

1 AN ACT concerning education.

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

4 Section 5. The Illinois Administrative Procedure Act is
5 amended by adding Section 5-45.65 as follows:

6 (5 ILCS 100/5-45.65 new)

7 Sec. 5-45.65. Emergency rulemaking; student teaching
8 stipend program. To provide for the expeditious and timely
9 implementation of Section 9.45 of the Board of Higher
10 Education Act, emergency rules implementing Section 9.45 of
11 the Board of Higher Education Act may be adopted in accordance
12 with Section 5-45 by the Board of Higher Education. The
13 adoption of emergency rules authorized by Section 5-45 and
14 this Section is deemed to be necessary for the public
15 interest, safety, and welfare.

16 This Section is repealed one year after the effective date
17 of this amendatory Act of the 104th General Assembly.

18 Section 10. The Illinois Pension Code is amended by
19 changing Sections 16-127, 16-158, and 16-203 as follows:

20 (40 ILCS 5/16-127) (from Ch. 108 1/2, par. 16-127)

21 Sec. 16-127. Computation of creditable service.

1 (a) Each member shall receive regular credit for all
2 service as a teacher from the date membership begins, for
3 which satisfactory evidence is supplied and all contributions
4 have been paid.

5 (b) The following periods of service shall earn optional
6 credit and each member shall receive credit for all such
7 service for which satisfactory evidence is supplied and all
8 contributions have been paid as of the date specified:

9 (1) Prior service as a teacher.

10 (2) Service in a capacity essentially similar or
11 equivalent to that of a teacher, in the public common
12 schools in school districts in this State not included
13 within the provisions of this System, or of any other
14 State, territory, dependency or possession of the United
15 States, or in schools operated by or under the auspices of
16 the United States, or under the auspices of any agency or
17 department of any other State, and service during any
18 period of professional speech correction or special
19 education experience for a public agency within this State
20 or any other State, territory, dependency or possession of
21 the United States, and service prior to February 1, 1951
22 as a recreation worker for the Illinois Department of
23 Public Safety, for a period not exceeding the lesser of
24 2/5 of the total creditable service of the member or 10
25 years. The maximum service of 10 years which is allowable
26 under this paragraph shall be reduced by the service

1 credit which is validated by other retirement systems
2 under paragraph (i) of Section 15-113 and paragraph 1 of
3 Section 17-133. Credit granted under this paragraph may
4 not be used in determination of a retirement annuity or
5 disability benefits unless the member has at least 5 years
6 of creditable service earned subsequent to this employment
7 with one or more of the following systems: Teachers'
8 Retirement System of the State of Illinois, State
9 Universities Retirement System, and the Public School
10 Teachers' Pension and Retirement Fund of Chicago. Whenever
11 such service credit exceeds the maximum allowed for all
12 purposes of this Article, the first service rendered in
13 point of time shall be considered. The changes to this
14 paragraph (2) made by Public Act 86-272 shall apply not
15 only to persons who on or after its effective date (August
16 23, 1989) are in service as a teacher under the System, but
17 also to persons whose status as such a teacher terminated
18 prior to such effective date, whether or not such person
19 is an annuitant on that date.

20 (3) Any periods immediately following teaching
21 service, under this System or under Article 17, (or
22 immediately following service prior to February 1, 1951 as
23 a recreation worker for the Illinois Department of Public
24 Safety) spent in active service with the military forces
25 of the United States; periods spent in educational
26 programs that prepare for return to teaching sponsored by

1 the federal government following such active military
2 service; if a teacher returns to teaching service within
3 one calendar year after discharge or after the completion
4 of the educational program, a further period, not
5 exceeding one calendar year, between time spent in
6 military service or in such educational programs and the
7 return to employment as a teacher under this System; and a
8 period of up to 2 years of active military service not
9 immediately following employment as a teacher.

