



## 100TH GENERAL ASSEMBLY

### State of Illinois

2017 and 2018

**HB4065**

by Rep. Jim Durkin

#### SYNOPSIS AS INTRODUCED:

See Index

Amends the Illinois Pension Code. Restricts participation in the General Assembly Retirement System to persons who became participants before the effective date. Provides separate benefits for persons who, on or after 6 months after the effective date, first become participants or members under the State Universities or Downstate Teachers Article or a noncovered participant under the State Employees Article. Requires those retirement systems to establish a defined contribution plan for certain members. In the Chicago Municipal, Cook County, Cook County Forest Preserve, Chicago Laborers, Chicago Park District, and Chicago Teachers Articles, establishes similar benefits if the governing body of the unit of local government adopts those benefits by resolution or ordinance. In the State Employee, State Universities, and Downstate Teachers Articles, requires those Systems to offer certain inactive members the opportunity to elect to receive an accelerated pension benefit payment in lieu of receiving any pension benefit. In the 5 State-funded retirement systems and the Chicago Teachers Pension Fund, makes funding changes. In the State Universities and Downstate Teachers Articles, shifts certain costs to the local employer. In the Chicago Teachers Article, requires the State to contribute the employer normal cost of pension benefits for certain employees and provides a continuing appropriation from the Common School Fund for those contributions. Amends the Budget Stabilization Act. Provides for the transfer of certain amounts from the General Revenue Fund to the Pension Stabilization Fund. Makes other changes. Effective immediately.

LRB100 13140 RPS 27530 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 public employee benefits.

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

4 Section 5. The State Employees Group Insurance Act of 1971  
5 is amended by changing Sections 3 and 10 as follows:

6 (5 ILCS 375/3) (from Ch. 127, par. 523)

7 Sec. 3. Definitions. Unless the context otherwise  
8 requires, the following words and phrases as used in this Act  
9 shall have the following meanings. The Department may define  
10 these and other words and phrases separately for the purpose of  
11 implementing specific programs providing benefits under this  
12 Act.

13 (a) "Administrative service organization" means any  
14 person, firm or corporation experienced in the handling of  
15 claims which is fully qualified, financially sound and capable  
16 of meeting the service requirements of a contract of  
17 administration executed with the Department.

18 (b) "Annuitant" means (1) an employee who retires, or has  
19 retired, on or after January 1, 1966 on an immediate annuity  
20 under the provisions of Articles 2, 14 (including an employee  
21 who has elected to receive an alternative retirement  
22 cancellation payment under Section 14-108.5 of the Illinois  
23 Pension Code in lieu of an annuity or who meets the criteria

1 for retirement, but in lieu of receiving an annuity under that  
2 Article has elected to receive an accelerated pension benefit  
3 payment under Section 14-147.5 of that Article), 15 (including  
4 an employee who has retired under the optional retirement  
5 program established under Section 15-158.2 or who meets the  
6 criteria for retirement but in lieu of receiving an annuity  
7 under that Article has elected to receive an accelerated  
8 pension benefit payment under Section 15-185.5 of the Article),  
9 paragraphs (2), (3), or (5) of Section 16-106 (including an  
10 employee who meets the criteria for retirement, but in lieu of  
11 receiving an annuity under that Article has elected to receive  
12 an accelerated pension benefit payment under Section 16-190.5  
13 of the Illinois Pension Code), or Article 18 of the Illinois  
14 Pension Code; (2) any person who was receiving group insurance  
15 coverage under this Act as of March 31, 1978 by reason of his  
16 status as an annuitant, even though the annuity in relation to  
17 which such coverage was provided is a proportional annuity  
18 based on less than the minimum period of service required for a  
19 retirement annuity in the system involved; (3) any person not  
20 otherwise covered by this Act who has retired as a  
21 participating member under Article 2 of the Illinois Pension  
22 Code but is ineligible for the retirement annuity under Section  
23 2-119 of the Illinois Pension Code; (4) the spouse of any  
24 person who is receiving a retirement annuity under Article 18  
25 of the Illinois Pension Code and who is covered under a group  
26 health insurance program sponsored by a governmental employer

1 other than the State of Illinois and who has irrevocably  
2 elected to waive his or her coverage under this Act and to have  
3 his or her spouse considered as the "annuitant" under this Act  
4 and not as a "dependent"; or (5) an employee who retires, or  
5 has retired, from a qualified position, as determined according  
6 to rules promulgated by the Director, under a qualified local  
7 government, a qualified rehabilitation facility, a qualified  
8 domestic violence shelter or service, or a qualified child  
9 advocacy center. (For definition of "retired employee", see (p)  
10 post).

11 (b-5) (Blank).

12 (b-6) (Blank).

13 (b-7) (Blank).

14 (c) "Carrier" means (1) an insurance company, a corporation  
15 organized under the Limited Health Service Organization Act or  
16 the Voluntary Health Services Plan Act, a partnership, or other  
17 nongovernmental organization, which is authorized to do group  
18 life or group health insurance business in Illinois, or (2) the  
19 State of Illinois as a self-insurer.

20 (d) "Compensation" means salary or wages payable on a  
21 regular payroll by the State Treasurer on a warrant of the  
22 State Comptroller out of any State, trust or federal fund, or  
23 by the Governor of the State through a disbursing officer of  
24 the State out of a trust or out of federal funds, or by any  
25 Department out of State, trust, federal or other funds held by  
26 the State Treasurer or the Department, to any person for

1 personal services currently performed, and ordinary or  
2 accidental disability benefits under Articles 2, 14, 15  
3 (including ordinary or accidental disability benefits under  
4 the optional retirement program established under Section  
5 15-158.2), paragraphs (2), (3), or (5) of Section 16-106, or  
6 Article 18 of the Illinois Pension Code, for disability  
7 incurred after January 1, 1966, or benefits payable under the  
8 Workers' Compensation or Occupational Diseases Act or benefits  
9 payable under a sick pay plan established in accordance with  
10 Section 36 of the State Finance Act. "Compensation" also means  
11 salary or wages paid to an employee of any qualified local  
12 government, qualified rehabilitation facility, qualified  
13 domestic violence shelter or service, or qualified child  
14 advocacy center.

15 (e) "Commission" means the State Employees Group Insurance  
16 Advisory Commission authorized by this Act. Commencing July 1,  
17 1984, "Commission" as used in this Act means the Commission on  
18 Government Forecasting and Accountability as established by  
19 the Legislative Commission Reorganization Act of 1984.

20 (f) "Contributory", when referred to as contributory  
21 coverage, shall mean optional coverages or benefits elected by  
22 the member toward the cost of which such member makes  
23 contribution, or which are funded in whole or in part through  
24 the acceptance of a reduction in earnings or the foregoing of  
25 an increase in earnings by an employee, as distinguished from  
26 noncontributory coverage or benefits which are paid entirely by

1 the State of Illinois without reduction of the member's salary.

2 (g) "Department" means any department, institution, board,  
3 commission, officer, court or any agency of the State  
4 government receiving appropriations and having power to  
5 certify payrolls to the Comptroller authorizing payments of  
6 salary and wages against such appropriations as are made by the  
7 General Assembly from any State fund, or against trust funds  
8 held by the State Treasurer and includes boards of trustees of  
9 the retirement systems created by Articles 2, 14, 15, 16 and 18  
10 of the Illinois Pension Code. "Department" also includes the  
11 Illinois Comprehensive Health Insurance Board, the Board of  
12 Examiners established under the Illinois Public Accounting  
13 Act, and the Illinois Finance Authority.

14 (h) "Dependent", when the term is used in the context of  
15 the health and life plan, means a member's spouse and any child  
16 (1) from birth to age 26 including an adopted child, a child  
17 who lives with the member from the time of the filing of a  
18 petition for adoption until entry of an order of adoption, a  
19 stepchild or adjudicated child, or a child who lives with the  
20 member if such member is a court appointed guardian of the  
21 child or (2) age 19 or over who has a mental or physical  
22 disability from a cause originating prior to the age of 19 (age  
23 26 if enrolled as an adult child dependent). For the health  
24 plan only, the term "dependent" also includes (1) any person  
25 enrolled prior to the effective date of this Section who is  
26 dependent upon the member to the extent that the member may

1 claim such person as a dependent for income tax deduction  
2 purposes and (2) any person who has received after June 30,  
3 2000 an organ transplant and who is financially dependent upon  
4 the member and eligible to be claimed as a dependent for income  
5 tax purposes. A member requesting to cover any dependent must  
6 provide documentation as requested by the Department of Central  
7 Management Services and file with the Department any and all  
8 forms required by the Department.

9 (i) "Director" means the Director of the Illinois  
10 Department of Central Management Services.

11 (j) "Eligibility period" means the period of time a member  
12 has to elect enrollment in programs or to select benefits  
13 without regard to age, sex or health.

14 (k) "Employee" means and includes each officer or employee  
15 in the service of a department who (1) receives his  
16 compensation for service rendered to the department on a  
17 warrant issued pursuant to a payroll certified by a department  
18 or on a warrant or check issued and drawn by a department upon  
19 a trust, federal or other fund or on a warrant issued pursuant  
20 to a payroll certified by an elected or duly appointed officer  
21 of the State or who receives payment of the performance of  
22 personal services on a warrant issued pursuant to a payroll  
23 certified by a Department and drawn by the Comptroller upon the  
24 State Treasurer against appropriations made by the General  
25 Assembly from any fund or against trust funds held by the State  
26 Treasurer, and (2) is employed full-time or part-time in a

1 position normally requiring actual performance of duty during  
2 not less than 1/2 of a normal work period, as established by  
3 the Director in cooperation with each department, except that  
4 persons elected by popular vote will be considered employees  
5 during the entire term for which they are elected regardless of  
6 hours devoted to the service of the State, and (3) except that  
7 "employee" does not include any person who is not eligible by  
8 reason of such person's employment to participate in one of the  
9 State retirement systems under Articles 2, 14, 15 (either the  
10 regular Article 15 system or the optional retirement program  
11 established under Section 15-158.2) or 18, or under paragraph  
12 (2), (3), or (5) of Section 16-106, of the Illinois Pension  
13 Code, but such term does include persons who are employed  
14 during the 6 month qualifying period under Article 14 of the  
15 Illinois Pension Code. Such term also includes any person who  
16 (1) after January 1, 1966, is receiving ordinary or accidental  
17 disability benefits under Articles 2, 14, 15 (including  
18 ordinary or accidental disability benefits under the optional  
19 retirement program established under Section 15-158.2),  
20 paragraphs (2), (3), or (5) of Section 16-106, or Article 18 of  
21 the Illinois Pension Code, for disability incurred after  
22 January 1, 1966, (2) receives total permanent or total  
23 temporary disability under the Workers' Compensation Act or  
24 Occupational Disease Act as a result of injuries sustained or  
25 illness contracted in the course of employment with the State  
26 of Illinois, or (3) is not otherwise covered under this Act and



1 has retired as a participating member under Article 2 of the  
2 Illinois Pension Code but is ineligible for the retirement  
3 annuity under Section 2-119 of the Illinois Pension Code.  
4 However, a person who satisfies the criteria of the foregoing  
5 definition of "employee" except that such person is made  
6 ineligible to participate in the State Universities Retirement  
7 System by clause (4) of subsection (a) of Section 15-107 of the  
8 Illinois Pension Code is also an "employee" for the purposes of  
9 this Act. "Employee" also includes any person receiving or  
10 eligible for benefits under a sick pay plan established in  
11 accordance with Section 36 of the State Finance Act. "Employee"  
12 also includes (i) each officer or employee in the service of a  
13 qualified local government, including persons appointed as  
14 trustees of sanitary districts regardless of hours devoted to  
15 the service of the sanitary district, (ii) each employee in the  
16 service of a qualified rehabilitation facility, (iii) each  
17 full-time employee in the service of a qualified domestic  
18 violence shelter or service, and (iv) each full-time employee  
19 in the service of a qualified child advocacy center, as  
20 determined according to rules promulgated by the Director.

21 (1) "Member" means an employee, annuitant, retired  
22 employee or survivor. In the case of an annuitant or retired  
23 employee who first becomes an annuitant or retired employee on  
24 or after the effective date of this amendatory Act of the 97th  
25 General Assembly, the individual must meet the minimum vesting  
26 requirements of the applicable retirement system in order to be

1 eligible for group insurance benefits under that system. In the  
2 case of a survivor who first becomes a survivor on or after the  
3 effective date of this amendatory Act of the 97th General  
4 Assembly, the deceased employee, annuitant, or retired  
5 employee upon whom the annuity is based must have been eligible  
6 to participate in the group insurance system under the  
7 applicable retirement system in order for the survivor to be  
8 eligible for group insurance benefits under that system.

9 (m) "Optional coverages or benefits" means those coverages  
10 or benefits available to the member on his or her voluntary  
11 election, and at his or her own expense.

12 (n) "Program" means the group life insurance, health  
13 benefits and other employee benefits designed and contracted  
14 for by the Director under this Act.

15 (o) "Health plan" means a health benefits program offered  
16 by the State of Illinois for persons eligible for the plan.

17 (p) "Retired employee" means any person who would be an  
18 annuitant as that term is defined herein but for the fact that  
19 such person retired prior to January 1, 1966. Such term also  
20 includes any person formerly employed by the University of  
21 Illinois in the Cooperative Extension Service who would be an  
22 annuitant but for the fact that such person was made ineligible  
23 to participate in the State Universities Retirement System by  
24 clause (4) of subsection (a) of Section 15-107 of the Illinois  
25 Pension Code.

26 (q) "Survivor" means a person receiving an annuity as a

1 survivor of an employee or of an annuitant. "Survivor" also  
2 includes: (1) the surviving dependent of a person who satisfies  
3 the definition of "employee" except that such person is made  
4 ineligible to participate in the State Universities Retirement  
5 System by clause (4) of subsection (a) of Section 15-107 of the  
6 Illinois Pension Code; (2) the surviving dependent of any  
7 person formerly employed by the University of Illinois in the  
8 Cooperative Extension Service who would be an annuitant except  
9 for the fact that such person was made ineligible to  
10 participate in the State Universities Retirement System by  
11 clause (4) of subsection (a) of Section 15-107 of the Illinois  
12 Pension Code; and (3) the surviving dependent of a person who  
13 was an annuitant under this Act by virtue of receiving an  
14 alternative retirement cancellation payment under Section  
15 14-108.5 of the Illinois Pension Code.

16 (q-2) "SERS" means the State Employees' Retirement System  
17 of Illinois, created under Article 14 of the Illinois Pension  
18 Code.

19 (q-3) "SURS" means the State Universities Retirement  
20 System, created under Article 15 of the Illinois Pension Code.

21 (q-4) "TRS" means the Teachers' Retirement System of the  
22 State of Illinois, created under Article 16 of the Illinois  
23 Pension Code.

24 (q-5) (Blank).

25 (q-6) (Blank).

26 (q-7) (Blank).

1 (r) "Medical services" means the services provided within  
2 the scope of their licenses by practitioners in all categories  
3 licensed under the Medical Practice Act of 1987.

4 (s) "Unit of local government" means any county,  
5 municipality, township, school district (including a  
6 combination of school districts under the Intergovernmental  
7 Cooperation Act), special district or other unit, designated as  
8 a unit of local government by law, which exercises limited  
9 governmental powers or powers in respect to limited  
10 governmental subjects, any not-for-profit association with a  
11 membership that primarily includes townships and township  
12 officials, that has duties that include provision of research  
13 service, dissemination of information, and other acts for the  
14 purpose of improving township government, and that is funded  
15 wholly or partly in accordance with Section 85-15 of the  
16 Township Code; any not-for-profit corporation or association,  
17 with a membership consisting primarily of municipalities, that  
18 operates its own utility system, and provides research,  
19 training, dissemination of information, or other acts to  
20 promote cooperation between and among municipalities that  
21 provide utility services and for the advancement of the goals  
22 and purposes of its membership; the Southern Illinois  
23 Collegiate Common Market, which is a consortium of higher  
24 education institutions in Southern Illinois; the Illinois  
25 Association of Park Districts; and any hospital provider that  
26 is owned by a county that has 100 or fewer hospital beds and

1 has not already joined the program. "Qualified local  
2 government" means a unit of local government approved by the  
3 Director and participating in a program created under  
4 subsection (i) of Section 10 of this Act.

5 (t) "Qualified rehabilitation facility" means any  
6 not-for-profit organization that is accredited by the  
7 Commission on Accreditation of Rehabilitation Facilities or  
8 certified by the Department of Human Services (as successor to  
9 the Department of Mental Health and Developmental  
10 Disabilities) to provide services to persons with disabilities  
11 and which receives funds from the State of Illinois for  
12 providing those services, approved by the Director and  
13 participating in a program created under subsection (j) of  
14 Section 10 of this Act.

15 (u) "Qualified domestic violence shelter or service" means  
16 any Illinois domestic violence shelter or service and its  
17 administrative offices funded by the Department of Human  
18 Services (as successor to the Illinois Department of Public  
19 Aid), approved by the Director and participating in a program  
20 created under subsection (k) of Section 10.

21 (v) "TRS benefit recipient" means a person who:

22 (1) is not a "member" as defined in this Section; and

23 (2) is receiving a monthly benefit or retirement  
24 annuity under Article 16 of the Illinois Pension Code; and

25 (3) either (i) has at least 8 years of creditable  
26 service under Article 16 of the Illinois Pension Code, or

1 (ii) was enrolled in the health insurance program offered  
2 under that Article on January 1, 1996, or (iii) is the  
3 survivor of a benefit recipient who had at least 8 years of  
4 creditable service under Article 16 of the Illinois Pension  
5 Code or was enrolled in the health insurance program  
6 offered under that Article on the effective date of this  
7 amendatory Act of 1995, or (iv) is a recipient or survivor  
8 of a recipient of a disability benefit under Article 16 of  
9 the Illinois Pension Code.

10 (w) "TRS dependent beneficiary" means a person who:

11 (1) is not a "member" or "dependent" as defined in this  
12 Section; and

13 (2) is a TRS benefit recipient's: (A) spouse, (B)  
14 dependent parent who is receiving at least half of his or  
15 her support from the TRS benefit recipient, or (C) natural,  
16 step, adjudicated, or adopted child who is (i) under age  
17 26, (ii) was, on January 1, 1996, participating as a  
18 dependent beneficiary in the health insurance program  
19 offered under Article 16 of the Illinois Pension Code, or  
20 (iii) age 19 or over who has a mental or physical  
21 disability from a cause originating prior to the age of 19  
22 (age 26 if enrolled as an adult child).

23 "TRS dependent beneficiary" does not include, as indicated  
24 under paragraph (2) of this subsection (w), a dependent of the  
25 survivor of a TRS benefit recipient who first becomes a  
26 dependent of a survivor of a TRS benefit recipient on or after

1 the effective date of this amendatory Act of the 97th General  
2 Assembly unless that dependent would have been eligible for  
3 coverage as a dependent of the deceased TRS benefit recipient  
4 upon whom the survivor benefit is based.

5 (x) "Military leave" refers to individuals in basic  
6 training for reserves, special/advanced training, annual  
7 training, emergency call up, activation by the President of the  
8 United States, or any other training or duty in service to the  
9 United States Armed Forces.

10 (y) (Blank).

11 (z) "Community college benefit recipient" means a person  
12 who:

13 (1) is not a "member" as defined in this Section; and

14 (2) is receiving a monthly survivor's annuity or  
15 retirement annuity under Article 15 of the Illinois Pension  
16 Code; and

17 (3) either (i) was a full-time employee of a community  
18 college district or an association of community college  
19 boards created under the Public Community College Act  
20 (other than an employee whose last employer under Article  
21 15 of the Illinois Pension Code was a community college  
22 district subject to Article VII of the Public Community  
23 College Act) and was eligible to participate in a group  
24 health benefit plan as an employee during the time of  
25 employment with a community college district (other than a  
26 community college district subject to Article VII of the

1 Public Community College Act) or an association of  
2 community college boards, or (ii) is the survivor of a  
3 person described in item (i).

4 (aa) "Community college dependent beneficiary" means a  
5 person who:

6 (1) is not a "member" or "dependent" as defined in this  
7 Section; and

8 (2) is a community college benefit recipient's: (A)  
9 spouse, (B) dependent parent who is receiving at least half  
10 of his or her support from the community college benefit  
11 recipient, or (C) natural, step, adjudicated, or adopted  
12 child who is (i) under age 26, or (ii) age 19 or over and  
13 has a mental or physical disability from a cause  
14 originating prior to the age of 19 (age 26 if enrolled as  
15 an adult child).

16 "Community college dependent beneficiary" does not  
17 include, as indicated under paragraph (2) of this subsection  
18 (aa), a dependent of the survivor of a community college  
19 benefit recipient who first becomes a dependent of a survivor  
20 of a community college benefit recipient on or after the  
21 effective date of this amendatory Act of the 97th General  
22 Assembly unless that dependent would have been eligible for  
23 coverage as a dependent of the deceased community college  
24 benefit recipient upon whom the survivor annuity is based.

25 (bb) "Qualified child advocacy center" means any Illinois  
26 child advocacy center and its administrative offices funded by



1 the Department of Children and Family Services, as defined by  
2 the Children's Advocacy Center Act (55 ILCS 80/), approved by  
3 the Director and participating in a program created under  
4 subsection (n) of Section 10.

5 (Source: P.A. 98-488, eff. 8-16-13; 99-143, eff. 7-27-15.)

6 (5 ILCS 375/10) (from Ch. 127, par. 530)

7 Sec. 10. Contributions by the State and members.

8 (a) The State shall pay the cost of basic non-contributory  
9 group life insurance and, subject to member paid contributions  
10 set by the Department or required by this Section and except as  
11 provided in this Section, the basic program of group health  
12 benefits on each eligible member, except a member, not  
13 otherwise covered by this Act, who has retired as a  
14 participating member under Article 2 of the Illinois Pension  
15 Code but is ineligible for the retirement annuity under Section  
16 2-119 of the Illinois Pension Code, and part of each eligible  
17 member's and retired member's premiums for health insurance  
18 coverage for enrolled dependents as provided by Section 9. The  
19 State shall pay the cost of the basic program of group health  
20 benefits only after benefits are reduced by the amount of  
21 benefits covered by Medicare for all members and dependents who  
22 are eligible for benefits under Social Security or the Railroad  
23 Retirement system or who had sufficient Medicare-covered  
24 government employment, except that such reduction in benefits  
25 shall apply only to those members and dependents who (1) first

1 become eligible for such Medicare coverage on or after July 1,  
2 1992; or (2) are Medicare-eligible members or dependents of a  
3 local government unit which began participation in the program  
4 on or after July 1, 1992; or (3) remain eligible for, but no  
5 longer receive Medicare coverage which they had been receiving  
6 on or after July 1, 1992. The Department may determine the  
7 aggregate level of the State's contribution on the basis of  
8 actual cost of medical services adjusted for age, sex or  
9 geographic or other demographic characteristics which affect  
10 the costs of such programs.

11 The cost of participation in the basic program of group  
12 health benefits for the dependent or survivor of a living or  
13 deceased retired employee who was formerly employed by the  
14 University of Illinois in the Cooperative Extension Service and  
15 would be an annuitant but for the fact that he or she was made  
16 ineligible to participate in the State Universities Retirement  
17 System by clause (4) of subsection (a) of Section 15-107 of the  
18 Illinois Pension Code shall not be greater than the cost of  
19 participation that would otherwise apply to that dependent or  
20 survivor if he or she were the dependent or survivor of an  
21 annuitant under the State Universities Retirement System.

22 (a-1) (Blank).

23 (a-2) (Blank).

24 (a-3) (Blank).

25 (a-4) (Blank).

26 (a-5) (Blank).

1 (a-6) (Blank).

2 (a-7) (Blank).

3 (a-8) Any annuitant, survivor, or retired employee may  
4 waive or terminate coverage in the program of group health  
5 benefits. Any such annuitant, survivor, or retired employee who  
6 has waived or terminated coverage may enroll or re-enroll in  
7 the program of group health benefits only during the annual  
8 benefit choice period, as determined by the Director; except  
9 that in the event of termination of coverage due to nonpayment  
10 of premiums, the annuitant, survivor, or retired employee may  
11 not re-enroll in the program.

12 (a-8.5) Beginning on the effective date of this amendatory  
13 Act of the 97th General Assembly, the Director of Central  
14 Management Services shall, on an annual basis, determine the  
15 amount that the State shall contribute toward the basic program  
16 of group health benefits on behalf of annuitants (including  
17 individuals who (i) participated in the General Assembly  
18 Retirement System, the State Employees' Retirement System of  
19 Illinois, the State Universities Retirement System, the  
20 Teachers' Retirement System of the State of Illinois, or the  
21 Judges Retirement System of Illinois and (ii) qualify as  
22 annuitants under subsection (b) of Section 3 of this Act),  
23 survivors (including individuals who (i) receive an annuity as  
24 a survivor of an individual who participated in the General  
25 Assembly Retirement System, the State Employees' Retirement  
26 System of Illinois, the State Universities Retirement System,

1 the Teachers' Retirement System of the State of Illinois, or  
2 the Judges Retirement System of Illinois and (ii) qualify as  
3 survivors under subsection (q) of Section 3 of this Act), and  
4 retired employees (as defined in subsection (p) of Section 3 of  
5 this Act). The remainder of the cost of coverage for each  
6 annuitant, survivor, or retired employee, as determined by the  
7 Director of Central Management Services, shall be the  
8 responsibility of that annuitant, survivor, or retired  
9 employee.

10 Contributions required of annuitants, survivors, and  
11 retired employees shall be the same for all retirement systems  
12 and shall also be based on whether an individual has made an  
13 election under Section 15-135.1 of the Illinois Pension Code.  
14 Contributions may be based on annuitants', survivors', or  
15 retired employees' Medicare eligibility, but may not be based  
16 on Social Security eligibility.

17 (a-9) No later than May 1 of each calendar year, the  
18 Director of Central Management Services shall certify in  
19 writing to the Executive Secretary of the State Employees'  
20 Retirement System of Illinois the amounts of the Medicare  
21 supplement health care premiums and the amounts of the health  
22 care premiums for all other retirees who are not Medicare  
23 eligible.

24 A separate calculation of the premiums based upon the  
25 actual cost of each health care plan shall be so certified.

26 The Director of Central Management Services shall provide

1 to the Executive Secretary of the State Employees' Retirement  
2 System of Illinois such information, statistics, and other data  
3 as he or she may require to review the premium amounts  
4 certified by the Director of Central Management Services.

5 The Department of Central Management Services, or any  
6 successor agency designated to procure healthcare contracts  
7 pursuant to this Act, is authorized to establish funds,  
8 separate accounts provided by any bank or banks as defined by  
9 the Illinois Banking Act, or separate accounts provided by any  
10 savings and loan association or associations as defined by the  
11 Illinois Savings and Loan Act of 1985 to be held by the  
12 Director, outside the State treasury, for the purpose of  
13 receiving the transfer of moneys from the Local Government  
14 Health Insurance Reserve Fund. The Department may promulgate  
15 rules further defining the methodology for the transfers. Any  
16 interest earned by moneys in the funds or accounts shall inure  
17 to the Local Government Health Insurance Reserve Fund. The  
18 transferred moneys, and interest accrued thereon, shall be used  
19 exclusively for transfers to administrative service  
20 organizations or their financial institutions for payments of  
21 claims to claimants and providers under the self-insurance  
22 health plan. The transferred moneys, and interest accrued  
23 thereon, shall not be used for any other purpose including, but  
24 not limited to, reimbursement of administration fees due the  
25 administrative service organization pursuant to its contract  
26 or contracts with the Department.

