



103RD GENERAL ASSEMBLY

State of Illinois

2023 and 2024

HB5448

Introduced 2/9/2024, by Rep. Steven Reick

SYNOPSIS AS INTRODUCED:

See Index

Amends the Illinois Pension Code. Provides that, beginning January 1, 2024, the annual earnings, salary, or wages (based on the plan year) of a Tier 2 member or participant under the General Assembly, State Employees, State Universities, Downstate Teachers, Chicago Teachers, or Judges Article shall not exceed 90.5% of the federal Social Security Wage Base then in effect or the amount otherwise calculated under the Tier 2 provisions, whichever is greater. Makes changes to the funding formula beginning in fiscal year 2025 for the 5 State-funded retirement systems. Restricts participation in the General Assembly Retirement System and Judges Retirement System to persons who first become participants before January 8, 2025. Provides for participation under the State Employees Article by members of the General Assembly and judges. Provides that any benefit increase that results from the amendatory Act is excluded from the definition of "new benefit increase". Amends the State Mandates Act to require implementation without reimbursement by the State. Effective immediately.

LRB103 34609 RPS 64449 b

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 Article 1.

5 Section 1-5. The Illinois Pension Code is amended by
6 changing Sections 1-160, 2-108.1, 2-119.1, 14-103.10, 15-111,
7 18-125, and 18-128.01 as follows:

8 (40 ILCS 5/1-160)

9 (Text of Section from P.A. 102-719)

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

11 (a) The provisions of this Section apply to a person who,
12 on or after January 1, 2011, first becomes a member or a
13 participant under any reciprocal retirement system or pension
14 fund established under this Code, other than a retirement
15 system or pension fund established under Article 2, 3, 4, 5, 6,
16 7, 15, or 18 of this Code, notwithstanding any other provision
17 of this Code to the contrary, but do not apply to any
18 self-managed plan established under this Code or to any
19 participant of the retirement plan established under Section
20 22-101; except that this Section applies to a person who
21 elected to establish alternative credits by electing in
22 writing after January 1, 2011, but before August 8, 2011,

1 under Section 7-145.1 of this Code. Notwithstanding anything
2 to the contrary in this Section, for purposes of this Section,
3 a person who is a Tier 1 regular employee as defined in Section
4 7-109.4 of this Code or who participated in a retirement
5 system under Article 15 prior to January 1, 2011 shall be
6 deemed a person who first became a member or participant prior
7 to January 1, 2011 under any retirement system or pension fund
8 subject to this Section. The changes made to this Section by
9 Public Act 98-596 are a clarification of existing law and are
10 intended to be retroactive to January 1, 2011 (the effective
11 date of Public Act 96-889), notwithstanding the provisions of
12 Section 1-103.1 of this Code.

13 This Section does not apply to a person who first becomes a
14 noncovered employee under Article 14 on or after the
15 implementation date of the plan created under Section 1-161
16 for that Article, unless that person elects under subsection
17 (b) of Section 1-161 to instead receive the benefits provided
18 under this Section and the applicable provisions of that
19 Article.

20 This Section does not apply to a person who first becomes a
21 member or participant under Article 16 on or after the
22 implementation date of the plan created under Section 1-161
23 for that Article, unless that person elects under subsection
24 (b) of Section 1-161 to instead receive the benefits provided
25 under this Section and the applicable provisions of that
26 Article.

1 This Section does not apply to a person who elects under
2 subsection (c-5) of Section 1-161 to receive the benefits
3 under Section 1-161.

4 This Section does not apply to a person who first becomes a
5 member or participant of an affected pension fund on or after 6
6 months after the resolution or ordinance date, as defined in
7 Section 1-162, unless that person elects under subsection (c)
8 of Section 1-162 to receive the benefits provided under this
9 Section and the applicable provisions of the Article under
10 which he or she is a member or participant.

11 (b) "Final average salary" means, except as otherwise
12 provided in this subsection, the average monthly (or annual)
13 salary obtained by dividing the total salary or earnings
14 calculated under the Article applicable to the member or
15 participant during the 96 consecutive months (or 8 consecutive
16 years) of service within the last 120 months (or 10 years) of
17 service in which the total salary or earnings calculated under
18 the applicable Article was the highest by the number of months
19 (or years) of service in that period. For the purposes of a
20 person who first becomes a member or participant of any
21 retirement system or pension fund to which this Section
22 applies on or after January 1, 2011, in this Code, "final
23 average salary" shall be substituted for the following:

24 (1) (Blank).

25 (2) In Articles 8, 9, 10, 11, and 12, "highest average
26 annual salary for any 4 consecutive years within the last

1 10 years of service immediately preceding the date of
2 withdrawal".

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

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

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

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

8 A member of the Teachers' Retirement System of the State
9 of Illinois who retires on or after June 1, 2021 and for whom
10 the 2020-2021 school year is used in the calculation of the
11 member's final average salary shall use the higher of the
12 following for the purpose of determining the member's final
13 average salary:

14 (A) the amount otherwise calculated under the first
15 paragraph of this subsection; or

16 (B) an amount calculated by the Teachers' Retirement
17 System of the State of Illinois using the average of the
18 monthly (or annual) salary obtained by dividing the total
19 salary or earnings calculated under Article 16 applicable
20 to the member or participant during the 96 months (or 8
21 years) of service within the last 120 months (or 10 years)
22 of service in which the total salary or earnings
23 calculated under the Article was the highest by the number
24 of months (or years) of service in that period.

25 (b-5) Except as provided in subsection (b-10) ~~Beginning on~~
26 ~~January 1, 2011,~~ for all purposes under this Code (including

1 without limitation the calculation of benefits and employee
2 contributions), the annual earnings, salary, or wages (based
3 on the plan year) of a member or participant to whom this
4 Section applies shall not exceed \$106,800; however, that
5 amount shall annually thereafter be increased by the lesser of
6 (i) 3% of that amount, including all previous adjustments, or
7 (ii) one-half the annual unadjusted percentage increase (but
8 not less than zero) in the consumer price index-u for the 12
9 months ending with the September preceding each November 1,
10 including all previous adjustments.

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

21 (b-10) Beginning January 1, 2024, for all purposes under
22 this Code (including, without limitation, the calculation of
23 benefits and employee contributions), the annual earnings,
24 salary, or wages (based on the plan year) of a member or
25 participant under Article 14, 16, or 17 to whom this Section
26 applies shall not exceed 90.5% of the federal Social Security

1 Wage Base then in effect or the amount determined under
2 subsection (b-5), whichever is greater.

3 (c) A member or participant is entitled to a retirement
4 annuity upon written application if he or she has attained age
5 67 (age 65, with respect to service under Article 12 that is
6 subject to this Section, for a member or participant under
7 Article 12 who first becomes a member or participant under
8 Article 12 on or after January 1, 2022 or who makes the
9 election under item (i) of subsection (d-15) of this Section)
10 and has at least 10 years of service credit and is otherwise
11 eligible under the requirements of the applicable Article.

12 A member or participant who has attained age 62 (age 60,
13 with respect to service under Article 12 that is subject to
14 this Section, for a member or participant under Article 12 who
15 first becomes a member or participant under Article 12 on or
16 after January 1, 2022 or who makes the election under item (i)
17 of subsection (d-15) of this Section) and has at least 10 years
18 of service credit and is otherwise eligible under the
19 requirements of the applicable Article may elect to receive
20 the lower retirement annuity provided in subsection (d) of
21 this Section.

22 (c-5) A person who first becomes a member or a participant
23 subject to this Section on or after July 6, 2017 (the effective
24 date of Public Act 100-23), notwithstanding any other
25 provision of this Code to the contrary, is entitled to a
26 retirement annuity under Article 8 or Article 11 upon written

1 application if he or she has attained age 65 and has at least
2 10 years of service credit and is otherwise eligible under the
3 requirements of Article 8 or Article 11 of this Code,
4 whichever is applicable.

5 (d) The retirement annuity of a member or participant who
6 is retiring after attaining age 62 (age 60, with respect to
7 service under Article 12 that is subject to this Section, for a
8 member or participant under Article 12 who first becomes a
9 member or participant under Article 12 on or after January 1,
10 2022 or who makes the election under item (i) of subsection
11 (d-15) of this Section) with at least 10 years of service
12 credit shall be reduced by one-half of 1% for each full month
13 that the member's age is under age 67 (age 65, with respect to
14 service under Article 12 that is subject to this Section, for a
15 member or participant under Article 12 who first becomes a
16 member or participant under Article 12 on or after January 1,
17 2022 or who makes the election under item (i) of subsection
18 (d-15) of this Section).

19 (d-5) The retirement annuity payable under Article 8 or
20 Article 11 to an eligible person subject to subsection (c-5)
21 of this Section who is retiring at age 60 with at least 10
22 years of service credit shall be reduced by one-half of 1% for
23 each full month that the member's age is under age 65.

24 (d-10) Each person who first became a member or
25 participant under Article 8 or Article 11 of this Code on or
26 after January 1, 2011 and prior to July 6, 2017 (the effective

1 date of Public Act 100-23) shall make an irrevocable election
2 either:

3 (i) to be eligible for the reduced retirement age
4 provided in subsections (c-5) and (d-5) of this Section,
5 the eligibility for which is conditioned upon the member
6 or participant agreeing to the increases in employee
7 contributions for age and service annuities provided in
8 subsection (a-5) of Section 8-174 of this Code (for
9 service under Article 8) or subsection (a-5) of Section
10 11-170 of this Code (for service under Article 11); or

11 (ii) to not agree to item (i) of this subsection
12 (d-10), in which case the member or participant shall
13 continue to be subject to the retirement age provisions in
14 subsections (c) and (d) of this Section and the employee
15 contributions for age and service annuity as provided in
16 subsection (a) of Section 8-174 of this Code (for service
17 under Article 8) or subsection (a) of Section 11-170 of
18 this Code (for service under Article 11).

19 The election provided for in this subsection shall be made
20 between October 1, 2017 and November 15, 2017. A person
21 subject to this subsection who makes the required election
22 shall remain bound by that election. A person subject to this
23 subsection who fails for any reason to make the required
24 election within the time specified in this subsection shall be
25 deemed to have made the election under item (ii).

26 (d-15) Each person who first becomes a member or

1 participant under Article 12 on or after January 1, 2011 and
2 prior to January 1, 2022 shall make an irrevocable election
3 either:

4 (i) to be eligible for the reduced retirement age
5 specified in subsections (c) and (d) of this Section, the
6 eligibility for which is conditioned upon the member or
7 participant agreeing to the increase in employee
8 contributions for service annuities specified in
9 subsection (b) of Section 12-150; or

10 (ii) to not agree to item (i) of this subsection
11 (d-15), in which case the member or participant shall not
12 be eligible for the reduced retirement age specified in
13 subsections (c) and (d) of this Section and shall not be
14 subject to the increase in employee contributions for
15 service annuities specified in subsection (b) of Section
16 12-150.

17 The election provided for in this subsection shall be made
18 between January 1, 2022 and April 1, 2022. A person subject to
19 this subsection who makes the required election shall remain
20 bound by that election. A person subject to this subsection
21 who fails for any reason to make the required election within
22 the time specified in this subsection shall be deemed to have
23 made the election under item (ii).

24 (e) Any retirement annuity or supplemental annuity shall
25 be subject to annual increases on the January 1 occurring
26 either on or after the attainment of age 67 (age 65, with

1 respect to service under Article 12 that is subject to this
2 Section, for a member or participant under Article 12 who
3 first becomes a member or participant under Article 12 on or
4 after January 1, 2022 or who makes the election under item (i)
5 of subsection (d-15); and beginning on July 6, 2017 (the
6 effective date of Public Act 100-23), age 65 with respect to
7 service under Article 8 or Article 11 for eligible persons
8 who: (i) are subject to subsection (c-5) of this Section; or
9 (ii) made the election under item (i) of subsection (d-10) of
10 this Section) or the first anniversary of the annuity start
11 date, whichever is later. Each annual increase shall be
12 calculated at 3% or one-half the annual unadjusted percentage
13 increase (but not less than zero) in the consumer price
14 index-u for the 12 months ending with the September preceding
15 each November 1, whichever is less, of the originally granted
16 retirement annuity. If the annual unadjusted percentage change
17 in the consumer price index-u for the 12 months ending with the
18 September preceding each November 1 is zero or there is a
19 decrease, then the annuity shall not be increased.

20 For the purposes of Section 1-103.1 of this Code, the
21 changes made to this Section by Public Act 102-263 are
22 applicable without regard to whether the employee was in
23 active service on or after August 6, 2021 (the effective date
24 of Public Act 102-263).

25 For the purposes of Section 1-103.1 of this Code, the
26 changes made to this Section by Public Act 100-23 are

1 applicable without regard to whether the employee was in
2 active service on or after July 6, 2017 (the effective date of
3 Public Act 100-23).

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

1 annual unadjusted percentage change in the consumer price
2 index-u for the 12 months ending with the September preceding
3 each November 1 is zero or there is a decrease, then the
4 annuity shall not be increased.

5 (g) The benefits in Section 14-110 apply if the person is a
6 fire fighter in the fire protection service of a department, a
7 security employee of the Department of Corrections or the
8 Department of Juvenile Justice, or a security employee of the
9 Department of Innovation and Technology, as those terms are
10 defined in subsection (b) and subsection (c) of Section
11 14-110. A person who meets the requirements of this Section is
12 entitled to an annuity calculated under the provisions of
13 Section 14-110, in lieu of the regular or minimum retirement
14 annuity, only if the person has withdrawn from service with
15 not less than 20 years of eligible creditable service and has
16 attained age 60, regardless of whether the attainment of age
17 60 occurs while the person is still in service.

18 (g-5) The benefits in Section 14-110 apply if the person
19 is a State policeman, investigator for the Secretary of State,
20 conservation police officer, investigator for the Department
21 of Revenue or the Illinois Gaming Board, investigator for the
22 Office of the Attorney General, Commerce Commission police
23 officer, or arson investigator, as those terms are defined in
24 subsection (b) and subsection (c) of Section 14-110. A person
25 who meets the requirements of this Section is entitled to an
26 annuity calculated under the provisions of Section 14-110, in

1 lieu of the regular or minimum retirement annuity, only if the
2 person has withdrawn from service with not less than 20 years
3 of eligible creditable service and has attained age 55,
4 regardless of whether the attainment of age 55 occurs while
5 the person is still in service.

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

20 If a person who first becomes a member of a retirement
21 system or pension fund subject to this Section on or after
22 January 1, 2012 and is receiving a retirement annuity or
23 retirement pension under that system or fund and accepts on a
24 contractual basis a position to provide services to a
25 governmental entity from which he or she has retired, then
26 that person's annuity or retirement pension earned as an

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

13 (i) (Blank).

14 (j) In the case of a conflict between the provisions of
15 this Section and any other provision of this Code, the
16 provisions of this Section shall control.

17 (Source: P.A. 101-610, eff. 1-1-20; 102-16, eff. 6-17-21;
18 102-210, eff. 1-1-22; 102-263, eff. 8-6-21; 102-719, eff.
19 5-6-22.)

20 (Text of Section from P.A. 102-813)

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

22 (a) The provisions of this Section apply to a person who,
23 on or after January 1, 2011, first becomes a member or a
24 participant under any reciprocal retirement system or pension
25 fund established under this Code, other than a retirement

1 system or pension fund established under Article 2, 3, 4, 5, 6,
2 7, 15, or 18 of this Code, notwithstanding any other provision
3 of this Code to the contrary, but do not apply to any
4 self-managed plan established under this Code or to any
5 participant of the retirement plan established under Section
6 22-101; except that this Section applies to a person who
7 elected to establish alternative credits by electing in
8 writing after January 1, 2011, but before August 8, 2011,
9 under Section 7-145.1 of this Code. Notwithstanding anything
10 to the contrary in this Section, for purposes of this Section,
11 a person who is a Tier 1 regular employee as defined in Section
12 7-109.4 of this Code or who participated in a retirement
13 system under Article 15 prior to January 1, 2011 shall be
14 deemed a person who first became a member or participant prior
15 to January 1, 2011 under any retirement system or pension fund
16 subject to this Section. The changes made to this Section by
17 Public Act 98-596 are a clarification of existing law and are
18 intended to be retroactive to January 1, 2011 (the effective
19 date of Public Act 96-889), notwithstanding the provisions of
20 Section 1-103.1 of this Code.

21 This Section does not apply to a person who first becomes a
22 noncovered employee under Article 14 on or after the
23 implementation date of the plan created under Section 1-161
24 for that Article, unless that person elects under subsection
25 (b) of Section 1-161 to instead receive the benefits provided
26 under this Section and the applicable provisions of that

1 Article.

2 This Section does not apply to a person who first becomes a
3 member or participant under Article 16 on or after the
4 implementation date of the plan created under Section 1-161
5 for that Article, unless that person elects under subsection
6 (b) of Section 1-161 to instead receive the benefits provided
7 under this Section and the applicable provisions of that
8 Article.

9 This Section does not apply to a person who elects under
10 subsection (c-5) of Section 1-161 to receive the benefits
11 under Section 1-161.

12 This Section does not apply to a person who first becomes a
13 member or participant of an affected pension fund on or after 6
14 months after the resolution or ordinance date, as defined in
15 Section 1-162, unless that person elects under subsection (c)
16 of Section 1-162 to receive the benefits provided under this
17 Section and the applicable provisions of the Article under
18 which he or she is a member or participant.

19 (b) "Final average salary" means, except as otherwise
20 provided in this subsection, the average monthly (or annual)
21 salary obtained by dividing the total salary or earnings
22 calculated under the Article applicable to the member or
23 participant during the 96 consecutive months (or 8 consecutive
24 years) of service within the last 120 months (or 10 years) of
25 service in which the total salary or earnings calculated under
26 the applicable Article was the highest by the number of months

1 (or years) of service in that period. For the purposes of a
2 person who first becomes a member or participant of any
3 retirement system or pension fund to which this Section
4 applies on or after January 1, 2011, in this Code, "final
5 average salary" shall be substituted for the following:

6 (1) (Blank).

