



Rep. Michael T. Marron

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10200SB1646ham001

LRB102 15392 RPS 25754 a

1 AMENDMENT TO SENATE BILL 1646

2 AMENDMENT NO. \_\_\_\_\_. Amend Senate Bill 1646 by replacing  
3 everything after the enacting clause with the following:

4 "Section 5. The Illinois Pension Code is amended by  
5 changing Sections 16-127 and 16-158 as follows:

6 (40 ILCS 5/16-127) (from Ch. 108 1/2, par. 16-127)

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

8 (a) Each member shall receive regular credit for all  
9 service as a teacher from the date membership begins, for  
10 which satisfactory evidence is supplied and all contributions  
11 have been paid.

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

16 (1) Prior service as a teacher.

1           (2) Service in a capacity essentially similar or  
2 equivalent to that of a teacher, in the public common  
3 schools in school districts in this State not included  
4 within the provisions of this System, or of any other  
5 State, territory, dependency or possession of the United  
6 States, or in schools operated by or under the auspices of  
7 the United States, or under the auspices of any agency or  
8 department of any other State, and service during any  
9 period of professional speech correction or special  
10 education experience for a public agency within this State  
11 or any other State, territory, dependency or possession of  
12 the United States, and service prior to February 1, 1951  
13 as a recreation worker for the Illinois Department of  
14 Public Safety, for a period not exceeding the lesser of  
15 2/5 of the total creditable service of the member or 10  
16 years. The maximum service of 10 years which is allowable  
17 under this paragraph shall be reduced by the service  
18 credit which is validated by other retirement systems  
19 under paragraph (i) of Section 15-113 and paragraph 1 of  
20 Section 17-133. Credit granted under this paragraph may  
21 not be used in determination of a retirement annuity or  
22 disability benefits unless the member has at least 5 years  
23 of creditable service earned subsequent to this employment  
24 with one or more of the following systems: Teachers'  
25 Retirement System of the State of Illinois, State  
26 Universities Retirement System, and the Public School

1 Teachers' Pension and Retirement Fund of Chicago. Whenever  
2 such service credit exceeds the maximum allowed for all  
3 purposes of this Article, the first service rendered in  
4 point of time shall be considered. The changes to this  
5 subdivision (b)(2) made by Public Act 86-272 shall apply  
6 not only to persons who on or after its effective date  
7 (August 23, 1989) are in service as a teacher under the  
8 System, but also to persons whose status as such a teacher  
9 terminated prior to such effective date, whether or not  
10 such person is an annuitant on that date.

11 (3) Any periods immediately following teaching  
12 service, under this System or under Article 17, (or  
13 immediately following service prior to February 1, 1951 as  
14 a recreation worker for the Illinois Department of Public  
15 Safety) spent in active service with the military forces  
16 of the United States; periods spent in educational  
17 programs that prepare for return to teaching sponsored by  
18 the federal government following such active military  
19 service; if a teacher returns to teaching service within  
20 one calendar year after discharge or after the completion  
21 of the educational program, a further period, not  
22 exceeding one calendar year, between time spent in  
23 military service or in such educational programs and the  
24 return to employment as a teacher under this System; and a  
25 period of up to 2 years of active military service not  
26 immediately following employment as a teacher.

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

24           Credit for military service shall be determined as  
25 follows: if entry occurs during the months of July,  
26 August, or September and the member was a teacher at the

1 end of the immediately preceding school term, credit shall  
2 be granted from July 1 of the year in which he or she  
3 entered service; if entry occurs during the school term  
4 and the teacher was in teaching service at the beginning  
5 of the school term, credit shall be granted from July 1 of  
6 such year. In all other cases where credit for military  
7 service is allowed, credit shall be granted from the date  
8 of entry into the service.

