



101ST GENERAL ASSEMBLY

State of Illinois

2019 and 2020

HB3376

by Rep. Mark Batinick

SYNOPSIS AS INTRODUCED:

See Index

Provides that the amendatory Act may be referred to as the Property Tax Relief and Pension Stabilization Fund Act. Amends the State Finance Act to create the Property Tax Relief and Pension Stabilization Fund. Provides that moneys in the Fund shall be used for State contributions to the 5 State-funded retirement systems and shall be used for grants to school districts. Specifies the percentage of the moneys in the Fund that shall be used for State contributions and for grants to school districts. Amends the State Budget Law of the Civil Administrative Code of Illinois. Creates a continuing appropriation of \$2,400,000,000 to the Fund. Amends the 5 State-funded Articles of the Illinois Pension Code. Makes changes to the funding formula, including changing the funding goal to 70% (instead of 90%) and providing that the amount of the contribution for the unfunded liability shall be an amount sufficient, in equal annual dollar amounts, to bring the total assets up to 70% of the total actuarial liabilities by 2045. Requires recertification of the amount of the fiscal year 2020 contribution. Amends the School Code. Provides that beginning State fiscal year 2021, the State Board of Education shall make grants to school districts from the Property Tax Relief and Pension Stabilization Fund and requires a school district that receives a grant from the Fund to certify to the county clerk the amount of the grant. Amends the Property Tax Code. Provides that the county clerk shall reduce the amount of tax levied by the amount certified by the school district. Amends the State Mandates Act to require implementation without reimbursement. Effective immediately.

LRB101 10847 RPS 55982 b

FISCAL NOTE ACT
MAY APPLY

PENSION IMPACT
NOTE ACT MAY
APPLY

STATE MANDATES
ACT MAY REQUIRE
REIMBURSEMENT

A BILL FOR

1 AN ACT concerning finance.

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

4 Section 1. References to Act. This Act may be referred to
5 as the Property Tax Relief and Pension Stabilization Fund Act.

6 Section 5. The State Budget Law of the Civil Administrative
7 Code of Illinois is amended by adding Section 50-21 as follows:

8 (15 ILCS 20/50-21 new)

9 Sec. 50-21. Funding for pensions and education.

10 (a) The Governor shall submit to the General Assembly a
11 proposed budget in which total General Revenue Fund
12 appropriations to the Property Tax Relief and Pension
13 Stabilization Fund are \$2,400,000,000. The Governor may submit
14 a proposed budget in which the total appropriated and
15 transferred amounts are less than the previous fiscal year if
16 the Governor declares in writing to the General Assembly the
17 reason for the lesser amounts.

18 (b) The General Assembly shall appropriate \$2,400,000,000
19 from the General Revenue Fund to the Property Tax Relief and
20 Pension Stabilization Fund. The General Assembly may
21 appropriate or transfer lesser amounts if it declares by Joint
22 Resolution the reason for the lesser amounts.

1 (c) If for any reason the aggregate appropriations made
2 available are insufficient to meet the amount required under
3 this Section, this Section shall constitute a continuing
4 appropriation of all amounts necessary for these purposes. The
5 General Assembly may appropriate lesser amounts by law.

6 Section 10. The State Finance Act is amended by adding
7 Sections 5.891 and 6z-107 as follows:

8 (30 ILCS 105/5.891 new)

9 Sec. 5.891. The Property Tax Relief and Pension
10 Stabilization Fund.

11 (30 ILCS 105/6z-107 new)

12 Sec. 6z-107. The Property Tax Relief and Pension
13 Stabilization Fund. The Property Tax Relief and Pension
14 Stabilization Fund is created as a special fund in the State
15 treasury. The moneys in the Fund shall be expended in the
16 following manner:

17 (1) For fiscal year 2020, 100% of the moneys shall be used
18 for State contributions to the retirement systems established
19 under Articles 2, 14, 15, 16, and 18 of the Illinois Pension
20 Code.

21 (2) For fiscal year 2021, 87.5% of the moneys shall be used
22 for State contributions to the retirement systems established
23 under Articles 2, 14, 15, 16, and 18 of the Illinois Pension

1 Code and 12.5% of the moneys shall be used by the State Board
2 of Education for grants to school districts under Section
3 2-3.176 of the School Code.

4 (3) For fiscal year 2022, 75% of the moneys shall be used
5 for State contributions to the retirement systems established
6 under Articles 2, 14, 15, 16, and 18 of the Illinois Pension
7 Code and 25% of the moneys shall be used by the State Board of
8 Education for grants to school districts under Section 2-3.176
9 of the School Code.

10 (4) For fiscal year 2023, 62.5% of the moneys shall be used
11 for State contributions to the retirement systems established
12 under Articles 2, 14, 15, 16, and 18 of the Illinois Pension
13 Code and 37.5% of the moneys shall be used by the State Board
14 of Education for grants to school districts under Section
15 2-3.176 of the School Code.

16 (5) For fiscal year 2024, 50% of the moneys shall be used
17 for State contributions to the retirement systems established
18 under Articles 2, 14, 15, 16, and 18 of the Illinois Pension
19 Code and 50% of the moneys shall be used by the State Board of
20 Education for grants to school districts under Section 2-3.176
21 of the School Code.

22 (6) For fiscal year 2025, 37.5% of the moneys shall be used
23 for State contributions to the retirement systems established
24 under Articles 2, 14, 15, 16, and 18 of the Illinois Pension
25 Code and 62.5% of the moneys shall be used by the State Board
26 of Education for grants to school districts under Section

1 2-3.176 of the School Code.

2 (7) For fiscal year 2026, 25% of the moneys shall be used
3 for State contributions to the retirement systems established
4 under Articles 2, 14, 15, 16, and 18 of the Illinois Pension
5 Code and 75% of the moneys shall be used by the State Board of
6 Education for grants to school districts under Section 2-3.176
7 of the School Code.

8 (8) For fiscal year 2027, 12.5% of the moneys shall be used
9 for State contributions to the retirement systems established
10 under Articles 2, 14, 15, 16, and 18 of the Illinois Pension
11 Code and 87.5% of the moneys shall be used by the State Board
12 of Education for grants to school districts under Section
13 2-3.176 of the School Code.

14 (9) For fiscal year 2028 and each fiscal year thereafter,
15 100% of the moneys shall be used by the State Board of
16 Education for grants to school districts under Section 2-3.176
17 of the School Code.

18 Section 15. The Property Tax Code is amended by changing
19 Section 18-45 as follows:

20 (35 ILCS 200/18-45)

21 Sec. 18-45. Computation of rates. Except as provided below,
22 each county clerk shall estimate and determine the rate per
23 cent upon the equalized assessed valuation for the levy year of
24 the property in the county's taxing districts and special

1 service areas, as established under Article VII of the Illinois
2 Constitution, so that the rate will produce, within the proper
3 divisions of that county, not less than the net amount that
4 will be required by the county board or certified to the county
5 clerk according to law. Prior to extension, the county clerk
6 shall determine the maximum amount of tax authorized to be
7 levied by any statute. In determining the rate, the county
8 clerk shall reduce the amount levied by the amount certified by
9 the school district under Section 2-3.176 of the School Code.

10 If the amount of any tax certified to the county clerk for
11 extension exceeds the maximum, the clerk shall extend only the
12 maximum allowable levy.

13 The county clerk shall exclude from the total equalized
14 assessed valuation, whenever estimating and determining it
15 under this Section and Sections 18-50 through 18-105, the
16 equalized assessed valuation in the percentage which has been
17 agreed to by each taxing district, of any property or portion
18 thereof within an Enterprise Zone upon which an abatement of
19 taxes was made under Section 18-170. However, if a municipality
20 has adopted tax increment financing under Division 74.4 of
21 Article 11 of the Illinois Municipal Code, the county clerk
22 shall estimate and determine rates in accordance with Sections
23 11-74.4-7 through 11-74.4-9 of that Act. Beginning on January
24 1, 1998 and thereafter, the equalized assessed value of all
25 property for the computation of the amount to be extended
26 within a county with 3,000,000 or more inhabitants shall be the

1 sum of (i) the equalized assessed value of such property for
2 the year immediately preceding the levy year as established by
3 the assessment and equalization process for the year
4 immediately prior to the levy year, (ii) the equalized assessed
5 value of any property that qualifies as new property, as
6 defined in Section 18-185, or annexed property, as defined in
7 Section 18-225, for the current levy year, and (iii) any
8 recovered tax increment value, as defined in Section 18-185,
9 for the current levy year, less the equalized assessed value of
10 any property that qualifies as disconnected property, as
11 defined in Section 18-225, for the current levy year.

12 (Source: P.A. 90-320, eff. 1-1-98.)

13 Section 20. The Illinois Pension Code is amended by
14 changing Sections 1-103.3, 2-124, 2-134, 14-131, 14-135,
15 14-135.08, 15-155, 15-165, 16-158, 18-131, and 18-140 as
16 follows:

17 (40 ILCS 5/1-103.3)

18 (Text of Section WITHOUT the changes made by P.A. 98-599,
19 which has been held unconstitutional)

20 Sec. 1-103.3. Application of 1994 amendment; funding
21 standard.

22 (a) The provisions of this amendatory Act of 1994 that
23 change the method of calculating, certifying, and paying the
24 required State contributions to the retirement systems

1 established under Articles 2, 14, 15, 16, and 18 shall first
2 apply to the State contributions required for State fiscal year
3 1996.

4 (b) The General Assembly declares that a funding ratio (the
5 ratio of a retirement system's total assets to its total
6 actuarial liabilities) of 70% ~~90%~~ is an appropriate goal for
7 State-funded retirement systems in Illinois, and it finds that
8 a funding ratio of 70% ~~90%~~ is now the generally-recognized norm
9 throughout the nation for public employee retirement systems
10 that are considered to be financially secure and funded in an
11 appropriate and responsible manner.

12 (c) Every 5 years, beginning in 1999, the Commission on
13 Government Forecasting and Accountability, in consultation
14 with the affected retirement systems and the Governor's Office
15 of Management and Budget (formerly Bureau of the Budget), shall
16 consider and determine whether the 70% ~~90%~~ funding ratio
17 adopted in subsection (b) continues to represent an appropriate
18 goal for State-funded retirement systems in Illinois, and it
19 shall report its findings and recommendations on this subject
20 to the Governor and the General Assembly.

21 (Source: P.A. 93-1067, eff. 1-15-05.)

22 (40 ILCS 5/2-124) (from Ch. 108 1/2, par. 2-124)

23 Sec. 2-124. Contributions by State.

24 (a) The State shall make contributions to the System by
25 appropriations of amounts which, together with the

1 contributions of participants, interest earned on investments,
2 and other income will meet the cost of maintaining and
3 administering the System on a 70% ~~90%~~ funded basis in
4 accordance with actuarial recommendations.

5 (b) The Board shall determine the amount of State
6 contributions required for each fiscal year on the basis of the
7 actuarial tables and other assumptions adopted by the Board and
8 the prescribed rate of interest, using the formula in
9 subsection (c).

10 (c) For State fiscal years 2020 through 2045, the minimum
11 contribution to the System to be made by the State for each
12 fiscal year shall be an amount determined by the System to be
13 equal to the sum of (1) the State's portion of the projected
14 normal cost for that fiscal year, plus (2) an amount
15 sufficient, in equal annual dollar amounts, to bring the total
16 assets of the System up to 70% of the total actuarial
17 liabilities of the System by the end of State fiscal year 2045.
18 In making these determinations, the required State
19 contribution shall be calculated each year as a level
20 percentage of payroll over the years remaining to and including
21 fiscal year 2045 and shall be determined under the projected
22 unit credit actuarial cost method.