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

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

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

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

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

16 A member of the Teachers' Retirement System of the State
17 of Illinois who retires on or after June 1, 2021 and for whom
18 the 2020-2021 school year is used in the calculation of the
19 member's final average salary shall use the higher of the
20 following for the purpose of determining the member's final
21 average salary:

22 (A) the amount otherwise calculated under the first
23 paragraph of this subsection; or

24 (B) an amount calculated by the Teachers' Retirement
25 System of the State of Illinois using the average of the
26 monthly (or annual) salary obtained by dividing the total

1 salary or earnings calculated under Article 16 applicable
2 to the member or participant during the 96 months (or 8
3 years) of service within the last 120 months (or 10 years)
4 of service in which the total salary or earnings
5 calculated under the Article was the highest by the number
6 of months (or years) of service in that period.

7 (b-5) Except as provided in subsection (b-10) ~~Beginning on~~
8 ~~January 1, 2011,~~ for all purposes under this Code (including
9 without limitation the calculation of benefits and employee
10 contributions), the annual earnings, salary, or wages (based
11 on the plan year) of a member or participant to whom this
12 Section applies shall not exceed \$106,800; however, that
13 amount shall annually thereafter be increased by the lesser of
14 (i) 3% of that amount, including all previous adjustments, or
15 (ii) one-half the annual unadjusted percentage increase (but
16 not less than zero) in the consumer price index-u for the 12
17 months ending with the September preceding each November 1,
18 including all previous adjustments.

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
22 average change in prices of goods and services purchased by
23 all urban consumers, United States city average, all items,
24 1982-84 = 100. The new amount resulting from each annual
25 adjustment shall be determined by the Public Pension Division
26 of the Department of Insurance and made available to the

1 boards of the retirement systems and pension funds by November
2 1 of each year.

3 (b-10) Beginning January 1, 2024, for all purposes under
4 this Code (including, without limitation, the calculation of
5 benefits and employee contributions), the annual earnings,
6 salary, or wages (based on the plan year) of a member or
7 participant under Article 14, 16, or 17 to whom this Section
8 applies shall not exceed 90.5% of the federal Social Security
9 Wage Base then in effect or the amount determined under
10 subsection (b-5), whichever is greater.

11 (c) A member or participant is entitled to a retirement
12 annuity upon written application if he or she has attained age
13 67 (age 65, with respect to service under Article 12 that is
14 subject to this Section, for a member or participant under
15 Article 12 who first becomes a member or participant under
16 Article 12 on or after January 1, 2022 or who makes the
17 election under item (i) of subsection (d-15) of this Section)
18 and has at least 10 years of service credit and is otherwise
19 eligible under the requirements of the applicable Article.

20 A member or participant who has attained age 62 (age 60,
21 with respect to service under Article 12 that is subject to
22 this Section, for a member or participant under Article 12 who
23 first becomes a member or participant under Article 12 on or
24 after January 1, 2022 or who makes the election under item (i)
25 of subsection (d-15) of this Section) and has at least 10 years
26 of service credit and is otherwise eligible under the

1 requirements of the applicable Article may elect to receive
2 the lower retirement annuity provided in subsection (d) of
3 this Section.

4 (c-5) A person who first becomes a member or a participant
5 subject to this Section on or after July 6, 2017 (the effective
6 date of Public Act 100-23), notwithstanding any other
7 provision of this Code to the contrary, is entitled to a
8 retirement annuity under Article 8 or Article 11 upon written
9 application if he or she has attained age 65 and has at least
10 10 years of service credit and is otherwise eligible under the
11 requirements of Article 8 or Article 11 of this Code,
12 whichever is applicable.

13 (d) The retirement annuity of a member or participant who
14 is retiring after attaining age 62 (age 60, with respect to
15 service under Article 12 that is subject to this Section, for a
16 member or participant under Article 12 who first becomes a
17 member or participant under Article 12 on or after January 1,
18 2022 or who makes the election under item (i) of subsection
19 (d-15) of this Section) with at least 10 years of service
20 credit shall be reduced by one-half of 1% for each full month
21 that the member's age is under age 67 (age 65, with respect to
22 service under Article 12 that is subject to this Section, for a
23 member or participant under Article 12 who first becomes a
24 member or participant under Article 12 on or after January 1,
25 2022 or who makes the election under item (i) of subsection
26 (d-15) of this Section).

1 (d-5) The retirement annuity payable under Article 8 or
2 Article 11 to an eligible person subject to subsection (c-5)
3 of this Section who is retiring at age 60 with at least 10
4 years of service credit shall be reduced by one-half of 1% for
5 each full month that the member's age is under age 65.

6 (d-10) Each person who first became a member or
7 participant under Article 8 or Article 11 of this Code on or
8 after January 1, 2011 and prior to July 6, 2017 (the effective
9 date of Public Act 100-23) shall make an irrevocable election
10 either:

11 (i) to be eligible for the reduced retirement age
12 provided in subsections (c-5) and (d-5) of this Section,
13 the eligibility for which is conditioned upon the member
14 or participant agreeing to the increases in employee
15 contributions for age and service annuities provided in
16 subsection (a-5) of Section 8-174 of this Code (for
17 service under Article 8) or subsection (a-5) of Section
18 11-170 of this Code (for service under Article 11); or

19 (ii) to not agree to item (i) of this subsection
20 (d-10), in which case the member or participant shall
21 continue to be subject to the retirement age provisions in
22 subsections (c) and (d) of this Section and the employee
23 contributions for age and service annuity as provided in
24 subsection (a) of Section 8-174 of this Code (for service
25 under Article 8) or subsection (a) of Section 11-170 of
26 this Code (for service under Article 11).

1 The election provided for in this subsection shall be made
2 between October 1, 2017 and November 15, 2017. A person
3 subject to this subsection who makes the required election
4 shall remain bound by that election. A person subject to this
5 subsection who fails for any reason to make the required
6 election within the time specified in this subsection shall be
7 deemed to have made the election under item (ii).

8 (d-15) Each person who first becomes a member or
9 participant under Article 12 on or after January 1, 2011 and
10 prior to January 1, 2022 shall make an irrevocable election
11 either:

12 (i) to be eligible for the reduced retirement age
13 specified in subsections (c) and (d) of this Section, the
14 eligibility for which is conditioned upon the member or
15 participant agreeing to the increase in employee
16 contributions for service annuities specified in
17 subsection (b) of Section 12-150; or

18 (ii) to not agree to item (i) of this subsection
19 (d-15), in which case the member or participant shall not
20 be eligible for the reduced retirement age specified in
21 subsections (c) and (d) of this Section and shall not be
22 subject to the increase in employee contributions for
23 service annuities specified in subsection (b) of Section
24 12-150.

25 The election provided for in this subsection shall be made
26 between January 1, 2022 and April 1, 2022. A person subject to

1 this subsection who makes the required election shall remain
2 bound by that election. A person subject to this subsection
3 who fails for any reason to make the required election within
4 the time specified in this subsection shall be deemed to have
5 made the election under item (ii).

6 (e) Any retirement annuity or supplemental annuity shall
7 be subject to annual increases on the January 1 occurring
8 either on or after the attainment of age 67 (age 65, with
9 respect to service under Article 12 that is subject to this
10 Section, for a member or participant under Article 12 who
11 first becomes a member or participant under Article 12 on or
12 after January 1, 2022 or who makes the election under item (i)
13 of subsection (d-15); and beginning on July 6, 2017 (the
14 effective date of Public Act 100-23), age 65 with respect to
15 service under Article 8 or Article 11 for eligible persons
16 who: (i) are subject to subsection (c-5) of this Section; or
17 (ii) made the election under item (i) of subsection (d-10) of
18 this Section) or the first anniversary of the annuity start
19 date, whichever is later. Each annual increase shall be
20 calculated at 3% or one-half the annual unadjusted percentage
21 increase (but not less than zero) in the consumer price
22 index-u for the 12 months ending with the September preceding
23 each November 1, whichever is less, of the originally granted
24 retirement annuity. If the annual unadjusted percentage change
25 in the consumer price index-u for the 12 months ending with the
26 September preceding each November 1 is zero or there is a

1 decrease, then the annuity shall not be increased.

2 For the purposes of Section 1-103.1 of this Code, the
3 changes made to this Section by Public Act 102-263 are
4 applicable without regard to whether the employee was in
5 active service on or after August 6, 2021 (the effective date
6 of Public Act 102-263).

7 For the purposes of Section 1-103.1 of this Code, the
8 changes made to this Section by Public Act 100-23 are
9 applicable without regard to whether the employee was in
10 active service on or after July 6, 2017 (the effective date of
11 Public Act 100-23).

12 (f) The initial survivor's or widow's annuity of an
13 otherwise eligible survivor or widow of a retired member or
14 participant who first became a member or participant on or
15 after January 1, 2011 shall be in the amount of 66 2/3% of the
16 retired member's or participant's retirement annuity at the
17 date of death. In the case of the death of a member or
18 participant who has not retired and who first became a member
19 or participant on or after January 1, 2011, eligibility for a
20 survivor's or widow's annuity shall be determined by the
21 applicable Article of this Code. The initial benefit shall be
22 66 2/3% of the earned annuity without a reduction due to age. A
23 child's annuity of an otherwise eligible child shall be in the
24 amount prescribed under each Article if applicable. Any
25 survivor's or widow's annuity shall be increased (1) on each
26 January 1 occurring on or after the commencement of the

1 annuity if the deceased member died while receiving a
2 retirement annuity or (2) in other cases, on each January 1
3 occurring after the first anniversary of the commencement of
4 the annuity. Each annual increase shall be calculated at 3% or
5 one-half the annual unadjusted percentage increase (but not
6 less than zero) in the consumer price index-u for the 12 months
7 ending with the September preceding each November 1, whichever
8 is less, of the originally granted survivor's annuity. If the
9 annual unadjusted percentage change in the consumer price
10 index-u for the 12 months ending with the September preceding
11 each November 1 is zero or there is a decrease, then the
12 annuity shall not be increased.

13 (g) The benefits in Section 14-110 apply only if the
14 person is a State policeman, a fire fighter in the fire
15 protection service of a department, a conservation police
16 officer, an investigator for the Secretary of State, an arson
17 investigator, a Commerce Commission police officer,
18 investigator for the Department of Revenue or the Illinois
19 Gaming Board, a security employee of the Department of
20 Corrections or the Department of Juvenile Justice, or a
21 security employee of the Department of Innovation and
22 Technology, as those terms are defined in subsection (b) and
23 subsection (c) of Section 14-110. A person who meets the
24 requirements of this Section is entitled to an annuity
25 calculated under the provisions of Section 14-110, in lieu of
26 the regular or minimum retirement annuity, only if the person

1 has withdrawn from service with not less than 20 years of
2 eligible creditable service and has attained age 60,
3 regardless of whether the attainment of age 60 occurs while
4 the person is still in service.

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

19 If a person who first becomes a member of a retirement
20 system or pension fund subject to this Section on or after
21 January 1, 2012 and is receiving a retirement annuity or
22 retirement pension under that system or fund and accepts on a
23 contractual basis a position to provide services to a
24 governmental entity from which he or she has retired, then
25 that person's annuity or retirement pension earned as an
26 active employee of the employer shall be suspended during that

1 contractual service. A person receiving an annuity or
2 retirement pension under this Code shall notify the pension
3 fund or retirement system from which he or she is receiving an
4 annuity or retirement pension, as well as his or her
5 contractual employer, of his or her retirement status before
6 accepting contractual employment. A person who fails to submit
7 such notification shall be guilty of a Class A misdemeanor and
8 required to pay a fine of \$1,000. Upon termination of that
9 contractual employment, the person's retirement annuity or
10 retirement pension payments shall resume and, if appropriate,
11 be recalculated under the applicable provisions of this Code.

12 (i) (Blank).

13 (j) In the case of a conflict between the provisions of
14 this Section and any other provision of this Code, the
15 provisions of this Section shall control.

16 (Source: P.A. 101-610, eff. 1-1-20; 102-16, eff. 6-17-21;
17 102-210, eff. 1-1-22; 102-263, eff. 8-6-21; 102-813, eff.
18 5-13-22.)

19 (Text of Section from P.A. 102-956)

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

21 (a) The provisions of this Section apply to a person who,
22 on or after January 1, 2011, first becomes a member or a
23 participant under any reciprocal retirement system or pension
24 fund established under this Code, other than a retirement
25 system or pension fund established under Article 2, 3, 4, 5, 6,

1 7, 15, or 18 of this Code, notwithstanding any other provision
2 of this Code to the contrary, but do not apply to any
3 self-managed plan established under this Code or to any
4 participant of the retirement plan established under Section
5 22-101; except that this Section applies to a person who
6 elected to establish alternative credits by electing in
7 writing after January 1, 2011, but before August 8, 2011,
8 under Section 7-145.1 of this Code. Notwithstanding anything
9 to the contrary in this Section, for purposes of this Section,
10 a person who is a Tier 1 regular employee as defined in Section
11 7-109.4 of this Code or who participated in a retirement
12 system under Article 15 prior to January 1, 2011 shall be
13 deemed a person who first became a member or participant prior
14 to January 1, 2011 under any retirement system or pension fund
15 subject to this Section. The changes made to this Section by
16 Public Act 98-596 are a clarification of existing law and are
17 intended to be retroactive to January 1, 2011 (the effective
18 date of Public Act 96-889), notwithstanding the provisions of
19 Section 1-103.1 of this Code.

20 This Section does not apply to a person who first becomes a
21 noncovered employee under Article 14 on or after the
22 implementation date of the plan created under Section 1-161
23 for that Article, unless that person elects under subsection
24 (b) of Section 1-161 to instead receive the benefits provided
25 under this Section and the applicable provisions of that
26 Article.

1 This Section does not apply to a person who first becomes a
2 member or participant under Article 16 on or after the
3 implementation date of the plan created under Section 1-161
4 for that Article, unless that person elects under subsection
5 (b) of Section 1-161 to instead receive the benefits provided
6 under this Section and the applicable provisions of that
7 Article.

8 This Section does not apply to a person who elects under
9 subsection (c-5) of Section 1-161 to receive the benefits
10 under Section 1-161.

11 This Section does not apply to a person who first becomes a
12 member or participant of an affected pension fund on or after 6
13 months after the resolution or ordinance date, as defined in
14 Section 1-162, unless that person elects under subsection (c)
15 of Section 1-162 to receive the benefits provided under this
16 Section and the applicable provisions of the Article under
17 which he or she is a member or participant.

18 (b) "Final average salary" means, except as otherwise
19 provided in this subsection, the average monthly (or annual)
20 salary obtained by dividing the total salary or earnings
21 calculated under the Article applicable to the member or
22 participant during the 96 consecutive months (or 8 consecutive
23 years) of service within the last 120 months (or 10 years) of
24 service in which the total salary or earnings calculated under
25 the applicable Article was the highest by the number of months
26 (or years) of service in that period. For the purposes of a

1 person who first becomes a member or participant of any
2 retirement system or pension fund to which this Section
3 applies on or after January 1, 2011, in this Code, "final
4 average salary" shall be substituted for the following:

5 (1) (Blank).

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

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

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

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

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

15 A member of the Teachers' Retirement System of the State
16 of Illinois who retires on or after June 1, 2021 and for whom
17 the 2020-2021 school year is used in the calculation of the
18 member's final average salary shall use the higher of the
19 following for the purpose of determining the member's final
20 average salary:

21 (A) the amount otherwise calculated under the first
22 paragraph of this subsection; or

23 (B) an amount calculated by the Teachers' Retirement
24 System of the State of Illinois using the average of the
25 monthly (or annual) salary obtained by dividing the total
26 salary or earnings calculated under Article 16 applicable

1 to the member or participant during the 96 months (or 8
2 years) of service within the last 120 months (or 10 years)
3 of service in which the total salary or earnings
4 calculated under the Article was the highest by the number
5 of months (or years) of service in that period.

6 (b-5) Except as provided in subsection (b-10) ~~Beginning on~~
7 ~~January 1, 2011,~~ for all purposes under this Code (including
8 without limitation the calculation of benefits and employee
9 contributions), the annual earnings, salary, or wages (based
10 on the plan year) of a member or participant to whom this
11 Section applies shall not exceed \$106,800; however, that
12 amount shall annually thereafter be increased by the lesser of
13 (i) 3% of that amount, including all previous adjustments, or
14 (ii) one-half the annual unadjusted percentage increase (but
15 not less than zero) in the consumer price index-u for the 12
16 months ending with the September preceding each November 1,
17 including all previous adjustments.

18 For the purposes of this Section, "consumer price index-u"
19 means the index published by the Bureau of Labor Statistics of
20 the United States Department of Labor that measures the
21 average change in prices of goods and services purchased by
22 all urban consumers, United States city average, all items,
23 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
26 boards of the retirement systems and pension funds by November

1 1 of each year.

2 (b-10) Beginning January 1, 2024, for all purposes under
3 this Code (including, without limitation, the calculation of
4 benefits and employee contributions), the annual earnings,
5 salary, or wages (based on the plan year) of a member or
6 participant under Article 14, 16, or 17 to whom this Section
7 applies shall not exceed 90.5% of the federal Social Security
8 Wage Base then in effect or the amount determined under
9 subsection (b-5), whichever is greater.

