



## 103RD GENERAL ASSEMBLY

### State of Illinois

### 2023 and 2024

### SB3954

Introduced 5/15/2024, by Sen. Robert F. Martwick

#### SYNOPSIS AS INTRODUCED:

- 30 ILCS 122/20
- 40 ILCS 5/2-124 from Ch. 108 1/2, par. 2-124
- 40 ILCS 5/14-131
- 40 ILCS 5/15-155 from Ch. 108 1/2, par. 15-155
- 40 ILCS 5/16-158 from Ch. 108 1/2, par. 16-158
- 40 ILCS 5/18-131 from Ch. 108 1/2, par. 18-131
- 40 ILCS 5/1-103.3 rep.

Amends the Budget Stabilization Act. Provides a transfer of specified amounts from the General Revenue Fund to the Pension Stabilization Fund for fiscal years 2030 through 2040. Amends the Illinois Pension Code. With regard to each of the 5 State-funded retirement systems, provides that for State fiscal years 2026 through 2034, the minimum contribution to the System to be made by the State for each State fiscal year shall be an amount determined by the System to be sufficient to bring the total assets of the System up to 100% of the total actuarial liabilities of the System by the end of State fiscal year 2048. Provides that the required State contribution shall be calculated each year as a level percentage of payroll over the years remaining to and including fiscal year 2048 and shall be determined under the projected unit credit actuarial cost method. Provides that for State fiscal years 2035 through 2048, the minimum contribution to the System to be made by the State for each State fiscal year shall be the contribution amount for the upcoming State fiscal year estimated in the previous year's actuarial valuation plus an adjustment for differences between the unfunded liability reported in the current actuarial valuation and the unfunded liability reported in the previous year's actuarial valuation, such that the total assets of the System equal 100% of the total actuarial liabilities of the System 20 years after the State fiscal year during which the contribution is made. Sets forth a funding formula for State fiscal year 2049 and thereafter. Repeals a provision requiring the Commission on Government Forecasting and Accountability to consider and determine whether certain funding goals are appropriate. Makes conforming and other changes. Effective immediately.

LRB103 40704 RPS 73499 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 Budget Stabilization Act is amended by  
5 changing Section 20 as follows:

6 (30 ILCS 122/20)

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

9 Sec. 20. Pension Stabilization Fund.

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

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

22 (c) For each fiscal year when the General Assembly's  
23 appropriations and transfers or diversions as required by law

1 from general funds do not exceed 98% of the estimated general  
2 funds revenues pursuant to subsection (b) of Section 10, the  
3 Comptroller shall transfer from the General Revenue Fund as  
4 provided by this Section a total amount equal to 1.0% of the  
5 estimated general funds revenues to the Pension Stabilization  
6 Fund.

7 (c-5) In addition to any other transfers that may be  
8 provided by law, the Comptroller shall transfer from the  
9 General Revenue Fund to the Pension Stabilization Fund the  
10 amount set forth as follows for each of the specified fiscal  
11 years:

<u>Fiscal Year</u>	<u>Amount</u>
<u>2030</u>	<u>\$175,000,000</u>
<u>2031 through 2033</u>	<u>\$250,000,000</u>
<u>2034 through 2040</u>	<u>\$750,000,000</u>

16 (d) The Comptroller shall transfer 1/12 of the total  
17 amount to be transferred each fiscal year under this Section  
18 into the Pension Stabilization Fund on the first day of each  
19 month of that fiscal year or as soon thereafter as possible;  
20 except that the final transfer of the fiscal year shall be made  
21 as soon as practical after the August 31 following the end of  
22 the fiscal year.

23 Before the final transfer for a fiscal year is made, the  
24 Comptroller shall reconcile the estimated general funds  
25 revenues used in calculating the other transfers under this  
26 Section for that fiscal year with the actual general funds

1 revenues for that fiscal year. The final transfer for the  
2 fiscal year shall be adjusted so that the total amount  
3 transferred under this Section for that fiscal year is equal  
4 to the percentage specified in subsection (b) or (c) of this  
5 Section, whichever is applicable, of the actual general funds  
6 revenues for that fiscal year. The actual general funds  
7 revenues for the fiscal year shall be calculated in a manner  
8 consistent with subsection (c) of Section 10 of this Act.

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

10 Section 10. The Illinois Pension Code is amended by  
11 changing Sections 2-124, 14-131, 15-155, 16-158, and 18-131 as  
12 follows:

13 (40 ILCS 5/2-124) (from Ch. 108 1/2, par. 2-124)

14 Sec. 2-124. Contributions by State.

15 (a) The State shall make contributions to the System by  
16 appropriations of amounts which, together with the  
17 contributions of participants, interest earned on investments,  
18 and other income will meet the cost of maintaining and  
19 administering the System on a 100% ~~90%~~ funded basis by the end  
20 of State fiscal year 2048 in accordance with actuarial  
21 recommendations.

22 (b) The Board shall determine the amount of State  
23 contributions required for each fiscal year on the basis of  
24 the actuarial tables and other assumptions adopted by the

1 Board and the prescribed rate of interest, using the formula  
2 in subsection (c). In making its determination, the Board  
3 shall disregard any contributions scheduled to be received in  
4 a future State fiscal year under the Budget Stabilization Act.