10 The changes to this Section and Section 16-128
11 relating to military service made by Public Act 87-794
12 shall apply not only to persons who on or after its
13 effective date are in service as a teacher under the
14 System, but also to persons whose status as a teacher
15 terminated prior to that date, whether or not the person
16 is an annuitant on that date. In the case of an annuitant
17 who applies for credit allowable under this Section for a
18 period of military service that did not immediately follow
19 employment, and who has made the required contributions
20 for such credit, the annuity shall be recalculated to
21 include the additional service credit, with the increase
22 taking effect on the date the System received written
23 notification of the annuitant's intent to purchase the
24 credit, if payment of all the required contributions is
25 made within 60 days of such notice, or else on the first
26 annuity payment date following the date of payment of the

1 required contributions. In calculating the automatic
2 annual increase for an annuity that has been recalculated
3 under this Section, the increase attributable to the
4 additional service allowable under Public Act 87-794 shall
5 be included in the calculation of automatic annual
6 increases accruing after the effective date of the
7 recalculation.

8 Credit for military service shall be determined as
9 follows: if entry occurs during the months of July,
10 August, or September and the member was a teacher at the
11 end of the immediately preceding school term, credit shall
12 be granted from July 1 of the year in which he or she
13 entered service; if entry occurs during the school term
14 and the teacher was in teaching service at the beginning
15 of the school term, credit shall be granted from July 1 of
16 such year. In all other cases where credit for military
17 service is allowed, credit shall be granted from the date
18 of entry into the service.

19 The total period of military service for which credit
20 is granted shall not exceed 5 years for any member unless
21 the service: (A) is validated before July 1, 1964, and (B)
22 does not extend beyond July 1, 1963. Credit for military
23 service shall be granted under this Section only if not
24 more than 5 years of the military service for which credit
25 is granted under this Section is used by the member to
26 qualify for a military retirement allotment from any

1 branch of the armed forces of the United States. The
2 changes to this paragraph (3) made by Public Act 86-272
3 shall apply not only to persons who on or after its
4 effective date (August 23, 1989) are in service as a
5 teacher under the System, but also to persons whose status
6 as such a teacher terminated prior to such effective date,
7 whether or not such person is an annuitant on that date.

8 (4) Any periods served as a member of the General
9 Assembly.

10 (5) (i) Any periods for which a teacher, as defined in
11 Section 16-106, is granted a leave of absence, provided he
12 or she returns to teaching service creditable under this
13 System or the State Universities Retirement System
14 following the leave; (ii) periods during which a teacher
15 is involuntarily laid off from teaching, provided he or
16 she returns to teaching following the lay-off; (iii)
17 periods prior to July 1, 1983 during which a teacher
18 ceased covered employment due to pregnancy, provided that
19 the teacher returned to teaching service creditable under
20 this System or the State Universities Retirement System
21 following the pregnancy and submits evidence satisfactory
22 to the Board documenting that the employment ceased due to
23 pregnancy; and (iv) periods prior to July 1, 1983 during
24 which a teacher ceased covered employment for the purpose
25 of adopting an infant under 3 years of age or caring for a
26 newly adopted infant under 3 years of age, provided that

1 the teacher returned to teaching service creditable under
2 this System or the State Universities Retirement System
3 following the adoption and submits evidence satisfactory
4 to the Board documenting that the employment ceased for
5 the purpose of adopting an infant under 3 years of age or
6 caring for a newly adopted infant under 3 years of age.
7 However, total credit under this paragraph (5) may not
8 exceed 3 years.

9 Any qualified member or annuitant may apply for credit
10 under item (iii) or (iv) of this paragraph (5) without
11 regard to whether service was terminated before June 27,
12 1997 (the effective date of Public Act 90-32). In the case
13 of an annuitant who establishes credit under item (iii) or
14 (iv), the annuity shall be recalculated to include the
15 additional service credit. The increase in annuity shall
16 take effect on the date the System receives written
17 notification of the annuitant's intent to purchase the
18 credit, if the required evidence is submitted and the
19 required contribution paid within 60 days of that
20 notification, otherwise on the first annuity payment date
21 following the System's receipt of the required evidence
22 and contribution. The increase in an annuity recalculated
23 under this provision shall be included in the calculation
24 of automatic annual increases in the annuity accruing
25 after the effective date of the recalculation.