10 (c) A member or participant is entitled to a retirement
11 annuity upon written application if he or she has attained age
12 67 (age 65, with respect to service under Article 12 that is
13 subject to this Section, for a member or participant under
14 Article 12 who first becomes a member or participant under
15 Article 12 on or after January 1, 2022 or who makes the
16 election under item (i) of subsection (d-15) of 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 (age 60,
20 with respect to service under Article 12 that is subject to
21 this Section, for a member or participant under Article 12 who
22 first becomes a member or participant under Article 12 on or
23 after January 1, 2022 or who makes the election under item (i)
24 of subsection (d-15) of this Section) and has at least 10 years
25 of service credit and is otherwise eligible under the
26 requirements of the applicable Article may elect to receive

1 the lower retirement annuity provided in subsection (d) of
2 this Section.

3 (c-5) A person who first becomes a member or a participant
4 subject to this Section on or after July 6, 2017 (the effective
5 date of Public Act 100-23), notwithstanding any other
6 provision of this Code to the contrary, is entitled to a
7 retirement annuity under Article 8 or Article 11 upon written
8 application if he or she has attained age 65 and has at least
9 10 years of service credit and is otherwise eligible under the
10 requirements of Article 8 or Article 11 of this Code,
11 whichever is applicable.

12 (d) The retirement annuity of a member or participant who
13 is retiring after attaining age 62 (age 60, with respect to
14 service under Article 12 that is subject to this Section, for a
15 member or participant under Article 12 who first becomes a
16 member or participant under Article 12 on or after January 1,
17 2022 or who makes the election under item (i) of subsection
18 (d-15) of this Section) with at least 10 years of service
19 credit shall be reduced by one-half of 1% for each full month
20 that the member's age is under age 67 (age 65, with respect to
21 service under Article 12 that is subject to this Section, for a
22 member or participant under Article 12 who first becomes a
23 member or participant under Article 12 on or after January 1,
24 2022 or who makes the election under item (i) of subsection
25 (d-15) of this Section).

26 (d-5) The retirement annuity payable under Article 8 or

1 Article 11 to an eligible person subject to subsection (c-5)
2 of this Section who is retiring at age 60 with at least 10
3 years of service credit shall be reduced by one-half of 1% for
4 each full month that the member's age is under age 65.

5 (d-10) Each person who first became a member or
6 participant under Article 8 or Article 11 of this Code on or
7 after January 1, 2011 and prior to July 6, 2017 (the effective
8 date of Public Act 100-23) shall make an irrevocable election
9 either:

10 (i) to be eligible for the reduced retirement age
11 provided in subsections (c-5) and (d-5) of this Section,
12 the eligibility for which is conditioned upon the member
13 or participant agreeing to the increases in employee
14 contributions for age and service annuities provided in
15 subsection (a-5) of Section 8-174 of this Code (for
16 service under Article 8) or subsection (a-5) of Section
17 11-170 of this Code (for service under Article 11); or

18 (ii) to not agree to item (i) of this subsection
19 (d-10), in which case the member or participant shall
20 continue to be subject to the retirement age provisions in
21 subsections (c) and (d) of this Section and the employee
22 contributions for age and service annuity as provided in
23 subsection (a) of Section 8-174 of this Code (for service
24 under Article 8) or subsection (a) of Section 11-170 of
25 this Code (for service under Article 11).

26 The election provided for in this subsection shall be made

1 between October 1, 2017 and November 15, 2017. A person
2 subject to this subsection who makes the required election
3 shall remain bound by that election. A person subject to this
4 subsection who fails for any reason to make the required
5 election within the time specified in this subsection shall be
6 deemed to have made the election under item (ii).

7 (d-15) Each person who first becomes a member or
8 participant under Article 12 on or after January 1, 2011 and
9 prior to January 1, 2022 shall make an irrevocable election
10 either:

11 (i) to be eligible for the reduced retirement age
12 specified in subsections (c) and (d) of this Section, the
13 eligibility for which is conditioned upon the member or
14 participant agreeing to the increase in employee
15 contributions for service annuities specified in
16 subsection (b) of Section 12-150; or

17 (ii) to not agree to item (i) of this subsection
18 (d-15), in which case the member or participant shall not
19 be eligible for the reduced retirement age specified in
20 subsections (c) and (d) of this Section and shall not be
21 subject to the increase in employee contributions for
22 service annuities specified in subsection (b) of Section
23 12-150.

24 The election provided for in this subsection shall be made
25 between January 1, 2022 and April 1, 2022. A person subject to
26 this subsection who makes the required election shall remain

1 bound by that election. A person subject to this subsection
2 who fails for any reason to make the required election within
3 the time specified in this subsection shall be deemed to have
4 made the election under item (ii).

5 (e) Any retirement annuity or supplemental annuity shall
6 be subject to annual increases on the January 1 occurring
7 either on or after the attainment of age 67 (age 65, with
8 respect to service under Article 12 that is subject to this
9 Section, for a member or participant under Article 12 who
10 first becomes a member or participant under Article 12 on or
11 after January 1, 2022 or who makes the election under item (i)
12 of subsection (d-15); and beginning on July 6, 2017 (the
13 effective date of Public Act 100-23), age 65 with respect to
14 service under Article 8 or Article 11 for eligible persons
15 who: (i) are subject to subsection (c-5) of this Section; or
16 (ii) made the election under item (i) of subsection (d-10) of
17 this Section) or the first anniversary of the annuity start
18 date, whichever is later. Each annual increase shall be
19 calculated at 3% or one-half the annual unadjusted percentage
20 increase (but not less than zero) in the consumer price
21 index-u for the 12 months ending with the September preceding
22 each November 1, whichever is less, of the originally granted
23 retirement annuity. If the annual unadjusted percentage change
24 in the consumer price index-u for the 12 months ending with the
25 September preceding each November 1 is zero or there is a
26 decrease, then the annuity shall not be increased.

1 For the purposes of Section 1-103.1 of this Code, the
2 changes made to this Section by Public Act 102-263 are
3 applicable without regard to whether the employee was in
4 active service on or after August 6, 2021 (the effective date
5 of Public Act 102-263).

6 For the purposes of Section 1-103.1 of this Code, the
7 changes made to this Section by Public Act 100-23 are
8 applicable without regard to whether the employee was in
9 active service on or after July 6, 2017 (the effective date of
10 Public Act 100-23).

11 (f) The initial survivor's or widow's annuity of an
12 otherwise eligible survivor or widow of a retired member or
13 participant who first became a member or participant on or
14 after January 1, 2011 shall be in the amount of 66 2/3% of the
15 retired member's or participant's retirement annuity at the
16 date of death. In the case of the death of a member or
17 participant who has not retired and who first became a member
18 or participant on or after January 1, 2011, eligibility for a
19 survivor's or widow's annuity shall be determined by the
20 applicable Article of this Code. The initial benefit shall be
21 66 2/3% of the earned annuity without a reduction due to age. A
22 child's annuity of an otherwise eligible child shall be in the
23 amount prescribed under each Article if applicable. Any
24 survivor's or widow's annuity shall be increased (1) on each
25 January 1 occurring on or after the commencement of the
26 annuity if the deceased member died while receiving a

1 retirement annuity or (2) in other cases, on each January 1
2 occurring after the first anniversary of the commencement of
3 the annuity. Each annual increase shall be calculated at 3% or
4 one-half the annual unadjusted percentage increase (but not
5 less than zero) in the consumer price index-u for the 12 months
6 ending with the September preceding each November 1, whichever
7 is less, of the originally granted survivor's annuity. If the
8 annual unadjusted percentage change in the consumer price
9 index-u for the 12 months ending with the September preceding
10 each November 1 is zero or there is a decrease, then the
11 annuity shall not be increased.

12 (g) The benefits in Section 14-110 apply only if the
13 person is a State policeman, a fire fighter in the fire
14 protection service of a department, a conservation police
15 officer, an investigator for the Secretary of State, an
16 investigator for the Office of the Attorney General, an arson
17 investigator, a Commerce Commission police officer,
18 investigator for the Department of Revenue or the Illinois
19 Gaming Board, a security employee of the Department of
20 Corrections or the Department of Juvenile Justice, or a
21 security employee of the Department of Innovation and
22 Technology, as those terms are defined in subsection (b) and
23 subsection (c) of Section 14-110. A person who meets the
24 requirements of this Section is entitled to an annuity
25 calculated under the provisions of Section 14-110, in lieu of
26 the regular or minimum retirement annuity, only if the person

1 has withdrawn from service with not less than 20 years of
2 eligible creditable service and has attained age 60,
3 regardless of whether the attainment of age 60 occurs while
4 the person is still in service.

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

19 If a person who first becomes a member of a retirement
20 system or pension fund subject to this Section on or after
21 January 1, 2012 and is receiving a retirement annuity or
22 retirement pension under that system or fund and accepts on a
23 contractual basis a position to provide services to a
24 governmental entity from which he or she has retired, then
25 that person's annuity or retirement pension earned as an
26 active employee of the employer shall be suspended during that

1 contractual service. A person receiving an annuity or
2 retirement pension under this Code shall notify the pension
3 fund or retirement system from which he or she is receiving an
4 annuity or retirement pension, as well as his or her
5 contractual employer, of his or her retirement status before
6 accepting contractual employment. A person who fails to submit
7 such notification shall be guilty of a Class A misdemeanor and
8 required to pay a fine of \$1,000. Upon termination of that
9 contractual employment, the person's retirement annuity or
10 retirement pension payments shall resume and, if appropriate,
11 be recalculated under the applicable provisions of this Code.

12 (i) (Blank).

13 (j) In the case of a conflict between the provisions of
14 this Section and any other provision of this Code, the
15 provisions of this Section shall control.

16 (Source: P.A. 101-610, eff. 1-1-20; 102-16, eff. 6-17-21;
17 102-210, eff. 1-1-22; 102-263, eff. 8-6-21; 102-956, eff.
18 5-27-22.)

19 (40 ILCS 5/2-108.1) (from Ch. 108 1/2, par. 2-108.1)

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

22 Sec. 2-108.1. Highest salary for annuity purposes.

23 (a) "Highest salary for annuity purposes" means whichever
24 of the following is applicable to the participant:

25 For a participant who first becomes a participant of this

1 System before August 10, 2009 (the effective date of Public
2 Act 96-207):

3 (1) For a participant who is a member of the General
4 Assembly on his or her last day of service: the highest
5 salary that is prescribed by law, on the participant's
6 last day of service, for a member of the General Assembly
7 who is not an officer; plus, if the participant was
8 elected or appointed to serve as an officer of the General
9 Assembly for 2 or more years and has made contributions as
10 required under subsection (d) of Section 2-126, the
11 highest additional amount of compensation prescribed by
12 law, at the time of the participant's service as an
13 officer, for members of the General Assembly who serve in
14 that office.

15 (2) For a participant who holds one of the State
16 executive offices specified in Section 2-105 on his or her
17 last day of service: the highest salary prescribed by law
18 for service in that office on the participant's last day
19 of service.

20 (3) For a participant who is Clerk or Assistant Clerk
21 of the House of Representatives or Secretary or Assistant
22 Secretary of the Senate on his or her last day of service:
23 the salary received for service in that capacity on the
24 last day of service, but not to exceed the highest salary
25 (including additional compensation for service as an
26 officer) that is prescribed by law on the participant's

1 last day of service for the highest paid officer of the
2 General Assembly.

3 (4) For a participant who is a continuing participant
4 under Section 2-117.1 on his or her last day of service:
5 the salary received for service in that capacity on the
6 last day of service, but not to exceed the highest salary
7 (including additional compensation for service as an
8 officer) that is prescribed by law on the participant's
9 last day of service for the highest paid officer of the
10 General Assembly.

11 For a participant who first becomes a participant of this
12 System on or after August 10, 2009 (the effective date of
13 Public Act 96-207) and before January 1, 2011 (the effective
14 date of Public Act 96-889), the average monthly salary
15 obtained by dividing the total salary of the participant
16 during the period of: (1) the 48 consecutive months of service
17 within the last 120 months of service in which the total
18 compensation was the highest, or (2) the total period of
19 service, if less than 48 months, by the number of months of
20 service in that period.

21 For a participant who first becomes a participant of this
22 System on or after January 1, 2011 (the effective date of
23 Public Act 96-889), the average monthly salary obtained by
24 dividing the total salary of the participant during the 96
25 consecutive months of service within the last 120 months of
26 service in which the total compensation was the highest by the

1 number of months of service in that period; however, except as
2 provided in subsection (a-5), beginning January 1, 2011, the
3 highest salary for annuity purposes may not exceed \$106,800,
4 except that that amount shall annually thereafter be increased
5 by the lesser of (i) 3% of that amount, including all previous
6 adjustments, or (ii) the annual unadjusted percentage increase
7 (but not less than zero) in the consumer price index-u for the
8 12 months ending with the September preceding each November 1.
9 "Consumer price index-u" means the index published by the
10 Bureau of Labor Statistics of the United States Department of
11 Labor that measures the average change in prices of goods and
12 services purchased by all urban consumers, United States city
13 average, all items, 1982-84 = 100. The new amount resulting
14 from each annual adjustment shall be determined by the Public
15 Pension Division of the Department of Insurance and made
16 available to the Board by November 1 of each year.

17 (a-5) Beginning January 1, 2024, the highest salary for
18 annuity purposes of a person who first becomes a participant
19 of this System on or after January 1, 2011 may not exceed 90.5%
20 of the federal Social Security Wage Base then in effect or the
21 amount determined under subsection (a) for that class of
22 persons, whichever is greater.

23 (b) The earnings limitations of subsection (a) or (a-5),
24 whichever is applicable, apply to earnings under any other
25 participating system under the Retirement Systems Reciprocal
26 Act that are considered in calculating a proportional annuity

1 under this Article, except in the case of a person who first
2 became a member of this System before August 22, 1994 and has
3 not, on or after the effective date of this amendatory Act of
4 the 97th General Assembly, irrevocably elected to have those
5 limitations apply. The limitations of subsection (a) or (a-5),
6 whichever is applicable, shall apply, however, to earnings
7 under any other participating system under the Retirement
8 Systems Reciprocal Act that are considered in calculating the
9 proportional annuity of a person who first became a member of
10 this System before August 22, 1994 if, on or after the
11 effective date of this amendatory Act of the 97th General
12 Assembly, that member irrevocably elects to have those
13 limitations apply.

14 (c) In calculating the ~~subsection (a)~~ earnings limitations
15 ~~limitation~~ to be applied to earnings under any other
16 participating system under the Retirement Systems Reciprocal
17 Act for the purpose of calculating a proportional annuity
18 under this Article, the participant's last day of service
19 shall be deemed to mean the last day of service in any
20 participating system from which the person has applied for a
21 proportional annuity under the Retirement Systems Reciprocal
22 Act.

23 (Source: P.A. 96-207, eff. 8-10-09; 96-889, eff. 1-1-11;
24 96-1490, eff. 1-1-11; 97-967, eff. 8-16-12.)

25 (40 ILCS 5/2-119.1) (from Ch. 108 1/2, par. 2-119.1)

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

3 Sec. 2-119.1. Automatic increase in retirement annuity.

4 (a) A participant who retires after June 30, 1967, and who
5 has not received an initial increase under this Section before
6 the effective date of this amendatory Act of 1991, shall, in
7 January or July next following the first anniversary of
8 retirement, whichever occurs first, and in the same month of
9 each year thereafter, but in no event prior to age 60, have the
10 amount of the originally granted retirement annuity increased
11 as follows: for each year through 1971, 1 1/2%; for each year
12 from 1972 through 1979, 2%; and for 1980 and each year
13 thereafter, 3%. Annuitants who have received an initial
14 increase under this subsection prior to the effective date of
15 this amendatory Act of 1991 shall continue to receive their
16 annual increases in the same month as the initial increase.

17 (b) Beginning January 1, 1990, for eligible participants
18 who remain in service after attaining 20 years of creditable
19 service, the 3% increases provided under subsection (a) shall
20 begin to accrue on the January 1 next following the date upon
21 which the participant (1) attains age 55, or (2) attains 20
22 years of creditable service, whichever occurs later, and shall
23 continue to accrue while the participant remains in service;
24 such increases shall become payable on January 1 or July 1,
25 whichever occurs first, next following the first anniversary
26 of retirement. For any person who has service credit in the

1 System for the entire period from January 15, 1969 through
2 December 31, 1992, regardless of the date of termination of
3 service, the reference to age 55 in clause (1) of this
4 subsection (b) shall be deemed to mean age 50.

5 This subsection (b) does not apply to any person who first
6 becomes a member of the System after the effective date of this
7 amendatory Act of the 93rd General Assembly.

8 (b-5) Notwithstanding any other provision of this Article,
9 a participant who first becomes a participant on or after
10 January 1, 2011 (the effective date of Public Act 96-889)
11 shall, in January or July next following the first anniversary
12 of retirement, whichever occurs first, and in the same month
13 of each year thereafter, but in no event prior to age 67, have
14 the amount of the retirement annuity then being paid increased
15 by 3% or the annual unadjusted percentage increase in the
16 Consumer Price Index for All Urban Consumers as determined by
17 the Public Pension Division of the Department of Insurance
18 ~~under subsection (a) of Section 2-108.1~~, whichever is less.

19 In this subsection, "consumer price index-u" means the
20 index published by the Bureau of Labor Statistics of the
21 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
25 shall be determined by the Public Pension Division of the
26 Department of Insurance and made available to the Board by

1 November 1 of each year.

2 (c) The foregoing provisions relating to automatic
3 increases are not applicable to a participant who retires
4 before having made contributions (at the rate prescribed in
5 Section 2-126) for automatic increases for less than the
6 equivalent of one full year. However, in order to be eligible
7 for the automatic increases, such a participant may make
8 arrangements to pay to the system the amount required to bring
9 the total contributions for the automatic increase to the
10 equivalent of one year's contributions based upon his or her
11 last salary.

12 (d) A participant who terminated service prior to July 1,
13 1967, with at least 14 years of service is entitled to an
14 increase in retirement annuity beginning January, 1976, and to
15 additional increases in January of each year thereafter.