5 (c) Beginning in State fiscal year 2049, the minimum  
6 contribution to the System to be made by the State for each  
7 State fiscal year shall be the contribution amount for the  
8 upcoming State fiscal year estimated in the previous year's  
9 actuarial valuation required by Section 2-134 plus the amounts  
10 required under subsection (c-5), such that the total assets of  
11 the System equal 100% of the total actuarial liabilities of  
12 the System 20 years after the State fiscal year during which  
13 the contribution is made. The required State contribution  
14 shall be determined under the entry age normal actuarial cost  
15 method.

16 For State fiscal years 2035 through 2048, the minimum  
17 contribution to the System to be made by the State for each  
18 State fiscal year shall be the contribution amount for the  
19 upcoming State fiscal year estimated in the previous year's  
20 actuarial valuation required by Section 2-134 plus the amounts  
21 required under subsection (c-5), such that the total assets of  
22 the System equal 100% of the total actuarial liabilities of  
23 the System 20 years after the State fiscal year during which  
24 the contribution is made. In making these determinations, the  
25 required State contribution shall be calculated each year as a  
26 level percentage of payroll over the years remaining to and

1 including fiscal year 2048 and shall be determined under the  
2 projected unit credit actuarial cost method.

3 For State fiscal years 2026 through 2034, the minimum  
4 contribution to the System to be made by the State for each  
5 State fiscal year shall be an amount determined by the System  
6 to be sufficient to bring the total assets of the System up to  
7 100% of the total actuarial liabilities of the System by the  
8 end of State fiscal year 2048. In making these determinations,  
9 the required State contribution shall be calculated each year  
10 as a level percentage of payroll over the years remaining to  
11 and including fiscal year 2048 and shall be determined under  
12 the projected unit credit actuarial cost method.

13 For State fiscal years 2012 through ~~2025~~ 2045, the minimum  
14 contribution to the System to be made by the State for each  
15 fiscal year shall be an amount determined by the System to be  
16 sufficient to bring the total assets of the System up to 90% of  
17 the total actuarial liabilities of the System by the end of  
18 State fiscal year 2045. In making these determinations, the  
19 required State contribution shall be calculated each year as a  
20 level percentage of payroll over the years remaining to and  
21 including fiscal year 2045 and shall be determined under the  
22 projected unit credit actuarial cost method.

23 A change in an actuarial or investment assumption that  
24 increases or decreases the required State contribution and  
25 first applies in State fiscal year 2018 and before State  
26 fiscal year 2035 ~~or thereafter~~ shall be implemented in equal

1 annual amounts over a 5-year period beginning in the State  
2 fiscal year in which the actuarial change first applies to the  
3 required State contribution.

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

8 (i) as already applied in State fiscal years before  
9 2018; and

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

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

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

25 Notwithstanding any other provision of this Article, the  
26 total required State contribution for State fiscal year 2007

1 is \$5,220,300.

2 For each of State fiscal years 2008 through 2009, the  
3 State contribution to the System, as a percentage of the  
4 applicable employee payroll, shall be increased in equal  
5 annual increments from the required State contribution for  
6 State fiscal year 2007, so that by State fiscal year 2011, the  
7 State is contributing at the rate otherwise required under  
8 this Section.

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

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



1 General Revenue Fund in fiscal year 2011, and (iii) any  
2 reduction in bond proceeds due to the issuance of discounted  
3 bonds, if applicable.

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 2-134, shall not exceed an amount equal to (i) the amount of  
25 the required State contribution that would have been  
26 calculated under this Section for that fiscal year if the

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

19 (c-5) For State fiscal year 2035 and each State fiscal  
20 year thereafter, the contribution to the System to be made by  
21 the State shall include an adjustment for differences between  
22 the unfunded liability reported in the current actuarial  
23 valuation and the unfunded liability reported in the previous  
24 year's actuarial valuation required by Section 2-134. The  
25 adjustment shall be implemented in equal annual amounts over a  
26 20-year period beginning in the State fiscal year in which the

1 current actuarial valuation is used to determine the required  
2 State contribution under subsection (c).

3 (d) 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 This subsection is inoperative on and after July 1, 2034.

15 (e) 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. 100-23, eff. 7-6-17.)

21 (40 ILCS 5/14-131)

22 Sec. 14-131. Contributions by State.

23 (a) The State shall make contributions to the System by  
24 appropriations of amounts which, together with other employer  
25 contributions from trust, federal, and other funds, employee

1 contributions, investment income, and other income, will be  
2 sufficient to meet the cost of maintaining and administering  
3 the System on a 100% ~~90%~~ funded basis by the end of State  
4 fiscal year 2048 in accordance with actuarial recommendations.

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

10 (b) The Board shall determine the total 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, using the formula in subsection (e). In making its  
14 determination, the Board shall disregard any contributions  
15 scheduled to be received in a future State fiscal year under  
16 the Budget Stabilization Act.