23 For State fiscal years 2012 through 2019 ~~2045~~, the minimum
24 contribution to the System to be made by the State for each
25 fiscal year shall be an amount determined by the System to be
26 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 A change in an actuarial or investment assumption that
8 increases or decreases the required State contribution and
9 first applies in State fiscal year 2018 or thereafter shall be
10 implemented in equal annual amounts over a 5-year period
11 beginning in the State fiscal year in which the actuarial
12 change first applies to the required State contribution.

13 A change in an actuarial or investment assumption that
14 increases or decreases the required State contribution and
15 first applied to the State contribution in fiscal year 2014,
16 2015, 2016, or 2017 shall be implemented:

17 (i) as already applied in State fiscal years before
18 2018; and

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

26 For State fiscal years 1996 through 2005, the State

1 contribution to the System, as a percentage of the applicable
2 employee payroll, shall be increased in equal annual increments
3 so that by State fiscal year 2011, the State is contributing at
4 the rate required under this Section.

5 Notwithstanding any other provision of this Article, the
6 total required State contribution for State fiscal year 2006 is
7 \$4,157,000.

8 Notwithstanding any other provision of this Article, the
9 total required State contribution for State fiscal year 2007 is
10 \$5,220,300.

11 For each of State fiscal years 2008 through 2009, the State
12 contribution to the System, as a percentage of the applicable
13 employee payroll, shall be increased in equal annual increments
14 from the required State contribution for State fiscal year
15 2007, so that by State fiscal year 2011, the State is
16 contributing at the rate otherwise required under this Section.

17 Notwithstanding any other provision of this Article, the
18 total required State contribution for State fiscal year 2010 is
19 \$10,454,000 and shall be made from the proceeds of bonds sold
20 in fiscal year 2010 pursuant to Section 7.2 of the General
21 Obligation Bond Act, less (i) the pro rata share of bond sale
22 expenses determined by the System's share of total bond
23 proceeds, (ii) any amounts received from the General Revenue
24 Fund in fiscal year 2010, and (iii) any reduction in bond
25 proceeds due to the issuance of discounted bonds, if
26 applicable.

1 Notwithstanding any other provision of this Article, the
2 total required State contribution for State fiscal year 2011 is
3 the amount recertified by the System on or before April 1, 2011
4 pursuant to Section 2-134 and shall be made from the proceeds
5 of bonds sold in fiscal year 2011 pursuant to Section 7.2 of
6 the General Obligation Bond Act, less (i) the pro rata share of
7 bond sale expenses determined by the System's share of total
8 bond proceeds, (ii) any amounts received from the General
9 Revenue Fund in fiscal year 2011, and (iii) any reduction in
10 bond proceeds due to the issuance of discounted bonds, if
11 applicable.

12 Beginning in State fiscal year 2046, the minimum State
13 contribution for each fiscal year shall be the amount needed to
14 maintain the total assets of the System at 70% ~~90%~~ of the total
15 actuarial liabilities of the System.

16 Amounts received by the System pursuant to Section 25 of
17 the Budget Stabilization Act or Section 8.12 of the State
18 Finance Act in any fiscal year do not reduce and do not
19 constitute payment of any portion of the minimum State
20 contribution required under this Article in that fiscal year.
21 Such amounts shall not reduce, and shall not be included in the
22 calculation of, the required State contributions under this
23 Article in any future year until the System has reached a
24 funding ratio of at least 70% ~~90%~~. A reference in this Article
25 to the "required State contribution" or any substantially
26 similar term does not include or apply to any amounts payable

1 to the System under Section 25 of the Budget Stabilization Act.

2 Notwithstanding any other provision of this Section, the
3 required State contribution for State fiscal year 2005 and for
4 fiscal year 2008 and each fiscal year thereafter, as calculated
5 under this Section and certified under Section 2-134, shall not
6 exceed an amount equal to (i) the amount of the required State
7 contribution that would have been calculated under this Section
8 for that fiscal year if the System had not received any
9 payments under subsection (d) of Section 7.2 of the General
10 Obligation Bond Act, minus (ii) the portion of the State's
11 total debt service payments for that fiscal year on the bonds
12 issued in fiscal year 2003 for the purposes of that Section
13 7.2, as determined and certified by the Comptroller, that is
14 the same as the System's portion of the total moneys
15 distributed under subsection (d) of Section 7.2 of the General
16 Obligation Bond Act. In determining this maximum for State
17 fiscal years 2008 through 2010, however, the amount referred to
18 in item (i) shall be increased, as a percentage of the
19 applicable employee payroll, in equal increments calculated
20 from the sum of the required State contribution for State
21 fiscal year 2007 plus the applicable portion of the State's
22 total debt service payments for fiscal year 2007 on the bonds
23 issued in fiscal year 2003 for the purposes of Section 7.2 of
24 the General Obligation Bond Act, so that, by State fiscal year
25 2011, the State is contributing at the rate otherwise required
26 under this Section.

1 (d) For purposes of determining the required State
2 contribution to the System, the value of the System's assets
3 shall be equal to the actuarial value of the System's assets,
4 which shall be calculated as follows:

5 As of June 30, 2008, the actuarial value of the System's
6 assets shall be equal to the market value of the assets as of
7 that date. In determining the actuarial value of the System's
8 assets for fiscal years after June 30, 2008, any actuarial
9 gains or losses from investment return incurred in a fiscal
10 year shall be recognized in equal annual amounts over the
11 5-year period following that fiscal year.

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

16 (Source: P.A. 100-23, eff. 7-6-17.)

17 (40 ILCS 5/2-134) (from Ch. 108 1/2, par. 2-134)

18 Sec. 2-134. To certify required State contributions and
19 submit vouchers.

20 (a) The Board shall certify to the Governor on or before
21 December 15 of each year until December 15, 2011 the amount of
22 the required State contribution to the System for the next
23 fiscal year and shall specifically identify the System's
24 projected State normal cost for that fiscal year. The
25 certification shall include a copy of the actuarial

1 recommendations upon which it is based and shall specifically
2 identify the System's projected State normal cost for that
3 fiscal year.

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

24 On or before May 1, 2004, the Board shall recalculate and
25 recertify to the Governor the amount of the required State
26 contribution to the System for State fiscal year 2005, taking

1 into account the amounts appropriated to and received by the
2 System under subsection (d) of Section 7.2 of the General
3 Obligation Bond Act.

4 On or before July 1, 2005, the Board shall recalculate and
5 recertify to the Governor the amount of the required State
6 contribution to the System for State fiscal year 2006, taking
7 into account the changes in required State contributions made
8 by this amendatory Act of the 94th General Assembly.

9 On or before April 1, 2011, 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 2011, applying
12 the changes made by Public Act 96-889 to the System's assets
13 and liabilities as of June 30, 2009 as though Public Act 96-889
14 was approved on that date.

15 By November 1, 2017, the Board shall recalculate and
16 recertify to the State Actuary, the Governor, and the General
17 Assembly the amount of the State contribution to the System for
18 State fiscal year 2018, taking into account the changes in
19 required State contributions made by this amendatory Act of the
20 100th General Assembly. The State Actuary shall review the
21 assumptions and valuations underlying the Board's revised
22 certification and issue a preliminary report concerning the
23 proposed recertification and identifying, if necessary,
24 recommended changes in actuarial assumptions that the Board
25 must consider before finalizing its certification of the
26 required State contributions. The Board's final certification

1 must note any deviations from the State Actuary's recommended
2 changes, the reason or reasons for not following the State
3 Actuary's recommended changes, and the fiscal impact of not
4 following the State Actuary's recommended changes on the
5 required State contribution.

6 By November 1, 2019, the Board shall recalculate and
7 recertify to the State Actuary, the Governor, and the General
8 Assembly the amount of the State contribution to the System for
9 State fiscal year 2020, taking into account the changes in
10 required State contributions made by this amendatory Act of the
11 101st General Assembly. The State Actuary shall review the
12 assumptions and valuations underlying the Board's revised
13 certification and issue a preliminary report concerning the
14 proposed recertification and identifying, if necessary,
15 recommended changes in actuarial assumptions that the Board
16 must consider before finalizing its certification of the
17 required State contributions. The Board's final certification
18 must note any deviations from the State Actuary's recommended
19 changes, the reason or reasons for not following the State
20 Actuary's recommended changes, and the fiscal impact of not
21 following the State Actuary's recommended changes on the
22 required State contribution.

23 (b) Beginning in State fiscal year 1996, on or as soon as
24 possible after the 15th day of each month the Board shall
25 submit vouchers for payment of State contributions to the
26 System, in a total monthly amount of one-twelfth of the

1 required annual State contribution certified under subsection
2 (a). From the effective date of this amendatory Act of the 93rd
3 General Assembly through June 30, 2004, the Board shall not
4 submit vouchers for the remainder of fiscal year 2004 in excess
5 of the fiscal year 2004 certified contribution amount
6 determined under this Section after taking into consideration
7 the transfer to the System under subsection (d) of Section
8 6z-61 of the State Finance Act. These vouchers shall be paid by
9 the State Comptroller and Treasurer by warrants drawn on the
10 funds appropriated to the System for that fiscal year. If in
11 any month the amount remaining unexpended from all other
12 appropriations to the System for the applicable fiscal year
13 (including the appropriations to the System under Section 8.12
14 of the State Finance Act and Section 1 of the State Pension
15 Funds Continuing Appropriation Act) is less than the amount
16 lawfully vouchered under this Section, the difference shall be
17 paid from the General Revenue Fund under the continuing
18 appropriation authority provided in Section 1.1 of the State
19 Pension Funds Continuing Appropriation Act.

20 (c) The full amount of any annual appropriation for the
21 System for State fiscal year 1995 shall be transferred and made
22 available to the System at the beginning of that fiscal year at
23 the request of the Board. Any excess funds remaining at the end
24 of any fiscal year from appropriations shall be retained by the
25 System as a general reserve to meet the System's accrued
26 liabilities.

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

2 (40 ILCS 5/14-131)

3 Sec. 14-131. Contributions by State.

4 (a) The State shall make contributions to the System by
5 appropriations of amounts which, together with other employer
6 contributions from trust, federal, and other funds, employee
7 contributions, investment income, and other income, will be
8 sufficient to meet the cost of maintaining and administering
9 the System on a 70% ~~90%~~ funded basis in accordance with
10 actuarial recommendations.

11 For the purposes of this Section and Section 14-135.08,
12 references to State contributions refer only to employer
13 contributions and do not include employee contributions that
14 are picked up or otherwise paid by the State or a department on
15 behalf of the employee.

16 (b) The Board shall determine the total amount of State
17 contributions required for each fiscal year on the basis of the
18 actuarial tables and other assumptions adopted by the Board,
19 using the formula in subsection (e).

20 The Board shall also determine a State contribution rate
21 for each fiscal year, expressed as a percentage of payroll,
22 based on the total required State contribution for that fiscal
23 year (less the amount received by the System from
24 appropriations under Section 8.12 of the State Finance Act and
25 Section 1 of the State Pension Funds Continuing Appropriation

1 Act, if any, for the fiscal year ending on the June 30
2 immediately preceding the applicable November 15 certification
3 deadline), the estimated payroll (including all forms of
4 compensation) for personal services rendered by eligible
5 employees, and the recommendations of the actuary.

6 For the purposes of this Section and Section 14.1 of the
7 State Finance Act, the term "eligible employees" includes
8 employees who participate in the System, persons who may elect
9 to participate in the System but have not so elected, persons
10 who are serving a qualifying period that is required for
11 participation, and annuitants employed by a department as
12 described in subdivision (a) (1) or (a) (2) of Section 14-111.