26 Optional credit may be purchased under this paragraph

1 (5) for periods during which a teacher has been granted a
2 leave of absence pursuant to Section 24-13 of the School
3 Code. A teacher whose service under this Article
4 terminated prior to the effective date of Public Act
5 86-1488 shall be eligible to purchase such optional
6 credit. If a teacher who purchases this optional credit is
7 already receiving a retirement annuity under this Article,
8 the annuity shall be recalculated as if the annuitant had
9 applied for the leave of absence credit at the time of
10 retirement. The difference between the entitled annuity
11 and the actual annuity shall be credited to the purchase
12 of the optional credit. The remainder of the purchase cost
13 of the optional credit shall be paid on or before April 1,
14 1992.

15 The change in this paragraph made by Public Act 86-273
16 shall be applicable to teachers who retire after June 1,
17 1989, as well as to teachers who are in service on that
18 date.

19 (6) Any days of unused and uncompensated accumulated
20 sick leave earned by a teacher. The service credit granted
21 under this paragraph shall be the ratio of the number of
22 unused and uncompensated accumulated sick leave days to
23 170 days, subject to a maximum of 2 years of service
24 credit. Prior to the member's retirement, each former
25 employer shall certify to the System the number of unused
26 and uncompensated accumulated sick leave days credited to

1 the member at the time of termination of service. The
2 period of unused sick leave shall not be considered in
3 determining the effective date of retirement. A member is
4 not required to make contributions in order to obtain
5 service credit for unused sick leave.

6 Credit for sick leave shall, at retirement, be granted
7 by the System for any retiring regional or assistant
8 regional superintendent of schools at the rate of 6 days
9 per year of creditable service or portion thereof
10 established while serving as such superintendent or
11 assistant superintendent.

12 (7) Periods prior to February 1, 1987 served as an
13 employee of the Illinois Mathematics and Science Academy
14 for which credit has not been terminated under Section
15 15-113.9 of this Code.

16 (8) Service as a substitute teacher for work performed
17 prior to July 1, 1990.

18 (9) Service as a part-time teacher for work performed
19 prior to July 1, 1990.

20 (10) Up to 2 years of employment with Southern
21 Illinois University - Carbondale from September 1, 1959 to
22 August 31, 1961, or with Governors State University from
23 September 1, 1972 to August 31, 1974, for which the
24 teacher has no credit under Article 15. To receive credit
25 under this item (10), a teacher must apply in writing to
26 the Board and pay the required contributions before May 1,

1 1993 and have at least 12 years of service credit under
2 this Article.

3 (11) Periods of service as a student teacher as
4 described in Section 24-8.5 of the School Code for which
5 the student teacher received a salary.

6 (12) Periods of service as a student teacher under
7 Section 9.45 of the Board of Higher Education Act.

8 (b-1) A member may establish optional credit for up to 2
9 years of service as a teacher or administrator employed by a
10 private school recognized by the Illinois State Board of
11 Education, provided that the teacher (i) was certified under
12 the law governing the certification of teachers at the time
13 the service was rendered, (ii) applies in writing on or before
14 June 30, 2028, (iii) supplies satisfactory evidence of the
15 employment, (iv) completes at least 10 years of contributing
16 service as a teacher as defined in Section 16-106, and (v) pays
17 the contribution required in subsection (d-5) of Section
18 16-128. The member may apply for credit under this subsection
19 and pay the required contribution before completing the 10
20 years of contributing service required under item (iv), but
21 the credit may not be used until the item (iv) contributing
22 service requirement has been met.