1       (a-10) To the extent that participation, benefits, or  
2 premiums under this Act are based on a person's service credit  
3 under an Article of the Illinois Pension Code, service credit  
4 terminated in exchange for an accelerated pension benefit  
5 payment under Section 14-147.5, 15-185.5, or 16-190.5 of that  
6 Code shall be included in determining a person's service credit  
7 for the purposes of this Act.

8       (b) State employees who become eligible for this program on  
9 or after January 1, 1980 in positions normally requiring actual  
10 performance of duty not less than 1/2 of a normal work period  
11 but not equal to that of a normal work period, shall be given  
12 the option of participating in the available program. If the  
13 employee elects coverage, the State shall contribute on behalf  
14 of such employee to the cost of the employee's benefit and any  
15 applicable dependent supplement, that sum which bears the same  
16 percentage as that percentage of time the employee regularly  
17 works when compared to normal work period.

18       (c) The basic non-contributory coverage from the basic  
19 program of group health benefits shall be continued for each  
20 employee not in pay status or on active service by reason of  
21 (1) leave of absence due to illness or injury, (2) authorized  
22 educational leave of absence or sabbatical leave, or (3)  
23 military leave. This coverage shall continue until expiration  
24 of authorized leave and return to active service, but not to  
25 exceed 24 months for leaves under item (1) or (2). This  
26 24-month limitation and the requirement of returning to active

1 service shall not apply to persons receiving ordinary or  
2 accidental disability benefits or retirement benefits through  
3 the appropriate State retirement system or benefits under the  
4 Workers' Compensation or Occupational Disease Act.

5 (d) The basic group life insurance coverage shall continue,  
6 with full State contribution, where such person is (1) absent  
7 from active service by reason of disability arising from any  
8 cause other than self-inflicted, (2) on authorized educational  
9 leave of absence or sabbatical leave, or (3) on military leave.

10 (e) Where the person is in non-pay status for a period in  
11 excess of 30 days or on leave of absence, other than by reason  
12 of disability, educational or sabbatical leave, or military  
13 leave, such person may continue coverage only by making  
14 personal payment equal to the amount normally contributed by  
15 the State on such person's behalf. Such payments and coverage  
16 may be continued: (1) until such time as the person returns to  
17 a status eligible for coverage at State expense, but not to  
18 exceed 24 months or (2) until such person's employment or  
19 annuitant status with the State is terminated (exclusive of any  
20 additional service imposed pursuant to law).

21 (f) The Department shall establish by rule the extent to  
22 which other employee benefits will continue for persons in  
23 non-pay status or who are not in active service.

24 (g) The State shall not pay the cost of the basic  
25 non-contributory group life insurance, program of health  
26 benefits and other employee benefits for members who are

1 survivors as defined by paragraphs (1) and (2) of subsection  
2 (q) of Section 3 of this Act. The costs of benefits for these  
3 survivors shall be paid by the survivors or by the University  
4 of Illinois Cooperative Extension Service, or any combination  
5 thereof. However, the State shall pay the amount of the  
6 reduction in the cost of participation, if any, resulting from  
7 the amendment to subsection (a) made by this amendatory Act of  
8 the 91st General Assembly.

9 (h) Those persons occupying positions with any department  
10 as a result of emergency appointments pursuant to Section 8b.8  
11 of the Personnel Code who are not considered employees under  
12 this Act shall be given the option of participating in the  
13 programs of group life insurance, health benefits and other  
14 employee benefits. Such persons electing coverage may  
15 participate only by making payment equal to the amount normally  
16 contributed by the State for similarly situated employees. Such  
17 amounts shall be determined by the Director. Such payments and  
18 coverage may be continued until such time as the person becomes  
19 an employee pursuant to this Act or such person's appointment  
20 is terminated.

21 (i) Any unit of local government within the State of  
22 Illinois may apply to the Director to have its employees,  
23 annuitants, and their dependents provided group health  
24 coverage under this Act on a non-insured basis. To participate,  
25 a unit of local government must agree to enroll all of its  
26 employees, who may select coverage under either the State group



1 health benefits plan or a health maintenance organization that  
2 has contracted with the State to be available as a health care  
3 provider for employees as defined in this Act. A unit of local  
4 government must remit the entire cost of providing coverage  
5 under the State group health benefits plan or, for coverage  
6 under a health maintenance organization, an amount determined  
7 by the Director based on an analysis of the sex, age,  
8 geographic location, or other relevant demographic variables  
9 for its employees, except that the unit of local government  
10 shall not be required to enroll those of its employees who are  
11 covered spouses or dependents under this plan or another group  
12 policy or plan providing health benefits as long as (1) an  
13 appropriate official from the unit of local government attests  
14 that each employee not enrolled is a covered spouse or  
15 dependent under this plan or another group policy or plan, and  
16 (2) at least 50% of the employees are enrolled and the unit of  
17 local government remits the entire cost of providing coverage  
18 to those employees, except that a participating school district  
19 must have enrolled at least 50% of its full-time employees who  
20 have not waived coverage under the district's group health plan  
21 by participating in a component of the district's cafeteria  
22 plan. A participating school district is not required to enroll  
23 a full-time employee who has waived coverage under the  
24 district's health plan, provided that an appropriate official  
25 from the participating school district attests that the  
26 full-time employee has waived coverage by participating in a

1 component of the district's cafeteria plan. For the purposes of  
2 this subsection, "participating school district" includes a  
3 unit of local government whose primary purpose is education as  
4 defined by the Department's rules.

5 Employees of a participating unit of local government who  
6 are not enrolled due to coverage under another group health  
7 policy or plan may enroll in the event of a qualifying change  
8 in status, special enrollment, special circumstance as defined  
9 by the Director, or during the annual Benefit Choice Period. A  
10 participating unit of local government may also elect to cover  
11 its annuitants. Dependent coverage shall be offered on an  
12 optional basis, with the costs paid by the unit of local  
13 government, its employees, or some combination of the two as  
14 determined by the unit of local government. The unit of local  
15 government shall be responsible for timely collection and  
16 transmission of dependent premiums.

17 The Director shall annually determine monthly rates of  
18 payment, subject to the following constraints:

19 (1) In the first year of coverage, the rates shall be  
20 equal to the amount normally charged to State employees for  
21 elected optional coverages or for enrolled dependents  
22 coverages or other contributory coverages, or contributed  
23 by the State for basic insurance coverages on behalf of its  
24 employees, adjusted for differences between State  
25 employees and employees of the local government in age,  
26 sex, geographic location or other relevant demographic

1 variables, plus an amount sufficient to pay for the  
2 additional administrative costs of providing coverage to  
3 employees of the unit of local government and their  
4 dependents.

5 (2) In subsequent years, a further adjustment shall be  
6 made to reflect the actual prior years' claims experience  
7 of the employees of the unit of local government.

8 In the case of coverage of local government employees under  
9 a health maintenance organization, the Director shall annually  
10 determine for each participating unit of local government the  
11 maximum monthly amount the unit may contribute toward that  
12 coverage, based on an analysis of (i) the age, sex, geographic  
13 location, and other relevant demographic variables of the  
14 unit's employees and (ii) the cost to cover those employees  
15 under the State group health benefits plan. The Director may  
16 similarly determine the maximum monthly amount each unit of  
17 local government may contribute toward coverage of its  
18 employees' dependents under a health maintenance organization.

19 Monthly payments by the unit of local government or its  
20 employees for group health benefits plan or health maintenance  
21 organization coverage shall be deposited in the Local  
22 Government Health Insurance Reserve Fund.

23 The Local Government Health Insurance Reserve Fund is  
24 hereby created as a nonappropriated trust fund to be held  
25 outside the State Treasury, with the State Treasurer as  
26 custodian. The Local Government Health Insurance Reserve Fund

1 shall be a continuing fund not subject to fiscal year  
2 limitations. The Local Government Health Insurance Reserve  
3 Fund is not subject to administrative charges or charge-backs,  
4 including but not limited to those authorized under Section 8h  
5 of the State Finance Act. All revenues arising from the  
6 administration of the health benefits program established  
7 under this Section shall be deposited into the Local Government  
8 Health Insurance Reserve Fund. Any interest earned on moneys in  
9 the Local Government Health Insurance Reserve Fund shall be  
10 deposited into the Fund. All expenditures from this Fund shall  
11 be used for payments for health care benefits for local  
12 government and rehabilitation facility employees, annuitants,  
13 and dependents, and to reimburse the Department or its  
14 administrative service organization for all expenses incurred  
15 in the administration of benefits. No other State funds may be  
16 used for these purposes.

17 A local government employer's participation or desire to  
18 participate in a program created under this subsection shall  
19 not limit that employer's duty to bargain with the  
20 representative of any collective bargaining unit of its  
21 employees.

22 (j) Any rehabilitation facility within the State of  
23 Illinois may apply to the Director to have its employees,  
24 annuitants, and their eligible dependents provided group  
25 health coverage under this Act on a non-insured basis. To  
26 participate, a rehabilitation facility must agree to enroll all

1 of its employees and remit the entire cost of providing such  
2 coverage for its employees, except that the rehabilitation  
3 facility shall not be required to enroll those of its employees  
4 who are covered spouses or dependents under this plan or  
5 another group policy or plan providing health benefits as long  
6 as (1) an appropriate official from the rehabilitation facility  
7 attests that each employee not enrolled is a covered spouse or  
8 dependent under this plan or another group policy or plan, and  
9 (2) at least 50% of the employees are enrolled and the  
10 rehabilitation facility remits the entire cost of providing  
11 coverage to those employees. Employees of a participating  
12 rehabilitation facility who are not enrolled due to coverage  
13 under another group health policy or plan may enroll in the  
14 event of a qualifying change in status, special enrollment,  
15 special circumstance as defined by the Director, or during the  
16 annual Benefit Choice Period. A participating rehabilitation  
17 facility may also elect to cover its annuitants. Dependent  
18 coverage shall be offered on an optional basis, with the costs  
19 paid by the rehabilitation facility, its employees, or some  
20 combination of the 2 as determined by the rehabilitation  
21 facility. The rehabilitation facility shall be responsible for  
22 timely collection and transmission of dependent premiums.

23 The Director shall annually determine quarterly rates of  
24 payment, subject to the following constraints:

25 (1) In the first year of coverage, the rates shall be  
26 equal to the amount normally charged to State employees for

1           elected optional coverages or for enrolled dependents  
2           coverages or other contributory coverages on behalf of its  
3           employees, adjusted for differences between State  
4           employees and employees of the rehabilitation facility in  
5           age, sex, geographic location or other relevant  
6           demographic variables, plus an amount sufficient to pay for  
7           the additional administrative costs of providing coverage  
8           to employees of the rehabilitation facility and their  
9           dependents.

10           (2) In subsequent years, a further adjustment shall be  
11           made to reflect the actual prior years' claims experience  
12           of the employees of the rehabilitation facility.

13           Monthly payments by the rehabilitation facility or its  
14           employees for group health benefits shall be deposited in the  
15           Local Government Health Insurance Reserve Fund.

16           (k) Any domestic violence shelter or service within the  
17           State of Illinois may apply to the Director to have its  
18           employees, annuitants, and their dependents provided group  
19           health coverage under this Act on a non-insured basis. To  
20           participate, a domestic violence shelter or service must agree  
21           to enroll all of its employees and pay the entire cost of  
22           providing such coverage for its employees. The domestic  
23           violence shelter shall not be required to enroll those of its  
24           employees who are covered spouses or dependents under this plan  
25           or another group policy or plan providing health benefits as  
26           long as (1) an appropriate official from the domestic violence

1 shelter attests that each employee not enrolled is a covered  
2 spouse or dependent under this plan or another group policy or  
3 plan and (2) at least 50% of the employees are enrolled and the  
4 domestic violence shelter remits the entire cost of providing  
5 coverage to those employees. Employees of a participating  
6 domestic violence shelter who are not enrolled due to coverage  
7 under another group health policy or plan may enroll in the  
8 event of a qualifying change in status, special enrollment, or  
9 special circumstance as defined by the Director or during the  
10 annual Benefit Choice Period. A participating domestic  
11 violence shelter may also elect to cover its annuitants.  
12 Dependent coverage shall be offered on an optional basis, with  
13 employees, or some combination of the 2 as determined by the  
14 domestic violence shelter or service. The domestic violence  
15 shelter or service shall be responsible for timely collection  
16 and transmission of dependent premiums.

17 The Director shall annually determine rates of payment,  
18 subject to the following constraints:

19 (1) In the first year of coverage, the rates shall be  
20 equal to the amount normally charged to State employees for  
21 elected optional coverages or for enrolled dependents  
22 coverages or other contributory coverages on behalf of its  
23 employees, adjusted for differences between State  
24 employees and employees of the domestic violence shelter or  
25 service in age, sex, geographic location or other relevant  
26 demographic variables, plus an amount sufficient to pay for

1 the additional administrative costs of providing coverage  
2 to employees of the domestic violence shelter or service  
3 and their dependents.

4 (2) In subsequent years, a further adjustment shall be  
5 made to reflect the actual prior years' claims experience  
6 of the employees of the domestic violence shelter or  
7 service.

8 Monthly payments by the domestic violence shelter or  
9 service or its employees for group health insurance shall be  
10 deposited in the Local Government Health Insurance Reserve  
11 Fund.

12 (1) A public community college or entity organized pursuant  
13 to the Public Community College Act may apply to the Director  
14 initially to have only annuitants not covered prior to July 1,  
15 1992 by the district's health plan provided health coverage  
16 under this Act on a non-insured basis. The community college  
17 must execute a 2-year contract to participate in the Local  
18 Government Health Plan. Any annuitant may enroll in the event  
19 of a qualifying change in status, special enrollment, special  
20 circumstance as defined by the Director, or during the annual  
21 Benefit Choice Period.

22 The Director shall annually determine monthly rates of  
23 payment subject to the following constraints: for those  
24 community colleges with annuitants only enrolled, first year  
25 rates shall be equal to the average cost to cover claims for a  
26 State member adjusted for demographics, Medicare



1 participation, and other factors; and in the second year, a  
2 further adjustment of rates shall be made to reflect the actual  
3 first year's claims experience of the covered annuitants.

4 (l-5) The provisions of subsection (l) become inoperative  
5 on July 1, 1999.

6 (m) The Director shall adopt any rules deemed necessary for  
7 implementation of this amendatory Act of 1989 (Public Act  
8 86-978).

9 (n) Any child advocacy center within the State of Illinois  
10 may apply to the Director to have its employees, annuitants,  
11 and their dependents provided group health coverage under this  
12 Act on a non-insured basis. To participate, a child advocacy  
13 center must agree to enroll all of its employees and pay the  
14 entire cost of providing coverage for its employees. The child  
15 advocacy center shall not be required to enroll those of its  
16 employees who are covered spouses or dependents under this plan  
17 or another group policy or plan providing health benefits as  
18 long as (1) an appropriate official from the child advocacy  
19 center attests that each employee not enrolled is a covered  
20 spouse or dependent under this plan or another group policy or  
21 plan and (2) at least 50% of the employees are enrolled and the  
22 child advocacy center remits the entire cost of providing  
23 coverage to those employees. Employees of a participating child  
24 advocacy center who are not enrolled due to coverage under  
25 another group health policy or plan may enroll in the event of  
26 a qualifying change in status, special enrollment, or special

1 circumstance as defined by the Director or during the annual  
2 Benefit Choice Period. A participating child advocacy center  
3 may also elect to cover its annuitants. Dependent coverage  
4 shall be offered on an optional basis, with the costs paid by  
5 the child advocacy center, its employees, or some combination  
6 of the 2 as determined by the child advocacy center. The child  
7 advocacy center shall be responsible for timely collection and  
8 transmission of dependent premiums.

9 The Director shall annually determine rates of payment,  
10 subject to the following constraints:

11 (1) In the first year of coverage, the rates shall be  
12 equal to the amount normally charged to State employees for  
13 elected optional coverages or for enrolled dependents  
14 coverages or other contributory coverages on behalf of its  
15 employees, adjusted for differences between State  
16 employees and employees of the child advocacy center in  
17 age, sex, geographic location, or other relevant  
18 demographic variables, plus an amount sufficient to pay for  
19 the additional administrative costs of providing coverage  
20 to employees of the child advocacy center and their  
21 dependents.

22 (2) In subsequent years, a further adjustment shall be  
23 made to reflect the actual prior years' claims experience  
24 of the employees of the child advocacy center.

25 Monthly payments by the child advocacy center or its  
26 employees for group health insurance shall be deposited into

1 the Local Government Health Insurance Reserve Fund.

2 (Source: P.A. 97-695, eff. 7-1-12; 98-488, eff. 8-16-13.)

3 Section 10. The Budget Stabilization Act is amended by  
4 changing Section 20 as follows:

5 (30 ILCS 122/20)

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

8 Sec. 20. Pension Stabilization Fund.

9 (a) The Pension Stabilization Fund is hereby created as a  
10 special fund in the State treasury. Moneys in the fund shall be  
11 used for the sole purpose of making payments to the designated  
12 retirement systems as provided in Section 25.

13 (b) For each fiscal year through State fiscal year 2020,  
14 when the General Assembly's appropriations and transfers or  
15 diversions as required by law from general funds do not exceed  
16 99% of the estimated general funds revenues pursuant to  
17 subsection (a) of Section 10, the Comptroller shall transfer  
18 from the General Revenue Fund as provided by this Section a  
19 total amount equal to 0.5% of the estimated general funds  
20 revenues to the Pension Stabilization Fund.

21 (c) For each fiscal year through State fiscal year 2020,  
22 when the General Assembly's appropriations and transfers or  
23 diversions as required by law from general funds do not exceed  
24 98% of the estimated general funds revenues pursuant to

1 subsection (b) of Section 10, the Comptroller shall transfer  
2 from the General Revenue Fund as provided by this Section a  
3 total amount equal to 1.0% of the estimated general funds  
4 revenues to the Pension Stabilization Fund.

5 (c-5) In addition to any other amounts required to be  
6 transferred under this Section, in State fiscal year 2021 and  
7 each fiscal year thereafter through State fiscal year 2045, or  
8 when each of the designated retirement systems, as defined in  
9 Section 25, has achieved 100% funding, whichever occurs first,  
10 the State Comptroller shall order transferred and the State  
11 Treasurer shall transfer from the General Revenue Fund to the  
12 Pension Stabilization Fund an amount equal to (1) the sum of  
13 the amounts certified by the designated retirement systems  
14 under subsection (a-10) of Section 14-135.08, subsection  
15 (a-10) of Section 15-165, and subsection (a-10) of Section  
16 16-158 of this Code for that fiscal year minus (2) the sum of  
17 the required State contributions certified by the retirement  
18 systems under subsection (a-5) of Section 14-135.08,  
19 subsection (a-5) of Section 15-165, and subsection (a-5) of  
20 Section 16-158 of this Code for that fiscal year. The  
21 transferred amount is intended to represent the annual savings  
22 to the State resulting from the enactment of Section 1-161 and  
23 Section 14-155.2, the enactment of subsection (a-2) of Section  
24 15-155 and subsection (b-4) of Section 16-158, and the changes  
25 made to Section 1-160 by this amendatory Act of the 100th  
26 General Assembly.

1 (d) The Comptroller shall transfer 1/12 of the total amount  
2 to be transferred each fiscal year under this Section into the  
3 Pension Stabilization Fund on the first day of each month of  
4 that fiscal year or as soon thereafter as possible; except that  
5 the final transfer of the fiscal year shall be made as soon as  
6 practical after the August 31 following the end of the fiscal  
7 year.

8 Until State fiscal year 2021, before ~~Before~~ the final  
9 transfer for a fiscal year is made, the Comptroller shall  
10 reconcile the estimated general funds revenues used in  
11 calculating the other transfers under this Section for that  
12 fiscal year with the actual general funds revenues for that  
13 fiscal year. The final transfer for the fiscal year shall be  
14 adjusted so that the total amount transferred under this  
15 Section for that fiscal year is equal to the percentage  
16 specified in subsection (b) or (c) of this Section, whichever  
17 is applicable, of the actual general funds revenues for that  
18 fiscal year. The actual general funds revenues for the fiscal  
19 year shall be calculated in a manner consistent with subsection  
20 (c) of Section 10 of this Act.

21 (Source: P.A. 94-839, eff. 6-6-06.)

22 Section 15. The Illinois Pension Code is amended by  
23 changing Sections 1-160, 2-101, 2-105, 2-107, 2-124, 2-134,  
24 2-162, 14-131, 14-135.08, 14-152.1, 15-108.1, 15-108.2,  
25 15-155, 15-165, 15-198, 16-158, 16-203, 17-127, 17-129,

1 18-131, 18-140, 20-121, 20-123, 20-124, and 20-125 and by  
2 adding Sections 1-161, 1-162, 2-105.3, 2-165.1, 2-166.1,  
3 14-103.41, 14-147.5, 14-155.1, 14-155.2, 14-156.1, 15-155.2,  
4 15-185.5, 15-200.1, 15-201.1, 16-107.1, 16-158.3, 16-190.5,  
5 16-205.1, 16-206.1, and 17-106.05 as follows:

6 (40 ILCS 5/1-160)

7 (Text of Section WITHOUT the changes made by P.A. 98-641,  
8 which has been held unconstitutional)

9 Sec. 1-160. Provisions applicable to new hires.

10 (a) The provisions of this Section apply to a person who,  
11 on or after January 1, 2011, first becomes a member or a  
12 participant under any reciprocal retirement system or pension  
13 fund established under this Code, other than a retirement  
14 system or pension fund established under Article 2, 3, 4, 5, 6,  
15 15 or 18 of this Code, notwithstanding any other provision of  
16 this Code to the contrary, but do not apply to any self-managed  
17 plan established under this Code, to any person with respect to  
18 service as a sheriff's law enforcement employee under Article  
19 7, or to any participant of the retirement plan established  
20 under Section 22-101. Notwithstanding anything to the contrary  
21 in this Section, for purposes of this Section, a person who  
22 participated in a retirement system under Article 15 prior to  
23 January 1, 2011 shall be deemed a person who first became a  
24 member or participant prior to January 1, 2011 under any  
25 retirement system or pension fund subject to this Section. The

1 changes made to this Section by Public Act 98-596 ~~this~~  
2 ~~amendatory Act of the 98th General Assembly~~ are a clarification  
3 of existing law and are intended to be retroactive to January  
4 1, 2011 (the effective date of Public Act 96-889),  
5 notwithstanding the provisions of Section 1-103.1 of this Code.

6 This Section does not apply to a person who, on or after 6  
7 months after the effective date of this amendatory Act of the  
8 100th General Assembly, first becomes a member or participant  
9 under Article 14 or 16, unless that person (i) is a covered  
10 employee under Article 14 who has not elected to participate in  
11 the defined contribution plan under Section 14-155.2 or (ii)  
12 elects under subsection (b) of Section 1-161 to receive the  
13 benefits provided under this Section and the applicable  
14 provisions of the Article under which he or she is a member or  
15 participant. This Section also does not apply to a person who  
16 first becomes a member or participant of an affected pension  
17 fund on or after 6 months after the resolution or ordinance  
18 date, as defined in Section 1-162, unless that person elects  
19 under subsection (c) of Section 1-162 to receive the benefits  
20 provided under this Section and the applicable provisions of  
21 the Article under which he or she is a member or participant.

22 (b) "Final average salary" means the average monthly (or  
23 annual) salary obtained by dividing the total salary or  
24 earnings calculated under the Article applicable to the member  
25 or participant during the 96 consecutive months (or 8  
26 consecutive years) of service within the last 120 months (or 10

1 years) of service in which the total salary or earnings  
2 calculated under the applicable Article was the highest by the  
3 number of months (or years) of service in that period. For the  
4 purposes of a person who first becomes a member or participant  
5 of any retirement system or pension fund to which this Section  
6 applies on or after January 1, 2011, in this Code, "final  
7 average salary" shall be substituted for the following:

8 (1) In Article 7 (except for service as sheriff's law  
9 enforcement employees), "final rate of earnings".

10 (2) In Articles 8, 9, 10, 11, and 12, "highest average  
11 annual salary for any 4 consecutive years within the last  
12 10 years of service immediately preceding the date of  
13 withdrawal".

14 (3) In Article 13, "average final salary".

15 (4) In Article 14, "final average compensation".

16 (5) In Article 17, "average salary".

17 (6) In Section 22-207, "wages or salary received by him  
18 at the date of retirement or discharge".

19 (b-5) Beginning on January 1, 2011, for all purposes under  
20 this Code (including without limitation the calculation of  
21 benefits and employee contributions), the annual earnings,  
22 salary, or wages (based on the plan year) of a member or  
23 participant to whom this Section applies shall not exceed  
24 \$106,800; however, that amount shall annually thereafter be  
25 increased by the lesser of (i) 3% of that amount, including all  
26 previous adjustments, or (ii) one-half the annual unadjusted



1 percentage increase (but not less than zero) in the consumer  
2 price index-u for the 12 months ending with the September  
3 preceding each November 1, including all previous adjustments.

4 For the purposes of this Section, "consumer price index-u"  
5 means the index published by the Bureau of Labor Statistics of  
6 the United States Department of Labor that measures the average  
7 change in prices of goods and services purchased by all urban  
8 consumers, United States city average, all items, 1982-84 =  
9 100. The new amount resulting from each annual adjustment shall  
10 be determined by the Public Pension Division of the Department  
11 of Insurance and made available to the boards of the retirement  
12 systems and pension funds by November 1 of each year.

13 (c) A member or participant is entitled to a retirement  
14 annuity upon written application if he or she has attained age  
15 67 (beginning January 1, 2015, age 65 with respect to service  
16 under Article 12 of this Code that is subject to this Section)  
17 and has at least 10 years of service credit and is otherwise  
18 eligible under the requirements of the applicable Article.

19 A member or participant who has attained age 62 (beginning  
20 January 1, 2015, age 60 with respect to service under Article  
21 12 of this Code that is subject to this Section) and has at  
22 least 10 years of service credit and is otherwise eligible  
23 under the requirements of the applicable Article may elect to  
24 receive the lower retirement annuity provided in subsection (d)  
25 of this Section.

26 (d) The retirement annuity of a member or participant who

1 is retiring after attaining age 62 (beginning January 1, 2015,  
2 age 60 with respect to service under Article 12 of this Code  
3 that is subject to this Section) with at least 10 years of  
4 service credit shall be reduced by one-half of 1% for each full  
5 month that the member's age is under age 67 (beginning January  
6 1, 2015, age 65 with respect to service under Article 12 of  
7 this Code that is subject to this Section).