16 The initial increase shall be 1 1/2% of the originally
17 granted retirement annuity multiplied by the number of full
18 years that the annuitant was in receipt of such annuity prior
19 to January 1, 1972, plus 2% of the originally granted
20 retirement annuity for each year after that date. The
21 subsequent annual increases shall be at the rate of 2% of the
22 originally granted retirement annuity for each year through
23 1979 and at the rate of 3% for 1980 and thereafter.

24 (e) Beginning January 1, 1990, all automatic annual
25 increases payable under this Section shall be calculated as a
26 percentage of the total annuity payable at the time of the

1 increase, including previous increases granted under this
2 Article.

3 (Source: P.A. 96-889, eff. 1-1-11; 96-1490, eff. 1-1-11.)

4 (40 ILCS 5/14-103.10) (from Ch. 108 1/2, par. 14-103.10)

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

7 Sec. 14-103.10. Compensation.

8 (a) For periods of service prior to January 1, 1978, the
9 full rate of salary or wages payable to an employee for
10 personal services performed if he worked the full normal
11 working period for his position, subject to the following
12 maximum amounts: (1) prior to July 1, 1951, \$400 per month or
13 \$4,800 per year; (2) between July 1, 1951 and June 30, 1957
14 inclusive, \$625 per month or \$7,500 per year; (3) beginning
15 July 1, 1957, no limitation.

16 In the case of service of an employee in a position
17 involving part-time employment, compensation shall be
18 determined according to the employees' earnings record.

19 (b) For periods of service on and after January 1, 1978,
20 all remuneration for personal services performed defined as
21 "wages" under the Social Security Enabling Act, including that
22 part of such remuneration which is in excess of any maximum
23 limitation provided in such Act, and including any benefits
24 received by an employee under a sick pay plan in effect before
25 January 1, 1981, but excluding lump sum salary payments:

- 1 (1) for vacation,
- 2 (2) for accumulated unused sick leave,
- 3 (3) upon discharge or dismissal,
- 4 (4) for approved holidays.

5 (c) For periods of service on or after December 16, 1978,
6 compensation also includes any benefits, other than lump sum
7 salary payments made at termination of employment, which an
8 employee receives or is eligible to receive under a sick pay
9 plan authorized by law.

10 (d) For periods of service after September 30, 1985,
11 compensation also includes any remuneration for personal
12 services not included as "wages" under the Social Security
13 Enabling Act, which is deducted for purposes of participation
14 in a program established pursuant to Section 125 of the
15 Internal Revenue Code or its successor laws.

16 (e) For members for which Section 1-160 applies for
17 periods of service on and after January 1, 2011, all
18 remuneration for personal services performed defined as
19 "wages" under the Social Security Enabling Act, excluding
20 remuneration that is in excess of the annual earnings, salary,
21 or wages of a member or participant, as provided in subsection
22 (b-5) or (b-10) of Section 1-160, whichever is applicable, but
23 including any benefits received by an employee under a sick
24 pay plan in effect before January 1, 1981. Compensation shall
25 exclude lump sum salary payments:

- 26 (1) for vacation;

- 1 (2) for accumulated unused sick leave;
2 (3) upon discharge or dismissal; and
3 (4) for approved holidays.

4 (f) Notwithstanding the other provisions of this Section,
5 for service on or after July 1, 2013, "compensation" does not
6 include any stipend payable to an employee for service on a
7 board or commission.

8 (Source: P.A. 98-449, eff. 8-16-13.)

9 (40 ILCS 5/15-111) (from Ch. 108 1/2, par. 15-111)

10 Sec. 15-111. Earnings.

11 (a) "Earnings": Subject to Section 15-111.5, an amount
12 paid for personal services equal to the sum of the basic
13 compensation plus extra compensation for summer teaching,
14 overtime or other extra service. For periods for which an
15 employee receives service credit under subsection (c) of
16 Section 15-113.1 or Section 15-113.2, earnings are equal to
17 the basic compensation on which contributions are paid by the
18 employee during such periods. Compensation for employment
19 which is irregular, intermittent and temporary shall not be
20 considered earnings, unless the participant is also receiving
21 earnings from the employer as an employee under Section
22 15-107.

23 With respect to transition pay paid by the University of
24 Illinois to a person who was a participating employee employed
25 in the fire department of the University of Illinois's

1 Champaign-Urbana campus immediately prior to the elimination
2 of that fire department:

3 (1) "Earnings" includes transition pay paid to the
4 employee on or after the effective date of this amendatory
5 Act of the 91st General Assembly.

6 (2) "Earnings" includes transition pay paid to the
7 employee before the effective date of this amendatory Act
8 of the 91st General Assembly only if (i) employee
9 contributions under Section 15-157 have been withheld from
10 that transition pay or (ii) the employee pays to the
11 System before January 1, 2001 an amount representing
12 employee contributions under Section 15-157 on that
13 transition pay. Employee contributions under item (ii) may
14 be paid in a lump sum, by withholding from additional
15 transition pay accruing before January 1, 2001, or in any
16 other manner approved by the System. Upon payment of the
17 employee contributions on transition pay, the
18 corresponding employer contributions become an obligation
19 of the State.

20 (b) For a Tier 2 member, the annual earnings shall not
21 exceed \$106,800; however, except as provided in subsection
22 (b-5), that amount shall annually thereafter be increased by
23 the lesser of (i) 3% of that amount, including all previous
24 adjustments, or (ii) one half the annual unadjusted percentage
25 increase (but not less than zero) in the consumer price
26 index-u for the 12 months ending with the September preceding

1 each November 1, including all previous adjustments.

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

12 (b-5) Beginning January 1, 2024, the annual earnings of a
13 Tier 2 member may not exceed 90.5% of the federal Social
14 Security Wage Base then in effect or the amount determined
15 under subsection (b), whichever is greater.

16 (c) With each submission of payroll information in the
17 manner prescribed by the System, the employer shall certify
18 that the payroll information is correct and complies with all
19 applicable State and federal laws.

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

21 (40 ILCS 5/18-125) (from Ch. 108 1/2, par. 18-125)

22 Sec. 18-125. Retirement annuity amount.

23 (a) The annual retirement annuity for a participant who
24 terminated service as a judge prior to July 1, 1971 shall be
25 based on the law in effect at the time of termination of

1 service.

2 (b) Except as provided in subsection (b-5), effective July
3 1, 1971, the retirement annuity for any participant in service
4 on or after such date shall be 3 1/2% of final average salary,
5 as defined in this Section, for each of the first 10 years of
6 service, and 5% of such final average salary for each year of
7 service in excess of 10.

8 For purposes of this Section, final average salary for a
9 participant who first serves as a judge before August 10, 2009
10 (the effective date of Public Act 96-207) shall be:

11 (1) the average salary for the last 4 years of
12 credited service as a judge for a participant who
13 terminates service before July 1, 1975.

14 (2) for a participant who terminates service after
15 June 30, 1975 and before July 1, 1982, the salary on the
16 last day of employment as a judge.

17 (3) for any participant who terminates service after
18 June 30, 1982 and before January 1, 1990, the average
19 salary for the final year of service as a judge.

20 (4) for a participant who terminates service on or
21 after January 1, 1990 but before July 14, 1995 (the
22 effective date of Public Act 89-136), the salary on the
23 last day of employment as a judge.

24 (5) for a participant who terminates service on or
25 after July 14, 1995 (the effective date of Public Act
26 89-136), the salary on the last day of employment as a

1 judge, or the highest salary received by the participant
2 for employment as a judge in a position held by the
3 participant for at least 4 consecutive years, whichever is
4 greater.

5 However, in the case of a participant who elects to
6 discontinue contributions as provided in subdivision (a) (2) of
7 Section 18-133, the time of such election shall be considered
8 the last day of employment in the determination of final
9 average salary under this subsection.

10 For a participant who first serves as a judge on or after
11 August 10, 2009 (the effective date of Public Act 96-207) and
12 before January 1, 2011 (the effective date of Public Act
13 96-889), final average salary shall be the average monthly
14 salary obtained by dividing the total salary of the
15 participant during the period of: (1) the 48 consecutive
16 months of service within the last 120 months of service in
17 which the total compensation was the highest, or (2) the total
18 period of service, if less than 48 months, by the number of
19 months of service in that period.

20 The maximum retirement annuity for any participant shall
21 be 85% of final average salary.

22 (b-5) Notwithstanding any other provision of this Article,
23 for a participant who first serves as a judge on or after
24 January 1, 2011 (the effective date of Public Act 96-889), the
25 annual retirement annuity is 3% of the participant's final
26 average salary for each year of service. The maximum

1 retirement annuity payable shall be 60% of the participant's
2 final average salary.

3 For a participant who first serves as a judge on or after
4 January 1, 2011 (the effective date of Public Act 96-889),
5 final average salary shall be the average monthly salary
6 obtained by dividing the total salary of the judge during the
7 96 consecutive months of service within the last 120 months of
8 service in which the total salary was the highest by the number
9 of months of service in that period; however, except as
10 provided in subsection (b-10), beginning January 1, 2011, the
11 annual salary may not exceed \$106,800, except that that amount
12 shall annually thereafter be increased by the lesser of (i) 3%
13 of that amount, including all previous adjustments, or (ii)
14 the annual unadjusted percentage increase (but not less than
15 zero) in the consumer price index-u for the 12 months ending
16 with the September preceding each November 1. "Consumer price
17 index-u" means the index published by the Bureau of Labor
18 Statistics of the United States Department of Labor that
19 measures the average change in prices of goods and services
20 purchased by all urban consumers, United States city average,
21 all items, 1982-84 = 100. The new amount resulting from each
22 annual adjustment shall be determined by the Public Pension
23 Division of the Department of Insurance and made available to
24 the Board by November 1st of each year.

25 (b-10) Beginning January 1, 2024, the annual salary of a
26 participant who first serves as a judge on or after January 1,

1 2011 may not exceed 90.5% of the federal Social Security Wage
2 Base then in effect or the amount determined under subsection
3 (b-5), whichever is greater.

4 (c) The retirement annuity for a participant who retires
5 prior to age 60 with less than 28 years of service in the
6 System shall be reduced 1/2 of 1% for each month that the
7 participant's age is under 60 years at the time the annuity
8 commences. However, for a participant who retires on or after
9 December 10, 1999 (the effective date of Public Act 91-653),
10 the percentage reduction in retirement annuity imposed under
11 this subsection shall be reduced by 5/12 of 1% for every month
12 of service in this System in excess of 20 years, and therefore
13 a participant with at least 26 years of service in this System
14 may retire at age 55 without any reduction in annuity.

15 The reduction in retirement annuity imposed by this
16 subsection shall not apply in the case of retirement on
17 account of disability.

18 (d) Notwithstanding any other provision of this Article,
19 for a participant who first serves as a judge on or after
20 January 1, 2011 (the effective date of Public Act 96-889) and
21 who is retiring after attaining age 62, the retirement annuity
22 shall be reduced by 1/2 of 1% for each month that the
23 participant's age is under age 67 at the time the annuity
24 commences.

25 (Source: P.A. 100-201, eff. 8-18-17.)

1 (40 ILCS 5/18-128.01) (from Ch. 108 1/2, par. 18-128.01)

2 Sec. 18-128.01. Amount of survivor's annuity.

3 (a) Upon the death of an annuitant, his or her surviving
4 spouse shall be entitled to a survivor's annuity of 66 2/3% of
5 the annuity the annuitant was receiving immediately prior to
6 his or her death, inclusive of annual increases in the
7 retirement annuity to the date of death.

8 (b) Upon the death of an active participant, his or her
9 surviving spouse shall receive a survivor's annuity of 66 2/3%
10 of the annuity earned by the participant as of the date of his
11 or her death, determined without regard to whether the
12 participant had attained age 60 as of that time, or 7 1/2% of
13 the last salary of the decedent, whichever is greater.

14 (c) Upon the death of a participant who had terminated
15 service with at least 10 years of service, his or her surviving
16 spouse shall be entitled to a survivor's annuity of 66 2/3% of
17 the annuity earned by the deceased participant at the date of
18 death.

19 (d) Upon the death of an annuitant, active participant, or
20 participant who had terminated service with at least 10 years
21 of service, each surviving child under the age of 18 or
22 disabled as defined in Section 18-128 shall be entitled to a
23 child's annuity in an amount equal to 5% of the decedent's
24 final salary, not to exceed in total for all such children the
25 greater of 20% of the decedent's last salary or 66 2/3% of the
26 annuity received or earned by the decedent as provided under

1 subsections (a) and (b) of this Section. This child's annuity
2 shall be paid whether or not a survivor's annuity was elected
3 under Section 18-123.

4 (e) The changes made in the survivor's annuity provisions
5 by Public Act 82-306 shall apply to the survivors of a deceased
6 participant or annuitant whose death occurs on or after August
7 21, 1981.

8 (f) Beginning January 1, 1990, every survivor's annuity
9 shall be increased (1) on each January 1 occurring on or after
10 the commencement of the annuity if the deceased member died
11 while receiving a retirement annuity, or (2) in other cases,
12 on each January 1 occurring on or after the first anniversary
13 of the commencement of the annuity, by an amount equal to 3% of
14 the current amount of the annuity, including any previous
15 increases under this Article. Such increases shall apply
16 without regard to whether the deceased member was in service
17 on or after the effective date of this amendatory Act of 1991,
18 but shall not accrue for any period prior to January 1, 1990.

19 (g) Notwithstanding any other provision of this Article,
20 the initial survivor's annuity for a survivor of a participant
21 who first serves as a judge after January 1, 2011 (the
22 effective date of Public Act 96-889) shall be in the amount of
23 $66 \frac{2}{3}\%$ of the annuity received or earned by the decedent, and
24 shall be increased (1) on each January 1 occurring on or after
25 the commencement of the annuity if the deceased participant
26 died while receiving a retirement annuity, or (2) in other

1 cases, on each January 1 occurring on or after the first
2 anniversary of the commencement of the annuity, but in no
3 event prior to age 67, by an amount equal to 3% or the annual
4 unadjusted percentage increase in the consumer price index-u
5 as determined by the Public Pension Division of the Department
6 of Insurance ~~under subsection (b 5) of Section 18-125,~~
7 whichever is less, of the survivor's annuity then being paid.

8 In this subsection, "consumer price index-u" means the
9 index published by the Bureau of Labor Statistics of the
10 United States Department of Labor that measures the average
11 change in prices of goods and services purchased by all urban
12 consumers, United States city average, all items, 1982-84 =
13 100. The new amount resulting from each annual adjustment
14 shall be determined by the Public Pension Division of the
15 Department of Insurance and made available to the Board by
16 November 1 of each year.

17 (Source: P.A. 96-889, eff. 1-1-11; 96-1490, eff. 1-1-11.)

18 Article 2.

19 Section 2-5. The Illinois Pension Code is amended by
20 changing Sections 1-103.3, 2-124, 14-131, 15-155, 16-158, and
21 18-131 as follows:

22 (40 ILCS 5/1-103.3)

23 (Text of Section WITHOUT the changes made by P.A. 98-599,

1 which has been held unconstitutional)

2 Sec. 1-103.3. Application of 1994 amendment; funding
3 standard.

4 (a) The provisions of this amendatory Act of 1994 that
5 change the method of calculating, certifying, and paying the
6 required State contributions to the retirement systems
7 established under Articles 2, 14, 15, 16, and 18 shall first
8 apply to the State contributions required for State fiscal
9 year 1996.

10 (b) The General Assembly declares that a funding ratio
11 (the ratio of a retirement system's total assets to its total
12 actuarial liabilities) of 100% ~~90%~~ is an appropriate goal for
13 State-funded retirement systems in Illinois, and it finds that
14 a funding ratio of 100% ~~90%~~ is now the generally-recognized
15 norm throughout the nation for public employee retirement
16 systems that are considered to be financially secure and
17 funded in an appropriate and responsible manner.

18 (c) Every 5 years, beginning in 1999, the Commission on
19 Government Forecasting and Accountability, in consultation
20 with the affected retirement systems and the Governor's Office
21 of Management and Budget (formerly Bureau of the Budget),
22 shall consider and determine whether the 100% ~~90%~~ funding
23 ratio adopted in subsection (b) continues to represent an
24 appropriate goal for State-funded retirement systems in
25 Illinois, and it shall report its findings and recommendations
26 on this subject to the Governor and the General Assembly.

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

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

3 Sec. 2-124. Contributions by State.

4 (a) The State shall make contributions to the System by
5 appropriations of amounts which, together with the
6 contributions of participants, interest earned on investments,
7 and other income will meet the cost of maintaining and
8 administering the System on a 100% ~~90%~~ funded basis by 2050 in
9 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
12 the actuarial tables and other assumptions adopted by the
13 Board and the prescribed rate of interest, using the formula
14 in subsection (c).

15 (c) For State fiscal years 2025 through 2050, 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 100%
19 of the total actuarial liabilities of the System by the end of
20 State fiscal year 2050. In making these determinations, the
21 required State contribution shall be calculated each year as a
22 level percentage of payroll over the years remaining to and
23 including fiscal year 2050 and shall be determined under the
24 projected unit credit actuarial cost method.

25 For State fiscal years 2012 through 2024 ~~2045~~, the minimum

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

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

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

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

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

1 at the resulting annual rate in each of the remaining
2 fiscal years in that 5-year period.

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

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

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

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

21 Notwithstanding any other provision of this Article, the
22 total required State contribution for State fiscal year 2010
23 is \$10,454,000 and shall be made from the proceeds of bonds
24 sold 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
7 is the amount recertified by the System on or before April 1,
8 2011 pursuant to Section 2-134 and shall be made from the
9 proceeds of bonds sold in fiscal year 2011 pursuant to Section
10 7.2 of the General Obligation Bond Act, less (i) the pro rata
11 share of bond sale expenses determined by the System's share
12 of total bond proceeds, (ii) any amounts received from the
13 General Revenue Fund in fiscal year 2011, and (iii) any
14 reduction in bond proceeds due to the issuance of discounted
15 bonds, if applicable.