23 (c) The service credits specified in this Section shall be
24 granted only if: (1) such service credits are not used for
25 credit in any other statutory tax-supported public employee
26 retirement system other than the federal Social Security

1 program; and (2) the member makes the required contributions
2 as specified in Section 16-128. Except as provided in
3 subsection (b-1) of this Section, the service credit shall be
4 effective as of the date the required contributions are
5 completed.

6 Any service credits granted under this Section shall
7 terminate upon cessation of membership for any cause.

8 Credit may not be granted under this Section covering any
9 period for which an age retirement or disability retirement
10 allowance has been paid.

11 Credit may not be granted under this Section for service
12 as an employee of an entity that provides substitute teaching
13 services under Section 2-3.173 of the School Code and is not a
14 school district.

15 (Source: P.A. 102-525, eff. 8-20-21; 103-17, eff. 6-9-23;
16 103-525, eff. 8-11-23; 103-605, eff. 7-1-24.)

17 (40 ILCS 5/16-158) (from Ch. 108 1/2, par. 16-158)

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

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

1 in accordance with actuarial recommendations.

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

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

14 On or before May 1, 2004, 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 2005, taking
17 into account the amounts appropriated to and received by the
18 System under subsection (d) of Section 7.2 of the General
19 Obligation Bond Act.

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

25 On or before April 1, 2011, the Board shall recalculate
26 and recertify to the Governor the amount of the required State

1 contribution to the System for State fiscal year 2011,
2 applying the changes made by Public Act 96-889 to the System's
3 assets and liabilities as of June 30, 2009 as though Public Act
4 96-889 was approved on that date.

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

26 (a-10) By November 1, 2017, the Board shall recalculate

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

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

1 submitted to the Governor, Comptroller, and General Assembly.
2 The recertification submitted to the General Assembly shall be
3 filed with the Clerk of the House of Representatives and the
4 Secretary of the Senate in electronic form only, in the manner
5 that the Clerk and the Secretary shall direct.

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

9 (b-1) Unless otherwise directed by the Comptroller under
10 subsection (b-1.1), the Board shall submit vouchers for
11 payment of State contributions to the System for the
12 applicable month on the 15th day of each month, or as soon
13 thereafter as may be practicable. The amount vouchered for a
14 monthly payment shall total one-twelfth of the required annual
15 State contribution certified under subsection (a-1).

16 (b-1.1) Beginning in State fiscal year 2025, if the
17 Comptroller requests that the Board submit, during a State
18 fiscal year, vouchers for multiple monthly payments for the
19 advance payment of State contributions due to the System for
20 that State fiscal year, then the Board shall submit those
21 additional vouchers as directed by the Comptroller,
22 notwithstanding subsection (b-1). Unless an act of
23 appropriations provides otherwise, nothing in this Section
24 authorizes the Board to submit, in a State fiscal year,
25 vouchers for the payment of State contributions to the System
26 in an amount that exceeds the rate of payroll that is certified

1 by the System under this Section for that State fiscal year.

2 (b-1.2) The vouchers described in subsections (b-1) and
3 (b-1.1) shall be paid by the State Comptroller and Treasurer
4 by warrants drawn on the funds appropriated to the System for
5 that fiscal year.

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

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

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

1 projected unit credit actuarial cost method.

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

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
24 at the resulting annual rate in each of the remaining
25 fiscal 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
3 increments so that by State fiscal year 2011, the State is
4 contributing at the rate required under this Section; except
5 that in the following specified State fiscal years, the State
6 contribution to the System shall not be less than the
7 following indicated percentages of the applicable employee
8 payroll, even if the indicated percentage will produce a State
9 contribution in excess of the amount otherwise required under
10 this subsection and subsection (a), and notwithstanding any
11 contrary certification made under subsection (a-1) before May
12 27, 1998 (the effective date of Public Act 90-582): 10.02% in
13 FY 1999; 10.77% in FY 2000; 11.47% in FY 2001; 12.16% in FY
14 2002; 12.86% in FY 2003; and 13.56% in FY 2004.

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

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

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

1 this Section.