13 (c) Contributions shall be made by the several departments
14 for each pay period by warrants drawn by the State Comptroller
15 against their respective funds or appropriations based upon
16 vouchers stating the amount to be so contributed. These amounts
17 shall be based on the full rate certified by the Board under
18 Section 14-135.08 for that fiscal year. From March 5, 2004 (the
19 effective date of Public Act 93-665) through the payment of the
20 final payroll from fiscal year 2004 appropriations, the several
21 departments shall not make contributions for the remainder of
22 fiscal year 2004 but shall instead make payments as required
23 under subsection (a-1) of Section 14.1 of the State Finance
24 Act. The several departments shall resume those contributions
25 at the commencement of fiscal year 2005.

26 (c-1) Notwithstanding subsection (c) of this Section, for

1 fiscal years 2010, 2012, 2013, 2014, 2015, 2016, 2017, 2018,
2 and 2019 only, contributions by the several departments are not
3 required to be made for General Revenue Funds payrolls
4 processed by the Comptroller. Payrolls paid by the several
5 departments from all other State funds must continue to be
6 processed pursuant to subsection (c) of this Section.

7 (c-2) For State fiscal years 2010, 2012, 2013, 2014, 2015,
8 2016, 2017, 2018, and 2019 only, on or as soon as possible
9 after the 15th day of each month, the Board shall submit
10 vouchers for payment of State contributions to the System, in a
11 total monthly amount of one-twelfth of the fiscal year General
12 Revenue Fund contribution as certified by the System pursuant
13 to Section 14-135.08 of the Illinois Pension Code.

14 (d) If an employee is paid from trust funds or federal
15 funds, the department or other employer shall pay employer
16 contributions from those funds to the System at the certified
17 rate, unless the terms of the trust or the federal-State
18 agreement preclude the use of the funds for that purpose, in
19 which case the required employer contributions shall be paid by
20 the State. From March 5, 2004 (the effective date of Public Act
21 93-665) through the payment of the final payroll from fiscal
22 year 2004 appropriations, the department or other employer
23 shall not pay contributions for the remainder of fiscal year
24 2004 but shall instead make payments as required under
25 subsection (a-1) of Section 14.1 of the State Finance Act. The
26 department or other employer shall resume payment of

1 contributions at the commencement of fiscal year 2005.

2 (e) For State fiscal years 2020 through 2045, the minimum
3 contribution to the System to be made by the State for each
4 fiscal year shall be an amount determined by the System to be
5 equal to the sum of (1) the State's portion of the projected
6 normal cost for that fiscal year, plus (2) an amount
7 sufficient, in equal annual dollar amounts, to bring the total
8 assets of the System up to 70% of the total actuarial
9 liabilities of the System by the end of State fiscal year 2045.
10 In making these determinations, the required State
11 contribution shall be calculated each year as a level
12 percentage of payroll over the years remaining to and including
13 fiscal year 2045 and shall be determined under the projected
14 unit credit actuarial cost method.

15 For State fiscal years 2019 ~~2012~~ through 2045, the minimum
16 contribution to the System to be made by the State for each
17 fiscal year shall be an amount determined by the System to be
18 sufficient to bring the total assets of the System up to 90% of
19 the total actuarial liabilities of the System by the end of
20 State fiscal year 2045. In making these determinations, the
21 required State contribution shall be calculated each year as a
22 level percentage of payroll over the years remaining to and
23 including fiscal year 2045 and shall be determined under the
24 projected unit credit actuarial cost method.

25 A change in an actuarial or investment assumption that
26 increases or decreases the required State contribution and

1 first applies in State fiscal year 2018 or thereafter shall be
2 implemented in equal annual amounts over a 5-year period
3 beginning in the State fiscal year in which the actuarial
4 change first applies to the required State contribution.

5 A change in an actuarial or investment assumption that
6 increases or decreases the required State contribution and
7 first applied to the State contribution in fiscal year 2014,
8 2015, 2016, or 2017 shall be implemented:

9 (i) as already applied in State fiscal years before
10 2018; and

11 (ii) in the portion of the 5-year period beginning in
12 the State fiscal year in which the actuarial change first
13 applied that occurs in State fiscal year 2018 or
14 thereafter, by calculating the change in equal annual
15 amounts over that 5-year period and then implementing it at
16 the resulting annual rate in each of the remaining fiscal
17 years in that 5-year period.

18 For State fiscal years 1996 through 2005, the State
19 contribution to the System, as a percentage of the applicable
20 employee payroll, shall be increased in equal annual increments
21 so that by State fiscal year 2011, the State is contributing at
22 the rate required under this Section; except that (i) for State
23 fiscal year 1998, for all purposes of this Code and any other
24 law of this State, the certified percentage of the applicable
25 employee payroll shall be 5.052% for employees earning eligible
26 creditable service under Section 14-110 and 6.500% for all

1 other employees, notwithstanding any contrary certification
2 made under Section 14-135.08 before July 7, 1997 (the effective
3 date of Public Act 90-65), and (ii) in the following specified
4 State fiscal years, the State contribution to the System shall
5 not be less than the following indicated percentages of the
6 applicable employee payroll, even if the indicated percentage
7 will produce a State contribution in excess of the amount
8 otherwise required under this subsection and subsection (a):
9 9.8% in FY 1999; 10.0% in FY 2000; 10.2% in FY 2001; 10.4% in FY
10 2002; 10.6% in FY 2003; and 10.8% in FY 2004.

11 Notwithstanding any other provision of this Article, the
12 total required State contribution to the System for State
13 fiscal year 2006 is \$203,783,900.

14 Notwithstanding any other provision of this Article, the
15 total required State contribution to the System for State
16 fiscal year 2007 is \$344,164,400.

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

23 Notwithstanding any other provision of this Article, the
24 total required State General Revenue Fund contribution for
25 State fiscal year 2010 is \$723,703,100 and shall be made from
26 the proceeds of bonds sold in fiscal year 2010 pursuant to

1 Section 7.2 of the General Obligation Bond Act, less (i) the
2 pro rata share of bond sale expenses determined by the System's
3 share of total bond proceeds, (ii) any amounts received from
4 the General Revenue Fund in fiscal year 2010, and (iii) any
5 reduction in bond proceeds due to the issuance of discounted
6 bonds, if applicable.

7 Notwithstanding any other provision of this Article, the
8 total required State General Revenue Fund contribution for
9 State fiscal year 2011 is the amount recertified by the System
10 on or before April 1, 2011 pursuant to Section 14-135.08 and
11 shall be made from the proceeds of bonds sold in fiscal year
12 2011 pursuant to Section 7.2 of the General Obligation Bond
13 Act, less (i) the pro rata share of bond sale expenses
14 determined by the System's share of total bond proceeds, (ii)
15 any amounts received from the General Revenue Fund in fiscal
16 year 2011, and (iii) any reduction in bond proceeds due to the
17 issuance of discounted bonds, if applicable.

18 Beginning in State fiscal year 2046, the minimum State
19 contribution for each fiscal year shall be the amount needed to
20 maintain the total assets of the System at 70% ~~90%~~ of the total
21 actuarial liabilities of the System.

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

1 Such amounts shall not reduce, and shall not be included in the
2 calculation of, the required State contributions under this
3 Article in any future year until the System has reached a
4 funding ratio of at least 70% ~~90%~~. A reference in this Article
5 to the "required State contribution" or any substantially
6 similar term does not include or apply to any amounts payable
7 to the System under Section 25 of the Budget Stabilization Act.

8 Notwithstanding any other provision of this Section, the
9 required State contribution for State fiscal year 2005 and for
10 fiscal year 2008 and each fiscal year thereafter, as calculated
11 under this Section and certified under Section 14-135.08, shall
12 not exceed an amount equal to (i) the amount of the required
13 State contribution that would have been calculated under this
14 Section for that fiscal year if the System had not received any
15 payments under subsection (d) of Section 7.2 of the General
16 Obligation Bond Act, minus (ii) the portion of the State's
17 total debt service payments for that fiscal year on the bonds
18 issued in fiscal year 2003 for the purposes of that Section
19 7.2, as determined and certified by the Comptroller, that is
20 the same as the System's portion of the total moneys
21 distributed under subsection (d) of Section 7.2 of the General
22 Obligation Bond Act. In determining this maximum for State
23 fiscal years 2008 through 2010, however, the amount referred to
24 in item (i) shall be increased, as a percentage of the
25 applicable employee payroll, in equal increments calculated
26 from the sum of the required State contribution for State

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

7 (f) After the submission of all payments for eligible
8 employees from personal services line items in fiscal year 2004
9 have been made, the Comptroller shall provide to the System a
10 certification of the sum of all fiscal year 2004 expenditures
11 for personal services that would have been covered by payments
12 to the System under this Section if the provisions of Public
13 Act 93-665 had not been enacted. Upon receipt of the
14 certification, the System shall determine the amount due to the
15 System based on the full rate certified by the Board under
16 Section 14-135.08 for fiscal year 2004 in order to meet the
17 State's obligation under this Section. The System shall compare
18 this amount due to the amount received by the System in fiscal
19 year 2004 through payments under this Section and under Section
20 6z-61 of the State Finance Act. If the amount due is more than
21 the amount received, the difference shall be termed the "Fiscal
22 Year 2004 Shortfall" for purposes of this Section, and the
23 Fiscal Year 2004 Shortfall shall be satisfied under Section 1.2
24 of the State Pension Funds Continuing Appropriation Act. If the
25 amount due is less than the amount received, the difference
26 shall be termed the "Fiscal Year 2004 Overpayment" for purposes

1 of this Section, and the Fiscal Year 2004 Overpayment shall be
2 repaid by the System to the Pension Contribution Fund as soon
3 as practicable after the certification.

4 (g) For purposes of determining the required State
5 contribution to the System, the value of the System's assets
6 shall be equal to the actuarial value of the System's assets,
7 which shall be calculated as follows:

8 As of June 30, 2008, the actuarial value of the System's
9 assets shall be equal to the market value of the assets as of
10 that date. In determining the actuarial value of the System's
11 assets for fiscal years after June 30, 2008, any actuarial
12 gains or losses from investment return incurred in a fiscal
13 year shall be recognized in equal annual amounts over the
14 5-year period following that fiscal year.

15 (h) For purposes of determining the required State
16 contribution to the System for a particular year, the actuarial
17 value of assets shall be assumed to earn a rate of return equal
18 to the System's actuarially assumed rate of return.

19 (i) After the submission of all payments for eligible
20 employees from personal services line items paid from the
21 General Revenue Fund in fiscal year 2010 have been made, the
22 Comptroller shall provide to the System a certification of the
23 sum of all fiscal year 2010 expenditures for personal services
24 that would have been covered by payments to the System under
25 this Section if the provisions of Public Act 96-45 had not been
26 enacted. Upon receipt of the certification, the System shall

1 determine the amount due to the System based on the full rate
2 certified by the Board under Section 14-135.08 for fiscal year
3 2010 in order to meet the State's obligation under this
4 Section. The System shall compare this amount due to the amount
5 received by the System in fiscal year 2010 through payments
6 under this Section. If the amount due is more than the amount
7 received, the difference shall be termed the "Fiscal Year 2010
8 Shortfall" for purposes of this Section, and the Fiscal Year
9 2010 Shortfall shall be satisfied under Section 1.2 of the
10 State Pension Funds Continuing Appropriation Act. If the amount
11 due is less than the amount received, the difference shall be
12 termed the "Fiscal Year 2010 Overpayment" for purposes of this
13 Section, and the Fiscal Year 2010 Overpayment shall be repaid
14 by the System to the General Revenue Fund as soon as
15 practicable after the certification.

