



## 103RD GENERAL ASSEMBLY

### State of Illinois

### 2023 and 2024

#### SB2739

Introduced 1/12/2024, by Sen. Robert F. Martwick

#### SYNOPSIS AS INTRODUCED:

40 ILCS 5/2-134	from Ch. 108 1/2, par. 2-134
40 ILCS 5/14-131	
40 ILCS 5/15-165	from Ch. 108 1/2, par. 15-165
40 ILCS 5/16-158	from Ch. 108 1/2, par. 16-158
40 ILCS 5/18-140	from Ch. 108 1/2, par. 18-140

Amends the General Assembly, State Employees, State Universities, Downstate Teachers, and Judges Articles of the Illinois Pension Code. Provides that, beginning in State fiscal year 2025, if the Comptroller requests the Board of Trustees of one of those Systems to submit, during a State fiscal year, vouchers for multiple monthly payments for the advance payment of State contributions due to the System for that State fiscal year, then that Board of Trustees shall submit those additional vouchers as directed by the Comptroller, notwithstanding existing limits on the amounts to be vouchered each month. With regard to the General Assembly, State Employees, Downstate Teachers, and Judges Articles, specifies that, unless an act of appropriations provides otherwise, the Boards of Trustees shall not submit, in any State fiscal year, vouchers for the payment of State contributions in an amount that exceeds the rate of payroll certified by the System for that State fiscal year. For the State Universities Article, specifies that, unless an act of appropriations provides otherwise, the Boards of Trustees shall not submit, in any State fiscal year, vouchers for the payment of State contributions in an amount that exceeds the annual certified contribution to the System for that State fiscal year. Makes conforming changes. Effective July 1, 2024.

LRB103 34580 RPS 64418 b

1 AN ACT concerning public employee benefits.

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

4 Section 5. The Illinois Pension Code is amended by  
5 changing Sections 2-134, 14-131, 15-165, 16-158, and 18-140 as  
6 follows:

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

8 Sec. 2-134. To certify required State contributions and  
9 submit vouchers.

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

19 On or before November 1 of each year, beginning November  
20 1, 2012, the Board shall submit to the State Actuary, the  
21 Governor, and the General Assembly a proposed certification of  
22 the amount of the required State contribution to the System  
23 for the next fiscal year, along with all of the actuarial

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

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

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

1 by this amendatory Act of the 94th General Assembly.

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

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

25 (b) Unless otherwise directed by the Comptroller under  
26 subsection (b-1), Beginning in State fiscal year 1996, on or

1 ~~as soon as possible after the 15th day of each month~~ the Board  
2 shall submit vouchers for payment of State contributions to  
3 the System for the applicable month on the 15th day of each  
4 month, or as soon thereafter as may be practicable. The amount  
5 vouchered for a monthly payment shall total, in a total  
6 monthly amount of one-twelfth of the required annual State  
7 contribution certified under subsection (a).

8 (b-1) Beginning in State fiscal year 2025, if the  
9 Comptroller requests that the Board submit, during a State  
10 fiscal year, vouchers for multiple monthly payments for  
11 advance payment of State contributions due to the System for  
12 that State fiscal year, then the Board shall submit those  
13 additional monthly vouchers as directed by the Comptroller,  
14 notwithstanding subsection (b). Unless an act of  
15 appropriations provides otherwise, nothing in this Section  
16 authorizes the Board to submit, in a State fiscal year,  
17 vouchers for the payment of State contributions to the System  
18 in an amount that exceeds the rate of payroll that is certified  
19 by the System under this Section for that State fiscal year.  
20 ~~From the effective date of this amendatory Act of the 93rd~~  
21 ~~General Assembly through June 30, 2004, the Board shall not~~  
22 ~~submit vouchers for the remainder of fiscal year 2004 in~~  
23 ~~excess of the fiscal year 2004 certified contribution amount~~  
24 ~~determined under this Section after taking into consideration~~  
25 ~~the transfer to the System under subsection (d) of Section~~  
26 ~~6z 61 of the State Finance Act.~~

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

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

14          (c) The full amount of any annual appropriation for the  
15          System for State fiscal year 1995 shall be transferred and  
16          made available to the System at the beginning of that fiscal  
17          year at the request of the Board. Any excess funds remaining at  
18          the end of any fiscal year from appropriations shall be  
19          retained by the System as a general reserve to meet the  
20          System's accrued liabilities.