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

1 employees, and the recommendations of the actuary.

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

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

23 (c-1) Notwithstanding subsection (c) of this Section, for  
24 fiscal years 2010, 2012, and each fiscal year thereafter,  
25 contributions by the several departments are not required to  
26 be made for General Revenue Funds payrolls processed by the

1 Comptroller. Payrolls paid by the several departments from all  
2 other State funds must continue to be processed pursuant to  
3 subsection (c) of this Section.

4 (c-2) For State fiscal years 2010, 2012, and each fiscal  
5 year thereafter, on or as soon as possible after the 15th day  
6 of each month, the Board shall submit vouchers for payment of  
7 State contributions to the System, in a total monthly amount  
8 of one-twelfth of the fiscal year General Revenue Fund  
9 contribution as certified by the System pursuant to Section  
10 14-135.08 of the Illinois Pension Code.

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

18 (e) Beginning in State fiscal year 2049, the minimum  
19 contribution to the System to be made by the State for each  
20 State fiscal year shall be the contribution amount for the  
21 upcoming State fiscal year estimated in the previous year's  
22 actuarial valuation required by Section 14-135.08 plus the  
23 amounts required under subsection (e-5), such that the total  
24 assets of the System equal 100% of the total actuarial  
25 liabilities of the System 20 years after the State fiscal year  
26 during which the contribution is made. The required State

1 contribution shall be determined under the entry age normal  
2 actuarial cost method.

3 For State fiscal years 2035 through 2048, the minimum  
4 contribution to the System to be made by the State for each  
5 State fiscal year shall be the contribution amount for the  
6 upcoming State fiscal year estimated in the previous year's  
7 actuarial valuation required by Section 14-135.08 plus the  
8 amounts required under subsection (e-5), such that the total  
9 assets of the System equal 100% of the total actuarial  
10 liabilities of the System 20 years after the State fiscal year  
11 during which the contribution is made. In making these  
12 determinations, the required State contribution shall be  
13 calculated each year as a level percentage of payroll over the  
14 years remaining to and including fiscal year 2048 and shall be  
15 determined under the projected unit credit actuarial cost  
16 method.

17 For State fiscal years 2026 through 2034, the minimum  
18 contribution to the System to be made by the State for each  
19 State fiscal year shall be an amount determined by the System  
20 to be sufficient to bring the total assets of the System up to  
21 100% of the total actuarial liabilities of the System by the  
22 end of State fiscal year 2048. In making these determinations,  
23 the required State contribution shall be calculated each year  
24 as a level percentage of payroll over the years remaining to  
25 and including fiscal year 2048 and shall be determined under  
26 the projected unit credit actuarial cost method.

1 For State fiscal years 2012 through 2025 ~~2045~~, the minimum  
2 contribution to the System to be made by the State for each  
3 fiscal year shall be an amount determined by the System to be  
4 sufficient to bring the total assets of the System up to 90% of  
5 the total actuarial liabilities of the System by the end of  
6 State fiscal year 2045. In making these determinations, the  
7 required State contribution shall be calculated each year as a  
8 level percentage of payroll over the years remaining to and  
9 including fiscal year 2045 and shall be determined under the  
10 projected unit credit actuarial cost method.

11 A change in an actuarial or investment assumption that  
12 increases or decreases the required State contribution and  
13 first applies in State fiscal year 2018 and before State  
14 fiscal year 2035 ~~or thereafter~~ shall be implemented in equal  
15 annual amounts over a 5-year period beginning in the State  
16 fiscal year in which the actuarial change first applies to the  
17 required State contribution.

18 A change in an actuarial or investment assumption that  
19 increases or decreases the required State contribution and  
20 first applied to the State contribution in fiscal year 2014,  
21 2015, 2016, or 2017 shall be implemented:

22 (i) as already applied in State fiscal years before  
23 2018; and

24 (ii) in the portion of the 5-year period beginning in  
25 the State fiscal year in which the actuarial change first  
26 applied that occurs in State fiscal year 2018 or



1           thereafter, by calculating the change in equal annual  
2           amounts over that 5-year period and then implementing it  
3           at the resulting annual rate in each of the remaining  
4           fiscal years in that 5-year period.

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

25          ~~Beginning in State fiscal year 2046, the minimum State~~  
26          ~~contribution for each fiscal year shall be the amount needed~~

1 ~~to maintain the total assets of the System at 90% of the total~~  
2 ~~actuarial liabilities of the System.~~

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

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

1 the Comptroller, that is the same as the System's portion of  
2 the total moneys distributed under subsection (d) of Section  
3 7.2 of the General Obligation Bond Act.

4 (e-5) For State fiscal year 2035 and each State fiscal  
5 year thereafter, the contribution to the System to be made by  
6 the State shall include an adjustment for differences between  
7 the unfunded liability reported in the current actuarial  
8 valuation and the unfunded liability reported in the previous  
9 year's actuarial valuation required by Section 14-135.08. The  
10 adjustment shall be implemented in equal annual amounts over a  
11 20-year period beginning in the State fiscal year in which the  
12 current actuarial valuation is used to determine the required  
13 State contribution under subsection (e).