16 (j) After the submission of all payments for eligible
17 employees from personal services line items paid from the
18 General Revenue Fund in fiscal year 2011 have been made, the
19 Comptroller shall provide to the System a certification of the
20 sum of all fiscal year 2011 expenditures for personal services
21 that would have been covered by payments to the System under
22 this Section if the provisions of Public Act 96-1497 had not
23 been enacted. Upon receipt of the certification, the System
24 shall determine the amount due to the System based on the full
25 rate certified by the Board under Section 14-135.08 for fiscal
26 year 2011 in order to meet the State's obligation under this

1 Section. The System shall compare this amount due to the amount
2 received by the System in fiscal year 2011 through payments
3 under this Section. If the amount due is more than the amount
4 received, the difference shall be termed the "Fiscal Year 2011
5 Shortfall" for purposes of this Section, and the Fiscal Year
6 2011 Shortfall shall be satisfied under Section 1.2 of the
7 State Pension Funds Continuing Appropriation Act. If the amount
8 due is less than the amount received, the difference shall be
9 termed the "Fiscal Year 2011 Overpayment" for purposes of this
10 Section, and the Fiscal Year 2011 Overpayment shall be repaid
11 by the System to the General Revenue Fund as soon as
12 practicable after the certification.

13 (k) For fiscal years 2012 through 2019 only, after the
14 submission of all payments for eligible employees from personal
15 services line items paid from the General Revenue Fund in the
16 fiscal year have been made, the Comptroller shall provide to
17 the System a certification of the sum of all expenditures in
18 the fiscal year for personal services. Upon receipt of the
19 certification, the System shall determine the amount due to the
20 System based on the full rate certified by the Board under
21 Section 14-135.08 for the fiscal year in order to meet the
22 State's obligation under this Section. The System shall compare
23 this amount due to the amount received by the System for the
24 fiscal year. If the amount due is more than the amount
25 received, the difference shall be termed the "Prior Fiscal Year
26 Shortfall" for purposes of this Section, and the Prior Fiscal

1 Year Shortfall shall be satisfied under Section 1.2 of the
2 State Pension Funds Continuing Appropriation Act. If the amount
3 due is less than the amount received, the difference shall be
4 termed the "Prior Fiscal Year Overpayment" for purposes of this
5 Section, and the Prior Fiscal Year Overpayment shall be repaid
6 by the System to the General Revenue Fund as soon as
7 practicable after the certification.

8 (Source: P.A. 99-8, eff. 7-9-15; 99-523, eff. 6-30-16; 100-23,
9 eff. 7-6-17; 100-587, eff. 6-4-18.)

10 (40 ILCS 5/14-135.08) (from Ch. 108 1/2, par. 14-135.08)

11 Sec. 14-135.08. To certify required State contributions.

12 (a) To certify to the Governor and to each department, on
13 or before November 15 of each year until November 15, 2011, the
14 required rate for State contributions to the System for the
15 next State fiscal year, as determined under subsection (b) of
16 Section 14-131. The certification to the Governor under this
17 subsection (a) shall include a copy of the actuarial
18 recommendations upon which the rate is based and shall
19 specifically identify the System's projected State normal cost
20 for that fiscal year.

21 (a-5) On or before November 1 of each year, beginning
22 November 1, 2012, the Board shall submit to the State Actuary,
23 the Governor, and the General Assembly a proposed certification
24 of the amount of the required State contribution to the System
25 for the next fiscal year, along with all of the actuarial

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

16 (b) The certifications under subsections (a) and (a-5)
17 shall include an additional amount necessary to pay all
18 principal of and interest on those general obligation bonds due
19 the next fiscal year authorized by Section 7.2(a) of the
20 General Obligation Bond Act and issued to provide the proceeds
21 deposited by the State with the System in July 2003,
22 representing deposits other than amounts reserved under
23 Section 7.2(c) of the General Obligation Bond Act. For State
24 fiscal year 2005, the Board shall make a supplemental
25 certification of the additional amount necessary to pay all
26 principal of and interest on those general obligation bonds due

1 in State fiscal years 2004 and 2005 authorized by Section
2 7.2(a) of the General Obligation Bond Act and issued to provide
3 the proceeds deposited by the State with the System in July
4 2003, representing deposits other than amounts reserved under
5 Section 7.2(c) of the General Obligation Bond Act, as soon as
6 practical after the effective date of this amendatory Act of
7 the 93rd General Assembly.

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

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

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

1 though Public Act 96-889 was approved on that date.

2 By November 1, 2017, the Board shall recalculate and
3 recertify to the State Actuary, the Governor, and the General
4 Assembly the amount of the State contribution to the System for
5 State fiscal year 2018, taking into account the changes in
6 required State contributions made by this amendatory Act of the
7 100th General Assembly. The State Actuary shall review the
8 assumptions and valuations underlying the Board's revised
9 certification and issue a preliminary report concerning the
10 proposed recertification and identifying, if necessary,
11 recommended changes in actuarial assumptions that the Board
12 must consider before finalizing its certification of the
13 required State contributions. The Board's final certification
14 must note any deviations from the State Actuary's recommended
15 changes, the reason or reasons for not following the State
16 Actuary's recommended changes, and the fiscal impact of not
17 following the State Actuary's recommended changes on the
18 required State contribution.

19 On or after June 15, 2019, but no later than June 30, 2019,
20 the Board shall recalculate and recertify to the Governor and
21 the General Assembly the amount of the State contribution to
22 the System for State fiscal year 2019, taking into account the
23 changes in required State contributions made by this amendatory
24 Act of the 100th General Assembly. The recalculation shall be
25 made using assumptions adopted by the Board for the original
26 fiscal year 2019 certification. The monthly voucher for the

1 12th month of fiscal year 2019 shall be paid by the Comptroller
2 after the recertification required pursuant to this paragraph
3 is submitted to the Governor, Comptroller, and General
4 Assembly. The recertification submitted to the General
5 Assembly shall be filed with the Clerk of the House of
6 Representatives and the Secretary of the Senate in electronic
7 form only, in the manner that the Clerk and the Secretary shall
8 direct.

9 By November 1, 2019, the Board shall recalculate and
10 recertify to the State Actuary, the Governor, and the General
11 Assembly the amount of the State contribution to the System for
12 State fiscal year 2020, taking into account the changes in
13 required State contributions made by this amendatory Act of the
14 101st General Assembly. The State Actuary shall review the
15 assumptions and valuations underlying the Board's revised
16 certification and issue a preliminary report concerning the
17 proposed recertification and identifying, if necessary,
18 recommended changes in actuarial assumptions that the Board
19 must consider before finalizing its certification of the
20 required State contributions. The Board's final certification
21 must note any deviations from the State Actuary's recommended
22 changes, the reason or reasons for not following the State
23 Actuary's recommended changes, and the fiscal impact of not
24 following the State Actuary's recommended changes on the
25 required State contribution.

26 (Source: P.A. 100-23, eff. 7-6-17; 100-587, eff. 6-4-18.)

1 (40 ILCS 5/15-155) (from Ch. 108 1/2, par. 15-155)

2 Sec. 15-155. Employer contributions.

3 (a) The State of Illinois shall make contributions by
4 appropriations of amounts which, together with the other
5 employer contributions from trust, federal, and other funds,
6 employee contributions, income from investments, and other
7 income of this System, will be sufficient to meet the cost of
8 maintaining and administering the System on a 70% ~~90%~~ funded
9 basis in accordance with actuarial recommendations.

10 The Board shall determine the amount of State contributions
11 required for each fiscal year on the basis of the actuarial
12 tables and other assumptions adopted by the Board and the
13 recommendations of the actuary, using the formula in subsection
14 (a-1).

15 (a-1) For State fiscal years 2020 through 2045, the minimum
16 contribution to the System to be made by the State for each
17 fiscal year shall be an amount determined by the System to be
18 equal to the sum of (1) the State's portion of the projected
19 normal cost for that fiscal year, plus (2) an amount
20 sufficient, in equal annual dollar amounts, to bring the total
21 assets of the System up to 70% of the total actuarial
22 liabilities of the System by the end of State fiscal year 2045.
23 In making these determinations, the required State
24 contribution shall be calculated each year as a level
25 percentage of payroll over the years remaining to and including

1 fiscal year 2045 and shall be determined under the projected
2 unit credit actuarial cost method.

3 For State fiscal years 2012 through 2019 ~~2045~~, the minimum
4 contribution to the System to be made by the State for each
5 fiscal year shall be an amount determined by the System to be
6 sufficient to bring the total assets of the System up to 90% of
7 the total actuarial liabilities of the System by the end of
8 State fiscal year 2045. In making these determinations, the
9 required State contribution shall be calculated each year as a
10 level percentage of payroll over the years remaining to and
11 including fiscal year 2045 and shall be determined under the
12 projected unit credit actuarial cost method.

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

18 A change in an actuarial or investment assumption that
19 increases or decreases the required State contribution and
20 first applies in State fiscal year 2018 or thereafter shall be
21 implemented in equal annual amounts over a 5-year period
22 beginning in the State fiscal year in which the actuarial
23 change first applies to the required State contribution.

24 A change in an actuarial or investment assumption that
25 increases or decreases the required State contribution and
26 first applied to the State contribution in fiscal year 2014,

1 2015, 2016, or 2017 shall be implemented:

2 (i) as already applied in State fiscal years before
3 2018; and

4 (ii) in the portion of the 5-year period beginning in
5 the State fiscal year in which the actuarial change first
6 applied that occurs in State fiscal year 2018 or
7 thereafter, by calculating the change in equal annual
8 amounts over that 5-year period and then implementing it at
9 the resulting annual rate in each of the remaining fiscal
10 years in that 5-year period.

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

16 Notwithstanding any other provision of this Article, the
17 total required State contribution for State fiscal year 2006 is
18 \$166,641,900.

19 Notwithstanding any other provision of this Article, the
20 total required State contribution for State fiscal year 2007 is
21 \$252,064,100.

22 For each of State fiscal years 2008 through 2009, the State
23 contribution to the System, as a percentage of the applicable
24 employee payroll, shall be increased in equal annual increments
25 from the required State contribution for State fiscal year
26 2007, so that by State fiscal year 2011, the State is

1 contributing at the rate otherwise required under this Section.

2 Notwithstanding any other provision of this Article, the
3 total required State contribution for State fiscal year 2010 is
4 \$702,514,000 and shall be made from the State Pensions Fund and
5 proceeds of bonds sold in fiscal year 2010 pursuant to Section
6 7.2 of the General Obligation Bond Act, less (i) the pro rata
7 share of bond sale expenses determined by the System's share of
8 total bond proceeds, (ii) any amounts received from the General
9 Revenue Fund in fiscal year 2010, (iii) any reduction in bond
10 proceeds due to the issuance of discounted bonds, if
11 applicable.

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

23 Beginning in State fiscal year 2046, the minimum State
24 contribution for each fiscal year shall be the amount needed to
25 maintain the total assets of the System at 70% ~~90%~~ of the total
26 actuarial liabilities of the System.

1 Amounts received by the System pursuant to Section 25 of
2 the Budget Stabilization Act or Section 8.12 of the State
3 Finance Act in any fiscal year do not reduce and do not
4 constitute payment of any portion of the minimum State
5 contribution required under this Article in that fiscal year.
6 Such amounts shall not reduce, and shall not be included in the
7 calculation of, the required State contributions under this
8 Article in any future year until the System has reached a
9 funding ratio of at least 70% ~~90%~~. A reference in this Article
10 to the "required State contribution" or any substantially
11 similar term does not include or apply to any amounts payable
12 to the System under Section 25 of the Budget Stabilization Act.