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 90% funded basis in accordance with actuarial  
5 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) Unless otherwise directed by the Comptroller under  
3 subsection (c-3), For State fiscal years 2010, 2012, and each  
4 fiscal year thereafter, on or as soon as possible after the  
5 15th day of each month, the Board shall submit vouchers for  
6 payment of State contributions to the System for the  
7 applicable month on the 15th day of each month, or as soon  
8 thereafter as may be practicable. The amount vouchered for a  
9 monthly payment shall total, in a total monthly amount of  
10 one-twelfth of the fiscal year General Revenue Fund  
11 contribution as certified by the System pursuant to Section  
12 14-135.08 of this the Illinois Pension Code.

13 (c-3) Beginning in State fiscal year 2025, if the  
14 Comptroller requests that the Board submit, during a State  
15 fiscal year, vouchers for multiple monthly payments for  
16 advance payment of State contributions due to the System for  
17 that State fiscal year, then the Board shall submit those  
18 additional vouchers as directed by the Comptroller,  
19 notwithstanding subsection (c-2). Unless an act of  
20 appropriations provides otherwise, nothing in this Section  
21 authorizes the Board to submit, in a State fiscal year,  
22 vouchers for the payment of State contributions to the System  
23 in an amount that exceeds the rate of payroll that is certified  
24 by the System under Section 14-135.08 for that State fiscal  
25 year.

26 (d) If an employee is paid from trust funds or federal

1 funds, the department or other employer shall pay employer  
2 contributions from those funds to the System at the certified  
3 rate, unless the terms of the trust or the federal-State  
4 agreement preclude the use of the funds for that purpose, in  
5 which case the required employer contributions shall be paid  
6 by the State.

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

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

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

1 (i) as already applied in State fiscal years before  
2 2018; and

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

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

1 this subsection and subsection (a): 9.8% in FY 1999; 10.0% in  
2 FY 2000; 10.2% in FY 2001; 10.4% in FY 2002; 10.6% in FY 2003;  
3 and 10.8% in FY 2004.

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

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

20 Notwithstanding any other provision of this Section, the  
21 required State contribution for State fiscal year 2005 and for  
22 fiscal year 2008 and each fiscal year thereafter, as  
23 calculated under this Section and certified under Section  
24 14-135.08, shall not exceed an amount equal to (i) the amount  
25 of the required State contribution that would have been  
26 calculated under this Section for that fiscal year if the

1 System had not received any payments under subsection (d) of  
2 Section 7.2 of the General Obligation Bond Act, minus (ii) the  
3 portion of the State's total debt service payments for that  
4 fiscal year on the bonds issued in fiscal year 2003 for the  
5 purposes of that Section 7.2, as determined and certified by  
6 the Comptroller, that is the same as the System's portion of  
7 the total moneys distributed under subsection (d) of Section  
8 7.2 of the General Obligation Bond Act.

9 (f) (Blank).

10 (g) 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 (h) 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 (i) (Blank).

1 (j) (Blank).

2 (k) For fiscal year 2012 and each fiscal year thereafter,  
3 after the submission of all payments for eligible employees  
4 from personal services line items paid from the General  
5 Revenue Fund in the fiscal year have been made, the  
6 Comptroller shall provide to the System a certification of the  
7 sum of all expenditures in the fiscal year for personal  
8 services. Upon receipt of the certification, the System shall  
9 determine the amount due to the System based on the full rate  
10 certified by the Board under Section 14-135.08 for the fiscal  
11 year in order to meet the State's obligation under this  
12 Section. The System shall compare this amount due to the  
13 amount received by the System for the fiscal year. If the  
14 amount due is more than the amount received, the difference  
15 shall be termed the "Prior Fiscal Year Shortfall" for purposes  
16 of this Section, and the Prior Fiscal Year Shortfall shall be  
17 satisfied under Section 1.2 of the State Pension Funds  
18 Continuing Appropriation Act. If the amount due is less than  
19 the amount received, the difference shall be termed the "Prior  
20 Fiscal Year Overpayment" for purposes of this Section, and the  
21 Prior Fiscal Year Overpayment shall be repaid by the System to  
22 the General Revenue Fund as soon as practicable after the  
23 certification.