14 (f) (Blank).

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

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

26 This subsection is inoperative on and after July 1, 2034.

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

6           (i) (Blank).

7           (j) (Blank).

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

1 Prior Fiscal Year Overpayment shall be repaid by the System to  
2 the General Revenue Fund as soon as practicable after the  
3 certification.

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

6 (40 ILCS 5/15-155) (from Ch. 108 1/2, par. 15-155)  
7 Sec. 15-155. Employer contributions.

8 (a) The State of Illinois shall make contributions by  
9 appropriations of amounts which, together with the other  
10 employer contributions from trust, federal, and other funds,  
11 employee contributions, income from investments, and other  
12 income of this System, will be sufficient to meet the cost of  
13 maintaining and administering the System on a 100% ~~90%~~ funded  
14 basis by the end of State fiscal year 2048 in accordance with  
15 actuarial recommendations.

16 The Board shall determine the amount of State  
17 contributions required for each fiscal year on the basis of  
18 the actuarial tables and other assumptions adopted by the  
19 Board and the recommendations of the actuary, using the  
20 formula in subsection (a-1). In making its determination, the  
21 Board shall disregard any contributions scheduled to be  
22 received in a future State fiscal year under the Budget  
23 Stabilization Act.

24 (a-1) Beginning in State fiscal year 2049, the minimum  
25 contribution to the System to be made by the State for each

1 State fiscal year shall be the contribution amount for the  
2 upcoming State fiscal year estimated in the previous year's  
3 actuarial valuation required by subsection (a-5) of Section  
4 15-165 plus the amounts required under subsection (a-1.5),  
5 such that the total assets of the System equal 100% of the  
6 total actuarial liabilities of the System 20 years after the  
7 State fiscal year during which the contribution is made. The  
8 required State contribution shall be determined under the  
9 entry age normal actuarial cost method.

10 For State fiscal years 2035 through 2048, the minimum  
11 contribution to the System to be made by the State for each  
12 State fiscal year shall be the contribution amount for the  
13 upcoming State fiscal year estimated in the previous year's  
14 actuarial valuation required by subsection (a-5) of Section  
15 15-165 plus the amounts required under subsection (a-1.5),  
16 such that the total assets of the System equal 100% of the  
17 total actuarial liabilities of the System 20 years after the  
18 State fiscal year during which the contribution is made. In  
19 making these determinations, the required State contribution  
20 shall be calculated each year as a level percentage of payroll  
21 over the years remaining to and including fiscal year 2048 and  
22 shall be determined under the projected unit credit actuarial  
23 cost method.

24 For State fiscal years 2026 through 2034, the minimum  
25 contribution to the System to be made by the State for each  
26 State fiscal year shall be an amount determined by the System

1 to be sufficient to bring the total assets of the System up to  
2 100% of the total actuarial liabilities of the System by the  
3 end of State fiscal year 2048. In making these determinations,  
4 the required State contribution shall be calculated each year  
5 as a level percentage of payroll over the years remaining to  
6 and including fiscal year 2048 and shall be determined under  
7 the projected unit credit actuarial cost method.

8 For State fiscal years 2012 through ~~2025~~ 2045, the minimum  
9 contribution to the System to be made by the State for each  
10 fiscal year shall be an amount determined by the System to be  
11 sufficient to bring the total assets of the System up to 90% of  
12 the total actuarial liabilities of the System by the end of  
13 State fiscal year 2045. In making these determinations, the  
14 required State contribution shall be calculated each year as a  
15 level percentage of payroll over the years remaining to and  
16 including fiscal year 2045 and shall be determined under the  
17 projected unit credit actuarial cost method.

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

23 A change in an actuarial or investment assumption that  
24 increases or decreases the required State contribution and  
25 first applies in State fiscal year 2018 and before State  
26 fiscal year 2035 ~~or thereafter~~ shall be implemented in equal

1 annual amounts over a 5-year period beginning in the State  
2 fiscal year in which the actuarial change first applies to the  
3 required State contribution.

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

8 (i) as already applied in State fiscal years before  
9 2018; and

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

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

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

25 Notwithstanding any other provision of this Article, the  
26 total required State contribution for State fiscal year 2007



1 is \$252,064,100.

2 For each of State fiscal years 2008 through 2009, the  
3 State contribution to the System, as a percentage of the  
4 applicable employee payroll, shall be increased in equal  
5 annual increments from the required State contribution for  
6 State fiscal year 2007, so that by State fiscal year 2011, the  
7 State is contributing at the rate otherwise required under  
8 this Section.

9 Notwithstanding any other provision of this Article, the  
10 total required State contribution for State fiscal year 2010  
11 is \$702,514,000 and shall be made from the State Pensions Fund  
12 and proceeds of bonds sold in fiscal year 2010 pursuant to  
13 Section 7.2 of the General Obligation Bond Act, less (i) the  
14 pro rata share of bond sale expenses determined by the  
15 System's share of total bond proceeds, (ii) any amounts  
16 received from the General Revenue Fund in fiscal year 2010,  
17 (iii) any reduction in bond proceeds due to the issuance of  
18 discounted bonds, if applicable.