8 (e) Any retirement annuity or supplemental annuity shall be  
9 subject to annual increases on the January 1 occurring either  
10 on or after the attainment of age 67 (beginning January 1,  
11 2015, age 65 with respect to service under Article 12 of this  
12 Code that is subject to this Section) or the first anniversary  
13 of the annuity start date, whichever is later. Each annual  
14 increase shall be calculated at 3% or one-half the annual  
15 unadjusted percentage increase (but not less than zero) in the  
16 consumer price index-u for the 12 months ending with the  
17 September preceding each November 1, whichever is less, of the  
18 originally granted retirement annuity. If the annual  
19 unadjusted percentage change in the consumer price index-u for  
20 the 12 months ending with the September preceding each November  
21 1 is zero or there is a decrease, then the annuity shall not be  
22 increased.

23 (f) The initial survivor's or widow's annuity of an  
24 otherwise eligible survivor or widow of a retired member or  
25 participant who first became a member or participant on or  
26 after January 1, 2011 shall be in the amount of 66 2/3% of the

1 retired member's or participant's retirement annuity at the  
2 date of death. In the case of the death of a member or  
3 participant who has not retired and who first became a member  
4 or participant on or after January 1, 2011, eligibility for a  
5 survivor's or widow's annuity shall be determined by the  
6 applicable Article of this Code. The initial benefit shall be  
7 66 2/3% of the earned annuity without a reduction due to age. A  
8 child's annuity of an otherwise eligible child shall be in the  
9 amount prescribed under each Article if applicable. Any  
10 survivor's or widow's annuity shall be increased (1) on each  
11 January 1 occurring on or after the commencement of the annuity  
12 if the deceased member died while receiving a retirement  
13 annuity or (2) in other cases, on each January 1 occurring  
14 after the first anniversary of the commencement of the annuity.  
15 Each annual increase shall be calculated at 3% or one-half the  
16 annual unadjusted percentage increase (but not less than zero)  
17 in the consumer price index-u for the 12 months ending with the  
18 September preceding each November 1, whichever is less, of the  
19 originally granted survivor's annuity. If the annual  
20 unadjusted percentage change in the consumer price index-u for  
21 the 12 months ending with the September preceding each November  
22 1 is zero or there is a decrease, then the annuity shall not be  
23 increased.

24 (g) The benefits in Section 14-110 apply only if the person  
25 is a State policeman, a fire fighter in the fire protection  
26 service of a department, or a security employee of the

1 Department of Corrections or the Department of Juvenile  
2 Justice, as those terms are defined in subsection (b) of  
3 Section 14-110. A person who meets the requirements of this  
4 Section is entitled to an annuity calculated under the  
5 provisions of Section 14-110, in lieu of the regular or minimum  
6 retirement annuity, only if the person has withdrawn from  
7 service with not less than 20 years of eligible creditable  
8 service and has attained age 60, regardless of whether the  
9 attainment of age 60 occurs while the person is still in  
10 service.

11 (h) If a person who first becomes a member or a participant  
12 of a retirement system or pension fund subject to this Section  
13 on or after January 1, 2011 is receiving a retirement annuity  
14 or retirement pension under that system or fund and becomes a  
15 member or participant under any other system or fund created by  
16 this Code and is employed on a full-time basis, except for  
17 those members or participants exempted from the provisions of  
18 this Section under subsection (a) of this Section, then the  
19 person's retirement annuity or retirement pension under that  
20 system or fund shall be suspended during that employment. Upon  
21 termination of that employment, the person's retirement  
22 annuity or retirement pension payments shall resume and be  
23 recalculated if recalculation is provided for under the  
24 applicable Article of this Code.

25 If a person who first becomes a member of a retirement  
26 system or pension fund subject to this Section on or after

1 January 1, 2012 and is receiving a retirement annuity or  
2 retirement pension under that system or fund and accepts on a  
3 contractual basis a position to provide services to a  
4 governmental entity from which he or she has retired, then that  
5 person's annuity or retirement pension earned as an active  
6 employee of the employer shall be suspended during that  
7 contractual service. A person receiving an annuity or  
8 retirement pension under this Code shall notify the pension  
9 fund or retirement system from which he or she is receiving an  
10 annuity or retirement pension, as well as his or her  
11 contractual employer, of his or her retirement status before  
12 accepting contractual employment. A person who fails to submit  
13 such notification shall be guilty of a Class A misdemeanor and  
14 required to pay a fine of \$1,000. Upon termination of that  
15 contractual employment, the person's retirement annuity or  
16 retirement pension payments shall resume and, if appropriate,  
17 be recalculated under the applicable provisions of this Code.

18 (i) (Blank).

19 (j) Except for Sections 1-161 and 1-162, in ~~in~~ the case of  
20 a conflict between the provisions of this Section and any other  
21 provision of this Code, the provisions of this Section shall  
22 control.

23 (Source: P.A. 97-609, eff. 1-1-12; 98-92, eff. 7-16-13; 98-596,  
24 eff. 11-19-13; 98-622, eff. 6-1-14; revised 3-24-16.)

25 (40 ILCS 5/1-161 new)

1       Sec. 1-161. Optional benefits for certain Tier 2 members  
2 under Articles 14, 15, and 16.

3       (a) Notwithstanding any other provision of this Code to the  
4 contrary, the provisions of this Section apply to a person who,  
5 on or after 6 months after the effective date of this  
6 amendatory Act of the 100th General Assembly, first becomes a  
7 member or a participant under Article 14, 15, or 16 and who  
8 does not make the election under subsection (b) or (c),  
9 whichever is applicable. The provisions of this Section do not  
10 apply to any participant in a self-managed plan or to a covered  
11 employee under Article 14.

12       (b) In lieu of the benefits provided under this Section, a  
13 member or participant, except for a participant under Article  
14 15, may irrevocably elect the benefits under Section 1-160 and  
15 the benefits otherwise applicable to that member or  
16 participant. The election must be made within 30 days after  
17 becoming a member or participant. Each retirement system shall  
18 establish procedures for making this election.

19       (c) A participant under Article 15 may irrevocably elect  
20 the benefits otherwise provided to a Tier 2 participant under  
21 Article 15. The election must be made within 30 days after  
22 becoming a participant. The retirement system under Article 15  
23 shall establish procedures for making this election.

24       (d) "Final average salary" means the average monthly (or  
25 annual) salary obtained by dividing the total salary or  
26 earnings calculated under the Article applicable to the member

1 or participant during the last 120 months (or 10 years) of  
2 service in which the total salary or earnings calculated under  
3 the applicable Article was the highest by the number of months  
4 (or years) of service in that period. For the purposes of a  
5 person who first becomes a member or participant of any  
6 retirement system to which this Section applies on or after 6  
7 months after the effective date of this amendatory Act of the  
8 100th General Assembly, in this Code, "final average salary"  
9 shall be substituted for "final average compensation" in  
10 Article 14.

11 (e) Beginning 6 months after the effective date of this  
12 amendatory Act of the 100th General Assembly, for all purposes  
13 under this Code (including without limitation the calculation  
14 of benefits and employee contributions), the annual earnings,  
15 salary, or wages (based on the plan year) of a member or  
16 participant to whom this Section applies shall not at any time  
17 exceed the federal Social Security Wage Base then in effect.

18 (f) A member or participant is entitled to a retirement  
19 annuity upon written application if he or she has attained the  
20 normal retirement age determined by the Social Security  
21 Administration for that member or participant's year of birth,  
22 but no earlier than 67 years of age, and has at least 10 years  
23 of service credit and is otherwise eligible under the  
24 requirements of the applicable Article.

25 (g) The amount of the retirement annuity to which a member  
26 or participant is entitled shall be computed by multiplying

1 1.25% for each year of service credit by his or her final  
2 average salary.

3 (h) Any retirement annuity or supplemental annuity shall be  
4 subject to annual increases on the first anniversary of the  
5 annuity start date. Each annual increase shall be one-half the  
6 annual unadjusted percentage increase (but not less than zero)  
7 in the consumer price index-w for the 12 months ending with the  
8 September preceding each November 1 of the originally granted  
9 retirement annuity. If the annual unadjusted percentage change  
10 in the consumer price index-w for the 12 months ending with the  
11 September preceding each November 1 is zero or there is a  
12 decrease, then the annuity shall not be increased.

13 For the purposes of this Section, "consumer price index-w"  
14 means the index published by the Bureau of Labor Statistics of  
15 the United States Department of Labor that measures the average  
16 change in prices of goods and services purchased by Urban Wage  
17 Earners and Clerical Workers, United States city average, all  
18 items, 1982-84 = 100. The new amount resulting from each annual  
19 adjustment shall be determined by the Public Pension Division  
20 of the Department of Insurance and made available to the boards  
21 of the retirement systems and pension funds by November 1 of  
22 each year.

23 (i) The initial survivor's or widow's annuity of an  
24 otherwise eligible survivor or widow of a retired member or  
25 participant who first became a member or participant on or  
26 after 6 months after the effective date of this amendatory Act



1 of the 100th General Assembly shall be in the amount of 66 2/3%  
2 of the retired member's or participant's retirement annuity at  
3 the date of death. In the case of the death of a member or  
4 participant who has not retired and who first became a member  
5 or participant on or after 6 months after the effective date of  
6 this amendatory Act of the 100th General Assembly, eligibility  
7 for a survivor's or widow's annuity shall be determined by the  
8 applicable Article of this Code. The benefit shall be 66 2/3%  
9 of the earned annuity without a reduction due to age. A child's  
10 annuity of an otherwise eligible child shall be in the amount  
11 prescribed under each Article if applicable.

12 (j) In lieu of any other employee contributions, except for  
13 the contribution to the defined contribution plan under  
14 subsection (k) of this Section, each employee shall contribute  
15 6.2% of his her or salary to the retirement system. However,  
16 the employee contribution under this subsection shall not  
17 exceed the amount of the normal cost of the benefits under this  
18 Section (except for the defined contribution plan under  
19 subsection (k) of this Section), expressed as a percentage of  
20 payroll and determined on or before November 1 of each year by  
21 the board of trustees of the retirement system. If the board of  
22 trustees of the retirement system determines that the 6.2%  
23 employee contribution rate exceeds the normal cost of the  
24 benefits under this Section (except for the defined  
25 contribution plan under subsection (k) of this Section), then  
26 on or before December 1 of that year, the board of trustees

1 shall certify the amount of the normal cost of the benefits  
2 under this Section (except for the defined contribution plan  
3 under subsection (k) of this Section), expressed as a  
4 percentage of payroll, to the State Actuary and the Commission  
5 on Government Forecasting and Accountability, and the employee  
6 contribution under this subsection shall be reduced to that  
7 amount beginning January 1 of the following year. Thereafter,  
8 if the normal cost of the benefits under this Section (except  
9 for the defined contribution plan under subsection (k) of this  
10 Section), expressed as a percentage of payroll and determined  
11 on or before November 1 of each year by the board of trustees  
12 of the retirement system, exceeds 6.2% of salary, then on or  
13 before December 1 of that year, the board of trustees shall  
14 certify the normal cost to the State Actuary and the Commission  
15 on Government Forecasting and Accountability, and the employee  
16 contributions shall revert back to 6.2% of salary beginning  
17 January 1 of the following year.

18 (k) No later than 5 months after the effective date of this  
19 amendatory Act of the 100th General Assembly, each retirement  
20 system under Article 14, 15, or 16 shall prepare and implement  
21 a defined contribution plan for members or participants who are  
22 subject to this Section. The defined contribution plan  
23 developed under this subsection shall be a plan that aggregates  
24 employer and employee contributions in individual participant  
25 accounts which, after meeting any other requirements, are used  
26 for payouts after retirement in accordance with this subsection

1 and any other applicable laws.

2 (1) Each member or participant shall contribute a  
3 minimum of 4% of his or her salary to the defined  
4 contribution plan.

5 (2) For each participant in the defined contribution  
6 plan who has been employed with the same employer for at  
7 least one year, employer contributions shall be paid into  
8 that participant's accounts at a rate expressed as a  
9 percentage of salary. This rate may be set for individual  
10 employees, but shall be no higher than 6% of salary and  
11 shall be no lower than 2% of salary.

12 (3) Employer contributions shall vest when those  
13 contributions are paid into a member's or participant's  
14 account.

15 (4) The defined contribution plan shall provide a  
16 variety of options for investments. These options shall  
17 include investments handled by the Illinois State Board of  
18 Investment as well as private sector investment options.

19 (5) The defined contribution plan shall provide a  
20 variety of options for payouts to retirees and their  
21 survivors.

22 (6) To the extent authorized under federal law and as  
23 authorized by the retirement system, the defined  
24 contribution plan shall allow former participants in the  
25 plan to transfer or roll over employee and employer  
26 contributions, and the earnings thereon, into other

1 qualified retirement plans.

2 (7) Each retirement system shall reduce the employee  
3 contributions credited to the member's defined  
4 contribution plan account by an amount determined by that  
5 retirement system to cover the cost of offering the  
6 benefits under this subsection and any applicable  
7 administrative fees.

8 (8) No person shall begin participating in the defined  
9 contribution plan until it has attained qualified plan  
10 status and received all necessary approvals from the U.S.  
11 Internal Revenue Service.

12 (1) By accepting the benefits under this Section, a member  
13 or participant acknowledges and consents that benefits once  
14 earned may not be diminished, but that future benefits may be  
15 modified, including, but not limited to, changes in the  
16 retirement age at which a member or participant becomes  
17 eligible to receive future benefits, changes in the amount of  
18 the automatic annual increase for those future benefits, or the  
19 amount of the retirement annuity. Any increase in benefits  
20 under this Section applicable to persons under Article 15 or 16  
21 does not apply unless it is approved by resolution or ordinance  
22 of the governing body of the unit of local government with  
23 regard to the members or participants under that unit of local  
24 government.

25 (m) In the case of a conflict between the provisions of  
26 this Section and any other provision of this Code, the

1 provisions of this Section shall control.

2 (40 ILCS 5/1-162 new)

3 Sec. 1-162. Optional benefits for certain Tier 2 members of  
4 pension funds under Articles 8, 9, 10, 11, 12, and 17.

5 (a) As used in this Section:

6 "Affected pension fund" means a pension fund established  
7 under Article 8, 9, 10, 11, 12, or 17 that the governing body  
8 of the unit of local government has designated as an affected  
9 pension fund by adoption of a resolution or ordinance.

10 "Resolution or ordinance date" means the date on which the  
11 governing body of the unit of local government designates a  
12 pension fund under Article 8, 9, 10, 11, 12, or 17 as an  
13 affected pension fund by adoption of a resolution or ordinance.

14 (b) Notwithstanding any other provision of this Code to the  
15 contrary, the provisions of this Section apply to a person who  
16 first becomes a member or a participant in an affected pension  
17 fund on or after 6 months after the resolution or ordinance  
18 date and who does not make the election under subsection (c).

19 (c) In lieu of the benefits provided under this Section, a  
20 member or participant may irrevocably elect the benefits under  
21 Section 1-160 and the benefits otherwise applicable to that  
22 member or participant. The election must be made within 30 days  
23 after becoming a member or participant. Each affected pension  
24 fund shall establish procedures for making this election.

25 (d) "Final average salary" means the average monthly (or

1 annual) salary obtained by dividing the total salary or  
2 earnings calculated under the Article applicable to the member  
3 or participant during the last 120 months (or 10 years) of  
4 service in which the total salary or earnings calculated under  
5 the applicable Article was the highest by the number of months  
6 (or years) of service in that period. For the purposes of a  
7 person who first becomes a member or participant of an affected  
8 pension fund on or after 6 months after the ordinance or  
9 resolution date, in this Code, "final average salary" shall be  
10 substituted for the following:

11 (1) In Articles 8, 9, 10, 11, and 12, "highest average  
12 annual salary for any 4 consecutive years within the last  
13 10 years of service immediately preceding the date of  
14 withdrawal".

15 (2) In Article 17, "average salary".

16 (e) Beginning 6 months after the resolution or ordinance  
17 date, for all purposes under this Code (including without  
18 limitation the calculation of benefits and employee  
19 contributions), the annual earnings, salary, or wages (based on  
20 the plan year) of a member or participant to whom this Section  
21 applies shall not at any time exceed the federal Social  
22 Security Wage Base then in effect.

23 (f) A member or participant is entitled to a retirement  
24 annuity upon written application if he or she has attained the  
25 normal retirement age determined by the Social Security  
26 Administration for that member or participant's year of birth,

1 but no earlier than 67 years of age, and has at least 10 years  
2 of service credit and is otherwise eligible under the  
3 requirements of the applicable Article.

4 (g) The amount of the retirement annuity to which a member  
5 or participant is entitled shall be computed by multiplying  
6 1.25% for each year of service credit by his or her final  
7 average salary.

8 (h) Any retirement annuity or supplemental annuity shall be  
9 subject to annual increases on the first anniversary of the  
10 annuity start date. Each annual increase shall be one-half the  
11 annual unadjusted percentage increase (but not less than zero)  
12 in the consumer price index-w for the 12 months ending with the  
13 September preceding each November 1 of the originally granted  
14 retirement annuity. If the annual unadjusted percentage change  
15 in the consumer price index-w for the 12 months ending with the  
16 September preceding each November 1 is zero or there is a  
17 decrease, then the annuity shall not be increased.

18 For the purposes of this Section, "consumer price index-w"  
19 means the index published by the Bureau of Labor Statistics of  
20 the United States Department of Labor that measures the average  
21 change in prices of goods and services purchased by Urban Wage  
22 Earners and Clerical Workers, United States city average, all  
23 items, 1982-84 = 100. The new amount resulting from each annual  
24 adjustment shall be determined by the Public Pension Division  
25 of the Department of Insurance and made available to the boards  
26 of the retirement systems and pension funds by November 1 of

1 each year.

2 (i) The initial survivor's or widow's annuity of an  
3 otherwise eligible survivor or widow of a retired member or  
4 participant who first became a member or participant on or  
5 after 6 months after the resolution or ordinance date shall be  
6 in the amount of 66 2/3% of the retired member's or  
7 participant's retirement annuity at the date of death. In the  
8 case of the death of a member or participant who has not  
9 retired and who first became a member or participant on or  
10 after 6 months after the resolution or ordinance date,  
11 eligibility for a survivor's or widow's annuity shall be  
12 determined by the applicable Article of this Code. The benefit  
13 shall be 66 2/3% of the earned annuity without a reduction due  
14 to age. A child's annuity of an otherwise eligible child shall  
15 be in the amount prescribed under each Article if applicable.

16 (j) In lieu of any other employee contributions, except for  
17 the contribution to the defined contribution plan under  
18 subsection (k) of this Section, each employee shall contribute  
19 6.2% of his her or salary to the affected pension fund.  
20 However, the employee contribution under this subsection shall  
21 not exceed the amount of the normal cost of the benefits under  
22 this Section (except for the defined contribution plan under  
23 subsection (k) of this Section), expressed as a percentage of  
24 payroll and determined on or before November 1 of each year by  
25 the board of trustees of the affected pension fund. If the  
26 board of trustees of the affected pension fund determines that



1 the 6.2% employee contribution rate exceeds the normal cost of  
2 the benefits under this Section (except for the defined  
3 contribution plan under subsection (k) of this Section), then  
4 on or before December 1 of that year, the board of trustees  
5 shall certify the amount of the normal cost of the benefits  
6 under this Section (except for the defined contribution plan  
7 under subsection (k) of this Section), expressed as a  
8 percentage of payroll, to the State Actuary and the Commission  
9 on Government Forecasting and Accountability, and the employee  
10 contribution under this subsection shall be reduced to that  
11 amount beginning January 1 of the following year. Thereafter,  
12 if the normal cost of the benefits under this Section (except  
13 for the defined contribution plan under subsection (k) of this  
14 Section), expressed as a percentage of payroll and determined  
15 on or before November 1 of each year by the board of trustees  
16 of the affected pension fund, exceeds 6.2% of salary, then on  
17 or before December 1 of that year, the board of trustees shall  
18 certify the normal cost to the State Actuary and the Commission  
19 on Government Forecasting and Accountability, and the employee  
20 contributions shall revert back to 6.2% of salary beginning  
21 January 1 of the following year.

22 (k) No later than 5 months after the resolution or  
23 ordinance date, an affected pension fund shall prepare and  
24 implement a defined contribution plan for members or  
25 participants who are subject to this Section. The defined  
26 contribution plan developed under this subsection shall be a

1 plan that aggregates employer and employee contributions in  
2 individual participant accounts which, after meeting any other  
3 requirements, are used for payouts after retirement in  
4 accordance with this subsection and any other applicable laws.

5 (1) Each member or participant shall contribute a  
6 minimum of 4% of his or her salary to the defined  
7 contribution plan.

8 (2) For each participant in the defined contribution  
9 plan who has been employed with the same employer for at  
10 least one year, employer contributions shall be paid into  
11 that participant's accounts at a rate expressed as a  
12 percentage of salary. This rate may be set for individual  
13 employees, but shall be no higher than 6% of salary and  
14 shall be no lower than 2% of salary.

15 (3) Employer contributions shall vest when those  
16 contributions are paid into a member's or participant's  
17 account.

18 (4) The defined contribution plan shall provide a  
19 variety of options for investments. These options shall  
20 include investments handled by the Illinois State Board of  
21 Investment as well as private sector investment options.

22 (5) The defined contribution plan shall provide a  
23 variety of options for payouts to retirees and their  
24 survivors.

25 (6) To the extent authorized under federal law and as  
26 authorized by the affected pension fund, the defined

1       contribution plan shall allow former participants in the  
2       plan to transfer or roll over employee and employer  
3       contributions, and the earnings thereon, into other  
4       qualified retirement plans.

5           (7) Each affected pension fund shall reduce the  
6       employee contributions credited to the member's defined  
7       contribution plan account by an amount determined by that  
8       affected pension fund to cover the cost of offering the  
9       benefits under this subsection and any applicable  
10       administrative fees.

11           (8) No person shall begin participating in the defined  
12       contribution plan until it has attained qualified plan  
13       status and received all necessary approvals from the U.S.  
14       Internal Revenue Service.

15           (1) By accepting the benefits under this Section, a member  
16       or participant acknowledges and consents that benefits once  
17       earned may not be diminished, but that future benefits may be  
18       modified, including, but not limited to, changes in the  
19       retirement age at which a member or participant becomes  
20       eligible to receive future benefits, changes in the amount of  
21       the automatic annual increase for those future benefits, or the  
22       amount of the retirement annuity. Any increase in benefits  
23       under this Section does not apply unless it is approved by  
24       resolution or ordinance of the governing body of the unit of  
25       local government with regard to the members or participants  
26       under that unit of local government.

1       (m) In the case of a conflict between the provisions of  
2 this Section and any other provision of this Code, the  
3 provisions of this Section shall control.

4           (40 ILCS 5/2-101) (from Ch. 108 1/2, par. 2-101)

5       Sec. 2-101. Creation of system. A retirement system is  
6 created to provide retirement annuities, survivor's annuities  
7 and other benefits for certain members of the General Assembly,  
8 certain elected state officials, and their beneficiaries.

9       The system shall be known as the "General Assembly  
10 Retirement System". All its funds and property shall be a trust  
11 separate from all other entities, maintained for the purpose of  
12 securing payment of annuities and benefits under this Article.

13       Participation in the retirement system created under this  
14 Article is restricted to persons who became participants before  
15 the effective date of this amendatory Act of the 100th General  
16 Assembly. Beginning on that date, the System shall not accept  
17 any new participants.

18       (Source: P.A. 83-1440.)

19           (40 ILCS 5/2-105) (from Ch. 108 1/2, par. 2-105)

20       Sec. 2-105. Member. "Member": Members of the General  
21 Assembly of this State, including persons who enter military  
22 service while a member of the General Assembly, and any person  
23 serving as Governor, Lieutenant Governor, Secretary of State,  
24 Treasurer, Comptroller, or Attorney General for the period of

1 service in such office.

2 Any person who has served for 10 or more years as Clerk or  
3 Assistant Clerk of the House of Representatives, Secretary or  
4 Assistant Secretary of the Senate, or any combination thereof,  
5 may elect to become a member of this system while thenceforth  
6 engaged in such service by filing a written election with the  
7 board. Any person so electing shall be deemed an active member  
8 of the General Assembly for the purpose of validating and  
9 transferring any service credits earned under any of the funds  
10 and systems established under Articles 3 through 18 of this  
11 Code.

12 However, notwithstanding any other provision of this  
13 Article, a person shall not be deemed a member for the purposes  
14 of this Article unless he or she became a participant of the  
15 System before the effective date of this amendatory Act of the  
16 100th General Assembly.

17 (Source: P.A. 85-1008.)

18 (40 ILCS 5/2-105.3 new)

19 Sec. 2-105.3. Tier 1 employee. "Tier 1 employee": A  
20 participant who first became a participant before January 1,  
21 2011.

22 (40 ILCS 5/2-107) (from Ch. 108 1/2, par. 2-107)

23 Sec. 2-107. Participant. "Participant": Any member who  
24 elects to participate; and any former member who elects to

1 continue participation under Section 2-117.1, for the duration  
2 of such continued participation. However, notwithstanding any  
3 other provision of this Article, a person shall not be deemed a  
4 participant for the purposes of this Article unless he or she  
5 became a participant of the System before the effective date of  
6 this amendatory Act of the 100th General Assembly.

7 (Source: P.A. 86-1488.)

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

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

11 Sec. 2-124. Contributions by State.

12 (a) The State shall make contributions to the System by  
13 appropriations of amounts which, together with the  
14 contributions of participants, interest earned on investments,  
15 and other income will meet the cost of maintaining and  
16 administering the System on a 90% funded basis in accordance  
17 with actuarial recommendations.

18 (b) The Board shall determine the amount of State  
19 contributions required for each fiscal year on the basis of the  
20 actuarial tables and other assumptions adopted by the Board and  
21 the prescribed rate of interest, using the formula in  
22 subsection (c).

23 (c) For State fiscal years 2018 through 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

1 sufficient to bring the total assets of the System up to 90% of  
2 the total actuarial liabilities of the System by the end of  
3 State fiscal year 2045. In making these determinations, the  
4 required State contribution shall be calculated each year as a  
5 level percentage of total payroll, including payroll that is  
6 not deemed pensionable, but excluding payroll attributable to  
7 participants in the defined contribution plan under Section  
8 2-165.1, over the years remaining to and including fiscal year  
9 2045 and shall be determined under the projected unit credit  
10 actuarial cost method.

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

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

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

23 (ii) in the portion of the 5-year period beginning in  
24 the State fiscal year in which the actuarial change first  
25 applied that occurs in State fiscal year 2018 or  
26 thereafter, by calculating the change in equal annual

1       amounts over that 5-year period and then implementing it at  
2       the resulting annual rate in each of the remaining fiscal  
3       years in that 5-year period.

4       For State fiscal years 2012 through 2017 ~~2045~~, the minimum  
5       contribution to the System to be made by the State for each  
6       fiscal year shall be an amount determined by the System to be  
7       sufficient to bring the total assets of the System up to 90% of  
8       the total actuarial liabilities of the System by the end of  
9       State fiscal year 2045. In making these determinations, the  
10      required State contribution shall be calculated each year as a  
11      level percentage of payroll over the years remaining to and  
12      including fiscal year 2045 and shall be determined under the  
13      projected unit credit actuarial cost method.