24 (Source: P.A. 100-23, eff. 7-6-17; 100-587, eff. 6-4-18;  
25 101-10, eff. 6-5-19.)

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

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

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

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

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

23 On or before April 1, 2011, the Board shall recalculate  
24 and recertify to the Governor the amount of the required State  
25 contribution to the System for State fiscal year 2011,  
26 applying the changes made by Public Act 96-889 to the System's

1 assets and liabilities as of June 30, 2009 as though Public Act  
2 96-889 was approved on that date.

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

25 (a-10) By November 1, 2017, the Board shall recalculate  
26 and recertify to the State Actuary, the Governor, and the



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

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

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

6 (b) The Board shall certify to the State Comptroller or  
7 employer, as the case may be, from time to time, by its  
8 chairperson and secretary, with its seal attached, the amounts  
9 payable to the System from the various funds.

10 (c) Unless otherwise directed by the Comptroller under  
11 subsection (c-1), Beginning in State fiscal year 1996, on or  
12 as soon as possible after the 15th day of each month the Board  
13 shall submit vouchers for payment of State contributions to  
14 the System for the applicable month on the 15th day of each  
15 month, or as soon thereafter as may be practicable. The amount  
16 vouchered for a monthly payment shall total, in a total  
17 monthly amount of one-twelfth of the required annual State  
18 contribution certified under subsection (a).

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

1 authorizes the Board to submit, in a State fiscal year,  
2 vouchers for the payment of State contributions to the System  
3 in an amount that exceeds the annual certified contribution  
4 for the System under this Section for that State fiscal year.

5 ~~From the effective date of this amendatory Act of the 93rd~~  
6 ~~General Assembly through June 30, 2004, the Board shall not~~  
7 ~~submit vouchers for the remainder of fiscal year 2004 in~~  
8 ~~excess of the fiscal year 2004 certified contribution amount~~  
9 ~~determined under this Section after taking into consideration~~  
10 ~~the transfer to the System under subsection (b) of Section~~  
11 ~~6z-61 of the State Finance Act.~~

12 (c-2) The ~~These~~ vouchers described in subsections (c) and  
13 (c-1) shall be paid by the State Comptroller and Treasurer by  
14 warrants drawn on the funds appropriated to the System for  
15 that fiscal year.

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

25 (d) So long as the payments received are the full amount  
26 lawfully vouchered under this Section, payments received by

1 the System under this Section shall be applied first toward  
2 the employer contribution to the self-managed plan established  
3 under Section 15-158.2. Payments shall be applied second  
4 toward the employer's portion of the normal costs of the  
5 System, as defined in subsection (f) of Section 15-155. The  
6 balance shall be applied toward the unfunded actuarial  
7 liabilities of the System.

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

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

20 (40 ILCS 5/16-158) (from Ch. 108 1/2, par. 16-158)

21 Sec. 16-158. Contributions by State and other employing  
22 units.

23 (a) The State shall make contributions to the System by  
24 means of appropriations from the Common School Fund and other  
25 State funds of amounts which, together with other employer

1 contributions, employee contributions, investment income, and  
2 other income, will be sufficient to meet the cost of  
3 maintaining and administering the System on a 90% funded basis  
4 in accordance with actuarial recommendations.

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

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

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

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

1 by Public Act 94-4.

