

AN ACT concerning public employee benefits.

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

Section 5. The Illinois Pension Code is amended by changing Sections 17-131 and 17-132 as follows:

(40 ILCS 5/17-131) (from Ch. 108 1/2, par. 17-131)

Sec. 17-131. Administration of payroll deductions.

(a) An Employer or the Board shall make pension deductions in each pay period on the basis of the salary earned in that period, exclusive of salaries for overtime, extracurricular activities ~~special services~~, or any employment on an optional basis, such as in summer school.

(b) If a salary paid in a pay period includes adjustments on account of errors or omissions in prior pay periods, then salary amounts and related pension deductions shall be separately identified as to the adjusted pay period and deductions by the Employer or the Board shall be at rates in force during the applicable adjusted pay period.

(c) If members earn salaries for the school year, as established by an Employer, or if they earn annual salaries over more than a 10-calendar month period, or if they earn annual salaries over more than 170 calendar days, the required contribution amount shall be deducted by the Employer in

installments on the basis of salary earned in each pay period. The total amounts for each pay period shall be deducted whenever salary payments represent a partial or whole day's pay.

(d) If an Employer or the Board pays a salary to a member for vacation periods, then the salary shall be considered part of the member's pensionable salary, shall be subject to the standard deductions for pension contributions, and shall be considered to represent pay for the number of whole days of vacation.

(e) If deductions from salaries result in amounts of less than one cent, the fractional sums shall be increased to the next higher cent. Any excess of these fractional increases over the prescribed annual contributions shall be credited to the members' accounts.

(f) In the event that, pursuant to Section 17-130.1, employee contributions are picked up or made by the Board of Education on behalf of its employees, then the amount of the employee contributions which are picked up or made in that manner shall not be deducted from the salaries of such employees.

(Source: P.A. 97-30, eff. 7-1-11.)

(40 ILCS 5/17-132) (from Ch. 108 1/2, par. 17-132)

Sec. 17-132. Payments and certification of salary deductions.

(a) An Employer shall cause the Fund to receive all members' payroll records and pension contributions within 30 calendar days after each predesignated payday. For purposes of this Section, the predesignated payday shall be determined in accordance with each Employer's payroll schedule for contributions to the Fund.

(b) An Employer that fails to timely certify and submit payroll records to the Fund is subject to a statutory penalty in the amount of \$100 per day for each day that a required certification and submission is late.

Amounts not received by the 30th calendar day after the predesignated payday shall be deemed delinquent and subject to a penalty consisting of interest, which shall accrue on a monthly basis at the Fund's then effective actuarial rate of return, and liquidated damages in the amount of \$100 per day, not to exceed 20% of the principal contributions due, which shall be mandatory except for good cause shown and in the discretion of the Board.

An Employer in possession of member contributions deducted from payroll checks is holding Fund assets, and thus becomes a fiduciary over those assets.

(c) The payroll records shall report (1) all pensionable salary earned in that pay period, exclusive of salaries for overtime, extracurricular activities ~~special services~~, or any employment on an optional basis, such as in summer school; (2) adjustments to pensionable salary, exclusive of salaries for

overtime, extracurricular activities ~~special services~~, or any employment on an optional basis, such as in summer school, made in a pay period for any prior pay periods; (3) pension contributions attributable to pensionable salary earned in the reported pay period or the adjusted pay period as required by subsection (b) of Section 17-131; and (4) any salary paid by an Employer if that salary is compensation for validated service and is exclusive of salary for overtime, extracurricular activities ~~special services~~, or any employment on an optional basis, such as in summer school. Payroll records required by item (4) of this paragraph shall identify the number of days of service rendered by the member and whether each day of service represents a partial or whole day of service.

(d) The appropriate officers of the Employer shall certify and submit the payroll records no later than 30 calendar days after each predesignated payday. The certification shall constitute a confirmation of the accuracy of such deductions according to the provisions of this Article.

Each Charter School shall designate an administrator as a "Pension Officer". The Pension Officer shall be responsible for certifying all payroll information, including contributions due and certified sick days payable pursuant to Section 17-134, and assuring resolution of reported payroll and contribution deficiencies.

(e) The Board has the authority to conduct payroll audits of a charter school to determine the existence of any

delinquencies in contributions to the Fund, and such charter school shall be required to provide such books and records and contribution information as the Board or its authorized representative may require. The Board is also authorized to collect delinquent contributions from charter schools and develop procedures for the collection of such delinquencies. Collection procedures may include legal proceedings in the courts of the State of Illinois. Expenses, including reasonable attorneys' fees, incurred in the collection of delinquent contributions may be assessed by the Board against the charter school.

(Source: P.A. 98-427, eff. 8-16-13; 99-176, eff. 7-29-15.)

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