16 Beginning in State fiscal year 2051 ~~2046~~, the minimum
17 State contribution for each fiscal year shall be the amount
18 needed to maintain the total assets of the System at 100% ~~90%~~
19 of the total 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
9 calculated under this Section and certified under Section
10 2-134, shall not exceed an amount equal to (i) the amount of
11 the required State contribution that would have been
12 calculated under this Section for that fiscal year if the
13 System had not received any payments under subsection (d) of
14 Section 7.2 of the General Obligation Bond Act, minus (ii) the
15 portion of the State's total debt service payments for that
16 fiscal year on the bonds issued in fiscal year 2003 for the
17 purposes of that Section 7.2, as determined and certified by
18 the Comptroller, that is the same as the System's portion of
19 the total moneys distributed under subsection (d) of Section
20 7.2 of the General Obligation Bond Act. In determining this
21 maximum for State fiscal years 2008 through 2010, however, the
22 amount referred to in item (i) shall be increased, as a
23 percentage of the applicable employee payroll, in equal
24 increments calculated from the sum of the required State
25 contribution for State fiscal year 2007 plus the applicable
26 portion of the State's total debt service payments for fiscal

1 year 2007 on the bonds issued in fiscal year 2003 for the
2 purposes of Section 7.2 of the General Obligation Bond Act, so
3 that, by State fiscal year 2011, the State is contributing at
4 the rate otherwise required 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
18 actuarial value of assets shall be assumed to earn a rate of
19 return equal to the system's actuarially assumed rate of
20 return.

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

22 (40 ILCS 5/14-131)

23 Sec. 14-131. Contributions by State.

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

1 contributions from trust, federal, and other funds, employee
2 contributions, investment income, and other income, will be
3 sufficient to meet the cost of maintaining and administering
4 the System on a 100% ~~90%~~ funded basis by 2050 in accordance
5 with actuarial recommendations.

6 For the purposes of this Section and Section 14-135.08,
7 references to State contributions refer only to employer
8 contributions and do not include employee contributions that
9 are picked up or otherwise paid by the State or a department on
10 behalf of the employee.

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

15 The Board shall also determine a State contribution rate
16 for each fiscal year, expressed as a percentage of payroll,
17 based on the total required State contribution for that fiscal
18 year (less the amount received by the System from
19 appropriations under Section 8.12 of the State Finance Act and
20 Section 1 of the State Pension Funds Continuing Appropriation
21 Act, if any, for the fiscal year ending on the June 30
22 immediately preceding the applicable November 15 certification
23 deadline), the estimated payroll (including all forms of
24 compensation) for personal services rendered by eligible
25 employees, and the recommendations of the actuary.

26 For the purposes of this Section and Section 14.1 of the

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

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

21 (c-1) Notwithstanding subsection (c) of this Section, for
22 fiscal years 2010, 2012, and each fiscal year thereafter,
23 contributions by the several departments are not required to
24 be made for General Revenue Funds payrolls processed by the
25 Comptroller. Payrolls paid by the several departments from all
26 other State funds must continue to be processed pursuant to

1 subsection (c) of this Section.

2 (c-2) For State fiscal years 2010, 2012, and each fiscal
3 year thereafter, on or as soon as possible after the 15th day
4 of each month, the Board shall submit vouchers for payment of
5 State contributions to the System, in a total monthly amount
6 of one-twelfth of the fiscal year General Revenue Fund
7 contribution as certified by the System pursuant to Section
8 14-135.08 of the Illinois Pension Code.

9 (d) If an employee is paid from trust funds or federal
10 funds, the department or other employer shall pay employer
11 contributions from those funds to the System at the certified
12 rate, unless the terms of the trust or the federal-State
13 agreement preclude the use of the funds for that purpose, in
14 which case the required employer contributions shall be paid
15 by the State.

16 (e) For State fiscal years 2025 through 2050, 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 100%
20 of the total actuarial liabilities of the System by the end of
21 State fiscal year 2050. In making these determinations, the
22 required State contribution shall be calculated each year as a
23 level percentage of payroll over the years remaining to and
24 including fiscal year 2050 and shall be determined under the
25 projected unit credit actuarial cost method.

26 For State fiscal years 2012 through 2024 ~~2045~~, the minimum

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

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

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

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

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

1 at the resulting annual rate in each of the remaining
2 fiscal years in that 5-year period.

3 For State fiscal years 1996 through 2005, the State
4 contribution to the System, as a percentage of the applicable
5 employee payroll, shall be increased in equal annual
6 increments so that by State fiscal year 2011, the State is
7 contributing at the rate required under this Section; except
8 that (i) for State fiscal year 1998, for all purposes of this
9 Code and any other law of this State, the certified percentage
10 of the applicable employee payroll shall be 5.052% for
11 employees earning eligible creditable service under Section
12 14-110 and 6.500% for all other employees, notwithstanding any
13 contrary certification made under Section 14-135.08 before
14 July 7, 1997 (the effective date of Public Act 90-65), and (ii)
15 in the following specified State fiscal years, the State
16 contribution to the System shall not be less than the
17 following indicated percentages of the applicable employee
18 payroll, even if the indicated percentage will produce a State
19 contribution in excess of the amount otherwise required under
20 this subsection and subsection (a): 9.8% in FY 1999; 10.0% in
21 FY 2000; 10.2% in FY 2001; 10.4% in FY 2002; 10.6% in FY 2003;
22 and 10.8% in FY 2004.

23 Beginning in State fiscal year 2051 ~~2046~~, the minimum
24 State contribution for each fiscal year shall be the amount
25 needed to maintain the total assets of the System at 100% ~~90%~~
26 of the total actuarial liabilities of the System.

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

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

1 7.2 of the General Obligation Bond Act.

2 (f) (Blank).

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

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

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

19 (i) (Blank).

20 (j) (Blank).

21 (k) For fiscal year 2012 and each fiscal year thereafter,
22 after the submission of all payments for eligible employees
23 from personal services line items paid from the General
24 Revenue Fund in the fiscal year have been made, the
25 Comptroller shall provide to the System a certification of the
26 sum of all expenditures in the fiscal year for personal

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

17 (Source: P.A. 100-23, eff. 7-6-17; 100-587, eff. 6-4-18;
18 101-10, eff. 6-5-19.)

19 (40 ILCS 5/15-155) (from Ch. 108 1/2, par. 15-155)

20 Sec. 15-155. Employer contributions.

21 (a) The State of Illinois shall make contributions by
22 appropriations of amounts which, together with the other
23 employer contributions from trust, federal, and other funds,
24 employee contributions, income from investments, and other
25 income of this System, will be sufficient to meet the cost of

1 maintaining and administering the System on a 100% ~~90%~~ funded
2 basis by 2050 in accordance with actuarial recommendations.

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

8 (a-1) For State fiscal years 2025 through 2050, the
9 minimum contribution to the System to be made by the State for
10 each fiscal year shall be an amount determined by the System to
11 be sufficient to bring the total assets of the System up to
12 100% of the total actuarial liabilities of the System by the
13 end of State fiscal year 2050. In making these determinations,
14 the required State contribution shall be calculated each year
15 as a level percentage of payroll over the years remaining to
16 and including fiscal year 2050 and shall be determined under
17 the projected unit credit actuarial cost method.

18 For State fiscal years 2012 through 2024 ~~2045~~, the minimum
19 contribution to the System to be made by the State for each
20 fiscal year shall be an amount determined by the System to be
21 sufficient to bring the total assets of the System up to 90% of
22 the total actuarial liabilities of the System by the end of
23 State fiscal year 2045. In making these determinations, the
24 required State contribution shall be calculated each year as a
25 level percentage of payroll over the years remaining to and
26 including fiscal year 2045 and shall be determined under the

1 projected unit credit actuarial cost method.

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

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

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

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

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

26 For State fiscal years 1996 through 2005, the State

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

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

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

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

18 Notwithstanding any other provision of this Article, the
19 total required State contribution for State fiscal year 2010
20 is \$702,514,000 and shall be made from the State Pensions Fund
21 and proceeds of bonds sold in fiscal year 2010 pursuant to
22 Section 7.2 of the General Obligation Bond Act, less (i) the
23 pro rata share of bond sale expenses determined by the
24 System's share of total bond proceeds, (ii) any amounts
25 received from the General Revenue Fund in fiscal year 2010,
26 (iii) any reduction in bond proceeds due to the issuance of

1 discounted bonds, if applicable.

2 Notwithstanding any other provision of this Article, the
3 total required State contribution for State fiscal year 2011
4 is the amount recertified by the System on or before April 1,
5 2011 pursuant to Section 15-165 and shall be made from the
6 State Pensions Fund and proceeds of bonds sold in fiscal year
7 2011 pursuant to Section 7.2 of the General Obligation Bond
8 Act, less (i) the pro rata share of bond sale expenses
9 determined by the System's share of total bond proceeds, (ii)
10 any amounts received from the General Revenue Fund in fiscal
11 year 2011, and (iii) any reduction in bond proceeds due to the
12 issuance of discounted bonds, if applicable.

13 Beginning in State fiscal year 2051 ~~2046~~, the minimum
14 State contribution for each fiscal year shall be the amount
15 needed to maintain the total assets of the System at 100% ~~90%~~
16 of the total actuarial liabilities of the System.

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

1 term does not include or apply to any amounts payable to the
2 System under Section 25 of the Budget Stabilization Act.

3 Notwithstanding any other provision of this Section, the
4 required State contribution for State fiscal year 2005 and for
5 fiscal year 2008 and each fiscal year thereafter, as
6 calculated under this Section and certified under Section
7 15-165, shall not exceed an amount equal to (i) the amount of
8 the required State contribution that would have been
9 calculated under this Section for that fiscal year if the
10 System had not received any payments under subsection (d) of
11 Section 7.2 of the General Obligation Bond Act, minus (ii) the
12 portion of the State's total debt service payments for that
13 fiscal year on the bonds issued in fiscal year 2003 for the
14 purposes of that Section 7.2, as determined and certified by
15 the Comptroller, that is the same as the System's portion of
16 the total moneys distributed under subsection (d) of Section
17 7.2 of the General Obligation Bond Act. In determining this
18 maximum for State fiscal years 2008 through 2010, however, the
19 amount referred to in item (i) shall be increased, as a
20 percentage of the applicable employee payroll, in equal
21 increments calculated from the sum of the required State
22 contribution for State fiscal year 2007 plus the applicable
23 portion of the State's total debt service payments for fiscal
24 year 2007 on the bonds issued in fiscal year 2003 for the
25 purposes of Section 7.2 of the General Obligation Bond Act, so
26 that, by State fiscal year 2011, the State is contributing at

1 the rate otherwise required under this Section.

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

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

24 In determining contributions required under item (i) of
25 this subsection, the System shall determine an aggregate rate
26 for all employers, expressed as a percentage of projected

1 payroll.

2 In determining the contributions required under item (ii)
3 of this subsection, the amount shall be computed by the System
4 on the basis of the actuarial assumptions and tables used in
5 the most recent actuarial valuation of the System that is
6 available at the time of the computation.

7 The contributions required under this subsection (a-2)
8 shall be paid by an employer concurrently with that employer's
9 payroll payment period. The State, as the actual employer of
10 an employee, shall make the required contributions under this
11 subsection.

12 As used in this subsection, "academic year" means the
13 12-month period beginning September 1.

14 (b) If an employee is paid from trust or federal funds, the
15 employer shall pay to the Board contributions from those funds
16 which are sufficient to cover the accruing normal costs on
17 behalf of the employee. However, universities having employees
18 who are compensated out of local auxiliary funds, income
19 funds, or service enterprise funds are not required to pay
20 such contributions on behalf of those employees. The local
21 auxiliary funds, income funds, and service enterprise funds of
22 universities shall not be considered trust funds for the
23 purpose of this Article, but funds of alumni associations,
24 foundations, and athletic associations which are affiliated
25 with the universities included as employers under this Article
26 and other employers which do not receive State appropriations

1 are considered to be trust funds for the purpose of this
2 Article.

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

16 (c) Through State fiscal year 1995: The total employer
17 contribution shall be apportioned among the various funds of
18 the State and other employers, whether trust, federal, or
19 other funds, in accordance with actuarial procedures approved
20 by the Board. State of Illinois contributions for employers
21 receiving State appropriations for personal services shall be
22 payable from appropriations made to the employers or to the
23 System. The contributions for Class I community colleges
24 covering earnings other than those paid from trust and federal
25 funds, shall be payable solely from appropriations to the
26 Illinois Community College Board or the System for employer

1 contributions.

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

7 (e) The State Comptroller shall draw warrants payable to
8 the System upon proper certification by the System or by the
9 employer in accordance with the appropriation laws and this
10 Code.

11 (f) Normal costs under this Section means liability for
12 pensions and other benefits which accrues to the System
13 because of the credits earned for service rendered by the
14 participants during the fiscal year and expenses of
15 administering the System, but shall not include the principal
16 of or any redemption premium or interest on any bonds issued by
17 the Board or any expenses incurred or deposits required in
18 connection therewith.

19 (g) If the amount of a participant's earnings for any
20 academic year used to determine the final rate of earnings,
21 determined on a full-time equivalent basis, exceeds the amount
22 of his or her earnings with the same employer for the previous
23 academic year, determined on a full-time equivalent basis, by
24 more than 6%, the participant's employer shall pay to the
25 System, in addition to all other payments required under this
26 Section and in accordance with guidelines established by the

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

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

24 The employer contributions required under this subsection
25 (g) may be paid in the form of a lump sum within 90 days after
26 receipt of the bill. If the employer contributions are not

1 paid within 90 days after receipt of the bill, then interest
2 will be charged at a rate equal to the System's annual
3 actuarially assumed rate of return on investment compounded
4 annually from the 91st day after receipt of the bill. Payments
5 must be concluded within 3 years after the employer's receipt
6 of the bill.

7 When assessing payment for any amount due under this
8 subsection (g), the System shall include earnings, to the
9 extent not established by a participant under Section
10 15-113.11 or 15-113.12, that would have been paid to the
11 participant had the participant not taken (i) periods of
12 voluntary or involuntary furlough occurring on or after July
13 1, 2015 and on or before June 30, 2017 or (ii) periods of
14 voluntary pay reduction in lieu of furlough occurring on or
15 after July 1, 2015 and on or before June 30, 2017. Determining
16 earnings that would have been paid to a participant had the
17 participant not taken periods of voluntary or involuntary
18 furlough or periods of voluntary pay reduction shall be the
19 responsibility of the employer, and shall be reported in a
20 manner prescribed by the System.

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

25 (g-1) (Blank).

26 (h) This subsection (h) applies only to payments made or

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

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

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

14 When assessing payment for any amount due under subsection
15 (g), the System shall exclude earnings increases resulting
16 from overload work, including a contract for summer teaching,
17 or overtime when the employer has certified to the System, and
18 the System has approved the certification, that: (i) in the
19 case of overloads (A) the overload work is for the sole purpose
20 of academic instruction in excess of the standard number of
21 instruction hours for a full-time employee occurring during
22 the academic year that the overload is paid and (B) the
23 earnings increases are equal to or less than the rate of pay
24 for academic instruction computed using the participant's
25 current salary rate and work schedule; and (ii) in the case of
26 overtime, the overtime was necessary for the educational

1 mission.

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

16 (h-5) When assessing payment for any amount due under
17 subsection (g), the System shall exclude any earnings increase
18 paid in an academic year beginning on or after July 1, 2020
19 resulting from overload work performed in an academic year
20 subsequent to an academic year in which the employer was
21 unable to offer or allow to be conducted overload work due to
22 an emergency declaration limiting such activities.

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 Except as provided in subsection (h-5), any payments made or
4 salary increases given after June 30, 2014 shall be used in
5 assessing payment for any amount due under subsection (g) of
6 this Section.

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

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

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

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

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

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

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

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

25 The employer contributions required under this subsection
26 may be paid in the form of a lump sum within 90 days after

1 issuance of the bill. If the employer contributions are not
2 paid within 90 days after issuance of the bill, then interest
3 will be charged at a rate equal to the System's annual
4 actuarially assumed rate of return on investment compounded
5 annually from the 91st day after issuance of the bill. All
6 payments must be received within 3 years after issuance of the
7 bill. If the employer fails to make complete payment,
8 including applicable interest, within 3 years, then the System
9 may, after giving notice to the employer, certify the
10 delinquent amount to the State Comptroller, and the
11 Comptroller shall thereupon deduct the certified delinquent
12 amount from State funds payable to the employer and pay them
13 instead to the System.

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

17 The changes made to this subsection (j-5) by Public Act
18 100-624 are intended to apply retroactively to July 6, 2017
19 (the effective date of Public Act 100-23).

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

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

10 (l) 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 (m) 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. 101-10, eff. 6-5-19; 101-81, eff. 7-12-19;

1 102-16, eff. 6-17-21; 102-558, eff. 8-20-21; 102-764, eff.
2 5-13-22.)

3 (40 ILCS 5/16-158) (from Ch. 108 1/2, par. 16-158)

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

6 (a) The State shall make contributions to the System by
7 means of appropriations from the Common School Fund and other
8 State funds of amounts which, together with other employer
9 contributions, employee contributions, investment income, and
10 other income, will be sufficient to meet the cost of
11 maintaining and administering the System on a 100% ~~90%~~ funded
12 basis by 2050 in accordance with actuarial recommendations.

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

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

25 On or before May 1, 2004, the Board shall recalculate and

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

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

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

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

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

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

1 the State Actuary's recommended changes on the required State
2 contribution.