13 Notwithstanding any other provision of this Section, the
14 required State contribution for State fiscal year 2005 and for
15 fiscal year 2008 and each fiscal year thereafter, as calculated
16 under this Section and certified under Section 15-165, shall
17 not exceed an amount equal to (i) the amount of the required
18 State contribution that would have been calculated under this
19 Section for that fiscal year if the System had not received any
20 payments under subsection (d) of Section 7.2 of the General
21 Obligation Bond Act, minus (ii) the portion of the State's
22 total debt service payments for that fiscal year on the bonds
23 issued in fiscal year 2003 for the purposes of that Section
24 7.2, as determined and certified by the Comptroller, that is
25 the same as the System's portion of the total moneys
26 distributed under subsection (d) of Section 7.2 of the General

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

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

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

1 election under subsection (c) of Section 1-161; plus
2 (ii) the amount required for that fiscal year to
3 amortize any unfunded actuarial accrued liability
4 associated with the present value of liabilities
5 attributable to the employer's account under Section
6 15-155.2, determined as a level percentage of payroll over
7 a 30-year rolling amortization period.

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

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

17 The contributions required under this subsection (a-2)
18 shall be paid by an employer concurrently with that employer's
19 payroll payment period. The State, as the actual employer of an
20 employee, shall make the required contributions under this
21 subsection.

22 As used in this subsection, "academic year" means the
23 12-month period beginning September 1.

24 (b) If an employee is paid from trust or federal funds, the
25 employer shall pay to the Board contributions from those funds
26 which are sufficient to cover the accruing normal costs on

1 behalf of the employee. However, universities having employees
2 who are compensated out of local auxiliary funds, income funds,
3 or service enterprise funds are not required to pay such
4 contributions on behalf of those employees. The local auxiliary
5 funds, income funds, and service enterprise funds of
6 universities shall not be considered trust funds for the
7 purpose of this Article, but funds of alumni associations,
8 foundations, and athletic associations which are affiliated
9 with the universities included as employers under this Article
10 and other employers which do not receive State appropriations
11 are considered to be trust funds for the purpose of this
12 Article.

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

26 (c) Through State fiscal year 1995: The total employer

1 contribution shall be apportioned among the various funds of
2 the State and other employers, whether trust, federal, or other
3 funds, in accordance with actuarial procedures approved by the
4 Board. State of Illinois contributions for employers receiving
5 State appropriations for personal services shall be payable
6 from appropriations made to the employers or to the System. The
7 contributions for Class I community colleges covering earnings
8 other than those paid from trust and federal funds, shall be
9 payable solely from appropriations to the Illinois Community
10 College Board or the System for employer contributions.

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

16 (e) The State Comptroller shall draw warrants payable to
17 the System upon proper certification by the System or by the
18 employer in accordance with the appropriation laws and this
19 Code.

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

1 therewith.

2 (g) For academic years beginning on or after June 1, 2005
3 and before July 1, 2018 and for earnings paid to a participant
4 under a contract or collective bargaining agreement entered
5 into, amended, or renewed before June 4, 2018 (the effective
6 date of Public Act 100-587) ~~this amendatory Act of the 100th~~
7 ~~General Assembly~~, if the amount of a participant's earnings for
8 any academic year used to determine the final rate of earnings,
9 determined on a full-time equivalent basis, exceeds the amount
10 of his or her earnings with the same employer for the previous
11 academic year, determined on a full-time equivalent basis, by
12 more than 6%, the participant's employer shall pay to the
13 System, in addition to all other payments required under this
14 Section and in accordance with guidelines established by the
15 System, the present value of the increase in benefits resulting
16 from the portion of the increase in earnings that is in excess
17 of 6%. This present value shall be computed by the System on
18 the basis of the actuarial assumptions and tables used in the
19 most recent actuarial valuation of the System that is available
20 at the time of the computation. The System may require the
21 employer to provide any pertinent information or
22 documentation.

23 Whenever it determines that a payment is or may be required
24 under this subsection (g), the System shall calculate the
25 amount of the payment and bill the employer for that amount.
26 The bill shall specify the calculations used to determine the

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

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

21 When assessing payment for any amount due under this
22 subsection (g), the System shall include earnings, to the
23 extent not established by a participant under Section 15-113.11
24 or 15-113.12, that would have been paid to the participant had
25 the participant not taken (i) periods of voluntary or
26 involuntary furlough occurring on or after July 1, 2015 and on

1 or before June 30, 2017 or (ii) periods of voluntary pay
2 reduction in lieu of furlough occurring on or after July 1,
3 2015 and on or before June 30, 2017. Determining earnings that
4 would have been paid to a participant had the participant not
5 taken periods of voluntary or involuntary furlough or periods
6 of voluntary pay reduction shall be the responsibility of the
7 employer, and shall be reported in a manner prescribed by the
8 System.

9 This subsection (g) does not apply to (1) Tier 2 hybrid
10 plan members and (2) Tier 2 defined benefit members who first
11 participate under this Article on or after the implementation
12 date of the Optional Hybrid Plan.

13 (g-1) For academic years beginning on or after July 1, 2018
14 and for earnings paid to a participant under a contract or
15 collective bargaining agreement entered into, amended, or
16 renewed on or after June 4, 2018 (the effective date of Public
17 Act 100-587) ~~this amendatory Act of the 100th General Assembly,~~
18 if the amount of a participant's earnings for any academic year
19 used to determine the final rate of earnings, determined on a
20 full-time equivalent basis, exceeds the amount of his or her
21 earnings with the same employer for the previous academic year,
22 determined on a full-time equivalent basis, by more than 3%,
23 then the participant's employer shall pay to the System, in
24 addition to all other payments required under this Section and
25 in accordance with guidelines established by the System, the
26 present value of the increase in benefits resulting from the

1 portion of the increase in earnings that is in excess of 3%.
2 This present value shall be computed by the System on the basis
3 of the actuarial assumptions and tables used in the most recent
4 actuarial valuation of the System that is available at the time
5 of the computation. The System may require the employer to
6 provide any pertinent information or documentation.

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

21 The employer contributions required under this subsection
22 (g-1) may be paid in the form of a lump sum within 90 days after
23 receipt of the bill. If the employer contributions are not paid
24 within 90 days after receipt of the bill, then interest shall
25 be charged at a rate equal to the System's annual actuarially
26 assumed rate of return on investment compounded annually from

1 the 91st day after receipt of the bill. Payments must be
2 concluded within 3 years after the employer's receipt of the
3 bill.

4 This subsection (g-1) does not apply to (1) Tier 2 hybrid
5 plan members and (2) Tier 2 defined benefit members who first
6 participate under this Article on or after the implementation
7 date of the Optional Hybrid Plan.

8 (h) This subsection (h) applies only to payments made or
9 salary increases given on or after June 1, 2005 but before July
10 1, 2011. The changes made by Public Act 94-1057 shall not
11 require the System to refund any payments received before July
12 31, 2006 (the effective date of Public Act 94-1057).

13 When assessing payment for any amount due under subsection
14 (g), the System shall exclude earnings increases paid to
15 participants under contracts or collective bargaining
16 agreements entered into, amended, or renewed before June 1,
17 2005.

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

22 When assessing payment for any amount due under subsection
23 (g), the System shall exclude earnings increases resulting from
24 overload work, including a contract for summer teaching, or
25 overtime when the employer has certified to the System, and the
26 System has approved the certification, that: (i) in the case of

1 overloads (A) the overload work is for the sole purpose of
2 academic instruction in excess of the standard number of
3 instruction hours for a full-time employee occurring during the
4 academic year that the overload is paid and (B) the earnings
5 increases are equal to or less than the rate of pay for
6 academic instruction computed using the participant's current
7 salary rate and work schedule; and (ii) in the case of
8 overtime, the overtime was necessary for the educational
9 mission.

10 When assessing payment for any amount due under subsection
11 (g), the System shall exclude any earnings increase resulting
12 from (i) a promotion for which the employee moves from one
13 classification to a higher classification under the State
14 Universities Civil Service System, (ii) a promotion in academic
15 rank for a tenured or tenure-track faculty position, or (iii) a
16 promotion that the Illinois Community College Board has
17 recommended in accordance with subsection (k) of this Section.
18 These earnings increases shall be excluded only if the
19 promotion is to a position that has existed and been filled by
20 a member for no less than one complete academic year and the
21 earnings increase as a result of the promotion is an increase
22 that results in an amount no greater than the average salary
23 paid for other similar positions.

24 (i) When assessing payment for any amount due under
25 subsection (g), the System shall exclude any salary increase
26 described in subsection (h) of this Section given on or after

1 July 1, 2011 but before July 1, 2014 under a contract or
2 collective bargaining agreement entered into, amended, or
3 renewed on or after June 1, 2005 but before July 1, 2011.
4 Notwithstanding any other provision of this Section, any
5 payments made or salary increases given after June 30, 2014
6 shall be used in assessing payment for any amount due under
7 subsection (g) of this Section.

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

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

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

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

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

23 (j-5) For State fiscal years beginning on or after July 1,
24 2017, if the amount of a participant's earnings for any State
25 fiscal year exceeds the amount of the salary set by law for the
26 Governor that is in effect on July 1 of that fiscal year, the

1 participant's employer shall pay to the System, in addition to
2 all other payments required under this Section and in
3 accordance with guidelines established by the System, an amount
4 determined by the System to be equal to the employer normal
5 cost, as established by the System and expressed as a total
6 percentage of payroll, multiplied by the amount of earnings in
7 excess of the amount of the salary set by law for the Governor.
8 This amount shall be computed by the System on the basis of the
9 actuarial assumptions and tables used in the most recent
10 actuarial valuation of the System that is available at the time
11 of the computation. The System may require the employer to
12 provide any pertinent information or documentation.

13 Whenever it determines that a payment is or may be required
14 under this subsection, the System shall calculate the amount of
15 the payment and bill the employer for that amount. The bill
16 shall specify the calculation used to determine the amount due.
17 If the employer disputes the amount of the bill, it may, within
18 30 days after receipt of the bill, apply to the System in
19 writing for a recalculation. The application must specify in
20 detail the grounds of the dispute. Upon receiving a timely
21 application for recalculation, the System shall review the
22 application and, if appropriate, recalculate the amount due.

23 The employer contributions required under this subsection
24 may be paid in the form of a lump sum within 90 days after
25 issuance of the bill. If the employer contributions are not
26 paid within 90 days after issuance of the bill, then interest

1 will be charged at a rate equal to the System's annual
2 actuarially assumed rate of return on investment compounded
3 annually from the 91st day after issuance of the bill. All
4 payments must be received within 3 years after issuance of the
5 bill. If the employer fails to make complete payment, including
6 applicable interest, within 3 years, then the System may, after
7 giving notice to the employer, certify the delinquent amount to
8 the State Comptroller, and the Comptroller shall thereupon
9 deduct the certified delinquent amount from State funds payable
10 to the employer and pay them instead to the System.

11 This subsection (j-5) does not apply to a participant's
12 earnings to the extent an employer pays the employer normal
13 cost of such earnings.

14 The changes made to this subsection (j-5) by Public Act
15 100-624 ~~this amendatory Act of the 100th General Assembly~~ are
16 intended to apply retroactively to July 6, 2017 (the effective
17 date of Public Act 100-23).

18 (k) The Illinois Community College Board shall adopt rules
19 for recommending lists of promotional positions submitted to
20 the Board by community colleges and for reviewing the
21 promotional lists on an annual basis. When recommending
22 promotional lists, the Board shall consider the similarity of
23 the positions submitted to those positions recognized for State
24 universities by the State Universities Civil Service System.
25 The Illinois Community College Board shall file a copy of its
26 findings with the System. The System shall consider the

1 findings of the Illinois Community College Board when making
2 determinations under this Section. The System shall not exclude
3 any earnings increases resulting from a promotion when the
4 promotion was not submitted by a community college. Nothing in
5 this subsection (k) shall require any community college to
6 submit any information to the Community College Board.