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

19      Notwithstanding any other provision of this Article, the  
20      total required State contribution for State fiscal year 2006 is  
21      \$4,157,000.

22      Notwithstanding any other provision of this Article, the  
23      total required State contribution for State fiscal year 2007 is  
24      \$5,220,300.

25      For each of State fiscal years 2008 through 2009, the State  
26      contribution to the System, as a percentage of the applicable



1 employee payroll, shall be increased in equal annual increments  
2 from the required State contribution for State fiscal year  
3 2007, so that by State fiscal year 2011, the State is  
4 contributing at the rate otherwise required under this Section.

5 Notwithstanding any other provision of this Article, the  
6 total required State contribution for State fiscal year 2010 is  
7 \$10,454,000 and shall be made from the proceeds of bonds sold  
8 in fiscal year 2010 pursuant to Section 7.2 of the General  
9 Obligation Bond Act, less (i) the pro rata share of bond sale  
10 expenses determined by the System's share of total bond  
11 proceeds, (ii) any amounts received from the General Revenue  
12 Fund in fiscal year 2010, and (iii) any reduction in bond  
13 proceeds due to the issuance of discounted bonds, if  
14 applicable.

15 Notwithstanding any other provision of this Article, the  
16 total required State contribution for State fiscal year 2011 is  
17 the amount recertified by the System on or before April 1, 2011  
18 pursuant to Section 2-134 and shall be made from the proceeds  
19 of bonds sold in fiscal year 2011 pursuant to Section 7.2 of  
20 the General Obligation Bond Act, less (i) the pro rata share of  
21 bond sale expenses determined by the System's share of total  
22 bond proceeds, (ii) any amounts received from the General  
23 Revenue Fund in fiscal year 2011, and (iii) any reduction in  
24 bond proceeds due to the issuance of discounted bonds, if  
25 applicable.

26 Beginning in State fiscal year 2046, the minimum State

1 contribution for each fiscal year shall be the amount needed to  
2 maintain the total assets of the System at 90% of the total  
3 actuarial liabilities of the System.

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

16 Notwithstanding any other provision of this Section, the  
17 required State contribution for State fiscal year 2005 and for  
18 fiscal year 2008 and each fiscal year thereafter, as calculated  
19 under this Section and certified under Section 2-134, shall not  
20 exceed an amount equal to (i) the amount of the required State  
21 contribution that would have been calculated under this Section  
22 for that fiscal year if the System had not received any  
23 payments under subsection (d) of Section 7.2 of the General  
24 Obligation Bond Act, minus (ii) the portion of the State's  
25 total debt service payments for that fiscal year on the bonds  
26 issued in fiscal year 2003 for the purposes of that Section

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

15 (d) For purposes of determining the required State  
16 contribution to the System, the value of the System's assets  
17 shall be equal to the actuarial value of the System's assets,  
18 which shall be calculated as follows:

19 As of June 30, 2008, the actuarial value of the System's  
20 assets shall be equal to the market value of the assets as of  
21 that date. In determining the actuarial value of the System's  
22 assets for fiscal years after June 30, 2008, any actuarial  
23 gains or losses from investment return incurred in a fiscal  
24 year shall be recognized in equal annual amounts over the  
25 5-year period following that fiscal year.

26 (e) For purposes of determining the required State

1 contribution to the system for a particular year, the actuarial  
2 value of assets shall be assumed to earn a rate of return equal  
3 to the system's actuarially assumed rate of return.

4 (Source: P.A. 96-43, eff. 7-15-09; 96-1497, eff. 1-14-11;  
5 96-1511, eff. 1-27-11; 96-1554, eff. 3-18-11; 97-813, eff.  
6 7-13-12.)

7 (40 ILCS 5/2-134) (from Ch. 108 1/2, par. 2-134)

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

10 Sec. 2-134. To certify required State contributions and  
11 submit vouchers.

12 (a) The Board shall certify to the Governor on or before  
13 December 15 of each year until December 15, 2011 the amount of  
14 the required State contribution to the System for the next  
15 fiscal year and shall specifically identify the System's  
16 projected State normal cost for that fiscal year. The  
17 certification shall include a copy of the actuarial  
18 recommendations upon which it is based and shall specifically  
19 identify the System's projected State normal cost for that  
20 fiscal year.

21 On or before November 1 of each year, beginning November 1,  
22 2012, the Board shall submit to the State Actuary, the  
23 Governor, and the General Assembly a proposed certification of  
24 the amount of the required State contribution to the System for  
25 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 every 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 On or before May 1, 2004, 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 2005, taking  
19 into account the amounts appropriated to and received by the  
20 System under subsection (d) of Section 7.2 of the General  
21 Obligation Bond Act.

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

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

7           As soon as practical after the effective date of this  
8           amendatory Act of the 100th General Assembly, the Board shall  
9           recalculate and recertify to the State Actuary, the Governor,  
10           and the General Assembly the amount of the State contribution  
11           to the System for State fiscal year 2018, taking into account  
12           the changes in required State contributions made by this  
13           amendatory Act of the 100th General Assembly. The State Actuary  
14           shall review the assumptions and valuations underlying the  
15           Board's revised certification and issue a preliminary report  
16           concerning the proposed recertification and identifying, if  
17           necessary, recommended changes in actuarial assumptions that  
18           the Board must consider before finalizing its certification of  
19           the required State contributions. The Board's final  
20           certification must note any deviations from the State Actuary's  
21           recommended changes, the reason or reasons for not following  
22           the State Actuary's recommended changes, and the fiscal impact  
23           of not following the State Actuary's recommended changes on the  
24           required State contribution.

25           (b) Beginning in State fiscal year 1996, on or as soon as  
26           possible after the 15th day of each month the Board shall

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

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

1 System as a general reserve to meet the System's accrued  
2 liabilities.

3 (Source: P.A. 96-1497, eff. 1-14-11; 96-1511, eff. 1-27-11;  
4 97-694, eff. 6-18-12.)

5 (40 ILCS 5/2-162)

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

8 Sec. 2-162. Application and expiration of new benefit  
9 increases.

10 (a) As used in this Section, "new benefit increase" means  
11 an increase in the amount of any benefit provided under this  
12 Article, or an expansion of the conditions of eligibility for  
13 any benefit under this Article, that results from an amendment  
14 to this Code that takes effect after the effective date of this  
15 amendatory Act of the 94th General Assembly. "New benefit  
16 increase", however, does not include any benefit increase  
17 resulting from the changes made to this Article by this  
18 amendatory Act of the 100th General Assembly.

19 (b) Notwithstanding any other provision of this Code or any  
20 subsequent amendment to this Code, every new benefit increase  
21 is subject to this Section and shall be deemed to be granted  
22 only in conformance with and contingent upon compliance with  
23 the provisions of this Section.

24 (c) The Public Act enacting a new benefit increase must  
25 identify and provide for payment to the System of additional



1 funding at least sufficient to fund the resulting annual  
2 increase in cost to the System as it accrues.

3 Every new benefit increase is contingent upon the General  
4 Assembly providing the additional funding required under this  
5 subsection. The Commission on Government Forecasting and  
6 Accountability shall analyze whether adequate additional  
7 funding has been provided for the new benefit increase and  
8 shall report its analysis to the Public Pension Division of the  
9 Department of Insurance ~~Financial and Professional Regulation~~.  
10 A new benefit increase created by a Public Act that does not  
11 include the additional funding required under this subsection  
12 is null and void. If the Public Pension Division determines  
13 that the additional funding provided for a new benefit increase  
14 under this subsection is or has become inadequate, it may so  
15 certify to the Governor and the State Comptroller and, in the  
16 absence of corrective action by the General Assembly, the new  
17 benefit increase shall expire at the end of the fiscal year in  
18 which the certification is made.

19 (d) Every new benefit increase shall expire 5 years after  
20 its effective date or on such earlier date as may be specified  
21 in the language enacting the new benefit increase or provided  
22 under subsection (c). This does not prevent the General  
23 Assembly from extending or re-creating a new benefit increase  
24 by law.

25 (e) Except as otherwise provided in the language creating  
26 the new benefit increase, a new benefit increase that expires

1 under this Section continues to apply to persons who applied  
2 and qualified for the affected benefit while the new benefit  
3 increase was in effect and to the affected beneficiaries and  
4 alternate payees of such persons, but does not apply to any  
5 other person, including without limitation a person who  
6 continues in service after the expiration date and did not  
7 apply and qualify for the affected benefit while the new  
8 benefit increase was in effect.

9 (Source: P.A. 94-4, eff. 6-1-05.)

10 (40 ILCS 5/2-165.1 new)

11 Sec. 2-165.1. Defined contribution plan.

12 (a) By July 1, 2018, the System shall prepare and implement  
13 a voluntary defined contribution plan for up to 5% of eligible  
14 active Tier 1 employees. The System shall determine the 5% cap  
15 by the number of active Tier 1 employees on the effective date  
16 of this Section. The defined contribution plan developed under  
17 this Section shall be a plan that aggregates employer and  
18 employee contributions in individual participant accounts  
19 which, after meeting any other requirements, are used for  
20 payouts after retirement in accordance with this Section and  
21 any other applicable laws.

22 As used in this Section, "defined benefit plan" means the  
23 retirement plan available under this Article to Tier 1  
24 employees who have not made the election authorized under this  
25 Section.

1           (1) Under the defined contribution plan, an active Tier  
2           1 employee of this System could elect to cease accruing  
3           benefits in the defined benefit plan under this Article and  
4           begin accruing benefits for future service in the defined  
5           contribution plan. Service credit under the defined  
6           contribution plan may be used for determining retirement  
7           eligibility under the defined benefit plan.

8           (2) Participants in the defined contribution plan  
9           shall pay employee contributions at the same rate as Tier 1  
10           employees in this System who do not participate in the  
11           defined contribution plan.

12           (3) State contributions shall be paid into the accounts  
13           of all participants in the defined contribution plan at a  
14           uniform rate, expressed as a percentage of compensation and  
15           determined for each year. This rate shall be no higher than  
16           the employer's normal cost for Tier 1 employees in the  
17           defined benefit plan for that year, as determined by the  
18           System and expressed as a percentage of compensation, and  
19           shall be no lower than 3% of compensation. The State shall  
20           adjust this rate annually.

21           (4) The defined contribution plan shall require 5 years  
22           of participation in the defined contribution plan before  
23           vesting in State contributions. If the participant fails to  
24           vest in them, the State contributions, and the earnings  
25           thereon, shall be forfeited.

26           (5) The defined contribution plan may provide for

1 participants in the plan to be eligible for defined  
2 disability benefits. If it does, the System shall reduce  
3 the employee contributions credited to the participant's  
4 defined contribution plan account by an amount determined  
5 by the System to cover the cost of offering such benefits.

6 (6) The defined contribution plan shall provide a  
7 variety of options for investments. These options shall  
8 include investments handled by the Illinois State Board of  
9 Investment as well as private sector investment options.

10 (7) The defined contribution plan shall provide a  
11 variety of options for payouts to retirees and their  
12 survivors.

13 (8) To the extent authorized under federal law and as  
14 authorized by the System, the plan shall allow former  
15 participants in the plan to transfer or roll over employee  
16 and vested State contributions, and the earnings thereon,  
17 into other qualified retirement plans.

18 (9) The System shall reduce the employee contributions  
19 credited to the participant's defined contribution plan  
20 account by an amount determined by the System to cover the  
21 cost of offering these benefits and any applicable  
22 administrative fees.

23 (b) Only persons who are active Tier 1 employees of the  
24 System on the effective date of this Section are eligible to  
25 participate in the defined contribution plan. Participation in  
26 the defined contribution plan shall be limited to the first 5%

1 of eligible persons who elect to participate. The election to  
2 participate in the defined contribution plan is voluntary and  
3 irrevocable.

4 (c) An eligible active Tier 1 employee may irrevocably  
5 elect to participate in the defined contribution plan by filing  
6 with the System a written application to participate that is  
7 received by the System prior to its determination that 5% of  
8 eligible persons have elected to participate in the defined  
9 contribution plan.

10 When the System first determines that 5% of eligible  
11 persons have elected to participate in the defined contribution  
12 plan, the System shall provide notice to previously eligible  
13 employees that the plan is no longer available and shall cease  
14 accepting applications to participate.

15 (d) The System shall make a good faith effort to contact  
16 each active Tier 1 employee who is eligible to participate in  
17 the defined contribution plan. The System shall mail  
18 information describing the option to join the defined  
19 contribution plan to each of these employees to his or her last  
20 known address on file with the System. If the employee is not  
21 responsive to other means of contact, it is sufficient for the  
22 System to publish the details of the option on its website.

23 Upon request for further information describing the  
24 option, the System shall provide employees with information  
25 from the System before exercising the option to join the plan,  
26 including information on the impact to their vested benefits or

1 non-vested service. The individual consultation shall include  
2 projections of the participant's defined benefits at  
3 retirement or earlier termination of service and the value of  
4 the participant's account at retirement or earlier termination  
5 of service. The System shall not provide advice or counseling  
6 with respect to whether the employee should exercise the  
7 option. The System shall inform Tier 1 employees who are  
8 eligible to participate in the defined contribution plan that  
9 they may also wish to obtain information and counsel relating  
10 to their option from any other available source, including but  
11 not limited to labor organizations, private counsel, and  
12 financial advisors.

13 (e) In no event shall the System, its staff, its authorized  
14 representatives, or the Board be liable for any information  
15 given to an employee under this Section. The System may  
16 coordinate with the Illinois Department of Central Management  
17 Services and other retirement systems administering a defined  
18 contribution plan in accordance with this amendatory Act of the  
19 100th General Assembly to provide information concerning the  
20 impact of the option set forth in this Section.

21 (f) Notwithstanding any other provision of this Section, no  
22 person shall begin participating in the defined contribution  
23 plan until it has attained qualified plan status and received  
24 all necessary approvals from the U.S. Internal Revenue Service.

25 (g) The System shall report on its progress under this  
26 Section, including the available details of the defined

1 contribution plan and the System's plans for informing eligible  
2 Tier 1 employees about the plan, to the Governor and the  
3 General Assembly on or before January 15, 2018.

4 (h) The Illinois State Board of Investments shall be the  
5 plan sponsor for the defined contribution plan established  
6 under this Section.

7 (i) The intent of this amendatory Act of the 100th General  
8 Assembly is to ensure that the State's normal cost of  
9 participation in the defined contribution plan is similar, and  
10 if possible equal, to the State's normal cost of participation  
11 in the defined benefit plan, unless a lower State's normal cost  
12 is necessary to ensure cost neutrality.

13 (40 ILCS 5/2-166.1 new)

14 Sec. 2-166.1. Defined contribution plan; termination. If  
15 the defined contribution plan is terminated or becomes  
16 inoperative pursuant to law, then each participant in the plan  
17 shall automatically be deemed to have been a contributing Tier  
18 1 employee in the System's defined benefit plan during the time  
19 in which he or she participated in the defined contribution  
20 plan, and for that purpose the System shall be entitled to  
21 recover the amounts in the participant's defined contribution  
22 accounts.

23 (40 ILCS 5/14-103.41 new)

24 Sec. 14-103.41. Tier 1 employee. "Tier 1 employee": An

1 employee under this Article who first became a member or  
2 participant before January 1, 2011 under any reciprocal  
3 retirement system or pension fund established under this Code  
4 other than a retirement system or pension fund established  
5 under Article 2, 3, 4, 5, 6, or 18 of this Code.

6 (40 ILCS 5/14-131)

7 Sec. 14-131. Contributions by State.

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

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

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

24 The Board shall also determine a State contribution rate  
25 for each fiscal year, expressed as a percentage of payroll,



1 based on the total required State contribution for that fiscal  
2 year (less the amount received by the System from  
3 appropriations under Section 8.12 of the State Finance Act and  
4 Section 1 of the State Pension Funds Continuing Appropriation  
5 Act, if any, for the fiscal year ending on the June 30  
6 immediately preceding the applicable November 15 certification  
7 deadline), the estimated payroll (including all forms of  
8 compensation) for personal services rendered by eligible  
9 employees, and the recommendations of the actuary.

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

17 (c) Contributions shall be made by the several departments  
18 for each pay period by warrants drawn by the State Comptroller  
19 against their respective funds or appropriations based upon  
20 vouchers stating the amount to be so contributed. These amounts  
21 shall be based on the full rate certified by the Board under  
22 Section 14-135.08 for that fiscal year. From the effective date  
23 of this amendatory Act of the 93rd General Assembly through the  
24 payment of the final payroll from fiscal year 2004  
25 appropriations, the several departments shall not make  
26 contributions for the remainder of fiscal year 2004 but shall

1 instead make payments as required under subsection (a-1) of  
2 Section 14.1 of the State Finance Act. The several departments  
3 shall resume those contributions at the commencement of fiscal  
4 year 2005.

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

12 (c-2) For State fiscal years 2010, 2012, 2013, 2014, 2015,  
13 2016, and 2017 only, on or as soon as possible after the 15th  
14 day of each month, the Board shall submit vouchers for payment  
15 of State contributions to the System, in a total monthly amount  
16 of one-twelfth of the fiscal year General Revenue Fund  
17 contribution as certified by the System pursuant to Section  
18 14-135.08 of the Illinois Pension Code.

19 (d) If an employee is paid from trust funds or federal  
20 funds, the department or other employer shall pay employer  
21 contributions from those funds to the System at the certified  
22 rate, unless the terms of the trust or the federal-State  
23 agreement preclude the use of the funds for that purpose, in  
24 which case the required employer contributions shall be paid by  
25 the State. From the effective date of this amendatory Act of  
26 the 93rd General Assembly through the payment of the final

1 payroll from fiscal year 2004 appropriations, the department or  
2 other employer shall not pay contributions for the remainder of  
3 fiscal year 2004 but shall instead make payments as required  
4 under subsection (a-1) of Section 14.1 of the State Finance  
5 Act. The department or other employer shall resume payment of  
6 contributions at the commencement of fiscal year 2005.

7 (e) For State fiscal years 2018 through 2045, the minimum  
8 contribution to the System to be made by the State for each  
9 fiscal year shall be an amount determined by the System to be  
10 sufficient to bring the total assets of the System up to 90% of  
11 the total actuarial liabilities of the System by the end of  
12 State fiscal year 2045. In making these determinations, the  
13 required State contribution shall be calculated each year as a  
14 level percentage of total payroll, including payroll that is  
15 not deemed pensionable, over the years remaining to and  
16 including fiscal year 2045 and shall be determined under the  
17 projected unit credit actuarial cost method.

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.

24 A change in an actuarial or investment assumption that  
25 increases or decreases the required State contribution and  
26 first applied in State fiscal year 2014, 2015, 2016, or 2017

1 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 2012 through 2017 ~~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 State fiscal years 1996 through 2005, the State  
22 contribution to the System, as a percentage of the applicable  
23 employee payroll, shall be increased in equal annual increments  
24 so that by State fiscal year 2011, the State is contributing at  
25 the rate required under this Section; except that (i) for State  
26 fiscal year 1998, for all purposes of this Code and any other

1 law of this State, the certified percentage of the applicable  
2 employee payroll shall be 5.052% for employees earning eligible  
3 creditable service under Section 14-110 and 6.500% for all  
4 other employees, notwithstanding any contrary certification  
5 made under Section 14-135.08 before the effective date of this  
6 amendatory Act of 1997, and (ii) in the following specified  
7 State fiscal years, the State contribution to the System shall  
8 not be less than the following indicated percentages of the  
9 applicable employee payroll, even if the indicated percentage  
10 will produce a State contribution in excess of the amount  
11 otherwise required under this subsection and subsection (a):  
12 9.8% in FY 1999; 10.0% in FY 2000; 10.2% in FY 2001; 10.4% in FY  
13 2002; 10.6% in FY 2003; and 10.8% in FY 2004.

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

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

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

26 Notwithstanding any other provision of this Article, the

1 total required State General Revenue Fund contribution for  
2 State fiscal year 2010 is \$723,703,100 and shall be made from  
3 the proceeds of bonds sold in fiscal year 2010 pursuant to  
4 Section 7.2 of the General Obligation Bond Act, less (i) the  
5 pro rata share of bond sale expenses determined by the System's  
6 share of total bond proceeds, (ii) any amounts received from  
7 the General Revenue Fund in fiscal year 2010, and (iii) any  
8 reduction in bond proceeds due to the issuance of discounted  
9 bonds, if applicable.

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

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

25 Amounts received by the System pursuant to Section 25 of  
26 the Budget Stabilization Act or Section 8.12 of the State

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

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

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

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



1 shall be satisfied under Section 1.2 of the State Pension Funds  
2 Continuing Appropriation Act. If the amount due is less than  
3 the amount received, the difference shall be termed the "Fiscal  
4 Year 2004 Overpayment" for purposes of this Section, and the  
5 Fiscal Year 2004 Overpayment shall be repaid by the System to  
6 the Pension Contribution Fund as soon as practicable after the  
7 certification.

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

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

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

23 (i) After the submission of all payments for eligible  
24 employees from personal services line items paid from the  
25 General Revenue Fund in fiscal year 2010 have been made, the  
26 Comptroller shall provide to the System a certification of the

1 sum of all fiscal year 2010 expenditures for personal services  
2 that would have been covered by payments to the System under  
3 this Section if the provisions of this amendatory Act of the  
4 96th General Assembly had not been enacted. Upon receipt of the  
5 certification, the System shall determine the amount due to the  
6 System based on the full rate certified by the Board under  
7 Section 14-135.08 for fiscal year 2010 in order to meet the  
8 State's obligation under this Section. The System shall compare  
9 this amount due to the amount received by the System in fiscal  
10 year 2010 through payments under this Section. If the amount  
11 due is more than the amount received, the difference shall be  
12 termed the "Fiscal Year 2010 Shortfall" for purposes of this  
13 Section, and the Fiscal Year 2010 Shortfall shall be satisfied  
14 under Section 1.2 of the State Pension Funds Continuing  
15 Appropriation Act. If the amount due is less than the amount  
16 received, the difference shall be termed the "Fiscal Year 2010  
17 Overpayment" for purposes of this Section, and the Fiscal Year  
18 2010 Overpayment shall be repaid by the System to the General  
19 Revenue Fund as soon as practicable after the certification.

20 (j) After the submission of all payments for eligible  
21 employees from personal services line items paid from the  
22 General Revenue Fund in fiscal year 2011 have been made, the  
23 Comptroller shall provide to the System a certification of the  
24 sum of all fiscal year 2011 expenditures for personal services  
25 that would have been covered by payments to the System under  
26 this Section if the provisions of this amendatory Act of the

1 96th General Assembly had not been enacted. Upon receipt of the  
2 certification, the System shall determine the amount due to the  
3 System based on the full rate certified by the Board under  
4 Section 14-135.08 for fiscal year 2011 in order to meet the  
5 State's obligation under this Section. The System shall compare  
6 this amount due to the amount received by the System in fiscal  
7 year 2011 through payments under this Section. If the amount  
8 due is more than the amount received, the difference shall be  
9 termed the "Fiscal Year 2011 Shortfall" for purposes of this  
10 Section, and the Fiscal Year 2011 Shortfall shall be satisfied  
11 under Section 1.2 of the State Pension Funds Continuing  
12 Appropriation Act. If the amount due is less than the amount  
13 received, the difference shall be termed the "Fiscal Year 2011  
14 Overpayment" for purposes of this Section, and the Fiscal Year  
15 2011 Overpayment shall be repaid by the System to the General  
16 Revenue Fund as soon as practicable after the certification.

17 (k) For fiscal years 2012 through 2017 only, after the  
18 submission of all payments for eligible employees from personal  
19 services line items paid from the General Revenue Fund in the  
20 fiscal year have been made, the Comptroller shall provide to  
21 the System a certification of the sum of all expenditures in  
22 the fiscal year for personal services. Upon receipt of the  
23 certification, the System shall determine the amount due to the  
24 System based on the full rate certified by the Board under  
25 Section 14-135.08 for the fiscal year in order to meet the  
26 State's obligation under this Section. The System shall compare

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

12 (Source: P.A. 98-24, eff. 6-19-13; 98-674, eff. 6-30-14; 99-8,  
13 eff. 7-9-15; 99-523, eff. 6-30-16.)

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

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

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

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

1 for that fiscal year.

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

22 (a-10) For purposes of subsection (c-5) of Section 20 of  
23 the Budget Stabilization Act, on or before November 1 of each  
24 year beginning November 1, 2019, the Board shall determine the  
25 amount of the State contribution to the System that would have  
26 been required for the next fiscal year if Section 1-161,

1 Section 14-155.2, and the changes made to Section 1-160 by this  
2 amendatory Act of the 100th General Assembly had not taken  
3 effect, using the best and most recent available data but based  
4 on the law in effect on May 31, 2019. The Board shall submit to  
5 the State Actuary, the Governor, and the General Assembly a  
6 proposed certification, along with the relevant law, actuarial  
7 assumptions, calculations, and data upon which that  
8 certification is based. On or before January 1, 2020 and every  
9 January 1 thereafter, the State Actuary shall issue a  
10 preliminary report concerning the proposed certification and  
11 identifying, if necessary, recommended changes in actuarial  
12 assumptions that the Board must consider before finalizing its  
13 certification. On or before January 15, 2020 and every January  
14 1 thereafter, the Board shall certify to the Governor and the  
15 General Assembly the amount of the State contribution to the  
16 System that would have been required for the next fiscal year  
17 if Section 1-161, Section 14-155.2, and the changes made to  
18 Section 1-160 by this amendatory Act of the 100th General  
19 Assembly had not taken effect, using the best and most recent  
20 available data but based on the law in effect on May 31, 2019.  
21 The Board's certification must note any deviations from the  
22 State Actuary's recommended changes, the reason or reasons for  
23 not following the State Actuary's recommended changes, and the  
24 impact of not following the State Actuary's recommended  
25 changes.

26 (b) The certifications under subsections (a) and (a-5)

1 shall include an additional amount necessary to pay all  
2 principal of and interest on those general obligation bonds due  
3 the next fiscal year authorized by Section 7.2(a) of the  
4 General Obligation Bond Act and issued to provide the proceeds  
5 deposited by the State with the System in July 2003,  
6 representing deposits other than amounts reserved under  
7 Section 7.2(c) of the General Obligation Bond Act. For State  
8 fiscal year 2005, the Board shall make a supplemental  
9 certification of the additional amount necessary to pay all  
10 principal of and interest on those general obligation bonds due  
11 in State fiscal years 2004 and 2005 authorized by Section  
12 7.2(a) of the General Obligation Bond Act and issued to provide  
13 the proceeds deposited by the State with the System in July  
14 2003, representing deposits other than amounts reserved under  
15 Section 7.2(c) of the General Obligation Bond Act, as soon as  
16 practical after the effective date of this amendatory Act of  
17 the 93rd General Assembly.

18 On or before May 1, 2004, the Board shall recalculate and  
19 recertify to the Governor and to each department the amount of  
20 the required State contribution to the System and the required  
21 rates for State contributions to the System for State fiscal  
22 year 2005, taking into account the amounts appropriated to and  
23 received by the System under subsection (d) of Section 7.2 of  
24 the General Obligation Bond Act.