19 Notwithstanding any other provision of this Article, the  
20 total required State contribution for State fiscal year 2011  
21 is the amount recertified by the System on or before April 1,  
22 2011 pursuant to Section 15-165 and shall be made from the  
23 State Pensions Fund and proceeds of bonds sold in fiscal year  
24 2011 pursuant to Section 7.2 of the General Obligation Bond  
25 Act, less (i) the pro rata share of bond sale expenses  
26 determined by the System's share of total bond proceeds, (ii)

1 any amounts received from the General Revenue Fund in fiscal  
2 year 2011, and (iii) any reduction in bond proceeds due to the  
3 issuance of discounted bonds, if applicable.

4 ~~Beginning in State fiscal year 2016, 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 15-165, shall not exceed an amount equal to (i) the amount of  
25 the required State contribution that would have been  
26 calculated under this Section for that fiscal year if the

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

19 (a-1.5) For State fiscal year 2035 and each State fiscal  
20 year thereafter, the contribution to the System to be made by  
21 the State shall include an adjustment for differences between  
22 the unfunded liability reported in the current actuarial  
23 valuation and the unfunded liability reported in the previous  
24 year's actuarial valuation required by subsection (a-5) of  
25 Section 15-165. The adjustment shall be implemented in equal  
26 annual amounts over a 20-year period beginning in the State

1 fiscal year in which the current actuarial valuation is used  
2 to determine the required State contribution under subsection  
3 (a-1).

4 (a-2) 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 (c) 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 (c) 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 15-155.2, 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 (a-2)  
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 As used in this subsection, "academic year" means the  
15 12-month period beginning September 1.

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

1 with the universities included as employers under this Article  
2 and other employers which do not receive State appropriations  
3 are considered to be trust funds for the purpose of this  
4 Article.

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

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

1 funds, shall be payable solely from appropriations to the  
2 Illinois Community College Board or the System for employer  
3 contributions.

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

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

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

21 (g) If the amount of a participant's earnings for any  
22 academic year used to determine the final rate of earnings,  
23 determined on a full-time equivalent basis, exceeds the amount  
24 of his or her earnings with the same employer for the previous  
25 academic year, determined on a full-time equivalent basis, by  
26 more than 6%, the participant's employer shall pay to the

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

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

26 The employer contributions required under this subsection



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

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

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

1 (g-1) (Blank).

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

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

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

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

1 current salary rate and work schedule; and (ii) in the case of  
2 overtime, the overtime was necessary for the educational  
3 mission.

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

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

25 (i) When assessing payment for any amount due under  
26 subsection (g), the System shall exclude any salary increase

1 described in subsection (h) of this Section given on or after  
2 July 1, 2011 but before July 1, 2014 under a contract or  
3 collective bargaining agreement entered into, amended, or  
4 renewed on or after June 1, 2005 but before July 1, 2011.  
5 Except as provided in subsection (h-5), any payments made or  
6 salary increases given after June 30, 2014 shall be used in  
7 assessing payment for any amount due under subsection (g) of  
8 this Section.

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

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

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

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

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

25 (j-5) For State fiscal years beginning on or after July 1,  
26 2017, if the amount of a participant's earnings for any State

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

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

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

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

19           The changes made to this subsection (j-5) by Public Act  
20 100-624 are intended to apply retroactively to July 6, 2017  
21 (the effective date of Public Act 100-23).

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

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

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

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

23 This subsection is inoperative on and after July 1, 2034.

24 (m) For purposes of determining the required State  
25 contribution to the system for a particular year, the  
26 actuarial value of assets shall be assumed to earn a rate of

1 return equal to the system's actuarially assumed rate of  
2 return.

3 (Source: P.A. 101-10, eff. 6-5-19; 101-81, eff. 7-12-19;  
4 102-16, eff. 6-17-21; 102-558, eff. 8-20-21; 102-764, eff.  
5 5-13-22.)

6 (40 ILCS 5/16-158) (from Ch. 108 1/2, par. 16-158)

7 Sec. 16-158. Contributions by State and other employing  
8 units.

9 (a) The State shall make contributions to the System by  
10 means of appropriations from the Common School Fund and other  
11 State funds of amounts which, together with other employer  
12 contributions, employee contributions, investment income, and  
13 other income, will be sufficient to meet the cost of  
14 maintaining and administering the System on a 100% ~~90%~~ funded  
15 basis by the end of State fiscal year 2048 in accordance with  
16 actuarial recommendations.

17 The Board shall determine the amount of State  
18 contributions required for each fiscal year on the basis of  
19 the actuarial tables and other assumptions adopted by the  
20 Board and the recommendations of the actuary, using the  
21 formula in subsection (b-3). In making its determination, the  
22 Board shall disregard any contributions scheduled to be  
23 received in a future State fiscal year under the Budget  
24 Stabilization Act.

