17-127 as follows:

6 (40 ILCS 5/17-127) (from Ch. 108 1/2, par. 17-127)

7 Sec. 17-127. Financing; revenues for the Fund.

8 (a) The revenues for the Fund shall consist of: (1) amounts  
9 paid into the Fund by contributors thereto and from employer  
10 contributions and State appropriations in accordance with this  
11 Article; (2) amounts contributed to the Fund by an Employer;  
12 (3) amounts contributed to the Fund pursuant to any law now in  
13 force or hereafter to be enacted; (4) contributions from any  
14 other source; and (5) the earnings on investments.

15 (b) The General Assembly finds that for many years the  
16 State has contributed to the Fund an annual amount that is  
17 between 20% and 30% of the amount of the annual State  
18 contribution to the Article 16 retirement system, and the  
19 General Assembly declares that it is its goal and intention to  
20 continue this level of contribution to the Fund in the future.

21 (c) Beginning in State fiscal year 1999, the State shall  
22 include in its annual contribution to the Fund an additional  
23 amount equal to 0.544% of the Fund's total teacher payroll;

1 except that this additional contribution need not be made in a  
2 fiscal year if the Board has certified in the previous fiscal  
3 year that the Fund is at least 90% funded, based on actuarial  
4 determinations. These additional State contributions are  
5 intended to offset a portion of the cost to the Fund of the  
6 increases in retirement benefits resulting from this  
7 amendatory Act of 1998.

8 (d) In addition to any other contribution required under  
9 this Article, including the contribution required under  
10 subsection (c), the State shall contribute to the Fund the  
11 following amounts:

12 (1) For State fiscal year 2017, the State shall  
13 contribute \$215,200,000.

14 (2) For State fiscal year 2018, the State shall  
15 contribute \$221,300,000.

16 (3) Beginning in State fiscal year 2019, the State  
17 shall contribute for each fiscal year an amount to be  
18 determined by the Fund, equal to the employer normal cost  
19 for that fiscal year, plus the amount allowed pursuant to  
20 paragraph (3) of Section 17-142.1, to defray health  
21 insurance costs.

22 (e) The Board shall determine the amount of State  
23 contributions required for each fiscal year on the basis of the  
24 actuarial tables and other assumptions adopted by the Board and  
25 the recommendations of the actuary. On or before November 1 of  
26 each year, beginning November 1, 2017, the Board shall submit

1 to the State Actuary, the Governor, and the General Assembly a  
2 proposed certification of the amount of the required State  
3 contribution to the Fund for the next fiscal year, along with  
4 all of the actuarial assumptions, calculations, and data upon  
5 which that proposed certification is based.

6 On or before January 1 of each year, beginning January 1,  
7 2018, the State Actuary shall issue a preliminary report  
8 concerning the proposed certification and identifying, if  
9 necessary, recommended changes in actuarial assumptions that  
10 the Board must consider before finalizing its certification of  
11 the required State contributions.

12 (f) On or before January 15, 2018 and each January 15  
13 thereafter, the Board shall certify to the Governor and the  
14 General Assembly the amount of the required State contribution  
15 for the next fiscal year. The certification shall include a  
16 copy of the actuarial recommendations upon which it is based  
17 and shall specifically identify the Fund's projected employer  
18 normal cost for that fiscal year. The Board's certification  
19 must note any deviations from the State Actuary's recommended  
20 changes, the reason or reasons for not following the State  
21 Actuary's recommended changes, and the fiscal impact of not  
22 following the State Actuary's recommended changes on the  
23 required State contribution.

24 For the purposes of this Article, including issuing  
25 vouchers, and for the purposes of subsection (h) of Section 1.1  
26 of the State Pension Funds Continuing Appropriation Act, the

1 State contribution specified for State fiscal years 2017 and  
2 2018 shall be deemed to have been certified, by operation of  
3 law and without official action by the Board or the State  
4 Actuary, in the amount provided in subsection (d) of this  
5 Section.

6 (g) Beginning in State fiscal year 2017, on the 15th day of  
7 each month, or as soon thereafter as may be practicable, the  
8 Board shall submit vouchers for payment of State contributions  
9 to the Fund, in a total monthly amount of one-twelfth of the  
10 required annual State contribution under subsection (d). These  
11 vouchers shall be paid by the State Comptroller and Treasurer  
12 by warrants drawn on the funds appropriated to the Fund for  
13 that fiscal year. If in any month the amount remaining  
14 unexpended from all other State appropriations to the Fund for  
15 the applicable fiscal year is less than the amount lawfully  
16 vouchered under this subsection, the difference shall be paid  
17 from the Common School Fund under the continuing appropriation  
18 authority provided in Section 1.1 of the State Pension Funds  
19 Continuing Appropriation Act.