2 Notwithstanding any other provision of this Article, the
3 total required State contribution for State fiscal year 2010
4 is \$2,089,268,000 and shall be made from the proceeds of bonds
5 sold in fiscal year 2010 pursuant to Section 7.2 of the General
6 Obligation Bond Act, less (i) the pro rata share of bond sale
7 expenses determined by the System's share of total bond
8 proceeds, (ii) any amounts received from the Common School
9 Fund in fiscal year 2010, and (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
14 is the amount recertified by the System on or before April 1,
15 2011 pursuant to subsection (a-1) of this Section and shall be
16 made from the 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 Common School Fund in fiscal year 2011, and
21 (iii) any reduction in bond proceeds due to the issuance of
22 discounted bonds, if applicable. This amount shall include, in
23 addition to the amount certified by the System, an amount
24 necessary to meet employer contributions required by the State
25 as an employer under paragraph (e) of this Section, which may
26 also be used by the System for contributions required by

1 paragraph (a) of Section 16-127.

2 Beginning in State fiscal year 2046, the minimum State
3 contribution for each fiscal year shall be the amount needed
4 to maintain the total assets of the System at 90% of the total
5 actuarial liabilities of the System.

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

18 Notwithstanding any other provision of this Section, the
19 required State contribution for State fiscal year 2005 and for
20 fiscal year 2008 and each fiscal year thereafter, as
21 calculated under this Section and certified under subsection
22 (a-1), shall not exceed an amount equal to (i) the amount of
23 the required State contribution that would have been
24 calculated under this Section for that fiscal year if the
25 System had not received any payments under subsection (d) of
26 Section 7.2 of the General Obligation Bond Act, minus (ii) the

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

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

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

1 year 2021 and each fiscal year thereafter, the defined
2 benefit normal cost of the defined benefit plan, less the
3 employee contribution, plus 2%, for each employee of that
4 employer who has elected or who is deemed to have elected
5 the benefits under Section 1-161 or who has made the
6 election under subsection (b) of Section 1-161; plus

7 (ii) the amount required for that fiscal year to
8 amortize any unfunded actuarial accrued liability
9 associated with the present value of liabilities
10 attributable to the employer's account under Section
11 16-158.3, determined as a level percentage of payroll over
12 a 30-year rolling amortization period.

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

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

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

1 (c) Payment of the required State contributions and of all
2 pensions, retirement annuities, death benefits, refunds, and
3 other benefits granted under or assumed by this System, and
4 all expenses in connection with the administration and
5 operation thereof, are obligations of the State.

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

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

1 monthly in accordance with guidelines established by the
2 System.

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

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

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

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

24 The school district or other employing unit may pay these
25 employer contributions out of any source of funding available
26 for that purpose and shall forward the contributions to the

1 System on the schedule established for the payment of member
2 contributions.

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

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

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

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

1 the System may prescribe. This exclusion shall cease upon the
2 termination, extension, or renewal of the contract at any time
3 after May 1, 1998.

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

1 was in service on or after its effective date.

2 Whenever it determines that a payment is or may be
3 required under this subsection, the System shall calculate the
4 amount of the payment and bill the employer for that amount.
5 The bill shall specify the calculations used to determine the
6 amount due. If the employer disputes the amount of the bill, it
7 may, within 30 days after receipt of the bill, apply to the
8 System in writing for a recalculation. The application must
9 specify in detail the grounds of the dispute and, if the
10 employer asserts that the calculation is subject to subsection
11 (g), (g-5), (g-10), (g-15), (g-20), (g-25), or (h) of this
12 Section, must include an affidavit setting forth and attesting
13 to all facts within the employer's knowledge that are
14 pertinent to the applicability of that subsection. Upon
15 receiving a timely application for recalculation, the System
16 shall review the application and, if appropriate, recalculate
17 the amount due.

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

1 (f-1) (Blank).