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

8 (a-5) On or before November 1 of each year, beginning  
9 November 1, 2012, the Board shall submit to the State Actuary,  
10 the Governor, and the General Assembly a proposed  
11 certification of the amount of the required State contribution  
12 to the System for the next fiscal year, along with all of the  
13 actuarial assumptions, calculations, and data upon which that  
14 proposed certification is based. On or before January 1 of  
15 each year, beginning January 1, 2013, the State Actuary shall  
16 issue a preliminary report concerning the proposed  
17 certification and identifying, if necessary, recommended  
18 changes in actuarial assumptions that the Board must consider  
19 before finalizing its certification of the required State  
20 contributions. On or before January 15, 2013 and each January  
21 15 thereafter, the Board shall certify to the Governor and the  
22 General Assembly the amount of the required State contribution  
23 for the next fiscal year. The Board's certification must note  
24 any deviations from the State Actuary's recommended changes,  
25 the 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-10) By November 1, 2017, the Board shall recalculate  
4 and recertify to the State Actuary, the Governor, and the  
5 General Assembly the amount of the State contribution to the  
6 System for State fiscal year 2018, taking into account the  
7 changes in required State contributions made by Public Act  
8 100-23. The State Actuary shall review the assumptions and  
9 valuations underlying the Board's revised certification and  
10 issue a preliminary report concerning the proposed  
11 recertification and identifying, if necessary, recommended  
12 changes in actuarial assumptions that the Board must consider  
13 before finalizing its certification of the required State  
14 contributions. The Board's final certification must note any  
15 deviations from the State Actuary's recommended changes, the  
16 reason or reasons for not following the State Actuary's  
17 recommended changes, and the fiscal impact of not following  
18 the State Actuary's recommended changes on the required State  
19 contribution.

20 (a-15) On or after June 15, 2019, but no later than June  
21 30, 2019, the Board shall recalculate and recertify to the  
22 Governor and the General Assembly the amount of the State  
23 contribution to the System for State fiscal year 2019, taking  
24 into account the changes in required State contributions made  
25 by Public Act 100-587. The recalculation shall be made using  
26 assumptions adopted by the Board for the original fiscal year

1 2019 certification. The monthly voucher for the 12th month of  
2 fiscal year 2019 shall be paid by the Comptroller after the  
3 recertification required pursuant to this subsection is  
4 submitted to the Governor, Comptroller, and General Assembly.  
5 The recertification submitted to the General Assembly shall be  
6 filed with the Clerk of the House of Representatives and the  
7 Secretary of the Senate in electronic form only, in the manner  
8 that the Clerk and the Secretary shall direct.

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

12 (b-1) Unless otherwise directed by the Comptroller under  
13 subsection (b-1.1), Beginning in State fiscal year 1996, on  
14 the 15th day of each month, or as soon thereafter as may be  
15 practicable, the Board shall submit vouchers for payment of  
16 State contributions to the System for the applicable month on  
17 the 15th day of each month, or as soon thereafter as may be  
18 practicable. The amount vouchered for a monthly payment shall  
19 total, ~~in a total monthly amount of one-twelfth of the~~  
20 required annual State contribution certified under subsection  
21 (a-1).

22 (b-1.1) Beginning in State fiscal year 2025, if the  
23 Comptroller requests that the Board submit, during a State  
24 fiscal year, vouchers for multiple monthly payments for the  
25 advance payment of State contributions due to the System for  
26 that State fiscal year, then the Board shall submit those



1 additional vouchers as directed by the Comptroller,  
2 notwithstanding subsection (b-1). Unless an act of  
3 appropriations provides otherwise, nothing in this Section  
4 authorizes the Board to submit, in a State fiscal year,  
5 vouchers for the payment of State contributions to the System  
6 in an amount that exceeds the rate of payroll that is certified  
7 by the System under this Section for that State fiscal year.  
8 ~~From March 5, 2004 (the effective date of Public Act 93-665)~~  
9 ~~through June 30, 2004, the Board shall not submit vouchers for~~  
10 ~~the remainder of fiscal year 2004 in excess of the fiscal year~~  
11 ~~2004 certified contribution amount determined under this~~  
12 ~~Section after taking into consideration the transfer to the~~  
13 ~~System under subsection (a) of Section 6z-61 of the State~~  
14 ~~Finance Act.~~

15 (b-1.2) The ~~These~~ vouchers described in subsections (b-1)  
16 and (b-1.1) shall be paid by the State Comptroller and  
17 Treasurer by warrants drawn on the funds appropriated to the  
18 System for that fiscal year.