25 (a-1) Annually, on or before November 15 until November



1 15, 2011, the Board shall certify to the Governor the amount of  
2 the required State contribution for the coming fiscal year.  
3 The certification under this subsection (a-1) shall include a  
4 copy of the actuarial recommendations upon which it is based  
5 and shall specifically identify the System's projected State  
6 normal cost for that fiscal year.

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

13 On or before July 1, 2005, the Board shall recalculate and  
14 recertify to the Governor the amount of the required State  
15 contribution to the System for State fiscal year 2006, taking  
16 into account the changes in required State contributions made  
17 by Public Act 94-4.

18 On or before April 1, 2011, the Board shall recalculate  
19 and recertify to the Governor the amount of the required State  
20 contribution to the System for State fiscal year 2011,  
21 applying the changes made by Public Act 96-889 to the System's  
22 assets and liabilities as of June 30, 2009 as though Public Act  
23 96-889 was approved on that date.

24 (a-5) On or before November 1 of each year, beginning  
25 November 1, 2012, the Board shall submit to the State Actuary,  
26 the Governor, and the General Assembly a proposed

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

19 (a-10) By November 1, 2017, the Board shall recalculate  
20 and recertify to the State Actuary, the Governor, and the  
21 General Assembly the amount of the State contribution to the  
22 System for State fiscal year 2018, taking into account the  
23 changes in required State contributions made by Public Act  
24 100-23. The State Actuary shall review the assumptions and  
25 valuations underlying the Board's revised certification and  
26 issue a preliminary report concerning the proposed

1 recertification and identifying, if necessary, recommended  
2 changes in actuarial assumptions that the Board must consider  
3 before finalizing its certification of the required State  
4 contributions. The Board's final certification must note any  
5 deviations from the State Actuary's recommended changes, the  
6 reason or reasons for not following the State Actuary's  
7 recommended changes, and the fiscal impact of not following  
8 the State Actuary's recommended changes on the required State  
9 contribution.

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

25 (b) Through State fiscal year 1995, the State  
26 contributions shall be paid to the System in accordance with

1 Section 18-7 of the School Code.

2 (b-1) Beginning in State fiscal year 1996, on the 15th day  
3 of each month, or as soon thereafter as may be practicable, the  
4 Board shall submit vouchers for payment of State contributions  
5 to the System, in a total monthly amount of one-twelfth of the  
6 required annual State contribution certified under subsection  
7 (a-1). From March 5, 2004 (the effective date of Public Act  
8 93-665) through June 30, 2004, the Board shall not submit  
9 vouchers for the remainder of fiscal year 2004 in excess of the  
10 fiscal year 2004 certified contribution amount determined  
11 under this Section after taking into consideration the  
12 transfer to the System under subsection (a) of Section 6z-61  
13 of the State Finance Act. These vouchers shall be paid by the  
14 State Comptroller and Treasurer by warrants drawn on the funds  
15 appropriated to the System for 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 subsection, the  
22 difference shall be paid from the Common School Fund under the  
23 continuing appropriation authority provided in Section 1.1 of  
24 the State Pension Funds Continuing Appropriation Act.

25 (b-2) Allocations from the Common School Fund apportioned  
26 to school districts not coming under this System shall not be

1 diminished or affected by the provisions of this Article.

2 (b-3) Beginning in State fiscal year 2049, the minimum  
3 contribution to the System to be made by the State for each  
4 State fiscal year shall be the contribution amount for the  
5 upcoming State fiscal year estimated in the previous year's  
6 actuarial valuation required by subsection (a-5) plus the  
7 amounts required under subsection (b-3.5), such that the total  
8 assets of the System equal 100% of the total actuarial  
9 liabilities of the System 20 years after the State fiscal year  
10 during which the contribution is made. The required State  
11 contribution shall be determined under the entry age normal  
12 actuarial cost method.

13 For State fiscal years 2035 through 2048, the minimum  
14 contribution to the System to be made by the State for each  
15 State fiscal year shall be the contribution amount for the  
16 upcoming State fiscal year estimated in the previous year's  
17 actuarial valuation required by subsection (a-5) plus the  
18 amounts required under subsection (b-3.5), such that the total  
19 assets of the System equal 100% of the total actuarial  
20 liabilities of the System 20 years after the State fiscal year  
21 during which the contribution is made. In making these  
22 determinations, the required State contribution shall be  
23 calculated each year as a level percentage of payroll over the  
24 years remaining to and including fiscal year 2048 and shall be  
25 determined under the projected unit credit actuarial cost  
26 method.

1       For State fiscal years 2026 through 2034, the minimum  
2       contribution to the System to be made by the State for each  
3       State fiscal year shall be an amount determined by the System  
4       to be sufficient to bring the total assets of the System up to  
5       100% of the total actuarial liabilities of the System by the  
6       end of State fiscal year 2048. In making these determinations,  
7       the required State contribution shall be calculated each year  
8       as a level percentage of payroll over the years remaining to  
9       and including fiscal year 2048 and shall be determined under  
10       the projected unit credit actuarial cost method.