2 (g) This subsection (g) applies only to payments made or
3 salary increases given on or after June 1, 2005 but before July
4 1, 2011. The changes made by Public Act 94-1057 shall not
5 require the System to refund any payments received before July
6 31, 2006 (the effective date of Public Act 94-1057).

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

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

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

26 When assessing payment for any amount due under subsection

1 (f), the System shall exclude a salary increase resulting from
2 a promotion (i) for which the employee is required to hold a
3 certificate or supervisory endorsement issued by the State
4 Teacher Certification Board that is a different certification
5 or supervisory endorsement than is required for the teacher's
6 previous position and (ii) to a position that has existed and
7 been filled by a member for no less than one complete academic
8 year and the salary increase from the promotion is an increase
9 that results in an amount no greater than the lesser of the
10 average salary paid for other similar positions in the
11 district requiring the same certification or the amount
12 stipulated in the collective bargaining agreement for a
13 similar position requiring the same certification.

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

20 (g-5) When assessing payment for any amount due under
21 subsection (f), the System shall exclude salary increases
22 resulting from overload or stipend work performed in a school
23 year subsequent to a school year in which the employer was
24 unable to offer or allow to be conducted overload or stipend
25 work due to an emergency declaration limiting such activities.

26 (g-10) When assessing payment for any amount due under

1 subsection (f), the System shall exclude salary increases
2 resulting from increased instructional time that exceeded the
3 instructional time required during the 2019-2020 school year.

4 (g-15) When assessing payment for any amount due under
5 subsection (f), the System shall exclude salary increases
6 resulting from teaching summer school on or after May 1, 2021
7 and before September 15, 2022.

8 (g-20) When assessing payment for any amount due under
9 subsection (f), the System shall exclude salary increases
10 necessary to bring a school board in compliance with Public
11 Act 101-443 or this amendatory Act of the 103rd General
12 Assembly.

13 (g-25) When assessing payment for any amount due under
14 subsection (f), the System shall exclude any stipends paid to
15 an eligible cooperating teacher under Section 9.45 of the
16 Board of Higher Education Act.

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

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

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

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

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

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

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

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

7 Whenever it determines that a payment is or may be
8 required under this subsection, 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. Upon receiving a
15 timely application for recalculation, the System shall review
16 the application and, if appropriate, recalculate the amount
17 due.

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

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

17 (Source: P.A. 102-16, eff. 6-17-21; 102-525, eff. 8-20-21;
18 102-558, eff. 8-20-21; 102-813, eff. 5-13-22; 103-515, eff.
19 8-11-23; 103-588, eff. 6-5-24.)

20 (40 ILCS 5/16-203)

21 Sec. 16-203. Application and expiration of new benefit
22 increases.

23 (a) As used in this Section, "new benefit increase" means
24 an increase in the amount of any benefit provided under this
25 Article, or an expansion of the conditions of eligibility for

1 any benefit under this Article, that results from an amendment
2 to this Code that takes effect after June 1, 2005 (the
3 effective date of Public Act 94-4). "New benefit increase",
4 however, does not include any benefit increase resulting from
5 the changes made to Article 1 or this Article by Public Act
6 95-910, Public Act 100-23, Public Act 100-587, Public Act
7 100-743, Public Act 100-769, Public Act 101-10, Public Act
8 101-49, Public Act 102-16, ~~or~~ Public Act 102-871, or this
9 amendatory Act of the 104th General Assembly.

10 (b) Notwithstanding any other provision of this Code or
11 any subsequent amendment to this Code, every new benefit
12 increase is subject to this Section and shall be deemed to be
13 granted only in conformance with and contingent upon
14 compliance with the provisions of this Section.

15 (c) The Public Act enacting a new benefit increase must
16 identify and provide for payment to the System of additional
17 funding at least sufficient to fund the resulting annual
18 increase in cost to the System as it accrues.