9 The total period of military service for which credit  
10 is granted shall not exceed 5 years for any member unless  
11 the service: (A) is validated before July 1, 1964, and (B)  
12 does not extend beyond July 1, 1963. Credit for military  
13 service shall be granted under this Section only if not  
14 more than 5 years of the military service for which credit  
15 is granted under this Section is used by the member to  
16 qualify for a military retirement allotment from any  
17 branch of the armed forces of the United States. The  
18 changes to this subdivision (b)(3) made by Public Act  
19 86-272 shall apply not only to persons who on or after its  
20 effective date (August 23, 1989) are in service as a  
21 teacher under the System, but also to persons whose status  
22 as such a teacher terminated prior to such effective date,  
23 whether or not such person is an annuitant on that date.

24 (4) Any periods served as a member of the General  
25 Assembly.

26 (5) (i) Any periods for which a teacher, as defined in

1 Section 16-106, is granted a leave of absence, provided he  
2 or she returns to teaching service creditable under this  
3 System or the State Universities Retirement System  
4 following the leave; (ii) periods during which a teacher  
5 is involuntarily laid off from teaching, provided he or  
6 she returns to teaching following the lay-off; (iii)  
7 periods prior to July 1, 1983 during which a teacher  
8 ceased covered employment due to pregnancy, provided that  
9 the teacher returned to teaching service creditable under  
10 this System or the State Universities Retirement System  
11 following the pregnancy and submits evidence satisfactory  
12 to the Board documenting that the employment ceased due to  
13 pregnancy; and (iv) periods prior to July 1, 1983 during  
14 which a teacher ceased covered employment for the purpose  
15 of adopting an infant under 3 years of age or caring for a  
16 newly adopted infant under 3 years of age, provided that  
17 the teacher returned to teaching service creditable under  
18 this System or the State Universities Retirement System  
19 following the adoption and submits evidence satisfactory  
20 to the Board documenting that the employment ceased for  
21 the purpose of adopting an infant under 3 years of age or  
22 caring for a newly adopted infant under 3 years of age.  
23 However, total credit under this paragraph (5) may not  
24 exceed 3 years.

25 Any qualified member or annuitant may apply for credit  
26 under item (iii) or (iv) of this paragraph (5) without

1 regard to whether service was terminated before the  
2 effective date of this amendatory Act of 1997. In the case  
3 of an annuitant who establishes credit under item (iii) or  
4 (iv), the annuity shall be recalculated to include the  
5 additional service credit. The increase in annuity shall  
6 take effect on the date the System receives written  
7 notification of the annuitant's intent to purchase the  
8 credit, if the required evidence is submitted and the  
9 required contribution paid within 60 days of that  
10 notification, otherwise on the first annuity payment date  
11 following the System's receipt of the required evidence  
12 and contribution. The increase in an annuity recalculated  
13 under this provision shall be included in the calculation  
14 of automatic annual increases in the annuity accruing  
15 after the effective date of the recalculation.

16 Optional credit may be purchased under this subsection  
17 (b) (5) for periods during which a teacher has been granted  
18 a leave of absence pursuant to Section 24-13 of the School  
19 Code. A teacher whose service under this Article  
20 terminated prior to the effective date of P.A. 86-1488  
21 shall be eligible to purchase such optional credit. If a  
22 teacher who purchases this optional credit is already  
23 receiving a retirement annuity under this Article, the  
24 annuity shall be recalculated as if the annuitant had  
25 applied for the leave of absence credit at the time of  
26 retirement. The difference between the entitled annuity

1 and the actual annuity shall be credited to the purchase  
2 of the optional credit. The remainder of the purchase cost  
3 of the optional credit shall be paid on or before April 1,  
4 1992.

5 The change in this paragraph made by Public Act 86-273  
6 shall be applicable to teachers who retire after June 1,  
7 1989, as well as to teachers who are in service on that  
8 date.

9 (6) Any days of unused and uncompensated accumulated  
10 sick leave earned by a teacher. The service credit granted  
11 under this paragraph shall be the ratio of the number of  
12 unused and uncompensated accumulated sick leave days to  
13 170 days, subject to a maximum of 2 years of service  
14 credit. Prior to the member's retirement, each former  
15 employer shall certify to the System the number of unused  
16 and uncompensated accumulated sick leave days credited to  
17 the member at the time of termination of service. The  
18 period of unused sick leave shall not be considered in  
19 determining the effective date of retirement. A member is  
20 not required to make contributions in order to obtain  
21 service credit for unused sick leave.