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

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

21 (b-1) Beginning in State fiscal year 1996, on the 15th day
22 of each month, or as soon thereafter as may be practicable, the
23 Board shall submit vouchers for payment of State contributions
24 to the System, in a total monthly amount of one-twelfth of the
25 required annual State contribution certified under subsection
26 (a-1). From March 5, 2004 (the effective date of Public Act

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

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

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

21 (b-3) For State fiscal years 2025 through 2050, the
22 minimum contribution to the System to be made by the State for
23 each fiscal year shall be an amount determined by the System to
24 be sufficient to bring the total assets of the System up to
25 100% of the total actuarial liabilities of the System by the
26 end of State fiscal year 2050. In making these determinations,

1 the required State contribution shall be calculated each year
2 as a level percentage of payroll over the years remaining to
3 and including fiscal year 2050 and shall be determined under
4 the projected unit credit actuarial cost method.

5 For State fiscal years 2012 through 2024 ~~2045~~, the minimum
6 contribution to the System to be made by the State for each
7 fiscal year shall be an amount determined by the System to be
8 sufficient to bring the total assets of the System up to 90% of
9 the total actuarial liabilities of the System by the end of
10 State fiscal year 2045. In making these determinations, the
11 required State contribution shall be calculated each year as a
12 level percentage of payroll over the years remaining to and
13 including fiscal year 2045 and shall be determined under the
14 projected unit credit actuarial cost method.

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

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

26 A change in an actuarial or investment assumption that

1 increases or decreases the required State contribution and
2 first applied to the State contribution in fiscal year 2014,
3 2015, 2016, or 2017 shall be implemented:

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

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

13 For State fiscal years 1996 through 2005, the State
14 contribution to the System, as a percentage of the applicable
15 employee payroll, shall be increased in equal annual
16 increments so that by State fiscal year 2011, the State is
17 contributing at the rate required under this Section; except
18 that in the following specified State fiscal years, the State
19 contribution to the System shall not be less than the
20 following indicated percentages of the applicable employee
21 payroll, even if the indicated percentage will produce a State
22 contribution in excess of the amount otherwise required under
23 this subsection and subsection (a), and notwithstanding any
24 contrary certification made under subsection (a-1) before May
25 27, 1998 (the effective date of Public Act 90-582): 10.02% in
26 FY 1999; 10.77% in FY 2000; 11.47% in FY 2001; 12.16% in FY

1 2002; 12.86% in FY 2003; and 13.56% in FY 2004.

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

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

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

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

25 Notwithstanding any other provision of this Article, the
26 total required State contribution for State fiscal year 2011

1 is the amount recertified by the System on or before April 1,
2 2011 pursuant to subsection (a-1) of this Section and shall be
3 made from the proceeds of bonds sold in fiscal year 2011
4 pursuant to Section 7.2 of the General Obligation Bond Act,
5 less (i) the pro rata share of bond sale expenses determined by
6 the System's share of total bond proceeds, (ii) any amounts
7 received from the Common School Fund in fiscal year 2011, and
8 (iii) any reduction in bond proceeds due to the issuance of
9 discounted bonds, if applicable. This amount shall include, in
10 addition to the amount certified by the System, an amount
11 necessary to meet employer contributions required by the State
12 as an employer under paragraph (e) of this Section, which may
13 also be used by the System for contributions required by
14 paragraph (a) of Section 16-127.

15 Beginning in State fiscal year 2051 ~~2046~~, the minimum
16 State contribution for each fiscal year shall be the amount
17 needed to maintain the total assets of the System at 100% ~~90%~~
18 of the total actuarial liabilities of the System.

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

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

5 Notwithstanding any other provision of this Section, the
6 required State contribution for State fiscal year 2005 and for
7 fiscal year 2008 and each fiscal year thereafter, as
8 calculated under this Section and certified under subsection
9 (a-1), shall not exceed an amount equal to (i) the amount of
10 the required State contribution that would have been
11 calculated under this Section for that fiscal year if the
12 System had not received any payments under subsection (d) of
13 Section 7.2 of the General Obligation Bond Act, minus (ii) the
14 portion of the State's total debt service payments for that
15 fiscal year on the bonds issued in fiscal year 2003 for the
16 purposes of that Section 7.2, as determined and certified by
17 the Comptroller, that is the same as the System's portion of
18 the total moneys distributed under subsection (d) of Section
19 7.2 of the General Obligation Bond Act. In determining this
20 maximum for State fiscal years 2008 through 2010, however, the
21 amount referred to in item (i) shall be increased, as a
22 percentage of the applicable employee payroll, in equal
23 increments calculated from the sum of the required State
24 contribution for State fiscal year 2007 plus the applicable
25 portion of the State's total debt service payments for fiscal
26 year 2007 on the bonds issued in fiscal year 2003 for the

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

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

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

20 (ii) the amount required for that fiscal year to
21 amortize any unfunded actuarial accrued liability
22 associated with the present value of liabilities
23 attributable to the employer's account under Section
24 16-158.3, determined as a level percentage of payroll over
25 a 30-year rolling amortization period.

26 In determining contributions required under item (i) of

1 this subsection, the System shall determine an aggregate rate
2 for all employers, expressed as a percentage of projected
3 payroll.

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

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

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

19 If members are paid from special trust or federal funds
20 which are administered by the employing unit, whether school
21 district or other unit, the employing unit shall pay to the
22 System from such funds the full accruing retirement costs
23 based upon that service, which, beginning July 1, 2017, shall
24 be at a rate, expressed as a percentage of salary, equal to the
25 total employer's normal cost, expressed as a percentage of
26 payroll, as determined by the System. Employer contributions,

1 based on salary paid to members from federal funds, may be
2 forwarded by the distributing agency of the State of Illinois
3 to the System prior to allocation, in an amount determined in
4 accordance with guidelines established by such agency and the
5 System. Any contribution for fiscal year 2015 collected as a
6 result of the change made by Public Act 98-674 shall be
7 considered a State contribution under subsection (b-3) of this
8 Section.

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

16 However, with respect to benefits granted under Section
17 16-133.4 or 16-133.5 to a teacher as defined in paragraph (8)
18 of Section 16-106, the employer's contribution shall be 12%
19 (rather than 20%) of the member's highest annual salary rate
20 for each year of creditable service granted, and the employer
21 shall also pay the required employee contribution on behalf of
22 the teacher. For the purposes of Sections 16-133.4 and
23 16-133.5, a teacher as defined in paragraph (8) of Section
24 16-106 who is serving in that capacity while on leave of
25 absence from another employer under this Article shall not be
26 considered an employee of the employer from which the teacher

1 is on leave.

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

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

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

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

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

19 Each employer of teachers is entitled to a credit against
20 the contributions required under this subsection (e) with
21 respect to salaries paid to teachers for the period January 1,
22 2002 through June 30, 2003, equal to the amount paid by that
23 employer under subsection (a-5) of Section 6.6 of the State
24 Employees Group Insurance Act of 1971 with respect to salaries
25 paid to teachers for that period.

26 The additional 1% employee contribution required under

1 Section 16-152 by Public Act 90-582 is the responsibility of
2 the teacher and not the teacher's employer, unless the
3 employer agrees, through collective bargaining or otherwise,
4 to make the contribution on behalf of the teacher.

5 If an employer is required by a contract in effect on May
6 1, 1998 between the employer and an employee organization to
7 pay, on behalf of all its full-time employees covered by this
8 Article, all mandatory employee contributions required under
9 this Article, then the employer shall be excused from paying
10 the employer contribution required under this subsection (e)
11 for the balance of the term of that contract. The employer and
12 the employee organization shall jointly certify to the System
13 the existence of the contractual requirement, in such form as
14 the System may prescribe. This exclusion shall cease upon the
15 termination, extension, or renewal of the contract at any time
16 after May 1, 1998.

17 (f) If the amount of a teacher's salary for any school year
18 used to determine final average salary exceeds the member's
19 annual full-time salary rate with the same employer for the
20 previous school year by more than 6%, the teacher's employer
21 shall pay to the System, in addition to all other payments
22 required under this Section and in accordance with guidelines
23 established by the System, the present value of the increase
24 in benefits resulting from the portion of the increase in
25 salary that is in excess of 6%. This present value shall be
26 computed by the System on the basis of the actuarial

1 assumptions and tables used in the most recent actuarial
2 valuation of the System that is available at the time of the
3 computation. If a teacher's salary for the 2005-2006 school
4 year is used to determine final average salary under this
5 subsection (f), then the changes made to this subsection (f)
6 by Public Act 94-1057 shall apply in calculating whether the
7 increase in his or her salary is in excess of 6%. For the
8 purposes of this Section, change in employment under Section
9 10-21.12 of the School Code on or after June 1, 2005 shall
10 constitute a change in employer. The System may require the
11 employer to provide any pertinent information or
12 documentation. The changes made to this subsection (f) by
13 Public Act 94-1111 apply without regard to whether the teacher
14 was in service on or after its effective date.

15 Whenever it determines that a payment is or may be
16 required under this subsection, the System shall calculate the
17 amount of the payment and bill the employer for that amount.
18 The bill shall specify the calculations used to determine the
19 amount due. If the employer disputes the amount of the bill, it
20 may, within 30 days after receipt of the bill, apply to the
21 System in writing for a recalculation. The application must
22 specify in detail the grounds of the dispute and, if the
23 employer asserts that the calculation is subject to subsection
24 (g), (g-5), (g-10), (g-15), or (h) of this Section, must
25 include an affidavit setting forth and attesting to all facts
26 within the employer's knowledge that are pertinent to the

1 applicability of that subsection. Upon receiving a timely
2 application for recalculation, the System shall review the
3 application and, if appropriate, recalculate the amount due.

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

13 (f-1) (Blank).

14 (g) This subsection (g) applies only to payments made or
15 salary increases given on or after June 1, 2005 but before July
16 1, 2011. The changes made by Public Act 94-1057 shall not
17 require the System to refund any payments received before July
18 31, 2006 (the effective date of Public Act 94-1057).

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

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

1 When assessing payment for any amount due under subsection
2 (f), the System shall exclude salary increases resulting from
3 overload work, including summer school, when the school
4 district has certified to the System, and the System has
5 approved the certification, that (i) the overload work is for
6 the sole purpose of classroom instruction in excess of the
7 standard number of classes for a full-time teacher in a school
8 district during a school year and (ii) the salary increases
9 are equal to or less than the rate of pay for classroom
10 instruction computed on the teacher's current salary and work
11 schedule.

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

26 When assessing payment for any amount due under subsection

1 (f), the System shall exclude any payment to the teacher from
2 the State of Illinois or the State Board of Education over
3 which the employer does not have discretion, notwithstanding
4 that the payment is included in the computation of final
5 average salary.

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

12 (g-10) When assessing payment for any amount due under
13 subsection (f), the System shall exclude salary increases
14 resulting from increased instructional time that exceeded the
15 instructional time required during the 2019-2020 school year.

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

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

1 payments made or salary increases given after June 30, 2014
2 shall be used in assessing payment for any amount due under
3 subsection (f) of this Section.

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

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

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

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

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

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

1 normal cost, as established by the System and expressed as a
2 total percentage of payroll, multiplied by the amount of
3 salary in excess of the amount of the salary set for the
4 Governor. This amount shall be computed by the System on the
5 basis of the actuarial assumptions and tables used in the most
6 recent actuarial valuation of the System that is available at
7 the time of the computation. The System may require the
8 employer to provide any pertinent information or
9 documentation.

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

21 The employer contributions required under this subsection
22 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
24 paid within 90 days after receipt of the bill, then interest
25 will be charged at a rate equal to the System's annual
26 actuarially assumed rate of return on investment compounded

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

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

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

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

20 (Source: P.A. 101-10, eff. 6-5-19; 101-81, eff. 7-12-19;
21 102-16, eff. 6-17-21; 102-525, eff. 8-20-21; 102-558, eff.
22 8-20-21; 102-813, eff. 5-13-22.)

23 (40 ILCS 5/18-131) (from Ch. 108 1/2, par. 18-131)
24 Sec. 18-131. Financing; employer contributions.

25 (a) The State of Illinois shall make contributions to this

1 System by appropriations of the amounts which, together with
2 the contributions of participants, net earnings on
3 investments, and other income, will meet the costs of
4 maintaining and administering this System on a 100% ~~90%~~ funded
5 basis by 2050 in accordance with actuarial recommendations.

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

11 (c) For State fiscal years 2025 through 2050, 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 100%
15 of the total actuarial liabilities of the System by the end of
16 State fiscal year 2050. 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 2050 and shall be determined under the
20 projected unit credit actuarial cost method.

21 For State fiscal years 2012 through 2024 ~~2045~~, the minimum
22 contribution to the System to be made by the State for each
23 fiscal year shall be an amount determined by the System to be
24 sufficient to bring the total assets of the System up to 90% of
25 the total actuarial liabilities of the System by the end of
26 State fiscal year 2045. In making these determinations, the

1 required State contribution shall be calculated each year as a
2 level percentage of payroll over the years remaining to and
3 including fiscal year 2045 and shall be determined under the
4 projected unit credit actuarial cost method.

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

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

15 (i) as already applied in State fiscal years before
16 2018; and

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

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

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

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

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

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

16 Notwithstanding any other provision of this Article, the
17 total required State contribution for State fiscal year 2010
18 is \$78,832,000 and shall be made from the proceeds of bonds
19 sold in fiscal year 2010 pursuant to Section 7.2 of the General
20 Obligation Bond Act, less (i) the pro rata share of bond sale
21 expenses determined by the System's share of total bond
22 proceeds, (ii) any amounts received from the General Revenue
23 Fund in fiscal year 2010, and (iii) any reduction in bond
24 proceeds due to the issuance of discounted bonds, if
25 applicable.

26 Notwithstanding any other provision of this Article, the

1 total required State contribution for State fiscal year 2011
2 is the amount recertified by the System on or before April 1,
3 2011 pursuant to Section 18-140 and shall be made from the
4 proceeds of bonds sold in fiscal year 2011 pursuant to Section
5 7.2 of the General Obligation Bond Act, less (i) the pro rata
6 share of bond sale expenses determined by the System's share
7 of total bond proceeds, (ii) any amounts received from the
8 General Revenue Fund in fiscal year 2011, and (iii) any
9 reduction in bond proceeds due to the issuance of discounted
10 bonds, if applicable.

11 Beginning in State fiscal year 2051 ~~2046~~, the minimum
12 State contribution for each fiscal year shall be the amount
13 needed to maintain the total assets of the System at 100% ~~90%~~
14 of the total actuarial liabilities of the System.

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

1 Notwithstanding any other provision of this Section, the
2 required State contribution for State fiscal year 2005 and for
3 fiscal year 2008 and each fiscal year thereafter, as
4 calculated under this Section and certified under Section
5 18-140, shall not exceed an amount equal to (i) the amount of
6 the required State contribution that would have been
7 calculated under this Section for that fiscal year if the
8 System had not received any payments under subsection (d) of
9 Section 7.2 of the General Obligation Bond Act, minus (ii) the
10 portion of the State's total debt service payments for that
11 fiscal year on the bonds issued in fiscal year 2003 for the
12 purposes of that Section 7.2, as determined and certified by
13 the Comptroller, that is the same as the System's portion of
14 the total moneys distributed under subsection (d) of Section
15 7.2 of the General Obligation Bond Act. In determining this
16 maximum for State fiscal years 2008 through 2010, however, the
17 amount referred to in item (i) shall be increased, as a
18 percentage of the applicable employee payroll, in equal
19 increments calculated from the sum of the required State
20 contribution for State fiscal year 2007 plus the applicable
21 portion of the State's total debt service payments for fiscal
22 year 2007 on the bonds issued in fiscal year 2003 for the
23 purposes of Section 7.2 of the General Obligation Bond Act, so
24 that, by State fiscal year 2011, the State is contributing at
25 the rate otherwise required under this Section.

26 (d) For purposes of determining the required State

1 contribution to the System, the value of the System's assets
2 shall be equal to the actuarial value of the System's assets,
3 which shall be calculated as follows:

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

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

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

17 Article 3.

18 Section 3-5. The Illinois Pension Code is amended by
19 changing Sections 2-101, 2-105, 2-107, 2-117, 14-103.05,
20 14-104, 14-105.4, 18-101, 18-108, 18-109, and 18-110 as
21 follows:

22 (40 ILCS 5/2-101) (from Ch. 108 1/2, par. 2-101)

23 Sec. 2-101. Creation of system. A retirement system is

1 created to provide retirement annuities, survivor's annuities
2 and other benefits for certain members of the General
3 Assembly, certain elected state officials, and their
4 beneficiaries.

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

10 Participation in the retirement system created under this
11 Article is restricted to persons who became participants
12 before January 8, 2025. Beginning on that date, the System
13 shall not accept any new participants.

14 (Source: P.A. 83-1440.)

15 (40 ILCS 5/2-105) (from Ch. 108 1/2, par. 2-105)

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

22 Any person who has served for 10 or more years as Clerk or
23 Assistant Clerk of the House of Representatives, Secretary or
24 Assistant Secretary of the Senate, or any combination thereof,
25 may elect to become a member of this system while thenceforth

1 engaged in such service by filing a written election with the
2 board. Any person so electing shall be deemed an active member
3 of the General Assembly for the purpose of validating and
4 transferring any service credits earned under any of the funds
5 and systems established under Articles 3 through 18 of this
6 Code.

7 Notwithstanding any other provision of this Article, a
8 person shall not be deemed a member for the purposes of this
9 Article unless he or she became a participant of the System
10 before January 8, 2025.

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

12 (40 ILCS 5/2-107) (from Ch. 108 1/2, par. 2-107)

13 Sec. 2-107. Participant. "Participant": Any member who
14 elects to participate; and any former member who elects to
15 continue participation under Section 2-117.1, for the duration
16 of such continued participation. Notwithstanding any other
17 provision of this Article, a person shall not be deemed a
18 participant for the purposes of this Article unless he or she
19 became a participant of the System before January 8, 2025.