25 On or before July 1, 2005, the Board shall recalculate and  
26 recertify to the Governor and to each department the amount of

1 the required State contribution to the System and the required  
2 rates for State contributions to the System for State fiscal  
3 year 2006, taking into account the changes in required State  
4 contributions made by this amendatory Act of the 94th General  
5 Assembly.

6 On or before April 1, 2011, the Board shall recalculate and  
7 recertify to the Governor and to each department the amount of  
8 the required State contribution to the System for State fiscal  
9 year 2011, applying the changes made by Public Act 96-889 to  
10 the System's assets and liabilities as of June 30, 2009 as  
11 though Public Act 96-889 was approved on that date.

12 As soon as practical after the effective date of this  
13 amendatory Act of the 100th General Assembly, the Board shall  
14 recalculate and recertify to the State Actuary, the Governor,  
15 and the General Assembly the amount of the State contribution  
16 to the System for State fiscal year 2018, taking into account  
17 the changes in required State contributions made by this  
18 amendatory Act of the 100th General Assembly. The State Actuary  
19 shall review the assumptions and valuations underlying the  
20 Board's revised certification and issue a preliminary report  
21 concerning the proposed recertification and identifying, if  
22 necessary, recommended changes in actuarial assumptions that  
23 the Board must consider before finalizing its certification of  
24 the required State contributions. The Board's final  
25 certification must note any deviations from the State Actuary's  
26 recommended changes, the reason or reasons for not following



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

4 (Source: P.A. 96-1497, eff. 1-14-11; 96-1511, eff. 1-27-11;  
5 97-694, eff. 6-18-12.)

6 (40 ILCS 5/14-147.5 new)

7 Sec. 14-147.5. Accelerated pension benefit payment.

8 (a) As used in this Section:

9 "Eligible person" means a person who:

10 (1) has terminated service;

11 (2) has accrued sufficient service credit to be  
12 eligible to receive a retirement annuity under this  
13 Article;

14 (3) has not received any retirement annuity under this  
15 Article; and

16 (4) is not a party to a pending divorce proceeding and  
17 does not have a QILDRO in effect against him or her under  
18 this Article; and

19 "Pension benefit" means the benefits under this Article, or  
20 Article 1 as it relates to those benefits, including any  
21 anticipated annual increases, that an eligible person is  
22 entitled to upon attainment of the applicable retirement age.

23 "Pension benefit" also includes applicable survivor's or  
24 disability benefits.

25 (b) Before January 1, 2018, the System shall calculate,

1 using actuarial tables and other assumptions adopted by the  
2 Board, the net present value of pension benefits for each  
3 eligible person and shall offer each eligible person the  
4 opportunity to irrevocably elect to receive an amount  
5 determined by the System to be equal to 70% of the net present  
6 value of his or her pension benefits in lieu of receiving any  
7 pension benefit. The offer shall specify the dollar amount that  
8 the eligible person will receive if he or she so elects and  
9 shall expire when a subsequent offer is made to an eligible  
10 person. The System shall make a good faith effort to contact  
11 every eligible person to notify him or her of the election and  
12 of the amount of the accelerated pension benefit payment.

13 Beginning January 1, 2018 and until July 1, 2018, an  
14 eligible person may irrevocably elect to receive an accelerated  
15 pension benefit payment in the amount that the System offers  
16 under this subsection in lieu of receiving any pension benefit.  
17 A person who elects to receive an accelerated pension benefit  
18 payment under this Section may not elect to proceed under the  
19 Retirement Systems Reciprocal Act with respect to service under  
20 this Article.

21 (c) A person's credits and creditable service under this  
22 Article shall be terminated upon the person's receipt of an  
23 accelerated pension benefit payment under this Section, and no  
24 other benefit shall be paid under this Article based on those  
25 terminated credits and creditable service, including any  
26 retirement, survivor, or other benefit; except that to the

1 extent that participation, benefits, or premiums under the  
2 State Employees Group Insurance Act of 1971 are based on the  
3 amount of service credit, the terminated service credit shall  
4 be used for that purpose.

5 (d) If a person who has received an accelerated pension  
6 benefit payment under this Section returns to active service  
7 under this Article, then:

8 (1) Any benefits under the System earned as a result of  
9 that return to active service shall be based solely on the  
10 person's credits and creditable service arising from the  
11 return to active service.

12 (2) The accelerated pension benefit payment may not be  
13 repaid to the System, and the terminated credits and  
14 creditable service may not under any circumstances be  
15 reinstated.

16 (e) As a condition of receiving an accelerated pension  
17 benefit payment, an eligible person must have another  
18 retirement plan or account qualified under the Internal Revenue  
19 Code of 1986, as amended, for the accelerated pension benefit  
20 payment to be rolled into. The accelerated pension benefit  
21 payment under this Section may be subject to withholding or  
22 payment of applicable taxes, but to the extent permitted by  
23 federal law, a person who receives an accelerated pension  
24 benefit payment under this Section must direct the System to  
25 pay all of that payment as a rollover into another retirement  
26 plan or account qualified under the Internal Revenue Code of

1 1986, as amended.

2 (f) Beginning in State fiscal year 2018, on or as soon as  
3 possible after the 15th day of each month, the Board shall  
4 submit vouchers for payment of the accelerated pension benefit  
5 payments accepted under this Section during that month to the  
6 State Comptroller. These vouchers shall be paid by the State  
7 Comptroller and Treasurer by warrants drawn on the funds  
8 appropriated to the System for that fiscal year for the purpose  
9 of paying accelerated pension benefit payments made under this  
10 Section. If in any month the amount remaining unexpended from  
11 all other appropriations to the System for the accelerated  
12 pension benefit payments made under this Section for the  
13 applicable fiscal year is less than the amount lawfully  
14 vouchered under this Section, the difference shall be paid from  
15 the General Revenue Fund under the continuing appropriation  
16 authority provided in Section 1.10 of the State Pension Funds  
17 Continuing Appropriation Act.

18 (g) The Board may adopt any rules necessary to implement  
19 this Section.

20 (h) No provision of this Section shall be interpreted in a  
21 way that would cause the applicable System to cease to be a  
22 qualified plan under the Internal Revenue Code of 1986.

23 (40 ILCS 5/14-152.1)

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

1           Sec. 14-152.1. Application and expiration of new benefit  
2 increases.

3           (a) As used in this Section, "new benefit increase" means  
4 an increase in the amount of any benefit provided under this  
5 Article, or an expansion of the conditions of eligibility for  
6 any benefit under this Article, that results from an amendment  
7 to this Code that takes effect after June 1, 2005 (the  
8 effective date of Public Act 94-4). "New benefit increase",  
9 however, does not include any benefit increase resulting from  
10 the changes made to this Article by Public Act 96-37 or by this  
11 amendatory Act of the 100th General Assembly ~~this amendatory~~  
12 ~~Act of the 96th General Assembly.~~

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

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

22           Every new benefit increase is contingent upon the General  
23 Assembly providing the additional funding required under this  
24 subsection. The Commission on Government Forecasting and  
25 Accountability shall analyze whether adequate additional  
26 funding has been provided for the new benefit increase and

1 shall report its analysis to the Public Pension Division of the  
2 Department of Insurance ~~Financial and Professional Regulation~~.

3 A new benefit increase created by a Public Act that does not  
4 include the additional funding required under this subsection  
5 is null and void. If the Public Pension Division determines  
6 that the additional funding provided for a new benefit increase  
7 under this subsection is or has become inadequate, it may so  
8 certify to the Governor and the State Comptroller and, in the  
9 absence of corrective action by the General Assembly, the new  
10 benefit increase shall expire at the end of the fiscal year in  
11 which the certification is made.

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

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

1 benefit increase was in effect.

2 (Source: P.A. 96-37, eff. 7-13-09.)

3 (40 ILCS 5/14-155.1 new)

4 Sec. 14-155.1. Defined contribution plan.

5 (a) By July 1, 2019, the System shall prepare and implement  
6 a voluntary defined contribution plan for up to 5% of eligible  
7 active Tier 1 employees. The System shall determine the 5% cap  
8 by the number of active Tier 1 employees on the effective date  
9 of this Section. The defined contribution plan developed under  
10 this Section shall be a plan that aggregates employer and  
11 employee contributions in individual participant accounts  
12 which, after meeting any other requirements, are used for  
13 payouts after retirement in accordance with this Section and  
14 any other applicable laws.

15 As used in this Section, "defined benefit plan" means the  
16 retirement plan available under this Article to Tier 1  
17 employees who have not made the election authorized under this  
18 Section.

19 (1) Under the defined contribution plan, an active Tier  
20 1 employee of this System could elect to cease accruing  
21 benefits in the defined benefit plan under this Article and  
22 begin accruing benefits for future service in the defined  
23 contribution plan. Service credit under the defined  
24 contribution plan may be used for determining retirement  
25 eligibility under the defined benefit plan.

1           (2) Participants in the defined contribution plan  
2           shall pay employee contributions at the same rate as Tier 1  
3           employees in this System who do not participate in the  
4           defined contribution plan.

5           (3) State contributions shall be paid into the accounts  
6           of all participants in the defined contribution plan at a  
7           uniform rate, expressed as a percentage of compensation and  
8           determined for each year. This rate shall be no higher than  
9           the employer's normal cost for Tier 1 employees in the  
10          defined benefit plan for that year, as determined by the  
11          System and expressed as a percentage of compensation, and  
12          shall be no lower than 3% of compensation. The State shall  
13          adjust this rate annually.

14          (4) The defined contribution plan shall require 5 years  
15          of participation in the defined contribution plan before  
16          vesting in State contributions. If the participant fails to  
17          vest in them, the State contributions, and the earnings  
18          thereon, shall be forfeited.

19          (5) The defined contribution plan may provide for  
20          participants in the plan to be eligible for the defined  
21          disability benefits available to other participants under  
22          this Article. If it does, the System shall reduce the  
23          employee contributions credited to the member's defined  
24          contribution plan account by an amount determined by the  
25          System to cover the cost of offering such benefits.

26          (6) The defined contribution plan shall provide a



1 variety of options for investments. These options shall  
2 include investments handled by the Illinois State Board of  
3 Investment as well as private sector investment options.

4 (7) The defined contribution plan shall provide a  
5 variety of options for payouts to retirees and their  
6 survivors.

7 (8) To the extent authorized under federal law and as  
8 authorized by the System, the plan shall allow former  
9 participants in the plan to transfer or roll over employee  
10 and vested State contributions, and the earnings thereon,  
11 into other qualified retirement plans.

12 (9) The System shall reduce the employee contributions  
13 credited to the member's defined contribution plan account  
14 by an amount determined by the System to cover the cost of  
15 offering these benefits and any applicable administrative  
16 fees.

17 (b) Only persons who are active Tier 1 employees of the  
18 System on the effective date of this Section are eligible to  
19 participate in the defined contribution plan. Participation in  
20 the defined contribution plan shall be limited to the first 5%  
21 of eligible persons who elect to participate. The election to  
22 participate in the defined contribution plan is voluntary and  
23 irrevocable.

24 (c) An eligible Tier 1 employee may irrevocably elect to  
25 participate in the defined contribution plan by filing with the  
26 System a written application to participate that is received by

1 the System prior to its determination that 5% of eligible  
2 persons have elected to participate in the defined contribution  
3 plan.

4 When the System first determines that 5% of eligible  
5 persons have elected to participate in the defined contribution  
6 plan, the System shall provide notice to previously eligible  
7 employees that the plan is no longer available and shall cease  
8 accepting applications to participate.

9 (d) The System shall make a good faith effort to contact  
10 each active Tier 1 employee who is eligible to participate in  
11 the defined contribution plan. The System shall mail  
12 information describing the option to join the defined  
13 contribution plan to each of these employees to his or her last  
14 known address on file with the System. If the employee is not  
15 responsive to other means of contact, it is sufficient for the  
16 System to publish the details of the option on its website.

17 Upon request for further information describing the  
18 option, the System shall provide employees with information  
19 from the System before exercising the option to join the plan,  
20 including information on the impact to their vested benefits or  
21 non-vested service. The individual consultation shall include  
22 projections of the member's defined benefits at retirement or  
23 earlier termination of service and the value of the member's  
24 account at retirement or earlier termination of service. The  
25 System shall not provide advice or counseling with respect to  
26 whether the employee should exercise the option. The System

1 shall inform Tier 1 employees who are eligible to participate  
2 in the defined contribution plan that they may also wish to  
3 obtain information and counsel relating to their option from  
4 any other available source, including, but not limited to,  
5 labor organizations, private counsel, and financial advisors.

6 (e) In no event shall the System, its staff, its authorized  
7 representatives, or the Board be liable for any information  
8 given to an employee under this Section. The System may  
9 coordinate with the Illinois Department of Central Management  
10 Services and other retirement systems administering a defined  
11 contribution plan in accordance with this amendatory Act of the  
12 100th General Assembly to provide information concerning the  
13 impact of the option set forth in this Section.

14 (f) Notwithstanding any other provision of this Section, no  
15 person shall begin participating in the defined contribution  
16 plan until it has attained qualified plan status and received  
17 all necessary approvals from the U.S. Internal Revenue Service.

18 (g) The System shall report on its progress under this  
19 Section, including the available details of the defined  
20 contribution plan and the System's plans for informing eligible  
21 Tier 1 employees about the plan, to the Governor and the  
22 General Assembly on or before January 15, 2019.

23 (h) The Illinois State Board of Investment shall be the  
24 plan sponsor for the defined contribution plan established  
25 under this Section.

26 (i) The intent of this amendatory Act of the 100th General

1 Assembly is to ensure that the State's normal cost of  
2 participation in the defined contribution plan is similar, and  
3 if possible equal, to the State's normal cost of participation  
4 in the defined benefit plan, unless a lower State's normal cost  
5 is necessary to ensure cost neutrality.

6 (40 ILCS 5/14-155.2 new)

7 Sec. 14-155.2. Defined contribution plan for certain  
8 covered employees.

9 (a) As used in this Section:

10 "Defined benefit plan" means the retirement plan available  
11 under this Article and Section 1-160 to eligible covered  
12 employees who do not make the election authorized under this  
13 Section.

14 "Eligible covered employee" means a covered employee who  
15 first becomes a participant under this Article on or after 6  
16 months after the effective date of this amendatory Act of the  
17 100th General Assembly.

18 (b) In lieu of the defined benefit plan, an eligible  
19 covered employee may irrevocably elect to participate in the  
20 defined contribution plan under this Section. The election to  
21 participate in the defined contribution plan must be made  
22 within 30 days after becoming an eligible covered employee. The  
23 election to participate in the defined contribution plan under  
24 this Section is voluntary and irrevocable.

25 (c) No later than 5 months after the effective date of this

1 amendatory Act of the 100th General Assembly, the System shall  
2 prepare and implement a voluntary defined contribution plan for  
3 eligible covered employees. The defined contribution plan  
4 developed under this Section shall be a plan that aggregates  
5 employer and employee contributions in individual participant  
6 accounts which, after meeting any other requirements, are used  
7 for payouts after retirement in accordance with this Section  
8 and any other applicable laws.

9 (1) A participant in the defined contribution plan  
10 shall contribute a minimum of 3% of his or her compensation  
11 to the defined contribution plan.

12 (2) For persons who participate in the defined  
13 contribution plan for at least one year, employer  
14 contributions shall be paid into the accounts of those  
15 participants at a rate of 3% of compensation.

16 (3) Employer contributions shall vest when those  
17 contributions are paid into a participant's account.

18 (4) The defined contribution plan shall provide a  
19 variety of options for investments. These options shall  
20 include investments handled by the Illinois State Board of  
21 Investment as well as private sector investment options.

22 (5) The defined contribution plan shall provide a  
23 variety of options for payouts to retirees and their  
24 survivors.

25 (6) To the extent authorized under federal law and as  
26 authorized by the affected pension fund, the defined

1       contribution plan shall allow former participants in the  
2       plan to transfer or roll over employee and employer  
3       contributions, and the earnings thereon, into other  
4       qualified retirement plans.

5           (7) The System shall reduce the employee contributions  
6       credited to the participant's defined contribution plan  
7       account by an amount determined by the System to cover the  
8       cost of offering the benefits under this Section and any  
9       applicable administrative fees.

10           (40 ILCS 5/14-156.1 new)

11       Sec. 14-156.1. Defined contribution plan; termination. If  
12       the defined contribution plan under Section 14-155.1 is  
13       terminated or becomes inoperative pursuant to law, then each  
14       participant in the plan shall automatically be deemed to have  
15       been a contributing Tier 1 employee in the System's defined  
16       benefit plan during the time in which he or she participated in  
17       the defined contribution plan, and for that purpose the System  
18       shall be entitled to recover the amounts in the participant's  
19       defined contribution accounts.

20           (40 ILCS 5/15-108.1)

21       Sec. 15-108.1. Tier 1 member; Tier 1 employee.

22       "Tier 1 member": A participant or an annuitant of a  
23       retirement annuity under this Article, other than a participant  
24       in the self-managed plan under Section 15-158.2, who first

1 became a participant or member before January 1, 2011 under any  
2 reciprocal retirement system or pension fund established under  
3 this Code, other than a retirement system or pension fund  
4 established under Articles 2, 3, 4, 5, 6, or 18 of this Code.  
5 "Tier 1 member" includes a person who first became a  
6 participant under this System before January 1, 2011 and who  
7 accepts a refund and is subsequently reemployed by an employer  
8 on or after January 1, 2011.

9 "Tier 1 employee": A Tier 1 member who is a participating  
10 employee, unless he or she is a disability benefit recipient  
11 under Section 15-150.

12 (Source: P.A. 98-92, eff. 7-16-13.)

13 (40 ILCS 5/15-108.2)

14 Sec. 15-108.2. Tier 2 member. "Tier 2 member": A person who  
15 first becomes a participant under this Article on or after  
16 January 1, 2011 and before 6 months after the effective date of  
17 this amendatory Act of the 100th General Assembly, other than a  
18 person in the self-managed plan established under Section  
19 15-158.2 or a person who makes the election under subsection  
20 (c) of Section 1-161, unless the person is otherwise a Tier 1  
21 member. The changes made to this Section by this amendatory Act  
22 of the 98th General Assembly are a correction of existing law  
23 and are intended to be retroactive to the effective date of  
24 Public Act 96-889, notwithstanding the provisions of Section  
25 1-103.1 of this Code.

1 (Source: P.A. 98-92, eff. 7-16-13; 98-596, eff. 11-19-13.)

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

3 Sec. 15-155. Employer contributions.

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

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

16 (a-1) For State fiscal years 2018 through 2045, the minimum  
17 contribution to the System to be made by the State for each  
18 fiscal year shall be an amount determined by the System to be  
19 sufficient to bring the total assets of the System up to 90% of  
20 the total actuarial liabilities of the System by the end of  
21 State fiscal year 2045. In making these determinations, the  
22 required State contribution shall be calculated each year as a  
23 level percentage of total payroll, including payroll that is  
24 not deemed pensionable, but excluding payroll attributable to  
25 participants in the defined contribution plan under Section



1 15-200.1, over the years remaining to and including fiscal year  
2 2045 and shall be determined under the projected unit credit  
3 actuarial cost method.

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

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

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

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

23 For State fiscal years 2012 through 2017 ~~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 For State fiscal years 1996 through 2005, the State  
8 contribution to the System, as a percentage of the applicable  
9 employee payroll, shall be increased in equal annual increments  
10 so that by State fiscal year 2011, the State is contributing at  
11 the rate required under this Section.

12 Notwithstanding any other provision of this Article, the  
13 total required State contribution for State fiscal year 2006 is  
14 \$166,641,900.

15 Notwithstanding any other provision of this Article, the  
16 total required State contribution for State fiscal year 2007 is  
17 \$252,064,100.

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

24 Notwithstanding any other provision of this Article, the  
25 total required State contribution for State fiscal year 2010 is  
26 \$702,514,000 and shall be made from the State Pensions Fund and

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

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

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 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 90%. A reference in this Article to  
6 the "required State contribution" or any substantially similar  
7 term does not include or apply to any amounts payable to the  
8 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 Section 15-165, 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 (a-2) Beginning in fiscal year 2019, 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) the defined benefit normal cost of the defined  
13 benefit plan, less the employee contribution, plus 2%, for  
14 each employee of that employer who has elected or who is  
15 deemed to have elected the benefits under Section 1-161 or  
16 who has made the election under subsection (c) of Section  
17 1-161; plus

18 (ii) the amount required for that fiscal year to  
19 amortize any unfunded actuarial accrued liability  
20 associated with the present value of liabilities  
21 attributable to the employer's account under Section  
22 15-155.2, determined as a level percentage of payroll over  
23 a 30-year rolling amortization period; plus

24 (iii) for each employee whose earnings, determined on a  
25 full-time equivalent basis, exceeds \$140,000 in that  
26 academic year, the total amount of the earnings in excess

1 of \$140,000 multiplied by the level percentage of payroll  
2 used in the fiscal year in which the academic year began,  
3 as determined by the System, to be sufficient to bring the  
4 total assets of the System up to 90% of the total actuarial  
5 liabilities of the System by the end of State fiscal year  
6 2045.

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

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

16 The contributions required under this subsection (a-5)  
17 shall be paid by an employer concurrently with that employer's  
18 payroll payment period. The State, as the actual employer of an  
19 employee, shall make the required contributions under this  
20 subsection.

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

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

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

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

25 (c) Through State fiscal year 1995: The total employer  
26 contribution shall be apportioned among the various funds of

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

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

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

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



1           (g) For academic years beginning on or after June 1, 2005  
2 and before July 1, 2018, if ~~if~~ the amount of a participant's  
3 earnings for any academic year used to determine the final rate  
4 of earnings, determined on a full-time equivalent basis,  
5 exceeds the amount of his or her earnings with the same  
6 employer for the previous academic year, determined on a  
7 full-time equivalent basis, by more than 6%, the participant's  
8 employer shall pay to the System, in addition to all other  
9 payments required under this Section and in accordance with  
10 guidelines established by the System, the present value of the  
11 increase in benefits resulting from the portion of the increase  
12 in earnings that is in excess of 6%. This present value shall  
13 be 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. The System may require the employer to provide any  
17 pertinent information or documentation.

18           Whenever it determines that a payment is or may be required  
19 under this subsection (g), the System shall calculate the  
20 amount of the payment and bill the employer for that amount.  
21 The bill shall specify the calculations used to determine the  
22 amount due. If the employer disputes the amount of the bill, it  
23 may, within 30 days after receipt of the bill, apply to the  
24 System in writing for a recalculation. The application must  
25 specify in detail the grounds of the dispute and, if the  
26 employer asserts that the calculation is subject to subsection

1 (h) or (i) of this Section, must include an affidavit setting  
2 forth and attesting to all facts within the employer's  
3 knowledge that are pertinent to the applicability of subsection  
4 (h) or (i). Upon receiving a timely application for  
5 recalculation, the System shall review the application and, if  
6 appropriate, recalculate the amount due.

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

16 When assessing payment for any amount due under this  
17 subsection (g), the System shall include earnings, to the  
18 extent not established by a participant under Section 15-113.11  
19 or 15-113.12, that would have been paid to the participant had  
20 the participant not taken (i) periods of voluntary or  
21 involuntary furlough occurring on or after July 1, 2015 and on  
22 or before June 30, 2017 or (ii) periods of voluntary pay  
23 reduction in lieu of furlough occurring on or after July 1,  
24 2015 and on or before June 30, 2017. Determining earnings that  
25 would have been paid to a participant had the participant not  
26 taken periods of voluntary or involuntary furlough or periods

1 of voluntary pay reduction shall be the responsibility of the  
2 employer, and shall be reported in a manner prescribed by the  
3 System.

4 (g-1) For academic years beginning on or after July 1,  
5 2018, if the amount of a participant's earnings for any  
6 academic year used to determine the final rate of earnings,  
7 determined on a full-time equivalent basis, exceeds the amount  
8 of his or her earnings with the same employer for the previous  
9 academic year, determined on a full-time equivalent basis, by  
10 more than the unadjusted percentage increase in the consumer  
11 price index-u for the calendar year immediately preceding the  
12 beginning of the academic year, published by the Public Pension  
13 Division of the Department of Insurance by November 1 of each  
14 year, then the participant's employer shall pay to the System,  
15 in addition to all other payments required under this Section  
16 and in accordance with guidelines established by the System,  
17 the present value of the increase in benefits resulting from  
18 the portion of the increase in earnings that is in excess of  
19 the unadjusted percentage increase in the consumer price  
20 index-u for the applicable calendar year. This present value  
21 shall be computed by the System on the basis of the actuarial  
22 assumptions and tables used in the most recent actuarial  
23 valuation of the System that is available at the time of the  
24 computation. The System may require the employer to provide any  
25 pertinent information or documentation.

26 Whenever it determines that a payment is or may be required

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

15 The employer contributions required under this subsection  
16 (g-1) may be paid in the form of a lump sum within 90 days after  
17 receipt of the bill. If the employer contributions are not paid  
18 within 90 days after receipt of the bill, then interest shall  
19 be charged at a rate equal to the System's annual actuarially  
20 assumed rate of return on investment compounded annually from  
21 the 91st day after receipt of the bill. Payments must be  
22 concluded within 3 years after the employer's receipt of the  
23 bill.

24 For the purposes of this Section, "consumer price index-u"  
25 means the index published by the Bureau of Labor Statistics of  
26 the United States Department of Labor that measures the average

1 change in prices of goods and services purchased by all urban  
2 consumers, United States city average, all items, 1982-84 =  
3 100. The new amount resulting from each annual adjustment shall  
4 be determined by the Public Pension Division of the Department  
5 of Insurance and made available to the boards of the retirement  
6 systems and pension funds by November 1 of each year.

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

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

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

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

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

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

23 (i) When assessing payment for any amount due under  
24 subsection (g), the System shall exclude any salary increase  
25 described in subsection (h) of this Section given on or after  
26 July 1, 2011 but before July 1, 2014 under a contract or

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

7 (i-1) When assessing payment for any amount due under  
8 subsection (g-1), the System shall exclude salary increases  
9 paid to participants under contracts or collective bargaining  
10 agreements entered into, amended, or renewed before the  
11 effective date of this amendatory Act of the 100th General  
12 Assembly.

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

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

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

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

25 (4) The increase in the required State contribution  
26 resulting from the changes made to this Section by Public

1 Act 94-1057.

2 (k) The Illinois Community College Board shall adopt rules  
3 for recommending lists of promotional positions submitted to  
4 the Board by community colleges and for reviewing the  
5 promotional lists on an annual basis. When recommending  
6 promotional lists, the Board shall consider the similarity of  
7 the positions submitted to those positions recognized for State  
8 universities by the State Universities Civil Service System.  
9 The Illinois Community College Board shall file a copy of its  
10 findings with the System. The System shall consider the  
11 findings of the Illinois Community College Board when making  
12 determinations under this Section. The System shall not exclude  
13 any earnings increases resulting from a promotion when the  
14 promotion was not submitted by a community college. Nothing in  
15 this subsection (k) shall require any community college to  
16 submit any information to the Community College Board.

