

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 Section 16-158 as follows:

6 (40 ILCS 5/16-158) (from Ch. 108 1/2, par. 16-158)
7 Sec. 16-158. Contributions by the State and other
8 employing 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 90% funded
15 basis in accordance with 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 (b-3).

21 (a-1) Annually, on or before November 15, the board
22 shall certify to the Governor the amount of the required
23 State contribution for the coming fiscal year. The
24 certification shall include a copy of the actuarial
25 recommendations upon which it is based.

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

29 (b-1) Beginning in State fiscal year 1996, on the 15th
30 day of each month, or as soon thereafter as may be
31 practicable, the Board shall submit vouchers for payment of

1 State contributions to the System, in a total monthly amount
2 of one-twelfth of the required annual State contribution
3 certified under subsection (a-1). These vouchers shall be
4 paid by the State Comptroller and Treasurer by warrants drawn
5 on the funds appropriated to the System for that fiscal year.

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

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

19 (b-3) For State fiscal years 2011 through 2045, the
20 minimum contribution to the System to be made by the State
21 for each fiscal year shall be an amount determined by the
22 System to be sufficient to bring the total assets of the
23 System up to 90% of the total actuarial liabilities of the
24 System by the end of State fiscal year 2045. In making these
25 determinations, the required State contribution shall be
26 calculated each year as a level percentage of payroll over
27 the years remaining to and including fiscal year 2045 and
28 shall be determined under the projected unit credit actuarial
29 cost method.

30 For State fiscal years 1996 through 2010, the State
31 contribution to the System, as a percentage of the applicable
32 employee payroll, shall be increased in equal annual
33 increments so that by State fiscal year 2011, the State is
34 contributing at the rate required under this Section; except

1 that in the following specified State fiscal years, the State
2 contribution to the System shall not be less than the
3 following indicated percentages of the applicable employee
4 payroll, even if the indicated percentage will produce a
5 State contribution in excess of the amount otherwise required
6 under this subsection and subsection (a), and notwithstanding
7 any contrary certification made under subsection (a-1) before
8 the effective date of this amendatory Act of 1998: 10.02% in
9 FY 1999; 10.77% in FY 2000; 11.47% in FY 2001; 12.16% in FY
10 2002; 12.86% in FY 2003; 13.56% in FY 2004; 14.25% in FY
11 2005; 14.95% in FY 2006; 15.65% in FY 2007; 16.34% in FY
12 2008; 17.04% in FY 2009; and 17.74% in FY 2010.

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

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

22 If members are paid from special trust or federal funds
23 which are administered by the employing unit, whether school
24 district or other unit, the employing unit shall pay to the
25 System from such funds the full accruing retirement costs
26 based upon that service, as determined by the System.
27 Employer contributions, based on salary paid to members from
28 federal funds, may be forwarded by the distributing agency of
29 the State of Illinois to the System prior to allocation, in
30 an amount determined in accordance with guidelines
31 established by such agency and the System.

32 (d) Effective July 1, 1986, any employer of a teacher as
33 defined in paragraph (8) of Section 16-106 shall pay the
34 employer's normal cost of benefits based upon the teacher's

1 service, in addition to employee contributions, as determined
2 by the System. Such employer contributions shall be
3 forwarded monthly in accordance with guidelines established
4 by the System.

5 However, with respect to benefits granted under Section
6 16-133.4 or 16-133.5 to a teacher as defined in paragraph (8)
7 of Section 16-106, the employer's contribution shall be 12%
8 (rather than 20%) of the member's highest annual salary rate
9 for each year of creditable service granted, and the employer
10 shall also pay the required employee contribution on behalf
11 of the teacher. For the purposes of Sections 16-133.4 and
12 16-133.5, a teacher as defined in paragraph (8) of Section
13 16-106 who is serving in that capacity while on leave of
14 absence from another employer under this Article shall not be
15 considered an employee of the employer from which the teacher
16 is on leave.

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

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

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

26 The school district or other employing unit may pay these
27 employer contributions out of any source of funding available
28 for that purpose and shall forward the contributions to the
29 System on the schedule established for the payment of member
30 contributions.

31 These employer contributions are intended to offset a
32 portion of the cost to the System of the increases in
33 retirement benefits resulting from this amendatory Act of
34 1998.

1 Each employer of teachers is entitled to a credit against
2 the contributions required under this subsection (e) with
3 respect to salaries paid to teachers for the period January
4 1, 2002 through June 30, 2003, equal to the amount paid by
5 that employer under subsection (a-5) of Section 6.6 of the
6 State Employees Group Insurance Act of 1971 with respect to
7 salaries paid to teachers for that period.

8 The additional 1% employee contribution required under
9 Section 16-152 by this amendatory Act of 1998 is the
10 responsibility of the teacher and not the teacher's employer,
11 unless the employer agrees, through collective bargaining or
12 otherwise, to make the contribution on behalf of the teacher.

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

25 (Source: P.A. 92-505, eff. 12-20-01.)