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

21 (40 ILCS 5/2-117) (from Ch. 108 1/2, par. 2-117)

22 Sec. 2-117. Participants; election not to participate or
23 to terminate participation ~~Participants — Election not to~~
24 ~~participate.~~

1 (a) Every person who was a member on November 1, 1947, or
2 in military service on such date, is subject to the provisions
3 of this system beginning upon such date, unless prior to such
4 date he or she filed with the board a written notice of
5 election not to participate.

6 Every person who becomes a member after November 1, 1947,
7 and who is then not a participant becomes a participant
8 beginning upon the date of becoming a member unless, within 24
9 months from that date, he or she has filed with the board a
10 written notice of election not to participate.

11 (b) A member who has filed notice of an election not to
12 participate (and a former member who has not yet begun to
13 receive a retirement annuity under this Article) may become a
14 participant with respect to the period for which the member
15 elected not to participate upon filing with the board, before
16 April 1, 1993, a written rescission of the election not to
17 participate. Upon contributing an amount equal to the
18 contributions he or she would have made as a participant from
19 November 1, 1947, or the date of becoming a member, whichever
20 is later, to the date of becoming a participant, with interest
21 at the rate of 4% per annum until the contributions are paid,
22 the participant shall receive credit for service as a member
23 prior to the date of the rescission, both before and after
24 November 1, 1947. The required contributions shall be made
25 before commencement of the retirement annuity; otherwise no
26 credit for service prior to the date of participation shall be

1 granted.

2 (c) Notwithstanding any other provision of this Article,
3 an active participant may irrevocably elect, in writing and in
4 a form and manner prescribed by the board, to terminate
5 participation in the System and instead participate in the
6 retirement system established under Article 14. Upon making
7 the election under this subsection (c), all credits and
8 creditable service shall be transferred to the retirement
9 system under Article 14 in accordance with Section 14-105.4
10 and all participation in this System is terminated.

11 (Source: P.A. 86-273; 87-1265.)

12 (40 ILCS 5/14-103.05) (from Ch. 108 1/2, par. 14-103.05)

13 Sec. 14-103.05. Employee.

14 (a) Any person employed by a Department who receives
15 salary for personal services rendered to the Department on a
16 warrant issued pursuant to a payroll voucher certified by a
17 Department and drawn by the State Comptroller upon the State
18 Treasurer, including an elected official described in
19 subparagraph (d) of Section 14-104, shall become an employee
20 for purpose of membership in the Retirement System on the
21 first day of such employment.

22 A person entering service on or after January 1, 1972 and
23 prior to January 1, 1984 shall become a member as a condition
24 of employment and shall begin making contributions as of the
25 first day of employment.

1 A person entering service on or after January 1, 1984
2 shall, upon completion of 6 months of continuous service which
3 is not interrupted by a break of more than 2 months, become a
4 member as a condition of employment. Contributions shall begin
5 the first of the month after completion of the qualifying
6 period.

7 A person employed by the Chicago Metropolitan Agency for
8 Planning on the effective date of this amendatory Act of the
9 95th General Assembly who was a member of this System as an
10 employee of the Chicago Area Transportation Study and makes an
11 election under Section 14-104.13 to participate in this System
12 for his or her employment with the Chicago Metropolitan Agency
13 for Planning.

14 The qualifying period of 6 months of service is not
15 applicable to: (1) a person who has been granted credit for
16 service in a position covered by the State Universities
17 Retirement System, the Teachers' Retirement System of the
18 State of Illinois, the General Assembly Retirement System, or
19 the Judges Retirement System of Illinois unless that service
20 has been forfeited under the laws of those systems; (2) a
21 person entering service on or after July 1, 1991 in a
22 noncovered position; (3) a person to whom Section 14-108.2a or
23 14-108.2b applies; or (4) a person to whom subsection (a-5) of
24 this Section applies.

25 (a-5) A person entering service on or after December 1,
26 2010 shall become a member as a condition of employment and

1 shall begin making contributions as of the first day of
2 employment. A person serving in the qualifying period on
3 December 1, 2010 will become a member on December 1, 2010 and
4 shall begin making contributions as of December 1, 2010.

5 (b) The term "employee" does not include the following:

6 (1) ~~members of the State Legislature, and persons~~
7 ~~electing to become~~ members of the General Assembly
8 Retirement System pursuant to Section 2-105;

9 (2) incumbents of offices normally filled by vote of
10 the people;

11 (3) except as otherwise provided in this Section, any
12 person appointed by the Governor with the advice and
13 consent of the Senate unless that person elects to
14 participate in this system;

15 (3.1) any person serving as a commissioner of an
16 ethics commission created under the State Officials and
17 Employees Ethics Act unless that person elects to
18 participate in this system with respect to that service as
19 a commissioner;

20 (3.2) any person serving as a part-time employee in
21 any of the following positions: Legislative Inspector
22 General, Special Legislative Inspector General, employee
23 of the Office of the Legislative Inspector General,
24 Executive Director of the Legislative Ethics Commission,
25 or staff of the Legislative Ethics Commission, regardless
26 of whether he or she is in active service on or after July

1 8, 2004 (the effective date of Public Act 93-685), unless
2 that person elects to participate in this System with
3 respect to that service; in this item (3.2), a "part-time
4 employee" is a person who is not required to work at least
5 35 hours per week;

6 (3.3) any person who has made an election under
7 Section 1-123 and who is serving either as legal counsel
8 in the Office of the Governor or as Chief Deputy Attorney
9 General;

10 (4) except as provided in Section 14-108.2 or
11 14-108.2c, any person who is covered or eligible to be
12 covered by the Teachers' Retirement System of the State of
13 Illinois, the State Universities Retirement System, or the
14 Judges Retirement System of Illinois;

15 (5) an employee of a municipality or any other
16 political subdivision of the State;

17 (6) any person who becomes an employee after June 30,
18 1979 as a public service employment program participant
19 under the Federal Comprehensive Employment and Training
20 Act and whose wages or fringe benefits are paid in whole or
21 in part by funds provided under such Act;

22 (7) enrollees of the Illinois Young Adult Conservation
23 Corps program, administered by the Department of Natural
24 Resources, authorized grantee pursuant to Title VIII of
25 the "Comprehensive Employment and Training Act of 1973",
26 29 USC 993, as now or hereafter amended;

1 (8) enrollees and temporary staff of programs
2 administered by the Department of Natural Resources under
3 the Youth Conservation Corps Act of 1970;

4 (9) any person who is a member of any professional
5 licensing or disciplinary board created under an Act
6 administered by the Department of Professional Regulation
7 or a successor agency or created or re-created after the
8 effective date of this amendatory Act of 1997, and who
9 receives per diem compensation rather than a salary,
10 notwithstanding that such per diem compensation is paid by
11 warrant issued pursuant to a payroll voucher; such persons
12 have never been included in the membership of this System,
13 and this amendatory Act of 1987 (P.A. 84-1472) is not
14 intended to effect any change in the status of such
15 persons;

16 (10) any person who is a member of the Illinois Health
17 Care Cost Containment Council, and receives per diem
18 compensation rather than a salary, notwithstanding that
19 such per diem compensation is paid by warrant issued
20 pursuant to a payroll voucher; such persons have never
21 been included in the membership of this System, and this
22 amendatory Act of 1987 is not intended to effect any
23 change in the status of such persons;

24 (11) any person who is a member of the Oil and Gas
25 Board created by Section 1.2 of the Illinois Oil and Gas
26 Act, and receives per diem compensation rather than a

1 salary, notwithstanding that such per diem compensation is
2 paid by warrant issued pursuant to a payroll voucher;

3 (12) a person employed by the State Board of Higher
4 Education in a position with the Illinois Century Network
5 as of June 30, 2004, who remains continuously employed
6 after that date by the Department of Central Management
7 Services in a position with the Illinois Century Network
8 and participates in the Article 15 system with respect to
9 that employment;

10 (13) any person who first becomes a member of the
11 Civil Service Commission on or after January 1, 2012;

12 (14) any person, other than the Director of Employment
13 Security, who first becomes a member of the Board of
14 Review of the Department of Employment Security on or
15 after January 1, 2012;

16 (15) any person who first becomes a member of the
17 Civil Service Commission on or after January 1, 2012;

18 (16) any person who first becomes a member of the
19 Illinois Liquor Control Commission on or after January 1,
20 2012;

21 (17) any person who first becomes a member of the
22 Secretary of State Merit Commission on or after January 1,
23 2012;

24 (18) any person who first becomes a member of the
25 Human Rights Commission on or after January 1, 2012 unless
26 he or she is eligible to participate in accordance with

1 subsection (d) of this Section;

2 (19) any person who first becomes a member of the
3 State Mining Board on or after January 1, 2012;

4 (20) any person who first becomes a member of the
5 Property Tax Appeal Board on or after January 1, 2012;

6 (21) any person who first becomes a member of the
7 Illinois Racing Board on or after January 1, 2012;

8 (22) any person who first becomes a member of the
9 Illinois State Police Merit Board on or after January 1,
10 2012;

11 (23) any person who first becomes a member of the
12 Illinois State Toll Highway Authority on or after January
13 1, 2012; or

14 (24) any person who first becomes a member of the
15 Illinois State Board of Elections on or after January 1,
16 2012.

17 (c) An individual who represents or is employed as an
18 officer or employee of a statewide labor organization that
19 represents members of this System may participate in the
20 System and shall be deemed an employee, provided that (1) the
21 individual has previously earned creditable service under this
22 Article, (2) the individual files with the System an
23 irrevocable election to become a participant within 6 months
24 after the effective date of this amendatory Act of the 94th
25 General Assembly, and (3) the individual does not receive
26 credit for that employment under any other provisions of this

1 Code. An employee under this subsection (c) is responsible for
2 paying to the System both (i) employee contributions based on
3 the actual compensation received for service with the labor
4 organization and (ii) employer contributions based on the
5 percentage of payroll certified by the board; all or any part
6 of these contributions may be paid on the employee's behalf or
7 picked up for tax purposes (if authorized under federal law)
8 by the labor organization.

9 A person who is an employee as defined in this subsection
10 (c) may establish service credit for similar employment prior
11 to becoming an employee under this subsection by paying to the
12 System for that employment the contributions specified in this
13 subsection, plus interest at the effective rate from the date
14 of service to the date of payment. However, credit shall not be
15 granted under this subsection (c) for any such prior
16 employment for which the applicant received credit under any
17 other provision of this Code or during which the applicant was
18 on a leave of absence.

19 (d) A person appointed as a member of the Human Rights
20 Commission on or after June 1, 2019 may elect to participate in
21 the System and shall be deemed an employee. Service and
22 contributions shall begin on the first payroll period
23 immediately following the employee's election to participate
24 in the System.

25 A person who is an employee as described in this
26 subsection (d) may establish service credit for employment as

1 a Human Rights Commissioner that occurred on or after June 1,
2 2019 and before establishing service under this subsection by
3 paying to the System for that employment the contributions
4 specified in paragraph (1) of subsection (a) of Section
5 14-133, plus regular interest from the date of service to the
6 date of payment.

7 (Source: P.A. 101-10, eff. 6-5-19; 102-538, eff. 8-20-21.)

8 (40 ILCS 5/14-104) (from Ch. 108 1/2, par. 14-104)

9 Sec. 14-104. Service for which contributions permitted.
10 Contributions provided for in this Section shall cover the
11 period of service granted. Except as otherwise provided in
12 this Section, the contributions shall be based upon the
13 employee's compensation and contribution rate in effect on the
14 date he last became a member of the System; provided that for
15 all employment prior to January 1, 1969 the contribution rate
16 shall be that in effect for a noncovered employee on the date
17 he last became a member of the System. Except as otherwise
18 provided in this Section, contributions permitted under this
19 Section shall include regular interest from the date an
20 employee last became a member of the System to the date of
21 payment.

22 These contributions must be paid in full before retirement
23 either in a lump sum or in installment payments in accordance
24 with such rules as may be adopted by the board.

25 (a) Any member may make contributions as required in this

1 Section for any period of service, subsequent to the date of
2 establishment, but prior to the date of membership.

3 (b) Any employee who had been previously excluded from
4 membership because of age at entry and subsequently became
5 eligible may elect to make contributions as required in this
6 Section for the period of service during which he was
7 ineligible.

8 (c) An employee of the Department of Insurance who, after
9 January 1, 1944 but prior to becoming eligible for membership,
10 received salary from funds of insurance companies in the
11 process of rehabilitation, liquidation, conservation or
12 dissolution, may elect to make contributions as required in
13 this Section for such service.

14 (d) Any employee who rendered service in a State office to
15 which he was elected, or rendered service in the elective
16 office of Clerk of the Appellate Court prior to the date he
17 became a member, may make contributions for such service as
18 required in this Section. Any member who served by appointment
19 of the Governor under the Civil Administrative Code of
20 Illinois and did not participate in this System may make
21 contributions as required in this Section for such service.

22 (e) Any person employed by the United States government or
23 any instrumentality or agency thereof from January 1, 1942
24 through November 15, 1946 as the result of a transfer from
25 State service by executive order of the President of the
26 United States shall be entitled to prior service credit

1 covering the period from January 1, 1942 through December 31,
2 1943 as provided for in this Article and to membership service
3 credit for the period from January 1, 1944 through November
4 15, 1946 by making the contributions required in this Section.
5 A person so employed on January 1, 1944 but whose employment
6 began after January 1, 1942 may qualify for prior service and
7 membership service credit under the same conditions.

8 (f) An employee of the Department of Labor of the State of
9 Illinois who performed services for and under the supervision
10 of that Department prior to January 1, 1944 but who was
11 compensated for those services directly by federal funds and
12 not by a warrant of the Auditor of Public Accounts paid by the
13 State Treasurer may establish credit for such employment by
14 making the contributions required in this Section. An employee
15 of the Department of Agriculture of the State of Illinois, who
16 performed services for and under the supervision of that
17 Department prior to June 1, 1963, but was compensated for
18 those services directly by federal funds and not paid by a
19 warrant of the Auditor of Public Accounts paid by the State
20 Treasurer, and who did not contribute to any other public
21 employee retirement system for such service, may establish
22 credit for such employment by making the contributions
23 required in this Section.

24 (g) Any employee who executed a waiver of membership
25 within 60 days prior to January 1, 1944 may, at any time while
26 in the service of a department, file with the board a

1 rescission of such waiver. Upon making the contributions
2 required by this Section, the member shall be granted the
3 creditable service that would have been received if the waiver
4 had not been executed.

5 (h) Until May 1, 1990, an employee who was employed on a
6 full-time basis by a regional planning commission for at least
7 5 continuous years may establish creditable service for such
8 employment by making the contributions required under this
9 Section, provided that any credits earned by the employee in
10 the commission's retirement plan have been terminated.

11 (i) Any person who rendered full time contractual services
12 to the General Assembly as a member of a legislative staff may
13 establish service credit for up to 8 years of such services by
14 making the contributions required under this Section, provided
15 that application therefor is made not later than July 1, 1991.

16 (j) By paying the contributions otherwise required under
17 this Section, plus an amount determined by the Board to be
18 equal to the employer's normal cost of the benefit plus
19 interest, but with all of the interest calculated from the
20 date the employee last became a member of the System or
21 November 19, 1991, whichever is later, to the date of payment,
22 an employee may establish service credit for a period of up to
23 4 years spent in active military service for which he does not
24 qualify for credit under Section 14-105, provided that (1) he
25 was not dishonorably discharged from such military service,
26 and (2) the amount of service credit established by a member

1 under this subsection (j), when added to the amount of
2 military service credit granted to the member under subsection
3 (b) of Section 14-105, shall not exceed 5 years. The change in
4 the manner of calculating interest under this subsection (j)
5 made by this amendatory Act of the 92nd General Assembly
6 applies to credit purchased by an employee on or after its
7 effective date and does not entitle any person to a refund of
8 contributions or interest already paid. In compliance with
9 Section 14-152.1 of this Act concerning new benefit increases,
10 any new benefit increase as a result of the changes to this
11 subsection (j) made by Public Act 95-483 is funded through the
12 employee contributions provided for in this subsection (j).
13 Any new benefit increase as a result of the changes made to
14 this subsection (j) by Public Act 95-483 is exempt from the
15 provisions of subsection (d) of Section 14-152.1.

16 (k) An employee who was employed on a full-time basis by
17 the Illinois State's Attorneys Association Statewide Appellate
18 Assistance Service LEAA-ILEC grant project prior to the time
19 that project became the State's Attorneys Appellate Service
20 Commission, now the Office of the State's Attorneys Appellate
21 Prosecutor, an agency of State government, may establish
22 creditable service for not more than 60 months service for
23 such employment by making contributions required under this
24 Section.

25 (l) By paying the contributions otherwise required under
26 this Section, plus an amount determined by the Board to be

1 equal to the employer's normal cost of the benefit plus
2 interest, a member may establish service credit for periods of
3 less than one year spent on authorized leave of absence from
4 service, provided that (1) the period of leave began on or
5 after January 1, 1982 and (2) any credit established by the
6 member for the period of leave in any other public employee
7 retirement system has been terminated. A member may establish
8 service credit under this subsection for more than one period
9 of authorized leave, and in that case the total period of
10 service credit established by the member under this subsection
11 may exceed one year. In determining the contributions required
12 for establishing service credit under this subsection, the
13 interest shall be calculated from the beginning of the leave
14 of absence to the date of payment.

15 (1-5) By paying the contributions otherwise required under
16 this Section, plus an amount determined by the Board to be
17 equal to the employer's normal cost of the benefit plus
18 interest, a member may establish service credit for periods of
19 up to 2 years spent on authorized leave of absence from
20 service, provided that during that leave the member
21 represented or was employed as an officer or employee of a
22 statewide labor organization that represents members of this
23 System. In determining the contributions required for
24 establishing service credit under this subsection, the
25 interest shall be calculated from the beginning of the leave
26 of absence to the date of payment.