11       For State fiscal years 2012 through 2025 ~~2045~~, the minimum  
12       contribution to the System to be made by the State for each  
13       fiscal year shall be an amount determined by the System to be  
14       sufficient to bring the total assets of the System up to 90% of  
15       the total actuarial liabilities of the System by the end of  
16       State fiscal year 2045. In making these determinations, the  
17       required State contribution shall be calculated each year as a  
18       level percentage of payroll over the years remaining to and  
19       including fiscal year 2045 and shall be determined under the  
20       projected unit credit actuarial cost method.

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

26       A change in an actuarial or investment assumption that

1 increases or decreases the required State contribution and  
2 first applies in State fiscal year 2018 and before State  
3 fiscal year 2035 ~~or thereafter~~ shall be implemented in equal  
4 annual amounts over a 5-year period beginning in the State  
5 fiscal year in which the actuarial change first applies to the  
6 required State contribution.

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

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

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

20 For State fiscal years 1996 through 2005, the State  
21 contribution to the System, as a percentage of the applicable  
22 employee payroll, shall be increased in equal annual  
23 increments so that by State fiscal year 2011, the State is  
24 contributing at the rate required under this Section; except  
25 that in the following specified State fiscal years, the State  
26 contribution to the System shall not be less than the

1 following indicated percentages of the applicable employee  
2 payroll, even if the indicated percentage will produce a State  
3 contribution in excess of the amount otherwise required under  
4 this subsection and subsection (a), and notwithstanding any  
5 contrary certification made under subsection (a-1) before May  
6 27, 1998 (the effective date of Public Act 90-582): 10.02% in  
7 FY 1999; 10.77% in FY 2000; 11.47% in FY 2001; 12.16% in FY  
8 2002; 12.86% in FY 2003; and 13.56% in FY 2004.

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

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

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

22 Notwithstanding any other provision of this Article, the  
23 total required State contribution for State fiscal year 2010  
24 is \$2,089,268,000 and shall be made from the proceeds of bonds  
25 sold in fiscal year 2010 pursuant to Section 7.2 of the General  
26 Obligation Bond Act, less (i) the pro rata share of bond sale



1 expenses determined by the System's share of total bond  
2 proceeds, (ii) any amounts received from the Common School  
3 Fund in fiscal year 2010, and (iii) any reduction in bond  
4 proceeds due to the issuance of discounted bonds, if  
5 applicable.

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

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

26 Amounts received by the System pursuant to Section 25 of

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

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

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

11 (b-3.5) For State fiscal year 2035 and each State fiscal  
12 year thereafter, the contribution to the System to be made by  
13 the State shall include an adjustment for differences between  
14 the unfunded liability reported in the current actuarial  
15 valuation and the unfunded liability reported in the previous  
16 year's actuarial valuation required by subsection (a-5). The  
17 adjustment shall be implemented in equal annual amounts over a  
18 20-year period beginning in the State fiscal year in which the  
19 current actuarial valuation is used to determine the required  
20 State contribution under subsection (b-3).

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

25 (i) for each of fiscal years 2018, 2019, and 2020, the  
26 defined benefit normal cost of the defined benefit plan,

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

11 (ii) the amount required for that fiscal year to  
12 amortize any unfunded actuarial accrued liability  
13 associated with the present value of liabilities  
14 attributable to the employer's account under Section  
15 16-158.3, determined as a level percentage of payroll over  
16 a 30-year rolling amortization period.

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

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

26 The contributions required under this subsection (b-4)

1 shall be paid by an employer concurrently with that employer's  
2 payroll payment period. The State, as the actual employer of  
3 an employee, shall make the required contributions under this  
4 subsection.

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

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

26 (d) Effective July 1, 1986, any employer of a teacher as

1 defined in paragraph (8) of Section 16-106 shall pay the  
2 employer's normal cost of benefits based upon the teacher's  
3 service, in addition to employee contributions, as determined  
4 by the System. Such employer contributions shall be forwarded  
5 monthly in accordance with guidelines established by the  
6 System.

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

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

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

25 (2) Beginning July 1, 1999 and thereafter, the  
26 employer contribution shall be equal to 0.58% of each

1 teacher's salary.

2 The school district or other employing unit may pay these  
3 employer contributions out of any source of funding available  
4 for that purpose and shall forward the contributions to the  
5 System on the schedule established for the payment of member  
6 contributions.

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

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

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

22 If an employer is required by a contract in effect on May  
23 1, 1998 between the employer and an employee organization to  
24 pay, on behalf of all its full-time employees covered by this  
25 Article, all mandatory employee contributions required under  
26 this Article, then the employer shall be excused from paying

1 the employer contribution required under this subsection (e)  
2 for the balance of the term of that contract. The employer and  
3 the employee organization shall jointly certify to the System  
4 the existence of the contractual requirement, in such form as  
5 the System may prescribe. This exclusion shall cease upon the  
6 termination, extension, or renewal of the contract at any time  
7 after May 1, 1998.

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



1 constitute a change in employer. The System may require the  
2 employer to provide any pertinent information or  
3 documentation. The changes made to this subsection (f) by  
4 Public Act 94-1111 apply without regard to whether the teacher  
5 was in service on or after its effective date.