7 (l) For purposes of determining the required State
8 contribution to the System, the value of the System's assets
9 shall be equal to the actuarial value of the System's assets,
10 which shall be calculated as follows:

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

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

22 (Source: P.A. 99-897, eff. 1-1-17; 100-23, eff. 7-6-17;
23 100-587, eff. 6-4-18; 100-624, eff. 7-20-18; revised 7-30-18.)

24 (40 ILCS 5/15-165) (from Ch. 108 1/2, par. 15-165)

25 Sec. 15-165. To certify amounts and submit vouchers.

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

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

16 On or before July 1, 2005, the Board shall recalculate and
17 recertify to the Governor the amount of the required State
18 contribution to the System for State fiscal year 2006, taking
19 into account the changes in required State contributions made
20 by this amendatory Act of the 94th General 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, in a written
17 response to the State Actuary, any deviations from the State
18 Actuary's recommended changes, the reason or reasons for not
19 following the State Actuary's recommended changes, and the
20 fiscal impact of not following the State Actuary's recommended
21 changes on the required State contribution.

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

1 100th General Assembly. The State Actuary shall review the
2 assumptions and valuations underlying the Board's revised
3 certification and issue a preliminary report concerning the
4 proposed recertification and identifying, if necessary,
5 recommended changes in actuarial assumptions that the Board
6 must consider before finalizing its certification of the
7 required State contributions. The Board's final certification
8 must note any deviations from the State Actuary's recommended
9 changes, the reason or reasons for not following the State
10 Actuary's recommended changes, and the fiscal impact of not
11 following the State Actuary's recommended changes on the
12 required State contribution.

13 (a-15) On or after June 15, 2019, but no later than June
14 30, 2019, the Board shall recalculate and recertify to the
15 Governor and the General Assembly the amount of the State
16 contribution to the System for State fiscal year 2019, taking
17 into account the changes in required State contributions made
18 by this amendatory Act of the 100th General Assembly. The
19 recalculation shall be made using assumptions adopted by the
20 Board for the original fiscal year 2019 certification. The
21 monthly voucher for the 12th month of fiscal year 2019 shall be
22 paid by the Comptroller after the recertification required
23 pursuant to this subsection is submitted to the Governor,
24 Comptroller, and General Assembly. The recertification
25 submitted to the General Assembly shall be filed with the Clerk
26 of the House of Representatives and the Secretary of the Senate

1 in electronic form only, in the manner that the Clerk and the
2 Secretary shall direct.

3 (a-20) By November 1, 2019, the Board shall recalculate and
4 recertify to the State Actuary, the Governor, and the General
5 Assembly the amount of the State contribution to the System for
6 State fiscal year 2020, taking into account the changes in
7 required State contributions made by this amendatory Act of the
8 101st General Assembly. The State Actuary shall review the
9 assumptions and valuations underlying the Board's revised
10 certification and issue a preliminary report concerning the
11 proposed recertification and identifying, if necessary,
12 recommended changes in actuarial assumptions that the Board
13 must consider before finalizing its certification of the
14 required State contributions. The Board's final certification
15 must note any deviations from the State Actuary's recommended
16 changes, the reason or reasons for not following the State
17 Actuary's recommended changes, and the fiscal impact of not
18 following the State Actuary's recommended changes on the
19 required State contribution.

20 (b) The Board shall certify to the State Comptroller or
21 employer, as the case may be, from time to time, by its
22 chairperson and secretary, with its seal attached, the amounts
23 payable to the System from the various funds.

24 (c) Beginning in State fiscal year 1996, on or as soon as
25 possible after the 15th day of each month the Board shall
26 submit vouchers for payment of State contributions to the

1 System, in a total monthly amount of one-twelfth of the
2 required annual State contribution certified under subsection
3 (a). From the effective date of this amendatory Act of the 93rd
4 General Assembly through June 30, 2004, the Board shall not
5 submit vouchers for the remainder of fiscal year 2004 in excess
6 of the fiscal year 2004 certified contribution amount
7 determined under this Section after taking into consideration
8 the transfer to the System under subsection (b) of Section
9 6z-61 of the State Finance Act. These vouchers shall be paid by
10 the State Comptroller and Treasurer by warrants drawn on the
11 funds appropriated to the System for that fiscal year.

12 If in any month the amount remaining unexpended from all
13 other appropriations to the System for the applicable fiscal
14 year (including the appropriations to the System under Section
15 8.12 of the State Finance Act and Section 1 of the State
16 Pension Funds Continuing Appropriation Act) is less than the
17 amount lawfully vouchered under this Section, the difference
18 shall be paid from the General Revenue Fund under the
19 continuing appropriation authority provided in Section 1.1 of
20 the State Pension Funds Continuing Appropriation Act.

21 (d) So long as the payments received are the full amount
22 lawfully vouchered under this Section, payments received by the
23 System under this Section shall be applied first toward the
24 employer contribution to the self-managed plan established
25 under Section 15-158.2. Payments shall be applied second toward
26 the employer's portion of the normal costs of the System, as

1 defined in subsection (f) of Section 15-155. The balance shall
2 be applied toward the unfunded actuarial liabilities of the
3 System.

4 (e) In the event that the System does not receive, as a
5 result of legislative enactment or otherwise, payments
6 sufficient to fully fund the employer contribution to the
7 self-managed plan established under Section 15-158.2 and to
8 fully fund that portion of the employer's portion of the normal
9 costs of the System, as calculated in accordance with Section
10 15-155(a-1), then any payments received shall be applied
11 proportionately to the optional retirement program established
12 under Section 15-158.2 and to the employer's portion of the
13 normal costs of the System, as calculated in accordance with
14 Section 15-155(a-1).

15 (Source: P.A. 100-23, eff. 7-6-17; 100-587, eff. 6-4-18.)

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

17 Sec. 16-158. Contributions by State and other employing
18 units.

19 (a) The State shall make contributions to the System by
20 means of appropriations from the Common School Fund and other
21 State funds of amounts which, together with other employer
22 contributions, employee contributions, investment income, and
23 other income, will be sufficient to meet the cost of
24 maintaining and administering the System on a 70% ~~90%~~ funded
25 basis in accordance with actuarial recommendations.

1 The Board shall determine the amount of State contributions
2 required for each fiscal year on the basis of the actuarial
3 tables and other assumptions adopted by the Board and the
4 recommendations of the actuary, using the formula in subsection
5 (b-3).

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

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

19 On or before July 1, 2005, the Board shall recalculate and
20 recertify to the Governor the amount of the required State
21 contribution to the System for State fiscal year 2006, taking
22 into account the changes in required State contributions made
23 by Public Act 94-4.

24 On or before April 1, 2011, the Board shall recalculate and
25 recertify to the Governor the amount of the required State
26 contribution to the System for State fiscal year 2011, applying

1 the changes made by Public Act 96-889 to the System's assets
2 and liabilities as of June 30, 2009 as though Public Act 96-889
3 was approved on that date.

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

24 (a-10) By November 1, 2017, the Board shall recalculate and
25 recertify to the State Actuary, the Governor, and the General
26 Assembly the amount of the State contribution to the System for

1 State fiscal year 2018, taking into account the changes in
2 required State contributions made by Public Act 100-23. The
3 State Actuary shall review the assumptions and valuations
4 underlying the Board's revised certification and issue a
5 preliminary report concerning the proposed recertification and
6 identifying, if necessary, recommended changes in actuarial
7 assumptions that the Board must consider before finalizing its
8 certification of the required State contributions. The Board's
9 final certification must note any deviations from the State
10 Actuary's recommended changes, the reason or reasons for not
11 following the State Actuary's recommended changes, and the
12 fiscal impact of not following the State Actuary's recommended
13 changes on the required State contribution.

14 (a-15) On or after June 15, 2019, but no later than June
15 30, 2019, the Board shall recalculate and recertify to the
16 Governor and the General Assembly the amount of the State
17 contribution to the System for State fiscal year 2019, taking
18 into account the changes in required State contributions made
19 by Public Act 100-587 ~~this amendatory Act of the 100th General~~
20 ~~Assembly~~. The recalculation shall be made using assumptions
21 adopted by the Board for the original fiscal year 2019
22 certification. The monthly voucher for the 12th month of fiscal
23 year 2019 shall be paid by the Comptroller after the
24 recertification required pursuant to this subsection is
25 submitted to the Governor, Comptroller, and General Assembly.
26 The recertification submitted to the General Assembly shall be

1 filed with the Clerk of the House of Representatives and the
2 Secretary of the Senate in electronic form only, in the manner
3 that the Clerk and the Secretary shall direct.

4 (a-20) By November 1, 2019, the Board shall recalculate and
5 recertify to the State Actuary, the Governor, and the General
6 Assembly the amount of the State contribution to the System for
7 State fiscal year 2020, taking into account the changes in
8 required State contributions made by this amendatory Act of the
9 101st General Assembly. The State Actuary shall review the
10 assumptions and valuations underlying the Board's revised
11 certification and issue a preliminary report concerning the
12 proposed recertification and identifying, if necessary,
13 recommended changes in actuarial assumptions that the Board
14 must consider before finalizing its certification of the
15 required State contributions. The Board's final certification
16 must note any deviations from the State Actuary's recommended
17 changes, the reason or reasons for not following the State
18 Actuary's recommended changes, and the fiscal impact of not
19 following the State Actuary's recommended changes on the
20 required State contribution.

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

24 (b-1) Beginning in State fiscal year 1996, on the 15th day
25 of each month, or as soon thereafter as may be practicable, the
26 Board shall submit vouchers for payment of State contributions

1 to the System, in a total monthly amount of one-twelfth of the
2 required annual State contribution certified under subsection
3 (a-1). From March 5, 2004 (the effective date of Public Act
4 93-665) through June 30, 2004, the Board shall not submit
5 vouchers for the remainder of fiscal year 2004 in excess of the
6 fiscal year 2004 certified contribution amount determined
7 under this Section after taking into consideration the transfer
8 to the System under subsection (a) of Section 6z-61 of the
9 State Finance Act. These vouchers shall be paid by the State
10 Comptroller and Treasurer by warrants drawn on the funds
11 appropriated to the System for that fiscal year.

12 If in any month the amount remaining unexpended from all
13 other appropriations to the System for the applicable fiscal
14 year (including the appropriations to the System under Section
15 8.12 of the State Finance Act and Section 1 of the State
16 Pension Funds Continuing Appropriation Act) is less than the
17 amount lawfully vouchered under this subsection, the
18 difference shall be paid from the Common School Fund under the
19 continuing appropriation authority provided in Section 1.1 of
20 the State Pension Funds Continuing Appropriation Act.

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

24 (b-3) For State fiscal years 2020 through 2045, the minimum
25 contribution to the System to be made by the State for each
26 fiscal year shall be an amount determined by the System to be

1 equal to the sum of (1) the State's portion of the projected
2 normal cost for that fiscal year, plus (2) an amount
3 sufficient, in equal annual dollar amounts, to bring the total
4 assets of the System up to 70% of the total actuarial
5 liabilities of the System by the end of State fiscal year 2045.
6 In making these determinations, the required State
7 contribution shall be calculated each year as a level
8 percentage of payroll over the years remaining to and including
9 fiscal year 2045 and shall be determined under the projected
10 unit credit actuarial cost method.

11 For State fiscal years 2012 through 2019 ~~2045~~, the minimum
12 contribution to the System to be made by the State for each
13 fiscal year shall be an amount determined by the System to be
14 sufficient to bring the total assets of the System up to 90% of
15 the total actuarial liabilities of the System by the end of
16 State fiscal year 2045. In making these determinations, the
17 required State contribution shall be calculated each year as a
18 level percentage of payroll over the years remaining to and
19 including fiscal year 2045 and shall be determined under the
20 projected unit credit actuarial cost method.