1 (m) Any person who rendered contractual services to a
2 member of the General Assembly as a worker in the member's
3 district office may establish creditable service for up to 3
4 years of those contractual services by making the
5 contributions required under this Section. The System shall
6 determine a full-time salary equivalent for the purpose of
7 calculating the required contribution. To establish credit
8 under this subsection, the applicant must apply to the System
9 by March 1, 1998.

10 (n) Any person who rendered contractual services to a
11 member of the General Assembly as a worker providing
12 constituent services to persons in the member's district may
13 establish creditable service for up to 8 years of those
14 contractual services by making the contributions required
15 under this Section. The System shall determine a full-time
16 salary equivalent for the purpose of calculating the required
17 contribution. To establish credit under this subsection, the
18 applicant must apply to the System by March 1, 1998.

19 (o) A member who participated in the Illinois Legislative
20 Staff Internship Program may establish creditable service for
21 up to one year of that participation by making the
22 contribution required under this Section. The System shall
23 determine a full-time salary equivalent for the purpose of
24 calculating the required contribution. Credit may not be
25 established under this subsection for any period for which
26 service credit is established under any other provision of

1 this Code.

2 (p) By paying the contributions otherwise required under
3 this Section, plus an amount determined by the Board to be
4 equal to the employer's normal cost of the benefit plus
5 interest, a member may establish service credit for a period
6 of up to 8 years during which he or she was employed by the
7 Visually Handicapped Managers of Illinois in a vending program
8 operated under a contractual agreement with the Department of
9 Rehabilitation Services or its successor agency.

10 This subsection (p) applies without regard to whether the
11 person was in service on or after the effective date of this
12 amendatory Act of the 94th General Assembly. In the case of a
13 person who is receiving a retirement annuity on that effective
14 date, the increase, if any, shall begin to accrue on the first
15 annuity payment date following receipt by the System of the
16 contributions required under this subsection (p).

17 (q) By paying the required contributions under this
18 Section, plus an amount determined by the Board to be equal to
19 the employer's normal cost of the benefit plus interest, an
20 employee who was laid off but returned to any State employment
21 may establish creditable service for the period of the layoff,
22 provided that (1) the applicant applies for the creditable
23 service under this subsection (q) within 6 months after July
24 27, 2010 (the effective date of Public Act 96-1320), (2) the
25 applicant does not receive credit for that period under any
26 other provision of this Code, (3) at the time of the layoff,

1 the applicant is not in an initial probationary status
2 consistent with the rules of the Department of Central
3 Management Services, and (4) the total amount of creditable
4 service established by the applicant under this subsection (q)
5 does not exceed 3 years. For service established under this
6 subsection (q), the required employee contribution shall be
7 based on the rate of compensation earned by the employee on the
8 date of returning to employment after the layoff and the
9 contribution rate then in effect, and the required interest
10 shall be calculated at the actuarially assumed rate from the
11 date of returning to employment after the layoff to the date of
12 payment. Funding for any new benefit increase, as defined in
13 Section 14-152.1 of this Act, that is created under this
14 subsection (q) will be provided by the employee contributions
15 required under this subsection (q).

16 (r) A member who participated in the University of
17 Illinois Government Public Service Internship Program (GPSI)
18 may establish creditable service for up to 2 years of that
19 participation by making the contribution required under this
20 Section, plus an amount determined by the Board to be equal to
21 the employer's normal cost of the benefit plus interest. The
22 System shall determine a full-time salary equivalent for the
23 purpose of calculating the required contribution. Credit may
24 not be established under this subsection for any period for
25 which service credit is established under any other provision
26 of this Code.

1 (s) A member who worked as a nurse under a contractual
2 agreement for the Department of Public Aid, or its successor
3 agency, the Department of Human Services, in the Client
4 Assessment Unit and was subsequently determined to be a State
5 employee by the United States Internal Revenue Service and the
6 Illinois Labor Relations Board may establish creditable
7 service for those contractual services by making the
8 contributions required under this Section. To establish credit
9 under this subsection, the applicant must apply to the System
10 by July 1, 2008.

11 The Department of Human Services shall pay an employer
12 contribution based upon an amount determined by the Board to
13 be equal to the employer's normal cost of the benefit, plus
14 interest.

15 In compliance with Section 14-152.1 added by Public Act
16 94-4, the cost of the benefits provided by Public Act 95-583
17 are offset by the required employee and employer
18 contributions.

19 (t) Any person who rendered contractual services on a
20 full-time basis to the Illinois Institute of Natural Resources
21 and the Illinois Department of Energy and Natural Resources
22 may establish creditable service for up to 4 years of those
23 contractual services by making the contributions required
24 under this Section, plus an amount determined by the Board to
25 be equal to the employer's normal cost of the benefit plus
26 interest at the actuarially assumed rate from the first day of

1 the service for which credit is being established to the date
2 of payment. To establish credit under this subsection (t), the
3 applicant must apply to the System within 6 months after July
4 27, 2010 (the effective date of Public Act 96-1320).

5 (u) By paying the required contributions under this
6 Section, plus an amount determined by the Board to be equal to
7 the employer's normal cost of the benefit, plus interest, a
8 member may establish creditable service and earnings credit
9 for periods of furlough beginning on or after July 1, 2008. To
10 receive this credit, the participant must (i) apply in writing
11 to the System before December 31, 2011 and (ii) not receive
12 compensation for the furlough period. For service established
13 under this subsection, the required employee contribution
14 shall be based on the rate of compensation earned by the
15 employee immediately following the date of the first furlough
16 day in the time period specified in this subsection (u), and
17 the required interest shall be calculated at the actuarially
18 assumed rate from the date of the furlough to the date of
19 payment.

20 (v) Any member who rendered full-time contractual services
21 to an Illinois Veterans Home operated by the Department of
22 Veterans' Affairs may establish service credit for up to 8
23 years of such services by making the contributions required
24 under this Section, plus an amount determined by the Board to
25 be equal to the employer's normal cost of the benefit, plus
26 interest at the actuarially assumed rate. To establish credit

1 under this subsection, the applicant must apply to the System
2 no later than 6 months after July 27, 2010 (the effective date
3 of Public Act 96-1320).

4 (w) Any member who served as a member of the General
5 Assembly and did not contribute to any other public employee
6 retirement system for such service may establish service
7 credit for up to 5 years of that service by making the
8 contributions required under this Section, plus an amount
9 determined by the Board to be equal to the employer's normal
10 cost of the benefit, plus interest at the actuarially assumed
11 rate.

12 (Source: P.A. 96-97, eff. 7-27-09; 96-718, eff. 8-25-09;
13 96-775, eff. 8-28-09; 96-961, eff. 7-2-10; 96-1000, eff.
14 7-2-10; 96-1320, eff. 7-27-10; 96-1535, eff. 3-4-11; 97-333,
15 8-12-11.)

16 (40 ILCS 5/14-105.4) (from Ch. 108 1/2, par. 14-105.4)

17 Sec. 14-105.4. Transfer of service from the General
18 Assembly Retirement System.

19 (a) Persons otherwise required or eligible to participate
20 in this System who elect to continue participation in the
21 General Assembly Retirement System under Section 2-117.1 may
22 not participate in this System for the duration of such
23 continued participation under Section 2-117.1.

24 (b) Upon terminating such continued participation, a
25 person may transfer credits and creditable service accumulated

1 under Section 2-117.1 to this System, upon payment to this
2 System of (1) the amount by which the employer and employee
3 contributions that would have been required if he had
4 participated in this System during the period for which credit
5 under Section 2-117.1 is being transferred, plus regular
6 interest, exceeds the amounts actually transferred under that
7 Section to this System, plus (2) regular interest thereon from
8 the date of such participation to the date of payment.

9 (c) An active participant in the General Assembly
10 Retirement System may elect to terminate participation in the
11 General Assembly Retirement System in accordance with
12 subsection (c) of Section 2-117. All credits and creditable
13 service accumulated under Article 2 shall be transferred to
14 this System upon payment to this System of (1) the amount by
15 which the employer and employee contributions that would have
16 been required if he or she had participated in this System
17 during the period for which credit is being transferred, plus
18 regular interest, exceeds the amounts actually transferred
19 under that Section to this System, plus (2) regular interest
20 thereon from the date of such participation to the date of
21 payment.

22 (Source: P.A. 83-430.)

23 (40 ILCS 5/18-101) (from Ch. 108 1/2, par. 18-101)

24 Sec. 18-101. Creation of fund. A retirement system is
25 created to be known as the "Judges Retirement System of

1 Illinois". It shall be a trust separate and distinct from all
2 other entities, maintained for the purpose of securing the
3 payment of annuities and benefits as prescribed herein.

4 Participation in the retirement system created under this
5 Article is restricted to persons who became participants of
6 the System before January 8, 2025. Beginning on that date, the
7 System shall not accept any new participants.

8 (Source: Laws 1963, p. 161.)

9 (40 ILCS 5/18-108) (from Ch. 108 1/2, par. 18-108)

10 Sec. 18-108. Judge. "Judge": Any person who receives
11 payment for personal services as a judge or associate judge of
12 a court; and any person, previously a participant, who
13 receives payment for personal services as the administrative
14 director appointed by the Supreme Court.

15 Notwithstanding any other provision of this Article, a
16 person shall not be deemed a judge for the purposes of this
17 Article unless he or she became a participant of the System
18 before January 8, 2025.

19 (Source: P.A. 83-1440.)

20 (40 ILCS 5/18-109) (from Ch. 108 1/2, par. 18-109)

21 Sec. 18-109. Eligible judge. "Eligible judge": Any judge
22 except one who has elected not to participate in this system.

23 Notwithstanding any other provision of this Article, a
24 person shall not be deemed an eligible judge for the purposes

1 of this Article unless he or she became a participant of the
2 System before January 8, 2025.

3 (Source: P.A. 83-1440.)

4 (40 ILCS 5/18-110) (from Ch. 108 1/2, par. 18-110)

5 Sec. 18-110. Participant. "Participant": Any judge
6 participating in this system as specified in Sections 18-120
7 and 18-121.

8 Notwithstanding any other provision of this Article, a
9 person shall not be deemed a participant for the purposes of
10 this Article unless he or she became a participant of the
11 System before January 8, 2025.

12 (Source: P.A. 83-1440.)

13 Article 90.

14 Section 90-5. The Illinois Pension Code is amended by
15 changing Sections 2-162, 14-152.1, 15-198, 16-203, and 18-169
16 as follows:

17 (40 ILCS 5/2-162)

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

20 Sec. 2-162. Application and expiration of new benefit
21 increases.

22 (a) As used in this Section, "new benefit increase" means

1 an increase in the amount of any benefit provided under this
2 Article, or an expansion of the conditions of eligibility for
3 any benefit under this Article, that results from an amendment
4 to this Code that takes effect after the effective date of this
5 amendatory Act of the 94th General Assembly. "New benefit
6 increase", however, does not include any benefit increase
7 resulting from the changes made to this Article by this
8 amendatory Act of the 103rd General Assembly.

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

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

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

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

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

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

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

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 Article 1 or this Article by Public Act
11 96-37, Public Act 100-23, Public Act 100-587, Public Act
12 100-611, Public Act 101-10, Public Act 101-610, Public Act
13 102-210, Public Act 102-856, Public Act 102-956, or this
14 amendatory Act of the 103rd General Assembly ~~this amendatory~~
15 ~~Act of the 102nd General Assembly.~~

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

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

25 Every new benefit increase is contingent upon the General
26 Assembly providing the additional funding required under this

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

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

21 (e) Except as otherwise provided in the language creating
22 the new benefit increase, a new benefit increase that expires
23 under this Section continues to apply to persons who applied
24 and qualified for the affected benefit while the new benefit
25 increase was in effect and to the affected beneficiaries and
26 alternate payees of such persons, but does not apply to any

1 other person, including, without limitation, a person who
2 continues in service after the expiration date and did not
3 apply and qualify for the affected benefit while the new
4 benefit increase was in effect.

5 (Source: P.A. 101-10, eff. 6-5-19; 101-81, eff. 7-12-19;
6 101-610, eff. 1-1-20; 102-210, eff. 7-30-21; 102-856, eff.
7 1-1-23; 102-956, eff. 5-27-22.)

8 (40 ILCS 5/15-198)

9 Sec. 15-198. 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 Article 1 or this Article by Public Act
19 100-23, Public Act 100-587, Public Act 100-769, Public Act
20 101-10, Public Act 101-610, Public Act 102-16, or this
21 amendatory Act of the 103rd General Assembly ~~this amendatory~~
22 ~~Act of the 102nd General Assembly~~.

23 (b) Notwithstanding any other provision of this Code or
24 any subsequent amendment to this Code, every new benefit
25 increase is subject to this Section and shall be deemed to be

1 granted only in conformance with and contingent upon
2 compliance with the provisions of this Section.

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

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

23 (d) Every new benefit increase shall expire 5 years after
24 its effective date or on such earlier date as may be specified
25 in the language enacting the new benefit increase or provided
26 under subsection (c). This does not prevent the General

1 Assembly from extending or re-creating a new benefit increase
2 by law.

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

13 (Source: P.A. 101-10, eff. 6-5-19; 101-81, eff. 7-12-19;
14 101-610, eff. 1-1-20; 102-16, eff. 6-17-21.)

15 (40 ILCS 5/16-203)

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

18 (a) As used in this Section, "new benefit increase" means
19 an increase in the amount of any benefit provided under this
20 Article, or an expansion of the conditions of eligibility for
21 any benefit under this Article, that results from an amendment
22 to this Code that takes effect after June 1, 2005 (the
23 effective date of Public Act 94-4). "New benefit increase",
24 however, does not include any benefit increase resulting from
25 the changes made to Article 1 or this Article by Public Act

1 95-910, Public Act 100-23, Public Act 100-587, Public Act
2 100-743, Public Act 100-769, Public Act 101-10, Public Act
3 101-49, Public Act 102-16, ~~or~~ Public Act 102-871, or this
4 amendatory Act of the 103rd General Assembly.

5 (b) Notwithstanding any other provision of this Code or
6 any subsequent amendment to this Code, every new benefit
7 increase is subject to this Section and shall be deemed to be
8 granted only in conformance with and contingent upon
9 compliance with 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
20 the Department of Insurance. A new benefit increase created by
21 a Public Act that does not include the additional funding
22 required under this subsection is null and void. If the Public
23 Pension Division determines that the additional funding
24 provided for a new benefit increase under this subsection is
25 or has become inadequate, it may so certify to the Governor and
26 the State Comptroller and, in the absence of corrective action

1 by the General Assembly, the new benefit increase shall expire
2 at the end of the fiscal year in which the certification is
3 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. 102-16, eff. 6-17-21; 102-558, eff. 8-20-21;
21 102-813, eff. 5-13-22; 102-871, eff. 5-13-22; 103-154, eff.
22 6-30-23.)

23 (40 ILCS 5/18-169)

24 Sec. 18-169. Application and expiration of new benefit
25 increases.

1 (a) As used in this Section, "new benefit increase" means
2 an increase in the amount of any benefit provided under this
3 Article, or an expansion of the conditions of eligibility for
4 any benefit under this Article, that results from an amendment
5 to this Code that takes effect after the effective date of this
6 amendatory Act of the 94th General Assembly. "New benefit
7 increase", however, does not include any benefit increase
8 resulting from the changes made to this Article by this
9 amendatory Act of the 103rd General Assembly.

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

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

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

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

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

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

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

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Statutes amended in order of appearance

3	40 ILCS 5/1-160	
4	40 ILCS 5/2-108.1	from Ch. 108 1/2, par. 2-108.1
5	40 ILCS 5/2-119.1	from Ch. 108 1/2, par. 2-119.1
6	40 ILCS 5/14-103.10	from Ch. 108 1/2, par. 14-103.10
7	40 ILCS 5/15-111	from Ch. 108 1/2, par. 15-111
8	40 ILCS 5/18-125	from Ch. 108 1/2, par. 18-125
9	40 ILCS 5/18-128.01	from Ch. 108 1/2, par. 18-128.01
10	40 ILCS 5/1-103.3	
11	40 ILCS 5/2-124	from Ch. 108 1/2, par. 2-124
12	40 ILCS 5/14-131	
13	40 ILCS 5/15-155	from Ch. 108 1/2, par. 15-155
14	40 ILCS 5/16-158	from Ch. 108 1/2, par. 16-158
15	40 ILCS 5/18-131	from Ch. 108 1/2, par. 18-131
16	40 ILCS 5/2-101	from Ch. 108 1/2, par. 2-101
17	40 ILCS 5/2-105	from Ch. 108 1/2, par. 2-105
18	40 ILCS 5/2-107	from Ch. 108 1/2, par. 2-107
19	40 ILCS 5/2-117	from Ch. 108 1/2, par. 2-117
20	40 ILCS 5/14-103.05	from Ch. 108 1/2, par. 14-103.05
21	40 ILCS 5/14-104	from Ch. 108 1/2, par. 14-104
22	40 ILCS 5/14-105.4	from Ch. 108 1/2, par. 14-105.4
23	40 ILCS 5/18-101	from Ch. 108 1/2, par. 18-101
24	40 ILCS 5/18-108	from Ch. 108 1/2, par. 18-108
25	40 ILCS 5/18-109	from Ch. 108 1/2, par. 18-109

- 1 40 ILCS 5/18-110 from Ch. 108 1/2, par. 18-110
- 2 40 ILCS 5/2-162
- 3 40 ILCS 5/14-152.1
- 4 40 ILCS 5/15-198
- 5 40 ILCS 5/16-203
- 6 40 ILCS 5/18-169
- 7 30 ILCS 805/8.47 new