19 Every new benefit increase is contingent upon the General
20 Assembly providing the additional funding required under this
21 subsection. The Commission on Government Forecasting and
22 Accountability shall analyze whether adequate additional
23 funding has been provided for the new benefit increase and
24 shall report its analysis to the Public Pension Division of
25 the Department of Insurance. A new benefit increase created by
26 a Public Act that does not include the additional funding

1 required under this subsection is null and void. If the Public
2 Pension Division determines that the additional funding
3 provided for a new benefit increase under this subsection is
4 or has become inadequate, it may so certify to the Governor and
5 the State Comptroller and, in the absence of corrective action
6 by the General Assembly, the new benefit increase shall expire
7 at the end of the fiscal year in which the certification is
8 made.

9 (d) Every new benefit increase shall expire 5 years after
10 its effective date or on such earlier date as may be specified
11 in the language enacting the new benefit increase or provided
12 under subsection (c). This does not prevent the General
13 Assembly from extending or re-creating a new benefit increase
14 by law.

15 (e) Except as otherwise provided in the language creating
16 the new benefit increase, a new benefit increase that expires
17 under this Section continues to apply to persons who applied
18 and qualified for the affected benefit while the new benefit
19 increase was in effect and to the affected beneficiaries and
20 alternate payees of such persons, but does not apply to any
21 other person, including, without limitation, a person who
22 continues in service after the expiration date and did not
23 apply and qualify for the affected benefit while the new
24 benefit increase was in effect.

25 (Source: P.A. 102-16, eff. 6-17-21; 102-558, eff. 8-20-21;
26 102-813, eff. 5-13-22; 102-871, eff. 5-13-22; 103-154, eff.

1 6-30-23.)

2 Section 15. The Board of Higher Education Act is amended
3 by adding Section 9.45 as follows:

4 (110 ILCS 205/9.45 new)

5 Sec. 9.45. Student teaching stipend program.

6 (a) As used in this Section:

7 "Educator preparation program" means an approved educator
8 preparation program offered by a recognized school or
9 institution under Article 21B of the School Code.

10 "Eligible cooperating teacher" means a teacher who is
11 licensed under Article 21B of the School Code or has attained
12 the Department of Human Services' Gateways to Opportunity
13 Early Childhood Education Credential Level 5 or 6, qualified
14 to teach in the subject area assigned, and matched with an
15 eligible student.

16 "Eligible student" means a student who is enrolled in an
17 educator preparation program, who is maintaining satisfactory
18 academic progress, who intends to teach in this State, who is
19 placed as a student teacher, and who is not contracted as the
20 teacher of record for the student teaching placement.

21 "Student teaching" means a supervised clinical experience
22 that prepares a candidate to take full responsibility in an
23 instructional setting.

24 (b) Subject to appropriation, the Board shall create a

1 student teaching stipend program to alleviate the financial
2 burden of student teaching, to encourage students to pursue
3 teaching careers to alleviate this State's teacher shortage,
4 and to encourage teachers to be matched with student teachers.

5 (c) An educator preparation program shall notify the Board
6 of all eligible students and eligible cooperating teachers who
7 qualify for the stipend program.

8 (d) Under the stipend program and subject to available
9 appropriations, the Board shall disburse to each educator
10 preparation program funds to distribute to each eligible
11 student a stipend of up to \$10,000 per semester for up to 2
12 consecutive semesters, plus additional funds to pay the direct
13 costs of operating the stipend program. The educator
14 preparation program shall distribute stipend funds using the
15 standard methods for allocating State-based financial aid or
16 as wages for employment to each eligible student in monthly
17 installments.

18 (e) If there is a surplus appropriated in a fiscal year for
19 the stipend program, then the Board shall increase the amount
20 disbursed to each educator preparation program by the same
21 percentage that the surplus bears to the amount required to
22 fully fund the total number of eligible students who qualify
23 for the stipend program that fiscal year. An educator
24 preparation program shall increase the stipend amount
25 distributed to each eligible student in proportion to the
26 surplus.