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

26 A change in an actuarial or investment assumption that

1 increases or decreases the required State contribution and
2 first applies in State fiscal year 2018 or thereafter shall be
3 implemented in equal annual amounts over a 5-year period
4 beginning in the State fiscal year in which the actuarial
5 change first applies to the required State contribution.

6 A change in an actuarial or investment assumption that
7 increases or decreases the required State contribution and
8 first applied to the State contribution in fiscal year 2014,
9 2015, 2016, or 2017 shall be implemented:

10 (i) as already applied in State fiscal years before
11 2018; and

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

19 For State fiscal years 1996 through 2005, the State
20 contribution to the System, as a percentage of the applicable
21 employee payroll, shall be increased in equal annual increments
22 so that by State fiscal year 2011, the State is contributing at
23 the rate required under this Section; except that in the
24 following specified State fiscal years, the State contribution
25 to the System shall not be less than the following indicated
26 percentages of the applicable employee payroll, even if the

1 indicated percentage will produce a State contribution in
2 excess of the amount otherwise required under this subsection
3 and subsection (a), and notwithstanding any contrary
4 certification made under subsection (a-1) before May 27, 1998
5 (the effective date of Public Act 90-582): 10.02% in FY 1999;
6 10.77% in FY 2000; 11.47% in FY 2001; 12.16% in FY 2002; 12.86%
7 in FY 2003; and 13.56% in FY 2004.

8 Notwithstanding any other provision of this Article, the
9 total required State contribution for State fiscal year 2006 is
10 \$534,627,700.

11 Notwithstanding any other provision of this Article, the
12 total required State contribution for State fiscal year 2007 is
13 \$738,014,500.

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

20 Notwithstanding any other provision of this Article, the
21 total required State contribution for State fiscal year 2010 is
22 \$2,089,268,000 and shall be made from the proceeds of bonds
23 sold in fiscal year 2010 pursuant to Section 7.2 of the General
24 Obligation Bond Act, less (i) the pro rata share of bond sale
25 expenses determined by the System's share of total bond
26 proceeds, (ii) any amounts received from the Common School Fund

1 in fiscal year 2010, and (iii) any reduction in bond proceeds
2 due to the issuance of discounted bonds, if applicable.

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

19 Beginning in State fiscal year 2046, the minimum State
20 contribution for each fiscal year shall be the amount needed to
21 maintain the total assets of the System at 70% ~~90%~~ of the total
22 actuarial liabilities of the System.

23 Amounts received by the System pursuant to Section 25 of
24 the Budget Stabilization Act or Section 8.12 of the State
25 Finance Act in any fiscal year do not reduce and do not
26 constitute payment of any portion of the minimum State

1 contribution required under this Article in that fiscal year.
2 Such amounts shall not reduce, and shall not be included in the
3 calculation of, the required State contributions under this
4 Article in any future year until the System has reached a
5 funding ratio of at least 70% ~~90%~~. A reference in this Article
6 to the "required State contribution" or any substantially
7 similar term does not include or apply to any amounts payable
8 to the System under Section 25 of the Budget Stabilization Act.

9 Notwithstanding any other provision of this Section, the
10 required State contribution for State fiscal year 2005 and for
11 fiscal year 2008 and each fiscal year thereafter, as calculated
12 under this Section and certified under subsection (a-1), shall
13 not exceed an amount equal to (i) the amount of the required
14 State contribution that would have been calculated under this
15 Section for that fiscal year if the System had not received any
16 payments under subsection (d) of Section 7.2 of the General
17 Obligation Bond Act, minus (ii) the portion of the State's
18 total debt service payments for that fiscal year on the bonds
19 issued in fiscal year 2003 for the purposes of that Section
20 7.2, as determined and certified by the Comptroller, that is
21 the same as the System's portion of the total moneys
22 distributed under subsection (d) of Section 7.2 of the General
23 Obligation Bond Act. In determining this maximum for State
24 fiscal years 2008 through 2010, however, the amount referred to
25 in item (i) shall be increased, as a percentage of the
26 applicable employee payroll, in equal increments calculated

1 from the sum of the required State contribution for State
2 fiscal year 2007 plus the applicable portion of the State's
3 total debt service payments for fiscal year 2007 on the bonds
4 issued in fiscal year 2003 for the purposes of Section 7.2 of
5 the General Obligation Bond Act, so that, by State fiscal year
6 2011, the State is contributing at the rate otherwise required
7 under this Section.

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

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

24 (ii) the amount required for that fiscal year to
25 amortize any unfunded actuarial accrued liability
26 associated with the present value of liabilities

1 attributable to the employer's account under Section
2 16-158.3, determined as a level percentage of payroll over
3 a 30-year rolling amortization period.

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

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

13 The contributions required under this subsection (b-4)
14 shall be paid by an employer concurrently with that employer's
15 payroll payment period. The State, as the actual employer of an
16 employee, shall make the required contributions under this
17 subsection.

18 (c) Payment of the required State contributions and of all
19 pensions, retirement annuities, death benefits, refunds, and
20 other benefits granted under or assumed by this System, and all
21 expenses in connection with the administration and operation
22 thereof, are obligations of the State.

23 If members are paid from special trust or federal funds
24 which are administered by the employing unit, whether school
25 district or other unit, the employing unit shall pay to the
26 System from such funds the full accruing retirement costs based

1 upon that service, which, beginning July 1, 2017, shall be at a
2 rate, expressed as a percentage of salary, equal to the total
3 employer's normal cost, expressed as a percentage of payroll,
4 as determined by the System. Employer contributions, based on
5 salary paid to members from federal funds, may be forwarded by
6 the distributing agency of the State of Illinois to the System
7 prior to allocation, in an amount determined in accordance with
8 guidelines established by such agency and the System. Any
9 contribution for fiscal year 2015 collected as a result of the
10 change made by Public Act 98-674 shall be considered a State
11 contribution under subsection (b-3) of this Section.

12 (d) Effective July 1, 1986, any employer of a teacher as
13 defined in paragraph (8) of Section 16-106 shall pay the
14 employer's normal cost of benefits based upon the teacher's
15 service, in addition to employee contributions, as determined
16 by the System. Such employer contributions shall be forwarded
17 monthly in accordance with guidelines established by the
18 System.

19 However, with respect to benefits granted under Section
20 16-133.4 or 16-133.5 to a teacher as defined in paragraph (8)
21 of Section 16-106, the employer's contribution shall be 12%
22 (rather than 20%) of the member's highest annual salary rate
23 for each year of creditable service granted, and the employer
24 shall also pay the required employee contribution on behalf of
25 the teacher. For the purposes of Sections 16-133.4 and
26 16-133.5, a teacher as defined in paragraph (8) of Section

1 16-106 who is serving in that capacity while on leave of
2 absence from another employer under this Article shall not be
3 considered an employee of the employer from which the teacher
4 is on leave.

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

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

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

14 The school district or other employing unit may pay these
15 employer contributions out of any source of funding available
16 for that purpose and shall forward the contributions to the
17 System on the schedule established for the payment of member
18 contributions.

19 These employer contributions are intended to offset a
20 portion of the cost to the System of the increases in
21 retirement benefits resulting from Public Act 90-582.

22 Each employer of teachers is entitled to a credit against
23 the contributions required under this subsection (e) with
24 respect to salaries paid to teachers for the period January 1,
25 2002 through June 30, 2003, equal to the amount paid by that
26 employer under subsection (a-5) of Section 6.6 of the State

1 Employees Group Insurance Act of 1971 with respect to salaries
2 paid to teachers for that period.

3 The additional 1% employee contribution required under
4 Section 16-152 by Public Act 90-582 is the responsibility of
5 the teacher and not the teacher's employer, unless the employer
6 agrees, through collective bargaining or otherwise, to make the
7 contribution on behalf of the teacher.

8 If an employer is required by a contract in effect on May
9 1, 1998 between the employer and an employee organization to
10 pay, on behalf of all its full-time employees covered by this
11 Article, all mandatory employee contributions required under
12 this Article, then the employer shall be excused from paying
13 the employer contribution required under this subsection (e)
14 for the balance of the term of that contract. The employer and
15 the employee organization shall jointly certify to the System
16 the existence of the contractual requirement, in such form as
17 the System may prescribe. This exclusion shall cease upon the
18 termination, extension, or renewal of the contract at any time
19 after May 1, 1998.

20 (f) For school years beginning on or after June 1, 2005 and
21 before July 1, 2018 and for salary paid to a teacher under a
22 contract or collective bargaining agreement entered into,
23 amended, or renewed before June 4, 2018 (the effective date of
24 Public Act 100-587) ~~this amendatory Act of the 100th General~~
25 ~~Assembly~~, if the amount of a teacher's salary for any school
26 year used to determine final average salary exceeds the

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

23 Whenever it determines that a payment is or may be required
24 under this subsection, the System shall calculate the amount of
25 the payment and bill the employer for that amount. The bill
26 shall specify the calculations used to determine the amount

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

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

21 (f-1) For school years beginning on or after July 1, 2018
22 and for salary paid to a teacher under a contract or collective
23 bargaining agreement entered into, amended, or renewed on or
24 after June 4, 2018 (the effective date of Public Act 100-587)
25 ~~this amendatory Act of the 100th General Assembly~~, if the
26 amount of a teacher's salary for any school year used to

1 determine final average salary exceeds the member's annual
2 full-time salary rate with the same employer for the previous
3 school year by more than 3%, then the teacher's employer shall
4 pay to the System, in addition to all other payments required
5 under this Section and in accordance with guidelines
6 established by the System, the present value of the increase in
7 benefits resulting from the portion of the increase in salary
8 that is in excess of 3%. This present value shall be computed
9 by the System on the basis of the actuarial assumptions and
10 tables used in the most recent actuarial valuation of the
11 System that is available at the time of the computation. The
12 System may require the employer to provide any pertinent
13 information or documentation.

14 Whenever it determines that a payment is or may be required
15 under this subsection (f-1), the System shall calculate the
16 amount of the payment and bill the employer for that amount.
17 The bill shall specify the calculations used to determine the
18 amount due. If the employer disputes the amount of the bill, it
19 shall, within 30 days after receipt of the bill, apply to the
20 System in writing for a recalculation. The application must
21 specify in detail the grounds of the dispute and, if the
22 employer asserts that subsection (f) of this Section applies,
23 must include an affidavit setting forth and attesting to all
24 facts within the employer's knowledge that are pertinent to the
25 applicability of subsection (f). Upon receiving a timely
26 application for recalculation, the System shall review the

1 application and, if appropriate, recalculate the amount due.

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

11 (g) This subsection (g) applies only to payments made or
12 salary increases given on or after June 1, 2005 but before July
13 1, 2011. The changes made by Public Act 94-1057 shall not
14 require the System to refund any payments received before July
15 31, 2006 (the effective date of Public Act 94-1057).

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

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

24 When assessing payment for any amount due under subsection
25 (f), the System shall exclude salary increases resulting from
26 overload work, including summer school, when the school

1 district has certified to the System, and the System has
2 approved the certification, that (i) the overload work is for
3 the sole purpose of classroom instruction in excess of the
4 standard number of classes for a full-time teacher in a school
5 district during a school year and (ii) the salary increases are
6 equal to or less than the rate of pay for classroom instruction
7 computed on the teacher's current salary and work schedule.