17 (l) For purposes of determining the required State  
18 contribution to the System, the value of the System's assets  
19 shall be equal to the actuarial value of the System's assets,  
20 which shall be calculated as follows:

21 As of June 30, 2008, the actuarial value of the System's  
22 assets shall be equal to the market value of the assets as of  
23 that date. In determining the actuarial value of the System's  
24 assets for fiscal years after June 30, 2008, any actuarial  
25 gains or losses from investment return incurred in a fiscal  
26 year shall be recognized in equal annual amounts over the



1 5-year period following that fiscal year.

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

6 (Source: P.A. 98-92, eff. 7-16-13; 98-463, eff. 8-16-13;  
7 99-897, eff. 1-1-17.)

8 (40 ILCS 5/15-155.2 new)

9 Sec. 15-155.2. Individual employer accounts.

10 (a) The System shall create and maintain an individual  
11 account for each employer for the purposes of determining  
12 employer contributions under subsection (a-2) of Section  
13 15-155. Each employer's account shall be notionally charged  
14 with the liabilities attributable to that employer and credited  
15 with the assets attributable to that employer.

16 (b) Beginning in fiscal year 2019, the System shall assign  
17 notional liabilities to each employer's account, equal to the  
18 amount of employer contributions required to be made by the  
19 employer pursuant to items (i), (ii), and (iii) of subsection  
20 (a-2) of Section 15-155, plus any unfunded actuarial accrued  
21 liability associated with the defined benefits attributable to  
22 the employer's employees who first became participants on or  
23 after 6 months after the effective date of this amendatory Act  
24 of the 100th General Assembly.

25 (c) Beginning in fiscal year 2019, the System shall assign

1 notional assets to each employer's account equal to the amounts  
2 of employer contributions made pursuant to items (i), (ii), and  
3 (iii) of subsection (a-2) of Section 15-155.

4 (40 ILCS 5/15-165) (from Ch. 108 1/2, par. 15-165)

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

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

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

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

23 On or before July 1, 2005, the Board shall recalculate and  
24 recertify to the Governor the amount of the required State  
25 contribution to the System for State fiscal year 2006, taking

1 into account the changes in required State contributions made  
2 by this amendatory Act of the 94th General Assembly.

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

9 (a-5) On or before November 1 of each year, beginning  
10 November 1, 2012, the Board shall submit to the State Actuary,  
11 the Governor, and the General Assembly a proposed certification  
12 of the amount of the required State contribution to the System  
13 for 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 each 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, in a written  
25 response to the State Actuary, any deviations from the State  
26 Actuary's recommended changes, the reason or reasons for not

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

4 (a-10) For purposes of subsection (c-5) of Section 20 of  
5 the Budget Stabilization Act, on or before November 1 of each  
6 year beginning November 1, 2019, the Board shall determine the  
7 amount of the State contribution to the System that would have  
8 been required for the next fiscal year if Section 1-161,  
9 subsection (a-2) of Section 15-155, and the changes made to  
10 Section 1-160 by this amendatory Act of the 100th General  
11 Assembly had not taken effect, using the best and most recent  
12 available data but based on the law in effect on May 31, 2019.  
13 The Board shall submit to the State Actuary, the Governor, and  
14 the General Assembly a proposed certification, along with the  
15 relevant law, actuarial assumptions, calculations, and data  
16 upon which that certification is based. On or before January 1,  
17 2020 and every January 1 thereafter, the State Actuary shall  
18 issue a preliminary report concerning the proposed  
19 certification and identifying, if necessary, recommended  
20 changes in actuarial assumptions that the Board must consider  
21 before finalizing its certification. On or before January 15,  
22 2020 and every January 1 thereafter, the Board shall certify to  
23 the Governor and the General Assembly the amount of the State  
24 contribution to the System that would have been required for  
25 the next fiscal year if Section 1-161, subsection (a-2) of  
26 Section 15-155, and the changes made to Section 1-160 by this

1 amendatory Act of the 100th General Assembly had not taken  
2 effect, using the best and most recent available data but based  
3 on the law in effect on May 31, 2019. The Board's certification  
4 must note any deviations from the State Actuary's recommended  
5 changes, the reason or reasons for not following the State  
6 Actuary's recommended changes, and the impact of not following  
7 the State Actuary's recommended changes.

8 (a-15) As soon as practical after the effective date of  
9 this amendatory Act of the 100th General Assembly, the Board  
10 shall recalculate and recertify to the State Actuary, the  
11 Governor, and the General Assembly the amount of the State  
12 contribution to the System for State fiscal year 2018, taking  
13 into account the changes in required State contributions made  
14 by this amendatory Act of the 100th General Assembly. The State  
15 Actuary shall review the assumptions and valuations underlying  
16 the Board's revised certification and issue a preliminary  
17 report concerning the proposed recertification 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. The Board's  
21 final certification must note any deviations from the State  
22 Actuary's recommended changes, the reason or reasons for not  
23 following the State Actuary's recommended changes, and the  
24 fiscal impact of not following the State Actuary's recommended  
25 changes on the required State contribution.

26 (b) The Board shall certify to the State Comptroller or

1 employer, as the case may be, from time to time, by its  
2 chairperson and secretary, with its seal attached, the amounts  
3 payable to the System from the various funds.

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

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

1 (d) So long as the payments received are the full amount  
2 lawfully vouchered under this Section, payments received by the  
3 System under this Section shall be applied first toward the  
4 employer contribution to the self-managed plan established  
5 under Section 15-158.2. Payments shall be applied second toward  
6 the employer's portion of the normal costs of the System, as  
7 defined in subsection (f) of Section 15-155. The balance shall  
8 be applied toward the unfunded actuarial liabilities of the  
9 System.

10 (e) In the event that the System does not receive, as a  
11 result of legislative enactment or otherwise, payments  
12 sufficient to fully fund the employer contribution to the  
13 self-managed plan established under Section 15-158.2 and to  
14 fully fund that portion of the employer's portion of the normal  
15 costs of the System, as calculated in accordance with Section  
16 15-155(a-1), then any payments received shall be applied  
17 proportionately to the optional retirement program established  
18 under Section 15-158.2 and to the employer's portion of the  
19 normal costs of the System, as calculated in accordance with  
20 Section 15-155(a-1).

21 (Source: P.A. 97-694, eff. 6-18-12; 98-92, eff. 7-16-13.)

22 (40 ILCS 5/15-185.5 new)

23 Sec. 15-185.5. Accelerated pension benefit payment.

24 (a) As used in this Section:

25 "Eligible participant" means a participant who:

- 1           (1) is no longer a participating employee;  
2           (2) has accrued sufficient service credit to be  
3           eligible to receive a retirement annuity under this  
4           Article;  
5           (3) has not received any retirement annuity under this  
6           Article;  
7           (4) is not a party to a pending divorce proceeding and  
8           does not have a QILDRO in effect against him or her under  
9           this Article; and  
10           (5) is not a participant in the self-managed plan under  
11           Section 15-158.2.

12           "Pension benefit" means the benefits under this Article, or  
13           Article 1 as it relates to those benefits, including any  
14           anticipated annual increases, that an eligible participant is  
15           entitled to upon attainment of the applicable retirement age.  
16           "Pension benefit" also includes applicable survivor's or  
17           disability benefits.

18           (b) Before January 1, 2018, the System shall calculate,  
19           using actuarial tables and other assumptions adopted by the  
20           Board, the net present value of pension benefits for each  
21           eligible participant and shall offer each eligible participant  
22           the opportunity to irrevocably elect to receive an amount  
23           determined by the System to be equal to 70% of the net present  
24           value of his or her pension benefits in lieu of receiving any  
25           pension benefit. The offer shall specify the dollar amount that  
26           the eligible participant will receive if he or she so elects



1 and shall expire when a subsequent offer is made to an eligible  
2 participant. The System shall make a good faith effort to  
3 contact every eligible participant to notify him or her of the  
4 election and of the amount of the accelerated pension benefit  
5 payment.

6 Beginning January 1, 2018 and until July 1, 2018, an  
7 eligible participant may irrevocably elect to receive an  
8 accelerated pension benefit payment in the amount that the  
9 System offers under this subsection in lieu of receiving any  
10 pension benefit. A person who elects to receive an accelerated  
11 pension benefit payment under this Section may not elect to  
12 proceed under the Retirement Systems Reciprocal Act with  
13 respect to service under this Article.

14 (c) Upon acceptance of an accelerated pension benefit  
15 payment under this Section, the participant forfeits all  
16 accrued rights and credits in the System and no other benefit  
17 shall be paid under this Article based on those terminated  
18 credits and creditable service, including any retirement,  
19 survivor, or other benefit; except that to the extent that  
20 participation, benefits, or premiums under the State Employees  
21 Group Insurance Act of 1971 are based on the amount of service  
22 credit, the terminated service credit shall be used for that  
23 purpose.

24 (d) If a person who has received an accelerated pension  
25 benefit payment under this Section returns to active service  
26 under this Article, then:

1           (1) Any benefits under the System earned as a result of  
2           that return to active service shall be based solely on the  
3           person's credits and creditable service arising from the  
4           return to active service.

5           (2) The accelerated pension benefit payment may not be  
6           repaid to the System, and the terminated credits and  
7           creditable service may not under any circumstances be  
8           reinstated.

9           (e) As a condition of receiving an accelerated pension  
10          benefit payment, an eligible participant must have another  
11          retirement plan or account qualified under the Internal Revenue  
12          Code of 1986, as amended, for the accelerated pension benefit  
13          payment to be rolled into. The accelerated pension benefit  
14          payment under this Section may be subject to withholding or  
15          payment of applicable taxes, but to the extent permitted by  
16          federal law, a person who accepts an accelerated pension  
17          benefit payment under this Section must direct the System to  
18          pay all of that payment as a rollover into another retirement  
19          plan or account qualified under the Internal Revenue Code of  
20          1986, as amended.

21          (f) Beginning in State fiscal year 2018, on or as soon as  
22          possible after the 15th day of each month, the Board shall  
23          submit vouchers for payment of the accelerated pension benefit  
24          payments accepted under this Section during that month to the  
25          State Comptroller. These vouchers shall be paid by the State  
26          Comptroller and Treasurer by warrants drawn on the funds

1 appropriated to the System for that fiscal year for the purpose  
2 of paying accelerated pension benefit payments made under this  
3 Section. If in any month the amount remaining unexpended from  
4 all other appropriations to the System for the accelerated  
5 pension benefit payments made under this Section for the  
6 applicable fiscal year is less than the amount lawfully  
7 vouchered under this Section, the difference shall be paid from  
8 the General Revenue Fund under the continuing appropriation  
9 authority provided in Section 1.10 of the State Pension Funds  
10 Continuing Appropriation Act.

11 (g) The Board shall adopt any rules necessary to implement  
12 this Section.

13 (h) No provision of this Section shall be interpreted in a  
14 way that would cause the applicable System to cease to be a  
15 qualified plan under the Internal Revenue Code of 1986.

16 (40 ILCS 5/15-198)

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

19 Sec. 15-198. Application and expiration of new benefit  
20 increases.

21 (a) As used in this Section, "new benefit increase" means  
22 an increase in the amount of any benefit provided under this  
23 Article, or an expansion of the conditions of eligibility for  
24 any benefit under this Article, that results from an amendment  
25 to this Code that takes effect after the effective date of this

1 amendatory Act of the 94th General Assembly. "New benefit  
2 increase", however, does not include any benefit increase  
3 resulting from the changes made to this Article by this  
4 amendatory Act of the 100th General Assembly.

5 (b) Notwithstanding any other provision of this Code or any  
6 subsequent amendment to this Code, every new benefit increase  
7 is subject to this Section and shall be deemed to be granted  
8 only in conformance with and contingent upon compliance with  
9 the provisions of this Section.

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

14 Every new benefit increase is contingent upon the General  
15 Assembly providing the additional funding required under this  
16 subsection. The Commission on Government Forecasting and  
17 Accountability shall analyze whether adequate additional  
18 funding has been provided for the new benefit increase and  
19 shall report its analysis to the Public Pension Division of the  
20 Department of Insurance ~~Financial and Professional Regulation~~.

21 A new benefit increase created by a Public Act that does not  
22 include the additional funding required under this subsection  
23 is null and void. If the Public Pension Division determines  
24 that the additional funding provided for a new benefit increase  
25 under this subsection is or has become inadequate, it may so  
26 certify to the Governor and the State Comptroller and, in the

1 absence of corrective action by the General Assembly, the new  
2 benefit increase shall expire at the end of the fiscal year in  
3 which the certification is made.

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

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

20 (Source: P.A. 94-4, eff. 6-1-05.)

21 (40 ILCS 5/15-200.1 new)

22 Sec. 15-200.1. Defined contribution plan.

23 (a) By July 1, 2018, the System shall prepare and implement  
24 a voluntary defined contribution plan for up to 5% of eligible  
25 Tier 1 employees. The System shall determine the 5% cap by the

1 number of Tier 1 employees on the effective date of this  
2 Section. The defined contribution plan developed under this  
3 Section shall be a plan that aggregates employer and employee  
4 contributions in individual participant accounts which, after  
5 meeting any other requirements, are used for payouts after  
6 retirement in accordance with this Section and any other  
7 applicable laws.

8 As used in this Section, "defined benefit plan" means the  
9 retirement plan available under this Article to Tier 1  
10 employees who have not made the election authorized under this  
11 Section.

12 (1) Under the defined contribution plan, a Tier 1  
13 employee of this System could elect to cease accruing  
14 benefits in the defined benefit plan under this Article and  
15 begin accruing benefits for future service in the defined  
16 contribution plan. Service credit under the defined  
17 contribution plan may be used for determining retirement  
18 eligibility under the defined benefit plan. A Tier 1  
19 employee who elects to cease accruing benefits in his or  
20 her defined benefit plan shall be prohibited from  
21 purchasing service credit on or after the date of his or  
22 her election. A Tier 1 employee making the irrevocable  
23 election provided under this Section shall not receive  
24 interest accruals to his or her Rule 2 benefit on or after  
25 the date of his or her election.

26 (2) Participants in the defined contribution plan

1       shall pay employee contributions at the same rate as other  
2       participants under this Article as determined by the  
3       System.

4           (3) State contributions shall be paid into the accounts  
5       of all participants in the defined contribution plan at a  
6       uniform rate, expressed as a percentage of earnings and  
7       determined for each year. This rate shall be no higher than  
8       the employer's normal cost for Tier 1 employees in the  
9       defined benefit plan for that year, as determined by the  
10       System and expressed as a percentage of earnings, and shall  
11       be no lower than 3% of earnings. The State shall adjust  
12       this rate annually.

13           (4) The defined contribution plan shall require 5 years  
14       of participation in the defined contribution plan before  
15       vesting in State contributions. If the participant fails to  
16       vest in them, the State contributions, and the earnings  
17       thereon, shall be forfeited.

18           (5) The defined contribution plan may provide for  
19       participants in the plan to be eligible for the defined  
20       disability benefits available to other participants under  
21       this Article. If it does, the System shall reduce the  
22       employee contributions credited to the member's defined  
23       contribution plan account by an amount determined by the  
24       System to cover the cost of offering such benefits.

25           (6) The defined contribution plan shall provide a  
26       variety of options for investments. These options shall

1 include investments handled by the System as well as  
2 private sector investment options.

3 (7) The defined contribution plan shall provide a  
4 variety of options for payouts to retirees and their  
5 survivors.

6 (8) To the extent authorized under federal law and as  
7 authorized by the System, the plan shall allow former  
8 participants in the plan to transfer or roll over employee  
9 and vested State contributions, and the earnings thereon,  
10 into other qualified retirement plans.

11 (9) The System shall reduce the employee contributions  
12 credited to the member's defined contribution plan account  
13 by an amount determined by the System to cover the cost of  
14 offering these benefits and any applicable administrative  
15 fees.

16 (b) Only persons who are Tier 1 employees of the System on  
17 the effective date of this Section are eligible to participate  
18 in the defined contribution plan. Participation in the defined  
19 contribution plan shall be limited to the first 5% of eligible  
20 persons who elect to participate. The election to participate  
21 in the defined contribution plan is voluntary and irrevocable.

22 (c) An eligible Tier 1 employee may irrevocably elect to  
23 participate in the defined contribution plan by filing with the  
24 System a written application to participate that is received by  
25 the System prior to its determination that 5% of eligible  
26 persons have elected to participate in the defined contribution



1 plan.

2 When the System first determines that 5% of eligible  
3 persons have elected to participate in the defined contribution  
4 plan, the System shall provide notice to previously eligible  
5 employees that the plan is no longer available and shall cease  
6 accepting applications to participate.

7 (d) The System shall make a good faith effort to contact  
8 each Tier 1 employee who is eligible to participate in the  
9 defined contribution plan. The System shall mail information  
10 describing the option to join the defined contribution plan to  
11 each of these employees to his or her last known address on  
12 file with the System. If the employee is not responsive to  
13 other means of contact, it is sufficient for the System to  
14 publish the details of the option on its website.

15 Upon request for further information describing the  
16 option, the System shall provide employees with information  
17 from the System before exercising the option to join the plan,  
18 including information on the impact to their vested benefits or  
19 non-vested service. The individual consultation shall include  
20 projections of the member's defined benefits at retirement or  
21 earlier termination of service and the value of the member's  
22 account at retirement or earlier termination of service. The  
23 System shall not provide advice or counseling with respect to  
24 whether the employee should exercise the option. The System  
25 shall inform Tier 1 employees who are eligible to participate  
26 in the defined contribution plan that they may also wish to

1 obtain information and counsel relating to their option from  
2 any other available source, including but not limited to labor  
3 organizations, private counsel, and financial advisors.

4 (e) In no event shall the System, its staff, its authorized  
5 representatives, or the Board be liable for any information  
6 given to an employee under this Section. The System may  
7 coordinate with the Illinois Department of Central Management  
8 Services and other retirement systems administering a defined  
9 contribution plan in accordance with this amendatory Act of the  
10 100th General Assembly to provide information concerning the  
11 impact of the option set forth in this Section.

12 (f) Notwithstanding any other provision of this Section, no  
13 person shall begin participating in the defined contribution  
14 plan until it has attained qualified plan status and received  
15 all necessary approvals from the U.S. Internal Revenue Service.

16 (g) The System shall report on its progress under this  
17 Section, including the available details of the defined  
18 contribution plan and the System's plans for informing eligible  
19 Tier 1 employees about the plan, to the Governor and the  
20 General Assembly on or before January 15, 2018.

21 (h) If a Tier 1 employee has not made an election under  
22 Section 15-134.5 of this Code, then the plan prescribed under  
23 this Section shall not apply to that Tier 1 employee and that  
24 Tier 1 employee shall remain eligible to make the election  
25 prescribed under Section 15-134.5.

26 (i) The intent of this amendatory Act of the 100th General

1 Assembly is to ensure that the State's normal cost of  
2 participation in the defined contribution plan is similar, and  
3 if possible equal, to the State's normal cost of participation  
4 in the defined benefit plan, unless a lower State's normal cost  
5 is necessary to ensure cost neutrality.

6 (40 ILCS 5/15-201.1 new)

7 Sec. 15-201.1. Defined contribution plan; termination. If  
8 the defined contribution plan is terminated or becomes  
9 inoperative pursuant to law, then each participant in the plan  
10 shall automatically be deemed to have been a contributing Tier  
11 1 employee participating in the System's defined benefit plan  
12 during the time in which he or she participated in the defined  
13 contribution plan, and for that purpose the System shall be  
14 entitled to recover the amounts in the participant's defined  
15 contribution accounts.

16 (40 ILCS 5/16-107.1 new)

17 Sec. 16-107.1. Tier 1 employee. "Tier 1 employee": A  
18 teacher under this Article who first became a member or  
19 participant before January 1, 2011 under any reciprocal  
20 retirement system or pension fund established under this Code  
21 other than a retirement system or pension fund established  
22 under Article 2, 3, 4, 5, 6, or 18 of this Code.

23 (40 ILCS 5/16-158) (from Ch. 108 1/2, par. 16-158)

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

3           Sec. 16-158. Contributions by State and other employing  
4 units.

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

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

17           (a-1) Annually, on or before November 15 until November 15,  
18 2011, the Board shall certify to the Governor the amount of the  
19 required State contribution for the coming fiscal year. The  
20 certification under this subsection (a-1) shall include a copy  
21 of the actuarial recommendations upon which it is based and  
22 shall specifically identify the System's projected State  
23 normal cost for that fiscal year.

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 (a-5) On or before November 1 of each year, beginning  
16 November 1, 2012, the Board shall submit to the State Actuary,  
17 the Governor, and the General Assembly a proposed certification  
18 of the amount of the required State contribution to the System  
19 for the next fiscal year, along with all of the actuarial  
20 assumptions, calculations, and data upon which that proposed  
21 certification is based. On or before January 1 of each year,  
22 beginning January 1, 2013, the State Actuary shall issue a  
23 preliminary report concerning the proposed certification and  
24 identifying, if necessary, recommended changes in actuarial  
25 assumptions that the Board must consider before finalizing its  
26 certification of the required State contributions. On or before

1 January 15, 2013 and each January 15 thereafter, the Board  
2 shall certify to the Governor and the General Assembly the  
3 amount of the required State contribution for the next fiscal  
4 year. The Board's certification must note any deviations from  
5 the State Actuary's recommended changes, the reason or reasons  
6 for not following the State Actuary's recommended changes, and  
7 the fiscal impact of not following the State Actuary's  
8 recommended changes on the required State contribution.

9 (a-10) For purposes of subsection (c-5) of Section 20 of  
10 the Budget Stabilization Act, on or before November 1 of each  
11 year beginning November 1, 2019, the Board shall determine the  
12 amount of the State contribution to the System that would have  
13 been required for the next fiscal year if Section 1-161,  
14 subsection (b-4) of Section 16-158, and the changes made to  
15 Section 1-160 by this amendatory Act of the 100th General  
16 Assembly had not taken effect, using the best and most recent  
17 available data but based on the law in effect on May 31, 2019.  
18 The Board shall submit to the State Actuary, the Governor, and  
19 the General Assembly a proposed certification, along with the  
20 relevant law, actuarial assumptions, calculations, and data  
21 upon which that certification is based. On or before January 1,  
22 2020 and every January 1 thereafter, the State Actuary shall  
23 issue a preliminary report concerning the proposed  
24 certification and identifying, if necessary, recommended  
25 changes in actuarial assumptions that the Board must consider  
26 before finalizing its certification. On or before January 15,

1 2020 and every January 1 thereafter, the Board shall certify to  
2 the Governor and the General Assembly the amount of the State  
3 contribution to the System that would have been required for  
4 the next fiscal year if if Section 1-161, subsection (b-4) of  
5 Section 16-158, and the changes made to Section 1-160 by this  
6 amendatory Act of the 100th General Assembly had not taken  
7 effect, using the best and most recent available data but based  
8 on the law in effect on May 31, 2019. The Board's certification  
9 must note any deviations from the State Actuary's recommended  
10 changes, the reason or reasons for not following the State  
11 Actuary's recommended changes, and the impact of not following  
12 the State Actuary's recommended changes.

13 (a-15) As soon as practical after the effective date of  
14 this amendatory Act of the 100th General Assembly, the Board  
15 shall recalculate and recertify to the State Actuary, the  
16 Governor, and the General Assembly the amount of the State  
17 contribution to the System for State fiscal year 2018, taking  
18 into account the changes in required State contributions made  
19 by this amendatory Act of the 100th General Assembly. The State  
20 Actuary shall review the assumptions and valuations underlying  
21 the Board's revised certification and issue a preliminary  
22 report concerning the proposed recertification and  
23 identifying, if necessary, recommended changes in actuarial  
24 assumptions that the Board must consider before finalizing its  
25 certification of the required State contributions. The Board's  
26 final certification must note any deviations from the State

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

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

8 (b-1) Beginning in State fiscal year 1996, on the 15th day  
9 of each month, or as soon thereafter as may be practicable, the  
10 Board shall submit vouchers for payment of State contributions  
11 to the System, in a total monthly amount of one-twelfth of the  
12 required annual State contribution certified under subsection  
13 (a-1). From the effective date of this amendatory Act of the  
14 93rd General Assembly through June 30, 2004, the Board shall  
15 not submit vouchers for the remainder of fiscal year 2004 in  
16 excess of the fiscal year 2004 certified contribution amount  
17 determined under this Section after taking into consideration  
18 the transfer to the System under subsection (a) of Section  
19 6z-61 of the State Finance Act. These vouchers shall be paid by  
20 the State Comptroller and Treasurer by warrants drawn on the  
21 funds appropriated to the System for that fiscal year.

22 If in any month the amount remaining unexpended from all  
23 other appropriations to the System for the applicable fiscal  
24 year (including the appropriations to the System under Section  
25 8.12 of the State Finance Act and Section 1 of the State  
26 Pension Funds Continuing Appropriation Act) is less than the



1 amount lawfully vouchered under this subsection, the  
2 difference shall be paid from the Common School Fund under the  
3 continuing appropriation authority provided in Section 1.1 of  
4 the State Pension Funds Continuing Appropriation Act.

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

8 (b-3) For State fiscal years 2018 through 2045, the minimum  
9 contribution to the System to be made by the State for each  
10 fiscal year shall be an amount determined by the System to be  
11 sufficient to bring the total assets of the System up to 90% of  
12 the total actuarial liabilities of the System by the end of  
13 State fiscal year 2045. In making these determinations, the  
14 required State contribution shall be calculated each year as a  
15 level percentage of total payroll, including payroll that is  
16 not deemed pensionable, but excluding payroll attributable to  
17 participants in the defined contribution plan under Section  
18 16-205.1, over the years remaining to and including fiscal year  
19 2045 and shall be determined under the projected unit credit  
20 actuarial cost method.

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

1       A change in an actuarial or investment assumption that  
2       increases or decreases the required State contribution and  
3       first applied in State fiscal year 2014, 2015, 2016, or 2017  
4       shall be implemented:

5               (i) as already applied in State fiscal years before  
6               2018; and

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

14       For State fiscal years 2012 through 2017 ~~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       sufficient to bring the total assets of the System up to 90% of  
18       the total actuarial liabilities of the System by the end of  
19       State fiscal year 2045. In making these determinations, the  
20       required State contribution shall be calculated each year as a  
21       level percentage of payroll over the years remaining to and  
22       including fiscal year 2045 and shall be determined under the  
23       projected unit credit actuarial cost method.

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

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

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

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

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

25 Notwithstanding any other provision of this Article, the  
26 total required State contribution for State fiscal year 2010 is

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

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

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

1 actuarial liabilities of the System.

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

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

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

13 (b-4) Beginning in fiscal year 2019, each employer under  
14 this Article shall pay to the System a required contribution  
15 determined as a percentage of projected payroll and sufficient  
16 to produce an annual amount equal to:

17 (i) the defined benefit normal cost of the defined  
18 benefit plan, less the employee contribution, plus 2%, for  
19 each employee of that employer who has elected or who is  
20 deemed to have elected the benefits under Section 1-161 or  
21 who has made the election under subsection (b) of Section  
22 1-161; plus

23 (ii) the amount required for that fiscal year to  
24 amortize any unfunded actuarial accrued liability  
25 associated with the present value of liabilities  
26 attributable to the employer's account under Section

1       16-158.3, determined as a level percentage of payroll over  
2       a 30-year rolling amortization period; plus

3       (iii) for each employee whose salary, determined on a  
4       full-time equivalent basis, exceeds \$140,000 in that  
5       school year, the total amount of the earnings in excess of  
6       \$140,000 multiplied by the level percentage of payroll used  
7       in the fiscal year in which the academic year began, as  
8       determined by the System, to be sufficient to bring the  
9       total assets of the System up to 90% of the total actuarial  
10       liabilities of the System by the end of State fiscal year  
11       2045.