1 (f) If the amount appropriated in a fiscal year for the
2 stipend program is insufficient to fully fund stipends for the
3 total number of eligible students for that fiscal year, then
4 the Board shall prioritize eligible students based on
5 demonstrated financial need reported by each educator
6 preparation program.

7 (g) Funds not distributed in a particular fiscal year by
8 an educator preparation program under this Section shall be
9 returned to the Board to be used for the subsequent fiscal
10 year's stipend program.

11 (h) An educator preparation program may not prohibit an
12 eligible student from participating in the stipend program or
13 from receiving a stipend from the stipend program.

14 (i) Under the stipend program and subject to available
15 appropriations, the Board shall disburse funds to the State
16 Board of Education, who shall disburse funds to each school
17 district or early childhood education provider employing an
18 eligible cooperating teacher to distribute to each eligible
19 cooperating teacher a stipend of up to \$2,000 per semester for
20 up to 2 consecutive semesters per academic year. The school
21 district or early childhood education provider shall
22 distribute stipend funds to an eligible cooperating teacher in
23 one payment.

24 (j) An eligible cooperating teacher who receives a stipend
25 must complete State-approved, evidence-based training that
26 aligns with training for instructional coaches, covers basic

1 responsibilities of a cooperating teacher, includes
2 evidence-based practices in supporting student teachers in
3 school or early childhood settings, and includes the effective
4 assessment of student teachers that aligns with State educator
5 performance evaluation requirements or the equivalent for
6 early childhood education. The State Board of Education shall
7 develop training that meets the criteria of this subsection
8 and that is available to cooperating teachers.

9 (k) If there is a surplus appropriated in a fiscal year for
10 the stipend program, then the Board shall increase the amount
11 disbursed to the State Board of Education to disburse to each
12 school district or early childhood education provider by the
13 same percentage that the surplus bears to the amount required
14 to fully fund the total number of eligible cooperating
15 teachers who qualify for the stipend program that fiscal year.
16 A school district or early childhood education provider shall
17 increase the stipend amount distributed to each eligible
18 cooperating teacher in proportion to the surplus.

19 (l) If the amount appropriated in a fiscal year for the
20 stipend program is insufficient to fully fund stipends for the
21 total number of eligible cooperating teachers for that fiscal
22 year, then the Board shall reduce the amount disbursed to the
23 State Board of Education to disburse to each school district
24 or early childhood education provider by the same percentage
25 that the deficit bears to the amount required to fully fund the
26 total number of eligible cooperating teachers who qualify for

1 the stipend program. A school district or early childhood
2 education provider shall reduce the stipend amount distributed
3 to each eligible cooperating teacher in proportion to the
4 deficit.

5 (m) Nothing in this Section is intended to preclude an
6 educator preparation program from providing an eligible
7 cooperating teacher with additional incentives.

8 (n) An eligible cooperating teacher participating in the
9 stipend program may receive professional development hours for
10 completing cooperating teacher training that count toward the
11 eligible cooperating teacher's license renewal or the
12 equivalent for early childhood education.

13 (o) Subject to available appropriations, the Board shall
14 issue a report evaluating the impact of the stipend program on
15 educator preparation programs, including enrollment and
16 completion rates, hiring rates, and retention rates. The Board
17 shall issue this report in collaboration with the State Board
18 of Education. The Board shall submit this report to the
19 General Assembly and Governor on or before June 30 of the
20 fiscal year following the third consecutive fiscal year during
21 which the stipend program has received funding of at least
22 \$2,000,000.

23 (p) The Board shall provide guidance and technical
24 assistance to educator preparation programs on the
25 administration of the stipend program.

26 (q) The Board shall adopt rules regarding the

1 administration of the stipend program, including, but not
2 limited to, the allocation of funds for the stipend program.

3 (r) If the stipend program is funded prior to the adoption
4 of rules under subsection (q), emergency rules regarding the
5 administration of the stipend program may be adopted by the
6 Board subject to the provisions of Section 5-45.65 of the
7 Illinois Administrative Procedure Act.

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