8 When assessing payment for any amount due under subsection
9 (f), the System shall exclude a salary increase resulting from
10 a promotion (i) for which the employee is required to hold a
11 certificate or supervisory endorsement issued by the State
12 Teacher Certification Board that is a different certification
13 or supervisory endorsement than is required for the teacher's
14 previous position and (ii) to a position that has existed and
15 been filled by a member for no less than one complete academic
16 year and the salary increase from the promotion is an increase
17 that results in an amount no greater than the lesser of the
18 average salary paid for other similar positions in the district
19 requiring the same certification or the amount stipulated in
20 the collective bargaining agreement for a similar position
21 requiring the same certification.

22 When assessing payment for any amount due under subsection
23 (f), the System shall exclude any payment to the teacher from
24 the State of Illinois or the State Board of Education over
25 which the employer does not have discretion, notwithstanding
26 that the payment is included in the computation of final

1 average salary.

2 (h) When assessing payment for any amount due under
3 subsection (f), the System shall exclude any salary increase
4 described in subsection (g) of this Section given on or after
5 July 1, 2011 but before July 1, 2014 under a contract or
6 collective bargaining agreement entered into, amended, or
7 renewed on or after June 1, 2005 but before July 1, 2011.
8 Notwithstanding any other provision of this Section, any
9 payments made or salary increases given after June 30, 2014
10 shall be used in assessing payment for any amount due under
11 subsection (f) of this Section.

12 (i) The System shall prepare a report and file copies of
13 the report with the Governor and the General Assembly by
14 January 1, 2007 that contains all of the following information:

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

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

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

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

1 (i-5) For school years beginning on or after July 1, 2017,
2 if the amount of a participant's salary for any school year
3 exceeds the amount of the salary set for the Governor, the
4 participant's employer shall pay to the System, in addition to
5 all other payments required under this Section and in
6 accordance with guidelines established by the System, an amount
7 determined by the System to be equal to the employer normal
8 cost, as established by the System and expressed as a total
9 percentage of payroll, multiplied by the amount of salary in
10 excess of the amount of the salary set for the Governor. This
11 amount shall be computed by the System on the basis of the
12 actuarial assumptions and tables used in the most recent
13 actuarial valuation of the System that is available at the time
14 of the computation. The System may require the employer to
15 provide any pertinent information or documentation.

16 Whenever it determines that a payment is or may be required
17 under this subsection, the System shall calculate the amount of
18 the payment and bill the employer for that amount. The bill
19 shall specify the calculations used to determine the amount
20 due. If the employer disputes the amount of the bill, it may,
21 within 30 days after receipt of the bill, apply to the System
22 in writing for a recalculation. The application must specify in
23 detail the grounds of the dispute. Upon receiving a timely
24 application for recalculation, the System shall review the
25 application and, if appropriate, recalculate the amount due.

26 The employer contributions required under this subsection

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

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

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

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

24 (Source: P.A. 100-23, eff. 7-6-17; 100-340, eff. 8-25-17;
25 100-587, eff. 6-4-18; 100-624, eff. 7-20-18; 100-863, eff.
26 8-14-18; revised 10-4-18.)

1 (40 ILCS 5/18-131) (from Ch. 108 1/2, par. 18-131)

2 Sec. 18-131. Financing; employer contributions.

3 (a) The State of Illinois shall make contributions to this
4 System by appropriations of the amounts which, together with
5 the contributions of participants, net earnings on
6 investments, and other income, will meet the costs of
7 maintaining and administering this System on a 70% ~~90%~~ funded
8 basis in accordance with actuarial recommendations.

9 (b) The Board shall determine the amount of State
10 contributions required for each fiscal year on the basis of the
11 actuarial tables and other assumptions adopted by the Board and
12 the prescribed rate of interest, using the formula in
13 subsection (c).

14 (c) For State fiscal years 2020 through 2045, the minimum
15 contribution to the System to be made by the State for each
16 fiscal year shall be an amount determined by the System to be
17 equal to the sum of (1) the State's portion of the projected
18 normal cost for that fiscal year, plus (2) an amount
19 sufficient, in equal annual dollar amounts, to bring the total
20 assets of the System up to 70% of the total actuarial
21 liabilities of the System by the end of State fiscal year 2045.
22 In making these determinations, the required State
23 contribution shall be calculated each year as a level
24 percentage of payroll over the years remaining to and including
25 fiscal year 2045 and shall be determined under the projected

1 unit credit actuarial cost method.

2 For State fiscal years 2012 through 2019 ~~2045~~, the minimum
3 contribution to the System to be made by the State for each
4 fiscal year shall be an amount determined by the System to be
5 sufficient to bring the total assets of the System up to 90% of
6 the total actuarial liabilities of the System by the end of
7 State fiscal year 2045. In making these determinations, the
8 required State contribution shall be calculated each year as a
9 level percentage of payroll over the years remaining to and
10 including fiscal year 2045 and shall be determined under the
11 projected unit credit actuarial cost method.

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 \$29,189,400.

13 Notwithstanding any other provision of this Article, the
14 total required State contribution for State fiscal year 2007 is
15 \$35,236,800.

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 \$78,832,000 and shall be made from the proceeds of bonds sold
25 in fiscal year 2010 pursuant to Section 7.2 of the General
26 Obligation Bond Act, less (i) the pro rata share of bond sale

1 expenses determined by the System's share of total bond
2 proceeds, (ii) any amounts received from the General Revenue
3 Fund in fiscal year 2010, and (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 18-140 and shall be made from the proceeds
10 of bonds sold in fiscal year 2011 pursuant to Section 7.2 of
11 the General Obligation Bond Act, less (i) the pro rata share of
12 bond sale expenses determined by the System's share of total
13 bond proceeds, (ii) any amounts received from the General
14 Revenue Fund in fiscal year 2011, and (iii) any reduction in
15 bond proceeds due to the issuance of discounted bonds, if
16 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 70% ~~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 70% ~~90%~~. A reference in this Article
4 to the "required State contribution" or any substantially
5 similar term does not include or apply to any amounts payable
6 to the 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 18-140, 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 (d) For purposes of determining the required State
7 contribution to the System, the value of the System's assets
8 shall be equal to the actuarial value of the System's assets,
9 which shall be calculated as follows:

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

17 (e) For purposes of determining the required State
18 contribution to the system for a particular year, the actuarial
19 value of assets shall be assumed to earn a rate of return equal
20 to the system's actuarially assumed rate of return.

21 (Source: P.A. 100-23, eff. 7-6-17.)

22 (40 ILCS 5/18-140) (from Ch. 108 1/2, par. 18-140)

23 Sec. 18-140. To certify required State contributions and
24 submit vouchers.

25 (a) The Board shall certify to the Governor, on or before

1 November 15 of each year until November 15, 2011, the amount of
2 the required State contribution to the System for the following
3 fiscal year and shall specifically identify the System's
4 projected State normal cost for that fiscal year. The
5 certification shall include a copy of the actuarial
6 recommendations upon which it is based and shall specifically
7 identify the System's projected State normal cost for that
8 fiscal year.

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

1 the fiscal impact of not following the State Actuary's
2 recommended changes on the required State contribution.

3 On or before May 1, 2004, the Board shall recalculate and
4 recertify to the Governor the amount of the required State
5 contribution to the System for State fiscal year 2005, taking
6 into account the amounts appropriated to and received by the
7 System under subsection (d) of Section 7.2 of the General
8 Obligation Bond Act.

9 On or before July 1, 2005, 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 2006, taking
12 into account the changes in required State contributions made
13 by this amendatory Act of the 94th General Assembly.

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

20 By November 1, 2017, the Board shall recalculate and
21 recertify to the State Actuary, the Governor, and the General
22 Assembly the amount of the State contribution to the System for
23 State fiscal year 2018, taking into account the changes in
24 required State contributions made by this amendatory Act of the
25 100th General Assembly. The State Actuary shall review the
26 assumptions and valuations underlying the Board's revised

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

11 By November 1, 2019, the Board shall recalculate and
12 recertify to the State Actuary, the Governor, and the General
13 Assembly the amount of the State contribution to the System for
14 State fiscal year 2020, taking into account the changes in
15 required State contributions made by this amendatory Act of the
16 101st General Assembly. The State Actuary shall review the
17 assumptions and valuations underlying the Board's revised
18 certification and issue a preliminary report concerning the
19 proposed recertification and identifying, if necessary,
20 recommended changes in actuarial assumptions that the Board
21 must consider before finalizing its certification of the
22 required State contributions. The Board's final certification
23 must note any deviations from the State Actuary's recommended
24 changes, the reason or reasons for not following the State
25 Actuary's recommended changes, and the fiscal impact of not
26 following the State Actuary's recommended changes on the

1 required State contribution.

2 (b) Beginning in State fiscal year 1996, on or as soon as
3 possible after the 15th day of each month the Board shall
4 submit vouchers for payment of State contributions to the
5 System, in a total monthly amount of one-twelfth of the
6 required annual State contribution certified under subsection
7 (a). From the effective date of this amendatory Act of the 93rd
8 General Assembly through June 30, 2004, the Board shall not
9 submit vouchers for the remainder of fiscal year 2004 in excess
10 of the fiscal year 2004 certified contribution amount
11 determined under this Section after taking into consideration
12 the transfer to the System under subsection (c) of Section
13 6z-61 of the State Finance Act. These vouchers shall be paid by
14 the State Comptroller and Treasurer by warrants drawn on the
15 funds appropriated to the System for that fiscal year.

16 If in any month the amount remaining unexpended from all
17 other appropriations to the System for the applicable fiscal
18 year (including the appropriations to the System under Section
19 8.12 of the State Finance Act and Section 1 of the State
20 Pension Funds Continuing Appropriation Act) is less than the
21 amount lawfully vouchered under this Section, the difference
22 shall be paid from the General Revenue Fund under the
23 continuing appropriation authority provided in Section 1.1 of
24 the State Pension Funds Continuing Appropriation Act.

25 (Source: P.A. 100-23, eff. 7-6-17.)

1 Section 25. The School Code is amended by adding Section
2 2-3.176 as follows:

3 (105 ILCS 5/2-3.176 new)

4 Sec. 2-3.176. Grants to school districts. Beginning State
5 fiscal year 2021, the State Board of Education shall make
6 grants to school districts from the Property Tax Relief and
7 Pension Stabilization Fund to each school district on an equal
8 per-pupil basis. A school district that receives a grant shall
9 certify the amount of the grant to the county clerk.

10 Section 90. The State Mandates Act is amended by adding
11 Section 8.43 as follows:

12 (30 ILCS 805/8.43 new)

13 Sec. 8.43. Exempt mandate. Notwithstanding Sections 6 and 8
14 of this Act, no reimbursement by the State is required for the
15 implementation of any mandate created by this amendatory Act of
16 the 101st General Assembly.

17 Section 99. Effective date. This Act takes effect upon
18 becoming law.

1 INDEX

2 Statutes amended in order of appearance

3 15 ILCS 20/50-21 new

4 30 ILCS 105/5.891 new

5 30 ILCS 105/6z-107 new

6 35 ILCS 200/18-45

7 40 ILCS 5/1-103.3

8 40 ILCS 5/2-124 from Ch. 108 1/2, par. 2-124

9 40 ILCS 5/2-134 from Ch. 108 1/2, par. 2-134

10 40 ILCS 5/14-131

11 40 ILCS 5/14-135.08 from Ch. 108 1/2, par. 14-135.08

12 40 ILCS 5/15-155 from Ch. 108 1/2, par. 15-155

13 40 ILCS 5/15-165 from Ch. 108 1/2, par. 15-165

14 40 ILCS 5/16-158 from Ch. 108 1/2, par. 16-158

15 40 ILCS 5/18-131 from Ch. 108 1/2, par. 18-131

16 40 ILCS 5/18-140 from Ch. 108 1/2, par. 18-140

17 105 ILCS 5/2-3.176 new

18 30 ILCS 805/8.43 new