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

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

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

26       (c) Payment of the required State contributions and of all

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

5 If members are paid from special trust or federal funds  
6 which are administered by the employing unit, whether school  
7 district or other unit, the employing unit shall pay to the  
8 System from such funds the full accruing retirement costs based  
9 upon that service, which, beginning July 1, 2014, shall be at a  
10 rate, expressed as a percentage of salary, equal to the total  
11 minimum contribution to the System to be made by the State for  
12 that fiscal year, including both normal cost and unfunded  
13 liability components, expressed as a percentage of payroll, as  
14 determined by the System under subsection (b-3) of this  
15 Section. Employer contributions, based on salary paid to  
16 members from federal funds, may be forwarded by the  
17 distributing agency of the State of Illinois to the System  
18 prior to allocation, in an amount determined in accordance with  
19 guidelines established by such agency and the System. Any  
20 contribution for fiscal year 2015 collected as a result of the  
21 change made by this amendatory Act of the 98th General Assembly  
22 shall be considered a State contribution under subsection (b-3)  
23 of this Section.

24 (d) Effective July 1, 1986, any employer of a teacher as  
25 defined in paragraph (8) of Section 16-106 shall pay the  
26 employer's normal cost of benefits based upon the teacher's



1 service, in addition to employee contributions, as determined  
2 by the System. Such employer contributions shall be forwarded  
3 monthly in accordance with guidelines established by the  
4 System.

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

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

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

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

26 The school district or other employing unit may pay these

1 employer contributions out of any source of funding available  
2 for that purpose and shall forward the contributions to the  
3 System on the schedule established for the payment of member  
4 contributions.

5 These employer contributions are intended to offset a  
6 portion of the cost to the System of the increases in  
7 retirement benefits resulting from this amendatory Act of 1998.

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

15 The additional 1% employee contribution required under  
16 Section 16-152 by this amendatory Act of 1998 is the  
17 responsibility of the teacher and not the teacher's employer,  
18 unless the employer agrees, through collective bargaining or  
19 otherwise, to make the contribution on behalf of the teacher.

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

1 the employee organization shall jointly certify to the System  
2 the existence of the contractual requirement, in such form as  
3 the System may prescribe. This exclusion shall cease upon the  
4 termination, extension, or renewal of the contract at any time  
5 after May 1, 1998.

6 (f) For school years beginning on or after June 1, 2005 and  
7 before July 1, 2018, if ~~if~~ the amount of a teacher's salary for  
8 any school year used to determine final average salary exceeds  
9 the member's annual full-time salary rate with the same  
10 employer for the previous school year by more than 6%, the  
11 teacher's employer shall pay to the System, in addition to all  
12 other payments required under this Section and in accordance  
13 with guidelines established by the System, the present value of  
14 the increase in benefits resulting from the portion of the  
15 increase in salary that is in excess of 6%. This present value  
16 shall be computed by the System on the basis of the actuarial  
17 assumptions and tables used in the most recent actuarial  
18 valuation of the System that is available at the time of the  
19 computation. If a teacher's salary for the 2005-2006 school  
20 year is used to determine final average salary under this  
21 subsection (f), then the changes made to this subsection (f) by  
22 Public Act 94-1057 shall apply in calculating whether the  
23 increase in his or her salary is in excess of 6%. For the  
24 purposes of this Section, change in employment under Section  
25 10-21.12 of the School Code on or after June 1, 2005 shall  
26 constitute a change in employer. The System may require the

1 employer to provide any pertinent information or  
2 documentation. The changes made to this subsection (f) by this  
3 amendatory Act of the 94th General Assembly apply without  
4 regard to whether the teacher was in service on or after its  
5 effective date.

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

21 The employer contributions required under this subsection  
22 (f) 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 will be  
25 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 (f-1) For school years beginning on or after July 1, 2018,  
5 if the amount of a teacher's salary for any school year used to  
6 determine final average salary exceeds the member's annual  
7 full-time salary rate with the same employer for the previous  
8 school year by more than the unadjusted percentage increase in  
9 the consumer price index-u for the calendar year immediately  
10 preceding the beginning of the school year, published by the  
11 Public Pension Division of the Department of Insurance by  
12 November 1 of each year, then the teacher's employer shall pay  
13 to the System, in addition to all other payments required under  
14 this Section and in accordance with guidelines established by  
15 the System, the present value of the increase in benefits  
16 resulting from the portion of the increase in salary that is in  
17 excess of the unadjusted percentage increase in the consumer  
18 price index-u for the applicable calendar year. This present  
19 value shall be computed by the System on the basis of the  
20 actuarial assumptions and tables used in the most recent  
21 actuarial valuation of the System that is available at the time  
22 of the computation. The System may require the employer to  
23 provide any pertinent information or documentation.

24 Whenever it determines that a payment is or may be required  
25 under this subsection (f-1), the System shall calculate the  
26 amount of the payment and bill the employer for that amount.

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

13 The employer contributions required under this subsection  
14 (f-1) may be paid in the form of a lump sum within 90 days after  
15 receipt of the bill. If the employer contributions are not paid  
16 within 90 days after receipt of the bill, then interest shall  
17 be charged at a rate equal to the System's annual actuarially  
18 assumed rate of return on investment compounded annually from  
19 the 91st day after receipt of the bill. Payments must be  
20 concluded within 3 years after the employer's receipt of the  
21 bill.

22 For the purposes of this Section, "consumer price index-u"  
23 means the index published by the Bureau of Labor Statistics of  
24 the United States Department of Labor that measures the average  
25 change in prices of goods and services purchased by all urban  
26 consumers, United States city average, all items, 1982-84 =

1 100. The new amount resulting from each annual adjustment shall  
2 be determined by the Public Pension Division of the Department  
3 of Insurance and made available to the boards of the retirement  
4 systems and pension funds by November 1 of each year.

5 (g) This subsection (g) applies only to payments made or  
6 salary increases given on or after June 1, 2005 but before July  
7 1, 2011. The changes made by Public Act 94-1057 shall not  
8 require the System to refund any payments received before July  
9 31, 2006 (the effective date of Public Act 94-1057).

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

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

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

1 computed on the teacher's current salary and work schedule.

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

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

22 (h) When assessing payment for any amount due under  
23 subsection (f), the System shall exclude any salary increase  
24 described in subsection (g) of this Section given on or after  
25 July 1, 2011 but before July 1, 2014 under a contract or  
26 collective bargaining agreement entered into, amended, or



1 renewed on or after June 1, 2005 but before July 1, 2011.  
2 Notwithstanding any other provision of this Section, any  
3 payments made or salary increases given after June 30, 2014  
4 shall be used in assessing payment for any amount due under  
5 subsection (f) of this Section.

6 (h-1) When assessing payment for any amount due under  
7 subsection (f-1), the System shall exclude earnings increases  
8 paid to participants under contracts or collective bargaining  
9 agreements entered into, amended, or renewed before the  
10 effective date of this amendatory Act of the 100th General  
11 Assembly.

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 (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 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. 96-43, eff. 7-15-09; 96-1497, eff. 1-14-11;  
17 96-1511, eff. 1-27-11; 96-1554, eff. 3-18-11; 97-694, eff.  
18 6-18-12; 97-813, eff. 7-13-12; 98-674, eff. 6-30-14.)

19 (40 ILCS 5/16-158.3 new)

20 Sec. 16-158.3. Individual employer accounts.

21 (a) The System shall create and maintain an individual  
22 account for each employer for the purposes of determining  
23 employer contributions under subsection (b-4) of Section  
24 16-158. Each employer's account shall be notionally charged  
25 with the liabilities attributable to that employer and credited

1 with the assets attributable to that employer.

2 (b) Beginning in fiscal year 2019, the System shall assign  
3 notional liabilities to each employer's account, equal to the  
4 amount of the employer contributions required to be made by the  
5 employer pursuant to items (i), (ii), and (iii) of subsection  
6 (b-4) of Section 16-158, plus any unfunded actuarial accrued  
7 liability associated with the defined benefits attributable to  
8 the employer's employees who first became members on or after 6  
9 months after the effective date of this amendatory Act of the  
10 100th General Assembly.

11 (c) Beginning in fiscal year 2019, the System shall assign  
12 notional assets to each employer's account equal to the amounts  
13 of employer contributions made pursuant to items (i), (ii), and  
14 (iii) of subsection (b-4) of Section 16-158.

15 (40 ILCS 5/16-190.5 new)

16 Sec. 16-190.5. Accelerated pension benefit payment.

17 (a) As used in this Section:

18 "Eligible person" means a person who:

19 (1) has terminated service;

20 (2) has accrued sufficient service credit to be  
21 eligible to receive a retirement annuity under this  
22 Article;

23 (3) is not a party to a pending divorce proceeding and  
24 does not have a QILDRO in effect against him or her under  
25 this Article; and

1           (4) does not have a QILDRO in effect against him or her  
2           under this Article.

3           "Pension benefit" means the benefits under this Article, or  
4           Article 1 as it relates to those benefits, including any  
5           anticipated annual increases, that an eligible person is  
6           entitled to upon attainment of the applicable retirement age.  
7           "Pension benefit" also includes applicable survivor's or  
8           disability benefits.

9           (b) Before January 1, 2018, the System shall calculate,  
10           using actuarial tables and other assumptions adopted by the  
11           Board, the net present value of pension benefits for each  
12           eligible person and shall offer each eligible person the  
13           opportunity to irrevocably elect to receive an amount  
14           determined by the System to be equal to 70% of the net present  
15           value of his or her pension benefits in lieu of receiving any  
16           pension benefit. The offer shall specify the dollar amount that  
17           the eligible person will receive if he or she so elects and  
18           shall expire when a subsequent offer is made to an eligible  
19           person. The System shall make a good faith effort to contact  
20           every eligible person to notify him or her of the election and  
21           of the amount of the accelerated pension benefit payment.

22           Beginning January 1, 2018 and until July 1, 2018, an  
23           eligible person may irrevocably elect to receive an accelerated  
24           pension benefit payment in the amount that the System offers  
25           under this subsection in lieu of receiving any pension benefit.  
26           A person who elects to receive an accelerated pension benefit

1 payment under this Section may not elect to proceed under the  
2 Retirement Systems Reciprocal Act with respect to service under  
3 this Article.

4 (c) A person's credits and creditable service under this  
5 Article shall be terminated upon the person's receipt of an  
6 accelerated pension benefit payment under this Section, and no  
7 other benefit shall be paid under this Article based on those  
8 terminated credits and creditable service, including any  
9 retirement, survivor, or other benefit; except that to the  
10 extent that participation, benefits, or premiums under the  
11 State Employees Group Insurance Act of 1971 are based on the  
12 amount of service credit, the terminated service credit shall  
13 be used for that purpose.

14 (d) If a person who has received an accelerated pension  
15 benefit payment under this Section returns to active service  
16 under this Article, then:

17 (1) Any benefits under the System earned as a result of  
18 that return to active service shall be based solely on the  
19 person's credits and creditable service arising from the  
20 return to active service.

21 (2) The accelerated pension benefit payment may not be  
22 repaid to the System, and the terminated credits and  
23 creditable service may not under any circumstances be  
24 reinstated.

25 (e) As a condition of receiving an accelerated pension  
26 benefit payment, an eligible person must have another

1 retirement plan or account qualified under the Internal Revenue  
2 Code of 1986, as amended, for the accelerated pension benefit  
3 payment to be rolled into. The accelerated pension benefit  
4 payment under this Section may be subject to withholding or  
5 payment of applicable taxes, but to the extent permitted by  
6 federal law, a person who receives an accelerated pension  
7 benefit payment under this Section must direct the System to  
8 pay all of that payment as a rollover into another retirement  
9 plan or account qualified under the Internal Revenue Code of  
10 1986, as amended.

11 (f) Beginning in State fiscal year 2018, on or as soon as  
12 possible after the 15th day of each month, the Board shall  
13 submit vouchers for payment of the accelerated pension benefit  
14 payments accepted under this Section during that month to the  
15 State Comptroller. These vouchers shall be paid by the State  
16 Comptroller and Treasurer by warrants drawn on the funds  
17 appropriated to the System for that fiscal year for the purpose  
18 of paying accelerated pension benefit payments made under this  
19 Section. If in any month the amount remaining unexpended from  
20 all other appropriations to the System for the accelerated  
21 pension benefit payments made under this Section for the  
22 applicable fiscal year is less than the amount lawfully  
23 vouchered under this Section, the difference shall be paid from  
24 the Common School Fund under the continuing appropriation  
25 authority provided in Section 1.10 of the State Pension Funds  
26 Continuing Appropriation Act.

1       (g) The Board shall adopt any rules necessary to implement  
2 this Section.

3       (h) No provision of this Section shall be interpreted in a  
4 way that would cause the applicable System to cease to be a  
5 qualified plan under the Internal Revenue Code of 1986.

6           (40 ILCS 5/16-203)

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

9           Sec. 16-203. Application and expiration of new benefit  
10 increases.

11           (a) As used in this Section, "new benefit increase" means  
12 an increase in the amount of any benefit provided under this  
13 Article, or an expansion of the conditions of eligibility for  
14 any benefit under this Article, that results from an amendment  
15 to this Code that takes effect after June 1, 2005 (the  
16 effective date of Public Act 94-4). "New benefit increase",  
17 however, does not include any benefit increase resulting from  
18 the changes made to this Article by Public Act 95-910 or this  
19 amendatory Act of the 100th General Assembly ~~this amendatory~~  
20 ~~Act of the 95th General Assembly.~~

21           (b) Notwithstanding any other provision of this Code or any  
22 subsequent amendment to this Code, every new benefit increase  
23 is subject to this Section and shall be deemed to be granted  
24 only in conformance with and contingent upon compliance with  
25 the provisions of this Section.

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

5           Every new benefit increase is contingent upon the General  
6 Assembly providing the additional funding required under this  
7 subsection. The Commission on Government Forecasting and  
8 Accountability shall analyze whether adequate additional  
9 funding has been provided for the new benefit increase and  
10 shall report its analysis to the Public Pension Division of the  
11 Department of Insurance ~~Financial and Professional Regulation~~.  
12 A new benefit increase created by a Public Act that does not  
13 include the additional funding required under this subsection  
14 is null and void. If the Public Pension Division determines  
15 that the additional funding provided for a new benefit increase  
16 under this subsection is or has become inadequate, it may so  
17 certify to the Governor and the State Comptroller and, in the  
18 absence of corrective action by the General Assembly, the new  
19 benefit increase shall expire at the end of the fiscal year in  
20 which the certification is made.

21           (d) Every new benefit increase shall expire 5 years after  
22 its effective date or on such earlier date as may be specified  
23 in the language enacting the new benefit increase or provided  
24 under subsection (c). This does not prevent the General  
25 Assembly from extending or re-creating a new benefit increase  
26 by law.



1 (e) Except as otherwise provided in the language creating  
2 the new benefit increase, a new benefit increase that expires  
3 under this Section continues to apply to persons who applied  
4 and qualified for the affected benefit while the new benefit  
5 increase was in effect and to the affected beneficiaries and  
6 alternate payees of such persons, but does not apply to any  
7 other person, including without limitation a person who  
8 continues in service after the expiration date and did not  
9 apply and qualify for the affected benefit while the new  
10 benefit increase was in effect.

11 (Source: P.A. 94-4, eff. 6-1-05; 95-910, eff. 8-26-08.)

12 (40 ILCS 5/16-205.1 new)

13 Sec. 16-205.1. Defined contribution plan.

14 (a) By July 1, 2018, the System shall prepare and implement  
15 a voluntary defined contribution plan for up to 5% of eligible  
16 active Tier 1 employees. The System shall determine the 5% cap  
17 by the number of active Tier 1 employees on the effective date  
18 of this Section. The defined contribution plan developed under  
19 this Section shall be a plan that aggregates employer and  
20 employee contributions in individual participant accounts  
21 which, after meeting any other requirements, are used for  
22 payouts after retirement in accordance with this Section and  
23 any other applicable laws.

24 As used in this Section, "defined benefit plan" means the  
25 retirement plan available under this Article to Tier 1

1 employees who have not made the election authorized under this  
2 Section.

3 (1) Under the defined contribution plan, an active Tier  
4 1 employee of this System could elect to cease accruing  
5 benefits in the defined benefit plan under this Article and  
6 begin accruing benefits for future service in the defined  
7 contribution plan. Service credit under the defined  
8 contribution plan may be used for determining retirement  
9 eligibility under the defined benefit plan. An active Tier  
10 1 employee who elects to cease accruing benefits in his or  
11 her defined benefit plan shall be prohibited from  
12 purchasing service credit on or after the date of his or  
13 her election. A Tier 1 employee making the irrevocable  
14 election provided under this Section shall not receive  
15 interest accruals to his or her benefit under paragraph (A)  
16 of subsection (a) of Section 16-133 on or after the date of  
17 his or her election.

18 (2) Participants in the defined contribution plan  
19 shall pay employee contributions at the same rate as Tier 1  
20 employees in this System who do not participate in the  
21 defined contribution plan.

22 (3) State contributions shall be paid into the accounts  
23 of all participants in the defined contribution plan at a  
24 uniform rate, expressed as a percentage of salary and  
25 determined for each year. This rate shall be no higher than  
26 the employer's normal cost for Tier 1 employees in the

1 defined benefit plan for that year, as determined by the  
2 System and expressed as a percentage of salary, and shall  
3 be no lower than 0% of salary. The State shall adjust this  
4 rate annually.

5 (4) The defined contribution plan shall require 5 years  
6 of participation in the defined contribution plan before  
7 vesting in State contributions. If the participant fails to  
8 vest in them, the State contributions, and the earnings  
9 thereon, shall be forfeited.

10 (5) The defined contribution plan may provide for  
11 participants in the plan to be eligible for the defined  
12 disability benefits available to other participants under  
13 this Article. If it does, the System shall reduce the  
14 employee contributions credited to the member's defined  
15 contribution plan account by an amount determined by the  
16 System to cover the cost of offering such benefits.

17 (6) The defined contribution plan shall provide a  
18 variety of options for investments. These options shall  
19 include investments in a fund created by the System and  
20 managed in accordance with legal and fiduciary standards,  
21 as well as investment options otherwise available.

22 (7) The defined contribution plan shall provide a  
23 variety of options for payouts to retirees and their  
24 survivors.

25 (8) To the extent authorized under federal law and as  
26 authorized by the System, the plan shall allow former

1 participants in the plan to transfer or roll over employee  
2 and vested State contributions, and the earnings thereon,  
3 into other qualified retirement plans.

4 (9) The System shall reduce the employee contributions  
5 credited to the member's defined contribution plan account  
6 by an amount determined by the System to cover the cost of  
7 offering these benefits and any applicable administrative  
8 fees.

9 (b) Only persons who are active Tier 1 employees of the  
10 System on the effective date of this Section are eligible to  
11 participate in the defined contribution plan. Participation in  
12 the defined contribution plan shall be limited to the first 5%  
13 of eligible persons who elect to participate. The election to  
14 participate in the defined contribution plan is voluntary and  
15 irrevocable.

16 (c) An eligible Tier 1 employee may irrevocably elect to  
17 participate in the defined contribution plan by filing with the  
18 System a written application to participate that is received by  
19 the System prior to its determination that 5% of eligible  
20 persons have elected to participate in the defined contribution  
21 plan.

22 When the System first determines that 5% of eligible  
23 persons have elected to participate in the defined contribution  
24 plan, the System shall provide notice to previously eligible  
25 employees that the plan is no longer available and shall cease  
26 accepting applications to participate.

1       (d) The System shall make a good faith effort to contact  
2 each active Tier 1 employee who is eligible to participate in  
3 the defined contribution plan. The System shall mail  
4 information describing the option to join the defined  
5 contribution plan to each of these employees to his or her last  
6 known address on file with the System. If the employee is not  
7 responsive to other means of contact, it is sufficient for the  
8 System to publish the details of the option on its website.

9       Upon request for further information describing the  
10 option, the System shall provide employees with information  
11 from the System before exercising the option to join the plan,  
12 including information on the impact to their vested benefits or  
13 non-vested service. The individual consultation shall include  
14 projections of the member's defined benefits at retirement or  
15 earlier termination of service and the value of the member's  
16 account at retirement or earlier termination of service. The  
17 System shall not provide advice or counseling with respect to  
18 whether the employee should exercise the option. The System  
19 shall inform Tier 1 employees who are eligible to participate  
20 in the defined contribution plan that they may also wish to  
21 obtain information and counsel relating to their option from  
22 any other available source, including but not limited to labor  
23 organizations, private counsel, and financial advisors.

24       (e) In no event shall the System, its staff, its authorized  
25 representatives, or the Board be liable for any information  
26 given to an employee under this Section. The System may

1 coordinate with the Illinois Department of Central Management  
2 Services and other retirement systems administering a defined  
3 contribution plan in accordance with this amendatory Act of the  
4 100th General Assembly to provide information concerning the  
5 impact of the option set forth in this Section.

6 (f) Notwithstanding any other provision of this Section, no  
7 person shall begin participating in the defined contribution  
8 plan until it has attained qualified plan status and received  
9 all necessary approvals from the U.S. Internal Revenue Service.

10 (g) The System shall report on its progress under this  
11 Section, including the available details of the defined  
12 contribution plan and the System's plans for informing eligible  
13 Tier 1 employees about the plan, to the Governor and the  
14 General Assembly on or before January 15, 2018.

15 (h) The intent of this amendatory Act of the 100th General  
16 Assembly is to ensure that the State's normal cost of  
17 participation in the defined contribution plan is similar, and  
18 if possible equal, to the State's normal cost of participation  
19 in the defined benefit plan, unless a lower State's normal cost  
20 is necessary to ensure cost neutrality.

21 (40 ILCS 5/16-206.1 new)

22 Sec. 16-206.1. Defined contribution plan; termination. If  
23 the defined contribution plan is terminated or becomes  
24 inoperative pursuant to law, then each participant in the plan  
25 shall automatically be deemed to have been a contributing Tier

1 1 employee in the System's defined benefit plan during the time  
2 in which he or she participated in the defined contribution  
3 plan, and for that purpose the System shall be entitled to  
4 recover the amounts in the participant's defined contribution  
5 accounts.

6 (40 ILCS 5/17-106.05 new)

7 Sec. 17-106.05. Tier 1 employee. "Tier 1 employee": A  
8 teacher under this Article who first became a member or  
9 participant before January 1, 2011 under any reciprocal  
10 retirement system or pension fund established under this Code  
11 other than a retirement system or pension fund established  
12 under Article 2, 3, 4, 5, 6, or 18 of this Code.

13 (40 ILCS 5/17-127) (from Ch. 108 1/2, par. 17-127)

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

15 (a) The revenues for the Fund shall consist of: (1) amounts  
16 paid into the Fund by contributors thereto and from employer  
17 contributions and State appropriations in accordance with this  
18 Article; (2) amounts contributed to the Fund by an Employer;  
19 (3) amounts contributed to the Fund pursuant to any law now in  
20 force or hereafter to be enacted; (4) contributions from any  
21 other source; and (5) the earnings on investments.

22 (b) The General Assembly finds that for many years the  
23 State has contributed to the Fund an annual amount that is  
24 between 20% and 30% of the amount of the annual State

1 contribution to the Article 16 retirement system, and the  
2 General Assembly declares that it is its goal and intention to  
3 continue this level of contribution to the Fund in the future.

4 (c) Beginning in State fiscal year 1999, the State shall  
5 include in its annual contribution to the Fund an additional  
6 amount equal to 0.544% of the Fund's total teacher payroll;  
7 except that this additional contribution need not be made in a  
8 fiscal year if the Board has certified in the previous fiscal  
9 year that the Fund is at least 90% funded, based on actuarial  
10 determinations. These additional State contributions are  
11 intended to offset a portion of the cost to the Fund of the  
12 increases in retirement benefits resulting from this  
13 amendatory Act of 1998.

14 (d) In addition to any other contribution required under  
15 this Article, including the contribution required under  
16 subsection (c), for State fiscal year 2017 and each year  
17 thereafter, the State shall contribute to the Fund for each  
18 fiscal year an amount to be determined by the Board to be equal  
19 to the employer normal cost of pension benefits for that fiscal  
20 year for teachers who first became teachers before 6 months  
21 after the effective date of this amendatory Act of the 100th  
22 General Assembly. The amount contributed under this subsection  
23 shall be reduced by:

24 (1) for each teacher who first became a teacher before  
25 6 months after the effective date of this amendatory Act of  
26 the 100th General Assembly whose salary exceeds \$140,000 in



1 that fiscal year, the employer normal cost of the increase  
2 in benefits associated with the portion of salary in excess  
3 of \$140,000; plus

4 (2) for each teacher who first became a teacher before  
5 6 months after the effective date of this amendatory Act of  
6 the 100th General Assembly whose salary, determined on a  
7 full-time equivalent basis, in a year used to calculate  
8 average salary, increased over the preceding fiscal year by  
9 more than the consumer price index-u for the preceding  
10 fiscal year, the employer normal cost of the increase in  
11 benefits associated with the portion of the increase in  
12 salary in excess of the consumer price index-u for the  
13 applicable year. For purposes of determining the reduction  
14 under this item (2), salary increases paid to teachers  
15 under contracts or collective bargaining agreements  
16 entered into, amended, or renewed before the effective date  
17 of this amendatory Act of the 100th General Assembly shall  
18 not be included in the calculation.

19 For the purposes of this Section, "consumer price index-u"  
20 means the index published by the Bureau of Labor Statistics of  
21 the United States Department of Labor that measures the average  
22 change in prices of goods and services purchased by all urban  
23 consumers, United States city average, all items, 1982-84 =  
24 100. The new amount resulting from each annual adjustment shall  
25 be determined by the Public Pension Division of the Department  
26 of Insurance and made available to the boards of the retirement

1 systems and pension funds by November 1 of each year.

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

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

12 (i) as already applied in fiscal years before 2018; and  
13 (ii) in the portion of the 5-year period beginning in  
14 the fiscal year in which the actuarial change first applied  
15 that occurs in fiscal year 2018 or thereafter, by  
16 calculating the change in equal annual amounts over that  
17 5-year period and then implementing it at the resulting  
18 annual rate in each of the remaining fiscal years in that  
19 5-year period.

20 As soon as practical after the effective date of this  
21 amendatory Act of the 100th General Assembly, the Board shall  
22 calculate and certify to the Governor and the General Assembly  
23 the amount of the required State contribution for fiscal years  
24 2017 and 2018. On or before February 28, 2018 and each February  
25 28 thereafter, the Board shall calculate and certify to the  
26 Governor and the General Assembly (i) the amount of the

1 required State contribution for the coming fiscal year and (ii)  
2 the amount by which the required State contribution was reduced  
3 pursuant to items (1) and (2) of this subsection (d). The  
4 certification shall include a copy of the actuarial  
5 recommendations upon which it is based.

