

1 AN ACT in relation to public employee benefits.

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

4 Section 5. The Illinois Pension Code is amended by  
5 changing Sections 17-127 and 17-129 as follows:

6 (40 ILCS 5/17-127) (from Ch. 108 1/2, par. 17-127)  
7 Sec. 17-127. Financing; revenues for the Fund.

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

16 (b) The General Assembly finds that for many years the  
17 State has contributed to the Fund an annual amount that is  
18 between 20% and 30% of the amount of the annual State  
19 contribution to the Article 16 retirement system, and the  
20 General Assembly declares that it is its goal and intention  
21 to continue this level of contribution to the Fund in the  
22 future.

23 (b-5) Beginning In State fiscal years year 1999 through  
24 2003, the State shall include in its annual contribution to  
25 the Fund an additional amount equal to 0.544% of the Fund's  
26 total teacher payroll; except that this additional  
27 contribution need not be made in a fiscal year if the Board  
28 has certified in the previous fiscal year that the Fund is at  
29 least 90% funded, based on actuarial determinations. These  
30 additional State contributions are intended to offset a  
31 portion of the cost to the Fund of the increases in

1 retirement benefits resulting from Public Act 90-582 this  
2 ~~amendatory Act of 1998~~.

3 (c) For each State fiscal year ending after calendar  
4 year 2003, the State shall contribute to the Fund, by means  
5 of appropriations from the Common School Fund or other State  
6 funds, an amount not less than the greater of (i) the amount  
7 appropriated for the Fund for the State fiscal year ending in  
8 calendar year 2003 or (ii) the minimum funding requirement,  
9 as defined below, for that fiscal year (calculated without  
10 regard to any contribution of the State to or for the benefit  
11 of the Fund under this subsection (c)).

12 (d) Beginning in the State fiscal year ending in 2004,  
13 on the 15th day of each month, or as soon after that date as  
14 is practicable, the Board shall submit vouchers for payment  
15 of State contributions to the Fund, in a monthly amount of  
16 one-twelfth of the required annual State contribution under  
17 subsection (c) of this Section. If that required annual  
18 contribution changes during the State fiscal year, the  
19 remaining monthly amounts shall be adjusted in equal amounts  
20 so that the total amount for which vouchers are submitted for  
21 the year equals that required annual contribution. These  
22 vouchers shall be paid by the State Comptroller and Treasurer  
23 by warrants drawn on the funds appropriated to the Fund for  
24 that fiscal year. If, in any month, the amount remaining  
25 unexpended from all other State appropriations to the Fund  
26 for that State fiscal year is less than the amount for which  
27 vouchers are lawfully submitted under this Section, the  
28 difference shall be paid under the continuing appropriation  
29 available for that purpose pursuant to the Chicago Teacher  
30 Pension Fund Continuing Appropriation Act.

31 (e) For the purposes of this Section, "minimum funding  
32 requirement" for any fiscal year means the minimum Board of  
33 Education contribution to the Fund under Sections 17-127.2  
34 and 17-129 (calculated without regard to any contribution of

1 the State to or for the benefit of the Fund).

2 (Source: P.A. 90-548, eff. 12-4-97; 90-566, eff. 1-2-98;  
3 90-582, eff. 5-27-98; 90-655, eff. 7-30-98.)

4 (40 ILCS 5/17-129) (from Ch. 108 1/2, par. 17-129)

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

6 (a) If in any fiscal year of the Board of Education  
7 ending prior to 1997 the total amounts paid to the Fund from  
8 the Board of Education (other than under this subsection, and  
9 other than amounts used for making or "picking up"  
10 contributions on behalf of teachers) and from the State do  
11 not equal the total contributions made by or on behalf of the  
12 teachers for such year, or if the total income of the Fund in  
13 any such fiscal year of the Board of Education from all  
14 sources is less than the total such expenditures by the Fund  
15 for such year, the Board of Education shall, in the next  
16 succeeding year, in addition to any other payment to the Fund  
17 set apart and appropriate from moneys from its tax levy for  
18 educational purposes, a sum sufficient to remove such  
19 deficiency or deficiencies, and promptly pay such sum into  
20 the Fund in order to restore any of the reserves of the Fund  
21 that may have been so temporarily applied. Any amounts  
22 received by the Fund after December 4, 1997 from State  
23 appropriations, including under Section 17-127, shall be a  
24 credit against and shall fully satisfy any obligation that  
25 may have arisen, or be claimed to have arisen, under this  
26 subsection (a) as a result of any deficiency or deficiencies  
27 in the fiscal year of the Board of Education ending in  
28 calendar year 1997.

29 (b) (i) For fiscal years 2011 through 2045, the minimum  
30 contribution to the Fund to be made by the Board of Education  
31 in each fiscal year shall be an amount determined by the Fund  
32 to be sufficient, taking into account payments made and to be  
33 made under Section 17-127.2, to bring the total assets of the

1 Fund up to 90% of the total actuarial liabilities of the Fund  
2 by the end of fiscal year 2045. In making these  
3 determinations, the required Board of Education contribution  
4 shall be calculated each year as a level percentage of the  
5 applicable employee payrolls over the years remaining to and  
6 including fiscal year 2045 and shall be determined under the  
7 projected unit credit actuarial cost method.

8 (ii) For fiscal years 1999 through 2010, the Board of  
9 Education's contribution to the Fund, as a percentage of the  
10 applicable employee payroll, shall be increased in equal  
11 annual increments so that by fiscal year 2011, the Board of  
12 Education is contributing at the rate required under this  
13 subsection.

14 (iii) Beginning in fiscal year 2046, the minimum Board  
15 of Education contribution for each fiscal year shall be the  
16 amount needed to maintain the total assets of the Fund at 90%  
17 of the total actuarial liabilities of the Fund.

18 (iv) Notwithstanding the provisions of paragraphs (i),  
19 (ii), and (iii) of this subsection (b) or Section 17-127.2,  
20 for any fiscal year the contribution to the Fund from the  
21 Board of Education shall not be required to be in excess of  
22 the amount calculated as needed to maintain the assets (or  
23 cause the assets to be) at the 90% level by the end of the  
24 fiscal year.

25 (v) Any contribution by the State to or for the benefit  
26 of the Fund in a fiscal year, including, without limitation,  
27 any contribution as-referred-to under Section 17-127, shall  
28 be a credit against any contribution required to be made by  
29 the Board of Education under this subsection (b) and Section  
30 17-127.2 in that fiscal year.

31 (c) The Board shall determine the amount of Board of  
32 Education contributions required for each fiscal year on the  
33 basis of the actuarial tables and other assumptions adopted  
34 by the Board and the recommendations of the actuary, in order

1 to meet the minimum contribution requirements of subsections  
2 (a) and (b). Annually, on or before February 28, the Board  
3 shall certify to the Board of Education the amount of the  
4 required Board of Education contribution for the coming  
5 fiscal year. The certification shall include a copy of the  
6 actuarial recommendations upon which it is based.

7 (Source: P.A. 89-15, eff. 5-30-95; 90-548, eff. 12-4-97;  
8 90-566, eff. 1-2-98; 90-655, eff. 7-30-98.)

9 Section 99. Effective date. This Act takes effect upon  
10 becoming law.