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

1 the State Pension Funds Continuing Appropriation Act.

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

5 (b-3) For State fiscal years 2012 through 2045, the  
6 minimum contribution to the System to be made by the State for  
7 each fiscal year shall be an amount determined by the System to  
8 be sufficient to bring the total assets of the System up to 90%  
9 of 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 2046, the minimum State  
16 contribution for each fiscal year shall be the amount needed  
17 to maintain the total assets of the System at 90% of the total  
18 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 5/18-140) (from Ch. 108 1/2, par. 18-140)

24 Sec. 18-140. To certify required State contributions and  
25 submit vouchers.

1           (a) The Board shall certify to the Governor, on or before  
2 November 15 of each year until November 15, 2011, the amount of  
3 the required State contribution to the System for the  
4 following fiscal year and shall specifically identify the  
5 System's projected State normal cost for that fiscal year. The  
6 certification shall include a copy of the actuarial  
7 recommendations upon which it is based and shall specifically  
8 identify the System's projected State normal cost for that  
9 fiscal year.

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

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

5 On or before May 1, 2004, the Board shall recalculate and  
6 recertify to the Governor the amount of the required State  
7 contribution to the System for State fiscal year 2005, taking  
8 into account the amounts appropriated to and received by the  
9 System under subsection (d) of Section 7.2 of the General  
10 Obligation Bond Act.

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

16 On or before April 1, 2011, the Board shall recalculate  
17 and recertify to the Governor the amount of the required State  
18 contribution to the System for State fiscal year 2011,  
19 applying the changes made by Public Act 96-889 to the System's  
20 assets and liabilities as of June 30, 2009 as though Public Act  
21 96-889 was approved on that date.

22 By November 1, 2017, the Board shall recalculate and  
23 recertify to the State Actuary, the Governor, and the General  
24 Assembly the amount of the State contribution to the System  
25 for State fiscal year 2018, taking into account the changes in  
26 required State contributions made by this amendatory Act of

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

13 (b) Unless otherwise directed by the Comptroller under  
14 subsection (b-1), Beginning in State fiscal year 1996, on or  
15 as soon as possible after the 15th day of each month the Board  
16 shall submit vouchers for payment of State contributions to  
17 the System for the applicable month on the 15th day of each  
18 month, or as soon thereafter as may be practicable. The amount  
19 vouchered for a monthly payment shall total, in a total  
20 monthly amount of one-twelfth of the required annual State  
21 contribution certified under subsection (a).

22 (b-1) Beginning in State fiscal year 2025, if the  
23 Comptroller requests that the Board submit, during a State  
24 fiscal year, vouchers for multiple monthly payments for the  
25 advance payment of State contributions due to the System for  
26 that State fiscal year, then the Board shall submit those

1 additional vouchers as directed by the Comptroller,  
2 notwithstanding subsection (b). Unless an act of  
3 appropriations provides otherwise, nothing in this Section  
4 authorizes the Board to submit, in a State fiscal year,  
5 vouchers for the payment of State contributions to the System  
6 in an amount that exceeds the rate of payroll that is certified  
7 by the System under this Section for that State fiscal year.  
8 ~~From the effective date of this amendatory Act of the 93rd~~  
9 ~~General Assembly through June 30, 2004, the Board shall not~~  
10 ~~submit vouchers for the remainder of fiscal year 2004 in~~  
11 ~~excess of the fiscal year 2004 certified contribution amount~~  
12 ~~determined under this Section after taking into consideration~~  
13 ~~the transfer to the System under subsection (c) of Section~~  
14 ~~6z-61 of the State Finance Act.~~

15 (b-2) The ~~These~~ vouchers described in subsections (b) and  
16 (b-1) shall be paid by the State Comptroller and Treasurer by  
17 warrants drawn on the funds appropriated to the System for  
18 that fiscal year.

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

1 the State Pension Funds Continuing Appropriation Act.

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

3 Section 99. Effective date. This Act takes effect July 1,  
4 2024.