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

8 (40 ILCS 5/17-129) (from Ch. 108 1/2, par. 17-129)

9 Sec. 17-129. Employer contributions; deficiency in Fund.

10 (a) If in any fiscal year of the Board of Education ending  
11 prior to 1997 the total amounts paid to the Fund from the Board  
12 of Education (other than under this subsection, and other than  
13 amounts used for making or "picking up" contributions on behalf  
14 of teachers) and from the State do not equal the total  
15 contributions made by or on behalf of the teachers for such  
16 year, or if the total income of the Fund in any such fiscal  
17 year of the Board of Education from all sources is less than  
18 the total such expenditures by the Fund for such year, the  
19 Board of Education shall, in the next succeeding year, in  
20 addition to any other payment to the Fund set apart and  
21 appropriate from moneys from its tax levy for educational  
22 purposes, a sum sufficient to remove such deficiency or  
23 deficiencies, and promptly pay such sum into the Fund in order  
24 to restore any of the reserves of the Fund that may have been  
25 so temporarily applied. Any amounts received by the Fund after

1 December 4, 1997 from State appropriations, including under  
2 Section 17-127, shall be a credit against and shall fully  
3 satisfy any obligation that may have arisen, or be claimed to  
4 have arisen, under this subsection (a) as a result of any  
5 deficiency or deficiencies in the fiscal year of the Board of  
6 Education ending in calendar year 1997.

7 (b) (i) Notwithstanding any other provision of this  
8 Section, and notwithstanding any prior certification by the  
9 Board under subsection (c) for fiscal year 2011, the Board of  
10 Education's total required contribution to the Fund for fiscal  
11 year 2011 under this Section is \$187,000,000.

12 (ii) Notwithstanding any other provision of this Section,  
13 the Board of Education's total required contribution to the  
14 Fund for fiscal year 2012 under this Section is \$192,000,000.

15 (iii) Notwithstanding any other provision of this Section,  
16 the Board of Education's total required contribution to the  
17 Fund for fiscal year 2013 under this Section is \$196,000,000.

18 (iv) For fiscal years 2014 through 2059, the minimum  
19 contribution to the Fund to be made by the Board of Education  
20 in each fiscal year shall be an amount determined by the Fund  
21 to be sufficient to bring the total assets of the Fund up to  
22 90% of the total actuarial liabilities of the Fund by the end  
23 of fiscal year 2059. In making these determinations, the  
24 required Board of Education contribution shall be calculated  
25 each year as a level percentage of the applicable employee  
26 payrolls over the years remaining to and including fiscal year

1 2059 and shall be determined under the projected unit credit  
2 actuarial cost method.

3 (v) Beginning in fiscal year 2060, the minimum Board of  
4 Education contribution for each fiscal year shall be the amount  
5 needed to maintain the total assets of the Fund at 90% of the  
6 total actuarial liabilities of the Fund.

7 (vi) Notwithstanding any other provision of this  
8 subsection (b), for any fiscal year, the contribution to the  
9 Fund from the Board of Education shall not be required to be in  
10 excess of the amount calculated as needed to maintain the  
11 assets (or cause the assets to be) at the 90% level by the end  
12 of the fiscal year.

13 (vii) Any contribution by the State to or for the benefit  
14 of the Fund, including, without limitation, as referred to  
15 under Section 17-127, shall be a credit against any  
16 contribution required to be made by the Board of Education  
17 under this subsection (b).

18 (c) The Board shall determine the amount of Board of  
19 Education contributions required for each fiscal year on the  
20 basis of the actuarial tables and other assumptions adopted by  
21 the Board and the recommendations of the actuary, in order to  
22 meet the minimum contribution requirements of subsections (a)  
23 and (b). Annually, on or before February 28, the Board shall  
24 certify to the Board of Education the amount of the required  
25 Board of Education contribution for the coming fiscal year. The  
26 certification shall include a copy of the actuarial

1 recommendations upon which it is based.

2 A change in an actuarial or investment assumption that  
3 increases or decreases the required Board of Education  
4 contribution and first applies in fiscal year 2018 or  
5 thereafter shall be implemented in equal annual amounts over a  
6 5-year period beginning in the fiscal year in which the  
7 actuarial change first applies.

8 A change in an actuarial or investment assumption that  
9 increases or decreases the required Board of Education  
10 contribution and first applied in fiscal year 2014, 2015, 2016,  
11 or 2017 shall be implemented:

12 (i) as already applied in fiscal years before 2018; and  
13 (ii) in the portion of the 5-year period beginning in  
14 the fiscal year in which the actuarial change first applied  
15 that occurs in fiscal year 2018 or thereafter, by  
16 calculating the change in equal annual amounts over that  
17 5-year period and then implementing it at the resulting  
18 annual rate in each of the remaining fiscal years in that  
19 5-year period.

20 (d) As soon as practical after the effective date of this  
21 amendatory Act of the 100th General Assembly, the Board shall  
22 recalculate and recertify to the Board of Education the amount  
23 of the required Board of Education contribution to the Fund for  
24 fiscal years 2017 and 2018, as necessary to take into account  
25 the changes in required Board of Education contributions made  
26 by this amendatory Act of the 100th General Assembly.

1 (Source: P.A. 96-889, eff. 4-14-10.)

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

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

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

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

15 (c) For State fiscal years 2018 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 total payroll, including payroll that is  
23 not deemed pensionable, over the years remaining to and  
24 including fiscal year 2045 and shall be determined under the  
25 projected unit credit actuarial cost method.

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

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

11           (i) as already applied in State fiscal years before  
12 2018; and

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

20       For State fiscal years 2012 through 2017 ~~2045~~, the minimum  
21 contribution to the System to be made by the State for each  
22 fiscal year shall be an amount determined by the System to be  
23 sufficient to bring the total assets of the System up to 90% of  
24 the total actuarial liabilities of the System by the end of  
25 State fiscal year 2045. In making these determinations, the  
26 required State contribution shall be calculated each year as a



1 level percentage of payroll over the years remaining to and  
2 including fiscal year 2045 and shall be determined under the  
3 projected unit credit actuarial cost method.

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

9 Notwithstanding any other provision of this Article, the  
10 total required State contribution for State fiscal year 2006 is  
11 \$29,189,400.

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

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

21 Notwithstanding any other provision of this Article, the  
22 total required State contribution for State fiscal year 2010 is  
23 \$78,832,000 and shall be made from the proceeds of bonds sold  
24 in fiscal year 2010 pursuant to Section 7.2 of the General  
25 Obligation Bond Act, less (i) the pro rata share of bond sale  
26 expenses determined by the System's share of total bond

1 proceeds, (ii) any amounts received from the General Revenue  
2 Fund in fiscal year 2010, and (iii) any reduction in bond  
3 proceeds due to the issuance of discounted bonds, if  
4 applicable.

5 Notwithstanding any other provision of this Article, the  
6 total required State contribution for State fiscal year 2011 is  
7 the amount recertified by the System on or before April 1, 2011  
8 pursuant to Section 18-140 and shall be made from the proceeds  
9 of bonds sold in fiscal year 2011 pursuant to Section 7.2 of  
10 the General Obligation Bond Act, less (i) the pro rata share of  
11 bond sale expenses determined by the System's share of total  
12 bond proceeds, (ii) any amounts received from the General  
13 Revenue Fund in fiscal year 2011, and (iii) any reduction in  
14 bond proceeds due to the issuance of discounted bonds, if  
15 applicable.

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

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

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

6 Notwithstanding any other provision of this Section, the  
7 required State contribution for State fiscal year 2005 and for  
8 fiscal year 2008 and each fiscal year thereafter, as calculated  
9 under this Section and certified under Section 18-140, shall  
10 not exceed an amount equal to (i) the amount of the required  
11 State contribution that would have been calculated under this  
12 Section for that fiscal year if the System had not received any  
13 payments under subsection (d) of Section 7.2 of the General  
14 Obligation Bond Act, minus (ii) the portion of the State's  
15 total debt service payments for that fiscal year on the bonds  
16 issued in fiscal year 2003 for the purposes of that Section  
17 7.2, as determined and certified by the Comptroller, that is  
18 the same as the System's portion of the total moneys  
19 distributed under subsection (d) of Section 7.2 of the General  
20 Obligation Bond Act. In determining this maximum for State  
21 fiscal years 2008 through 2010, however, the amount referred to  
22 in item (i) shall be increased, as a percentage of the  
23 applicable employee payroll, in equal increments calculated  
24 from the sum of the required State contribution for State  
25 fiscal year 2007 plus the applicable portion of the State's  
26 total debt service payments for fiscal year 2007 on the bonds

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

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

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

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

20 (Source: P.A. 96-43, eff. 7-15-09; 96-1497, eff. 1-14-11;  
21 96-1511, eff. 1-27-11; 96-1554, eff. 3-18-11; 97-813, eff.  
22 7-13-12.)

23 (40 ILCS 5/18-140) (from Ch. 108 1/2, par. 18-140)

24 Sec. 18-140. To certify required State contributions and  
25 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 amount of  
3 the required State contribution to the System for the following  
4 fiscal year and shall specifically identify the System's  
5 projected State normal cost for that fiscal year. The  
6 certification shall include a copy of the actuarial  
7 recommendations upon which it is based and shall specifically  
8 identify the System's projected State normal cost for that  
9 fiscal year.

10           On or before November 1 of each year, beginning November 1,  
11 2012, the Board shall submit to the State Actuary, the  
12 Governor, and the General Assembly a proposed certification of  
13 the amount of the required State contribution to the System for  
14 the next fiscal year, along with all of the actuarial  
15 assumptions, calculations, and data upon which that proposed  
16 certification is based. On or before January 1 of each year  
17 beginning January 1, 2013, the State Actuary shall issue a  
18 preliminary report concerning the proposed certification and  
19 identifying, if necessary, recommended changes in actuarial  
20 assumptions that the Board must consider before finalizing its  
21 certification of the required State contributions. On or before  
22 January 15, 2013 and every January 15 thereafter, the Board  
23 shall certify to the Governor and the General Assembly the  
24 amount of the required State contribution for the next fiscal  
25 year. The Board's certification must note any deviations from  
26 the State Actuary's recommended changes, the reason or reasons

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

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

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

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

21 As soon as practical after the effective date of this  
22 amendatory Act of the 100th General Assembly, the Board shall  
23 recalculate and recertify to the State Actuary, the Governor,  
24 and the General Assembly the amount of the State contribution  
25 to the System for State fiscal year 2018, taking into account  
26 the changes in required State contributions made by this

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

13 (b) Beginning in State fiscal year 1996, on or as soon as  
14 possible after the 15th day of each month the Board shall  
15 submit vouchers for payment of State contributions to the  
16 System, in a total monthly amount of one-twelfth of the  
17 required annual State contribution certified under subsection  
18 (a). From the effective date of this amendatory Act of the 93rd  
19 General Assembly through June 30, 2004, the Board shall not  
20 submit vouchers for the remainder of fiscal year 2004 in excess  
21 of the fiscal year 2004 certified contribution amount  
22 determined under this Section after taking into consideration  
23 the transfer to the System under subsection (c) of Section  
24 6z-61 of the State Finance Act. These vouchers shall be paid by  
25 the State Comptroller and Treasurer by warrants drawn on the  
26 funds appropriated to the System for that fiscal year.

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

10       (Source: P.A. 96-1497, eff. 1-14-11; 96-1511, eff. 1-27-11;  
11 97-694, eff. 6-18-12.)

12           (40 ILCS 5/20-121) (from Ch. 108 1/2, par. 20-121)

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

15           Sec. 20-121. Calculation of proportional retirement  
16 annuities.

17           (a) Upon retirement of the employee, a proportional  
18 retirement annuity shall be computed by each participating  
19 system in which pension credit has been established on the  
20 basis of pension credits under each system. The computation  
21 shall be in accordance with the formula or method prescribed by  
22 each participating system which is in effect at the date of the  
23 employee's latest withdrawal from service covered by any of the  
24 systems in which he has pension credits which he elects to have  
25 considered under this Article. However, the amount of any



1 retirement annuity payable under the self-managed plan  
2 established under Section 15-158.2 of this Code or under the  
3 defined contribution plan established under Article 2, 14, 15,  
4 or 16 of this Code depends solely on the value of the  
5 participant's vested account balances and is not subject to any  
6 proportional adjustment under this Section.

7 (a-5) For persons who participate in a defined contribution  
8 plan established under Article 2, 14, 15, or 16 of this Code to  
9 whom the provisions of this Article apply, the pension credits  
10 established under the defined contribution plan may be  
11 considered in determining eligibility for or the amount of the  
12 defined benefit retirement annuity that is payable by any other  
13 participating system.

14 (b) Combined pension credit under all retirement systems  
15 subject to this Article shall be considered in determining  
16 whether the minimum qualification has been met and the formula  
17 or method of computation which shall be applied, except as may  
18 be otherwise provided with respect to vesting in State or  
19 employer contributions in a defined contribution plan. If a  
20 system has a step-rate formula for calculation of the  
21 retirement annuity, pension credits covering previous service  
22 which have been established under another system shall be  
23 considered in determining which range or ranges of the  
24 step-rate formula are to be applicable to the employee.

25 (c) Interest on pension credit shall continue to accumulate  
26 in accordance with the provisions of the law governing the

1 retirement system in which the same has been established during  
2 the time an employee is in the service of another employer, on  
3 the assumption such employee, for interest purposes for pension  
4 credit, is continuing in the service covered by such retirement  
5 system.

6 (Source: P.A. 91-887, eff. 7-6-00.)

7 (40 ILCS 5/20-123) (from Ch. 108 1/2, par. 20-123)

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

10 Sec. 20-123. Survivor's annuity. The provisions governing  
11 a retirement annuity shall be applicable to a survivor's  
12 annuity. Appropriate credits shall be established for  
13 survivor's annuity purposes in those participating systems  
14 which provide survivor's annuities, according to the same  
15 conditions and subject to the same limitations and restrictions  
16 herein prescribed for a retirement annuity. If a participating  
17 system has no survivor's annuity benefit, or if the survivor's  
18 annuity benefit under that system is waived, pension credit  
19 established in that system shall not be considered in  
20 determining eligibility for or the amount of the survivor's  
21 annuity which may be payable by any other participating system.

22 For persons who participate in the self-managed plan  
23 established under Section 15-158.2 or the portable benefit  
24 package established under Section 15-136.4, pension credit  
25 established under Article 15 may be considered in determining

1 eligibility for or the amount of the survivor's annuity that is  
2 payable by any other participating system, but pension credit  
3 established in any other system shall not result in any right  
4 to a survivor's annuity under the Article 15 system.

5 For persons who participate in a defined contribution plan  
6 established under Article 2, 14, 15, or 16 of this Code to whom  
7 the provisions of this Article apply, the pension credits  
8 established under the defined contribution plan may be  
9 considered in determining eligibility for or the amount of the  
10 defined benefit survivor's annuity that is payable by any other  
11 participating system, but pension credits established in any  
12 other system shall not result in any right to or increase in  
13 the value of a survivor's annuity under the defined  
14 contribution plan, which depends solely on the options chosen  
15 and the value of the participant's vested account balances and  
16 is not subject to any proportional adjustment under this  
17 Section.

18 (Source: P.A. 91-887, eff. 7-6-00.)

19 (40 ILCS 5/20-124) (from Ch. 108 1/2, par. 20-124)

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

22 Sec. 20-124. Maximum benefits.

23 (a) In no event shall the combined retirement or survivors  
24 annuities exceed the highest annuity which would have been  
25 payable by any participating system in which the employee has

1 pension credits, if all of his pension credits had been  
2 validated in that system.

3 If the combined annuities should exceed the highest maximum  
4 as determined in accordance with this Section, the respective  
5 annuities shall be reduced proportionately according to the  
6 ratio which the amount of each proportional annuity bears to  
7 the aggregate of all such annuities.

8 (b) In the case of a participant in the self-managed plan  
9 established under Section 15-158.2 of this Code to whom the  
10 provisions of this Article apply:

11 (i) For purposes of calculating the combined  
12 retirement annuity and the proportionate reduction, if  
13 any, in a retirement annuity other than one payable under  
14 the self-managed plan, the amount of the Article 15  
15 retirement annuity shall be deemed to be the highest  
16 annuity to which the annuitant would have been entitled if  
17 he or she had participated in the traditional benefit  
18 package as defined in Section 15-103.1 rather than the  
19 self-managed plan.

20 (ii) For purposes of calculating the combined  
21 survivor's annuity and the proportionate reduction, if  
22 any, in a survivor's annuity other than one payable under  
23 the self-managed plan, the amount of the Article 15  
24 survivor's annuity shall be deemed to be the highest  
25 survivor's annuity to which the survivor would have been  
26 entitled if the deceased employee had participated in the

1 traditional benefit package as defined in Section 15-103.1  
2 rather than the self-managed plan.

3 (iii) Benefits payable under the self-managed plan are  
4 not subject to proportionate reduction under this Section.

5 (c) In the case of a participant in a defined contribution  
6 plan established under Article 2, 14, 15, or 16 of this Code to  
7 whom the provisions of this Article apply:

8 (i) For purposes of calculating the combined  
9 retirement annuity and the proportionate reduction, if  
10 any, in a defined benefit retirement annuity, any benefit  
11 payable under the defined contribution plan shall not be  
12 considered.

13 (ii) For purposes of calculating the combined  
14 survivor's annuity and the proportionate reduction, if  
15 any, in a defined benefit survivor's annuity, any benefit  
16 payable under the defined contribution plan shall not be  
17 considered.

18 (iii) Benefits payable under a defined contribution  
19 plan established under Article 2, 14, 15, or 16 of this  
20 Code are not subject to proportionate reduction under this  
21 Section.

22 (Source: P.A. 91-887, eff. 7-6-00.)

23 (40 ILCS 5/20-125) (from Ch. 108 1/2, par. 20-125)

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

1           Sec. 20-125. Return to employment - suspension of benefits.  
2           If a retired employee returns to employment which is covered by  
3           a system from which he is receiving a proportional annuity  
4           under this Article, his proportional annuity from all  
5           participating systems shall be suspended during the period of  
6           re-employment, except that this suspension does not apply to  
7           any distributions payable under the self-managed plan  
8           established under Section 15-158.2 or under a defined  
9           contribution plan established under Article 2, 14, 15, or 16 of  
10          this Code.

11          The provisions of the Article under which such employment  
12          would be covered shall govern the determination of whether the  
13          employee has returned to employment, and if applicable the  
14          exemption of temporary employment or employment not exceeding a  
15          specified duration or frequency, for all participating systems  
16          from which the retired employee is receiving a proportional  
17          annuity under this Article, notwithstanding any contrary  
18          provisions in the other Articles governing such systems.

19          (Source: P.A. 91-887, eff. 7-6-00.)

20                 (40 ILCS 5/2-165 rep.)

21                 (40 ILCS 5/2-166 rep.)

22                 (40 ILCS 5/14-155 rep.)

23                 (40 ILCS 5/14-156 rep.)

24                 (40 ILCS 5/15-200 rep.)

25                 (40 ILCS 5/15-201 rep.)

1 (40 ILCS 5/16-205 rep.)

2 (40 ILCS 5/16-206 rep.)

3 Section 20. The Illinois Pension Code is amended by  
4 repealing Sections 2-165, 2-166, 14-155, 14-156, 15-200,  
5 15-201, 16-205, and 16-206.

6 Section 25. The State Pension Funds Continuing  
7 Appropriation Act is amended by changing Section 1.1 as  
8 follows:

9 (40 ILCS 15/1.1)

10 Sec. 1.1. Appropriations to certain retirement systems.

11 (a) There is hereby appropriated from the General Revenue  
12 Fund to the General Assembly Retirement System, on a continuing  
13 monthly basis, the amount, if any, by which the total available  
14 amount of all other appropriations to that retirement system  
15 for the payment of State contributions is less than the total  
16 amount of the vouchers for required State contributions  
17 lawfully submitted by the retirement system for that month  
18 under Section 2-134 of the Illinois Pension Code.

19 (b) There is hereby appropriated from the General Revenue  
20 Fund to the State Universities Retirement System, on a  
21 continuing monthly basis, the amount, if any, by which the  
22 total available amount of all other appropriations to that  
23 retirement system for the payment of State contributions,  
24 including any deficiency in the required contributions of the

1 optional retirement program established under Section 15-158.2  
2 of the Illinois Pension Code, is less than the total amount of  
3 the vouchers for required State contributions lawfully  
4 submitted by the retirement system for that month under Section  
5 15-165 of the Illinois Pension Code.

6 (c) There is hereby appropriated from the Common School  
7 Fund to the Teachers' Retirement System of the State of  
8 Illinois, on a continuing monthly basis, the amount, if any, by  
9 which the total available amount of all other appropriations to  
10 that retirement system for the payment of State contributions  
11 is less than the total amount of the vouchers for required  
12 State contributions lawfully submitted by the retirement  
13 system for that month under Section 16-158 of the Illinois  
14 Pension Code.

15 (d) There is hereby appropriated from the General Revenue  
16 Fund to the Judges Retirement System of Illinois, on a  
17 continuing monthly basis, the amount, if any, by which the  
18 total available amount of all other appropriations to that  
19 retirement system for the payment of State contributions is  
20 less than the total amount of the vouchers for required State  
21 contributions lawfully submitted by the retirement system for  
22 that month under Section 18-140 of the Illinois Pension Code.

23 (e) The continuing appropriations provided by subsections  
24 (a), (b), (c), and (d) of this Section shall first be available  
25 in State fiscal year 1996. The continuing appropriations  
26 provided by subsection (h) of this Section shall first be



1 available as provided in that subsection (h).

2 (f) For State fiscal year 2010 only, the continuing  
3 appropriations provided by this Section are equal to the amount  
4 certified by each System on or before December 31, 2008, less  
5 (i) the gross proceeds of the bonds sold in fiscal year 2010  
6 under the authorization contained in subsection (a) of Section  
7 7.2 of the General Obligation Bond Act and (ii) any amounts  
8 received from the State Pensions Fund.

9 (g) For State fiscal year 2011 only, the continuing  
10 appropriations provided by this Section are equal to the amount  
11 certified by each System on or before April 1, 2011, less (i)  
12 the gross proceeds of the bonds sold in fiscal year 2011 under  
13 the authorization contained in subsection (a) of Section 7.2 of  
14 the General Obligation Bond Act and (ii) any amounts received  
15 from the State Pensions Fund.

16 (h) For State fiscal year 2017 and each year thereafter,  
17 there is hereby appropriated from the Common School Fund to the  
18 Public School Teachers' Pension and Retirement Fund of Chicago  
19 the amount, if any, by which the total available amount of all  
20 other State appropriations to that Pension Fund for the payment  
21 of State contributions under subsection (d) of Section 17-127  
22 of the Illinois Pension Code is less than the total amount of  
23 required State contributions under subsection (d) of Section  
24 17-127.

25 (Source: P.A. 96-43, eff. 7-15-09; 96-1497, eff. 1-14-11;  
26 96-1511, eff. 1-27-11.)".

1 Section 900. The State Mandates Act is amended by adding  
2 Section 8.41 as follows:

3 (30 ILCS 805/8.41 new)

4 Sec. 8.41. Exempt mandate. Notwithstanding Sections 6 and 8  
5 of this Act, no reimbursement by the State is required for the  
6 implementation of any mandate created by this amendatory Act of  
7 the 100th General Assembly.

8 Section 970. Severability. The provisions of this Act are  
9 severable under Section 1.31 of the Statute on Statutes.

10 Section 999. Effective date. This Act takes effect upon  
11 becoming law.

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## Statutes amended in order of appearance

3	5 ILCS 375/3	from Ch. 127, par. 523
4	5 ILCS 375/10	from Ch. 127, par. 530
5	30 ILCS 122/20	
6	40 ILCS 5/1-160	
7	40 ILCS 5/1-161 new	
8	40 ILCS 5/1-162 new	
9	40 ILCS 5/2-101	from Ch. 108 1/2, par. 2-101
10	40 ILCS 5/2-105	from Ch. 108 1/2, par. 2-105
11	40 ILCS 5/2-105.3 new	
12	40 ILCS 5/2-107	from Ch. 108 1/2, par. 2-107
13	40 ILCS 5/2-124	from Ch. 108 1/2, par. 2-124
14	40 ILCS 5/2-134	from Ch. 108 1/2, par. 2-134
15	40 ILCS 5/2-162	
16	40 ILCS 5/2-165.1 new	
17	40 ILCS 5/2-166.1 new	
18	40 ILCS 5/14-103.41 new	
19	40 ILCS 5/14-131	
20	40 ILCS 5/14-135.08	from Ch. 108 1/2, par. 14-135.08
21	40 ILCS 5/14-147.5 new	
22	40 ILCS 5/14-152.1	
23	40 ILCS 5/14-155.1 new	
24	40 ILCS 5/14-155.2 new	
25	40 ILCS 5/14-156.1 new	

1 40 ILCS 5/15-108.1  
2 40 ILCS 5/15-108.2  
3 40 ILCS 5/15-155 from Ch. 108 1/2, par. 15-155  
4 40 ILCS 5/15-155.2 new  
5 40 ILCS 5/15-165 from Ch. 108 1/2, par. 15-165  
6 40 ILCS 5/15-185.5 new  
7 40 ILCS 5/15-198  
8 40 ILCS 5/15-200.1 new  
9 40 ILCS 5/15-201.1 new  
10 40 ILCS 5/16-107.1 new  
11 40 ILCS 5/16-158 from Ch. 108 1/2, par. 16-158  
12 40 ILCS 5/16-158.3 new  
13 40 ILCS 5/16-190.5 new  
14 40 ILCS 5/16-203  
15 40 ILCS 5/16-205.1 new  
16 40 ILCS 5/16-206.1 new  
17 40 ILCS 5/17-106.05 new  
18 40 ILCS 5/17-127 from Ch. 108 1/2, par. 17-127  
19 40 ILCS 5/17-129 from Ch. 108 1/2, par. 17-129  
20 40 ILCS 5/18-131 from Ch. 108 1/2, par. 18-131  
21 40 ILCS 5/18-140 from Ch. 108 1/2, par. 18-140  
22 40 ILCS 5/20-121 from Ch. 108 1/2, par. 20-121  
23 40 ILCS 5/20-123 from Ch. 108 1/2, par. 20-123  
24 40 ILCS 5/20-124 from Ch. 108 1/2, par. 20-124  
25 40 ILCS 5/20-125 from Ch. 108 1/2, par. 20-125  
26 40 ILCS 5/2-165 rep.

- 1 40 ILCS 5/2-166 rep.
- 2 40 ILCS 5/14-155 rep.
- 3 40 ILCS 5/14-156 rep.
- 4 40 ILCS 5/15-200 rep.
- 5 40 ILCS 5/15-201 rep.
- 6 40 ILCS 5/16-205 rep.
- 7 40 ILCS 5/16-206 rep.
- 8 40 ILCS 15/1.1
- 9 30 ILCS 805/8.41 new