22 Credit for sick leave shall, at retirement, be granted  
23 by the System for any retiring regional or assistant  
24 regional superintendent of schools at the rate of 6 days  
25 per year of creditable service or portion thereof  
26 established while serving as such superintendent or



1 assistant superintendent.

2 (7) Periods prior to February 1, 1987 served as an  
3 employee of the Illinois Mathematics and Science Academy  
4 for which credit has not been terminated under Section  
5 15-113.9 of this Code.

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

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

10 (10) Up to 2 years of employment with Southern  
11 Illinois University - Carbondale from September 1, 1959 to  
12 August 31, 1961, or with Governors State University from  
13 September 1, 1972 to August 31, 1974, for which the  
14 teacher has no credit under Article 15. To receive credit  
15 under this item (10), a teacher must apply in writing to  
16 the Board and pay the required contributions before May 1,  
17 1993 and have at least 12 years of service credit under  
18 this Article.

19 (b-1) A member may establish optional credit for up to 2  
20 years of service as a teacher or administrator employed by a  
21 private school recognized by the Illinois State Board of  
22 Education, provided that the teacher (i) was certified under  
23 the law governing the certification of teachers at the time  
24 the service was rendered, (ii) applies in writing on or before  
25 June 30, 2023 ~~on or after August 1, 2009 and on or before~~  
26 ~~August 1, 2012,~~ (iii) supplies satisfactory evidence of the

1 employment, (iv) completes at least 10 years of contributing  
2 service as a teacher as defined in Section 16-106, and (v) pays  
3 the contribution required in subsection (d-5) of Section  
4 16-128. The member may apply for credit under this subsection  
5 and pay the required contribution before completing the 10  
6 years of contributing service required under item (iv), but  
7 the credit may not be used until the item (iv) contributing  
8 service requirement has been met.

9 (c) The service credits specified in this Section shall be  
10 granted only if: (1) such service credits are not used for  
11 credit in any other statutory tax-supported public employee  
12 retirement system other than the federal Social Security  
13 program; and (2) the member makes the required contributions  
14 as specified in Section 16-128. Except as provided in  
15 subsection (b-1) of this Section, the service credit shall be  
16 effective as of the date the required contributions are  
17 completed.

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

20 Credit may not be granted under this Section covering any  
21 period for which an age retirement or disability retirement  
22 allowance has been paid.

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

1 (Source: P.A. 100-813, eff. 8-13-18.)

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

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

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

1 contribution to the System for State fiscal year 2005, taking  
2 into account the amounts appropriated to and received by the  
3 System under subsection (d) of Section 7.2 of the General  
4 Obligation Bond Act.

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

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

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

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

11 (a-10) By November 1, 2017, the Board shall recalculate  
12 and recertify to the State Actuary, the Governor, and the  
13 General Assembly the amount of the State contribution to the  
14 System for State fiscal year 2018, taking into account the  
15 changes in required State contributions made by Public Act  
16 100-23. The State Actuary shall review the assumptions and  
17 valuations underlying the Board's revised certification and  
18 issue a preliminary report concerning the proposed  
19 recertification and identifying, if necessary, recommended  
20 changes in actuarial assumptions that the Board must consider  
21 before finalizing its certification of the required State  
22 contributions. The Board's final certification must note any  
23 deviations from the State Actuary's recommended changes, the  
24 reason or reasons for not following the State Actuary's  
25 recommended changes, and the fiscal impact of not following  
26 the State Actuary's recommended changes on the required State

1 contribution.