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

21 The employer contributions required under this subsection  
22 (f) may be paid in the form of a lump sum within 90 days after  
23 receipt of the bill. If the employer contributions are not  
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 (f-1) (Blank).

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

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

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

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

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

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

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

23 (g-5) When assessing payment for any amount due under  
24 subsection (f), the System shall exclude salary increases  
25 resulting from overload or stipend work performed in a school  
26 year subsequent to a school year in which the employer was

1 unable to offer or allow to be conducted overload or stipend  
2 work due to an emergency declaration limiting such activities.

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

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

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

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

26 (i) The System shall prepare a report and file copies of

1 the report with the Governor and the General Assembly by  
2 January 1, 2007 that contains all of the following  
3 information:

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

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

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

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

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

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

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

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

26 (j) 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 This subsection is inoperative on and after July 1, 2034.

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

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

20 (40 ILCS 5/18-131) (from Ch. 108 1/2, par. 18-131)

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

22 (a) The State of Illinois shall make contributions to this  
23 System by appropriations of the amounts which, together with  
24 the contributions of participants, net earnings on  
25 investments, and other income, will meet the costs of

1 maintaining and administering this System on a 100% ~~90%~~ funded  
2 basis by the end of State fiscal year 2048 in accordance with  
3 actuarial recommendations.

4 (b) The Board shall determine the amount of State  
5 contributions required for each fiscal year on the basis of  
6 the actuarial tables and other assumptions adopted by the  
7 Board and the prescribed rate of interest, using the formula  
8 in subsection (c). In making its determination, the Board  
9 shall disregard any contributions scheduled to be received in  
10 a future State fiscal year under the Budget Stabilization Act.

11 (c) Beginning in State fiscal year 2049, the minimum  
12 contribution to the System to be made by the State for each  
13 State fiscal year shall be the contribution amount for the  
14 upcoming State fiscal year estimated in the previous year's  
15 actuarial valuation required by Section 18-140 plus the  
16 amounts required under subsection (c-5), such that the total  
17 assets of the System equal 100% of the total actuarial  
18 liabilities of the System 20 years after the State fiscal year  
19 during which the contribution is made. The required State  
20 contribution shall be determined under the entry age normal  
21 actuarial cost method.

22 For State fiscal years 2035 through 2048, the minimum  
23 contribution to the System to be made by the State for each  
24 State fiscal year shall be the contribution amount for the  
25 upcoming State fiscal year estimated in the previous year's  
26 actuarial valuation required by Section 18-140 plus the



1 amounts required under subsection (c-5), such that the total  
2 assets of the System equal 100% of the total actuarial  
3 liabilities of the System 20 years after the State fiscal year  
4 during which the contribution is made. In making these  
5 determinations, the required State contribution shall be  
6 calculated each year as a level percentage of payroll over the  
7 years remaining to and including fiscal year 2048 and shall be  
8 determined under the projected unit credit actuarial cost  
9 method.

10 For State fiscal years 2026 through 2034, the minimum  
11 contribution to the System to be made by the State for each  
12 State fiscal year shall be an amount determined by the System  
13 to be sufficient to bring the total assets of the System up to  
14 100% of the total actuarial liabilities of the System by the  
15 end of State fiscal year 2048. In making these determinations,  
16 the required State contribution shall be calculated each year  
17 as a level percentage of payroll over the years remaining to  
18 and including fiscal year 2048 and shall be determined under  
19 the projected unit credit actuarial cost method.

20 For State fiscal years 2012 through ~~2025~~ 2045, the minimum  
21 contribution to the System to be made by the State for each  
22 fiscal year shall be an amount determined by the System to be  
23 sufficient to bring the total assets of the System up to 90% of  
24 the total actuarial liabilities of the System by the end of  
25 State fiscal year 2045. In making these determinations, the  
26 required State contribution shall be calculated each year as a

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

4 A change in an actuarial or investment assumption that  
5 increases or decreases the required State contribution and  
6 first applies in State fiscal year 2018 and before State  
7 fiscal year 2035 ~~or thereafter~~ shall be implemented in equal  
8 annual amounts over a 5-year period beginning in the State  
9 fiscal year in which the actuarial change first applies to the  
10 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 2046, the minimum State~~  
12 ~~contribution for each fiscal year shall be the amount needed~~  
13 ~~to maintain the total assets of the System at 90% of the total~~  
14 ~~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          (c-5) For State fiscal year 2035 and each State fiscal

1 year thereafter, the contribution to the System to be made by  
2 the State shall include an adjustment for differences between  
3 the unfunded liability reported in the current actuarial  
4 valuation and the unfunded liability reported in the previous  
5 year's actuarial valuation required by Section 18-140. The  
6 adjustment shall be implemented in equal annual amounts over a  
7 20-year period beginning in the State fiscal year in which the  
8 current actuarial valuation is used to determine the required  
9 State contribution under subsection (e).

10 (d) 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 This subsection is inoperative on and after July 1, 2034.

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

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

2 (40 ILCS 5/1-103.3 rep.)

3 Section 15. The Illinois Pension Code is amended by  
4 repealing Section 1-103.3.

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