20 (Source: P.A. 90-548, eff. 12-4-97; 90-566, eff. 1-2-98;  
21 90-582, eff. 5-27-98; 90-655, eff. 7-30-98.)

22 Section 10. The State Pension Funds Continuing  
23 Appropriation Act is amended by changing Section 1.1 as  
24 follows:

1 (40 ILCS 15/1.1)

2 Sec. 1.1. Appropriations to certain retirement systems.

3 (a) There is hereby appropriated from the General Revenue  
4 Fund to the General Assembly Retirement System, on a continuing  
5 monthly basis, the amount, if any, by which the total available  
6 amount of all other appropriations to that retirement system  
7 for the payment of State contributions is less than the total  
8 amount of the vouchers for required State contributions  
9 lawfully submitted by the retirement system for that month  
10 under Section 2-134 of the Illinois Pension Code.

11 (b) There is hereby appropriated from the General Revenue  
12 Fund to the State Universities Retirement System, on a  
13 continuing monthly basis, the amount, if any, by which the  
14 total available amount of all other appropriations to that  
15 retirement system for the payment of State contributions,  
16 including any deficiency in the required contributions of the  
17 optional retirement program established under Section 15-158.2  
18 of the Illinois Pension Code, is less than the total amount of  
19 the vouchers for required State contributions lawfully  
20 submitted by the retirement system for that month under Section  
21 15-165 of the Illinois Pension Code.

22 (c) There is hereby appropriated from the Common School  
23 Fund to the Teachers' Retirement System of the State of  
24 Illinois, on a continuing monthly basis, the amount, if any, by  
25 which the total available amount of all other appropriations to  
26 that retirement system for the payment of State contributions

1 is less than the total amount of the vouchers for required  
2 State contributions lawfully submitted by the retirement  
3 system for that month under Section 16-158 of the Illinois  
4 Pension Code.

5 (d) There is hereby appropriated from the General Revenue  
6 Fund to the Judges Retirement System of Illinois, on a  
7 continuing monthly basis, the amount, if any, by which the  
8 total available amount of all other appropriations to that  
9 retirement system for the payment of State contributions is  
10 less than the total amount of the vouchers for required State  
11 contributions lawfully submitted by the retirement system for  
12 that month under Section 18-140 of the Illinois Pension Code.

13 (e) The continuing appropriations provided by subsections  
14 (a), (b), (c), and (d) of this Section shall first be available  
15 in State fiscal year 1996. The continuing appropriations  
16 provided by subsection (h) of this Section shall first be  
17 available as provided in that subsection (h).

18 (f) For State fiscal year 2010 only, the continuing  
19 appropriations provided by this Section are equal to the amount  
20 certified by each System on or before December 31, 2008, less  
21 (i) the gross proceeds of the bonds sold in fiscal year 2010  
22 under the authorization contained in subsection (a) of Section  
23 7.2 of the General Obligation Bond Act and (ii) any amounts  
24 received from the State Pensions Fund.

25 (g) For State fiscal year 2011 only, the continuing  
26 appropriations provided by this Section are equal to the amount

1 certified by each System on or before April 1, 2011, less (i)  
2 the gross proceeds of the bonds sold in fiscal year 2011 under  
3 the authorization contained in subsection (a) of Section 7.2 of  
4 the General Obligation Bond Act and (ii) any amounts received  
5 from the State Pensions Fund.

6 (h) There is hereby appropriated from the Common School  
7 Fund to the Public School Teachers' Pension and Retirement Fund  
8 of Chicago, on a continuing monthly basis, the amount, if any,  
9 by which the total available amount of all other State  
10 appropriations to that Retirement Fund for the payment of State  
11 contributions under subsection (d) of Section 17-127 of the  
12 Illinois Pension Code is less than the total amount of the  
13 vouchers for required State contributions lawfully submitted  
14 by the Retirement Fund for that month under that Section  
15 17-127.

16 (Source: P.A. 96-43, eff. 7-15-09; 96-1497, eff. 1-14-11;  
17 96-1511, eff. 1-27-11.)

18 Section 99. Effective date. This Act takes effect upon  
19 becoming law, but this Act does not take effect at all unless  
20 Senate Bills 1, 2, 3, 4, 6, 7, 8, 9, 10, 11, 12, and 13 of the  
21 100th General Assembly become law.