2 (a-15) On or after June 15, 2019, but no later than June  
3 30, 2019, the Board shall recalculate and recertify to the  
4 Governor and the General Assembly the amount of the State  
5 contribution to the System for State fiscal year 2019, taking  
6 into account the changes in required State contributions made  
7 by Public Act 100-587. The recalculation shall be made using  
8 assumptions adopted by the Board for the original fiscal year  
9 2019 certification. The monthly voucher for the 12th month of  
10 fiscal year 2019 shall be paid by the Comptroller after the  
11 recertification required pursuant to this subsection is  
12 submitted to the Governor, Comptroller, and General Assembly.  
13 The recertification submitted to the General Assembly shall be  
14 filed with the Clerk of the House of Representatives and the  
15 Secretary of the Senate in electronic form only, in the manner  
16 that the Clerk and the Secretary shall direct.

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

20 (b-1) Beginning in State fiscal year 1996, on the 15th day  
21 of each month, or as soon thereafter as may be practicable, the  
22 Board shall submit vouchers for payment of State contributions  
23 to the System, in a total monthly amount of one-twelfth of the  
24 required annual State contribution certified under subsection  
25 (a-1). From March 5, 2004 (the effective date of Public Act  
26 93-665) through June 30, 2004, the Board shall not submit

1 vouchers for the remainder of fiscal year 2004 in excess of the  
2 fiscal year 2004 certified contribution amount determined  
3 under this Section after taking into consideration the  
4 transfer to the System under subsection (a) of Section 6z-61  
5 of the State Finance Act. These vouchers shall be paid by the  
6 State Comptroller and Treasurer by warrants drawn on the funds  
7 appropriated to the System for that fiscal year.

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

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

20 (b-3) For State fiscal years 2012 through 2045, the  
21 minimum contribution to the System to be made by the State for  
22 each fiscal year shall be an amount determined by the System to  
23 be sufficient to bring the total assets of the System up to 90%  
24 of 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 each of State fiscal years 2018, 2019, and 2020, the  
5 State shall make an additional contribution to the System  
6 equal to 2% of the total payroll of each employee who is deemed  
7 to have elected the benefits under Section 1-161 or who has  
8 made the election under subsection (c) of Section 1-161.

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

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

19 (i) as already applied in State fiscal years before  
20 2018; and

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



1           fiscal years in that 5-year period.

2           For State fiscal years 1996 through 2005, the State  
3           contribution to the System, as a percentage of the applicable  
4           employee payroll, shall be increased in equal annual  
5           increments so that by State fiscal year 2011, the State is  
6           contributing at the rate required under this Section; except  
7           that in the following specified State fiscal years, the State  
8           contribution to the System shall not be less than the  
9           following indicated percentages of the applicable employee  
10          payroll, even if the indicated percentage will produce a State  
11          contribution in excess of the amount otherwise required under  
12          this subsection and subsection (a), and notwithstanding any  
13          contrary certification made under subsection (a-1) before May  
14          27, 1998 (the effective date of Public Act 90-582): 10.02% in  
15          FY 1999; 10.77% in FY 2000; 11.47% in FY 2001; 12.16% in FY  
16          2002; 12.86% in FY 2003; and 13.56% in FY 2004.

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

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

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

1 State fiscal year 2007, so that by State fiscal year 2011, the  
2 State is contributing at the rate otherwise required under  
3 this Section.

4 Notwithstanding any other provision of this Article, the  
5 total required State contribution for State fiscal year 2010  
6 is \$2,089,268,000 and shall be made from the proceeds of bonds  
7 sold in fiscal year 2010 pursuant to Section 7.2 of the General  
8 Obligation Bond Act, less (i) the pro rata share of bond sale  
9 expenses determined by the System's share of total bond  
10 proceeds, (ii) any amounts received from the Common School  
11 Fund in fiscal year 2010, and (iii) any reduction in bond  
12 proceeds due to the issuance of discounted bonds, if  
13 applicable.

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

1 as an employer under paragraph (e) of this Section, which may  
2 also be used by the System for contributions required by  
3 paragraph (a) of Section 16-127.

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

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

20 Notwithstanding any other provision of this Section, the  
21 required State contribution for State fiscal year 2005 and for  
22 fiscal year 2008 and each fiscal year thereafter, as  
23 calculated under this Section and certified under subsection  
24 (a-1), shall not exceed an amount equal to (i) the amount of  
25 the required State contribution that would have been  
26 calculated under this Section for that fiscal year if the

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

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

23 (i) for each of fiscal years 2018, 2019, and 2020, the  
24 defined benefit normal cost of the defined benefit plan,  
25 less the employee contribution, for each employee of that  
26 employer who has elected or who is deemed to have elected

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

9 (ii) the amount required for that fiscal year to  
10 amortize any unfunded actuarial accrued liability  
11 associated with the present value of liabilities  
12 attributable to the employer's account under Section  
13 16-158.3, determined as a level percentage of payroll over  
14 a 30-year rolling amortization period.

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

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

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

1 an employee, shall make the required contributions under this  
2 subsection.

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

8 If members are paid from special trust or federal funds  
9 which are administered by the employing unit, whether school  
10 district or other unit, the employing unit shall pay to the  
11 System from such funds the full accruing retirement costs  
12 based upon that service, which, beginning July 1, 2017, shall  
13 be at a rate, expressed as a percentage of salary, equal to the  
14 total employer's normal cost, expressed as a percentage of  
15 payroll, as determined by the System. Employer contributions,  
16 based on salary paid to members from federal funds, may be  
17 forwarded by the distributing agency of the State of Illinois  
18 to the System prior to allocation, in an amount determined in  
19 accordance with guidelines established by such agency and the  
20 System. Any contribution for fiscal year 2015 collected as a  
21 result of the change made by Public Act 98-674 shall be  
22 considered a State contribution under subsection (b-3) of this  
23 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  
24 employer contribution shall be equal to 0.58% of each  
25 teacher's 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 Public Act 90-582.

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 Public Act 90-582 is the responsibility of  
17 the teacher and not the teacher's employer, unless the  
18 employer agrees, through collective bargaining or otherwise,  
19 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) If ~~June 4, 2018 (Public Act 100-587)~~ the amount of a  
7 teacher's salary for any school year used to determine final  
8 average salary exceeds the member's annual full-time salary  
9 rate with the same employer for the previous school year by  
10 more than 6%, the teacher's employer shall pay to the System,  
11 in addition to all other payments required under this Section  
12 and in accordance with guidelines established by the System,  
13 the present value of the increase in benefits resulting from  
14 the portion of the increase in salary that is in excess of 6%.  
15 This present value shall be computed by the System on the basis  
16 of the actuarial assumptions and tables used in the most  
17 recent actuarial valuation of the System that is available at  
18 the time of the computation. If a teacher's salary for the  
19 2005-2006 school year is used to determine final average  
20 salary under this subsection (f), then the changes made to  
21 this subsection (f) by Public Act 94-1057 shall apply in  
22 calculating whether the increase in his or her salary is in  
23 excess of 6%. For the purposes of this Section, change in  
24 employment under Section 10-21.12 of the School Code on or  
25 after June 1, 2005 shall constitute a change in employer. The  
26 System may require the employer to provide any pertinent

1 information or documentation. The changes made to this  
2 subsection (f) by Public Act 94-1111 apply without regard to  
3 whether the teacher was in service on or after its effective  
4 date.

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

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

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

3 (f-1) (Blank). ~~June 4, 2018 (Public Act 100-587)~~

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

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

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

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

1 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  
13 district requiring the same certification or the amount  
14 stipulated in the collective bargaining agreement for a  
15 similar position 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 (g-5) When assessing payment for any amount due under  
23 subsection (f), the System shall exclude salary increases  
24 resulting from teaching summer school on or after May 1, 2021  
25 and before September 15, 2022.

26 (h) When assessing payment for any amount due under

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

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

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

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

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

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

26 (i-5) For school years beginning on or after July 1, 2017,

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

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

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

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

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

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

26           (Source: P.A. 100-23, eff. 7-6-17; 100-340, eff. 8-25-17;

1 100-587, eff. 6-4-18; 100-624, eff. 7-20-18; 100-863, eff.  
2 8-14-18; 101-10, eff. 6-5-19; 101-81, eff. 7-12-19; revised  
3 8-13-19.)

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