



94TH GENERAL ASSEMBLY

State of Illinois

2005 and 2006

HB5237

Introduced 1/24/2006, by Rep. Robert S. Molaro

SYNOPSIS AS INTRODUCED:

40 ILCS 5/2-124	from Ch. 108 1/2, par. 2-124
40 ILCS 5/14-131	from Ch. 108 1/2, par. 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
230 ILCS 10/13	from Ch. 120, par. 2413
230 ILCS 10/23.1 new	
30 ILCS 105/5.663 new	

Amends the Illinois Pension Code and the Riverboat Gambling Act. Provides that all of the monies remaining after the local share is distributed that are received by the Board for the issuance of and conduct of gambling under any license issued under the jurisdiction of the Illinois Gaming Board on or after the effective date of this amendatory Act shall be transferred to the Pension Reserve Fund. Provides that the monies in the Pension Reserve Fund shall be paid to the 5 State-funded retirement systems to be used for funding the unfunded liabilities of the retirement systems and that the amount of the annual appropriation to each of the retirement systems shall constitute a portion of the total amount available for appropriation for that fiscal year that is the same as that retirement system's portion of the total actuarial reserve deficiency of the systems. Provides that these appropriations shall be in addition to, not in lieu of, State contributions required under the Illinois Pension Code. Amends the State Finance Act to create the Pension Reserve Fund as a special fund within the State Treasury. Effective immediately.

LRB094 18137 AMC 53444 b

FISCAL NOTE ACT
MAY APPLY

PENSION IMPACT
NOTE ACT MAY
APPLY

1 AN ACT concerning pension financing.

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 changing
5 Sections 2-124, 14-131, 15-155, 16-158, and 18-131 as follows:

6 (40 ILCS 5/2-124) (from Ch. 108 1/2, par. 2-124)

7 Sec. 2-124. Contributions by State.

8 (a) The State shall make contributions to the System by
9 appropriations of amounts which, together with the
10 contributions of participants, interest earned on investments,
11 and other income will meet the cost of maintaining and
12 administering the System on a 90% funded basis in accordance
13 with actuarial recommendations.

14 (b) The Board shall determine the amount of State
15 contributions required for each fiscal year on the basis of the
16 actuarial tables and other assumptions adopted by the Board and
17 the prescribed rate of interest, using the formula in
18 subsection (c).

19 (c) For State fiscal years 2011 through 2045, the minimum
20 contribution to the System to be made by the State for each
21 fiscal year shall be an amount determined by the System to be
22 sufficient to bring the total assets of the System up to 90% of
23 the total actuarial liabilities of the System by the end of
24 State fiscal year 2045. 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
27 including fiscal year 2045 and shall be determined under the
28 projected unit credit actuarial cost method.

29 For State fiscal years 1996 through 2005, the State
30 contribution to the System, as a percentage of the applicable
31 employee payroll, shall be increased in equal annual increments
32 so that by State fiscal year 2011, the State is contributing at

1 the rate required under this Section.

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

5 Notwithstanding any other provision of this Article, the
6 total required State contribution for State fiscal year 2007 is
7 \$5,220,300.

8 For each of State fiscal years 2008 through 2010, the State
9 contribution to the System, as a percentage of the applicable
10 employee payroll, shall be increased in equal annual increments
11 from the required State contribution for State fiscal year
12 2007, so that by State fiscal year 2011, the State is
13 contributing at the rate otherwise required under this Section.

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

18 Amounts received by the System pursuant to Section 23.1 of
19 the Riverboat Gambling Act in any fiscal year do not reduce and
20 do not constitute payment of any portion of the minimum State
21 contribution required under this Article in that fiscal year.
22 Such amounts are intended to reduce the unfunded liability of
23 the System and shall act to reduce the required State
24 contributions under this Article in future years only to the
25 extent that the System's current unfunded liability is normally
26 reflected in the calculation of those required State
27 contributions. A reference in this Article to the "required
28 State contribution" or any substantially similar term does not
29 include or apply to any amounts payable to the System under
30 Section 23.1 of the Riverboat Gambling Act.

31 Notwithstanding any other provision of this Section, the
32 required State contribution for State fiscal year 2005 and for
33 fiscal year 2008 and each fiscal year thereafter, as calculated
34 under this Section and certified under Section 2-134, shall not
35 exceed an amount equal to (i) the amount of the required State
36 contribution that would have been calculated under this Section

1 for that fiscal year if the System had not received any
2 payments under subsection (d) of Section 7.2 of the General
3 Obligation Bond Act, minus (ii) the portion of the State's
4 total debt service payments for that fiscal year on the bonds
5 issued for the purposes of that Section 7.2, as determined and
6 certified by the Comptroller, that is the same as the System's
7 portion of the total moneys distributed under subsection (d) of
8 Section 7.2 of the General Obligation Bond Act. In determining
9 this maximum for State fiscal years 2008 through 2010, however,
10 the 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 for the purposes of Section 7.2
16 of the General Obligation Bond Act, so that, by State fiscal
17 year 2011, the State is contributing at the rate otherwise
18 required under this Section.

19 (Source: P.A. 93-2, eff. 4-7-03; 94-4, eff. 6-1-05.)

20 (40 ILCS 5/14-131) (from Ch. 108 1/2, par. 14-131)

21 Sec. 14-131. Contributions by State.

22 (a) The State shall make contributions to the System by
23 appropriations of amounts which, together with other employer
24 contributions from trust, federal, and other funds, employee
25 contributions, investment income, and other income, will be
26 sufficient to meet the cost of maintaining and administering
27 the System on a 90% funded basis in accordance with actuarial
28 recommendations.

29 For the purposes of this Section and Section 14-135.08,
30 references to State contributions refer only to employer
31 contributions and do not include employee contributions that
32 are picked up or otherwise paid by the State or a department on
33 behalf of the employee.

34 (b) The Board shall determine the total amount of State
35 contributions required for each fiscal year on the basis of the

1 actuarial tables and other assumptions adopted by the Board,
2 using the formula in subsection (e).

3 The Board shall also determine a State contribution rate
4 for each fiscal year, expressed as a percentage of payroll,
5 based on the total required State contribution for that fiscal
6 year (less the amount received by the System from
7 appropriations under Section 8.12 of the State Finance Act and
8 Section 1 of the State Pension Funds Continuing Appropriation
9 Act, if any, for the fiscal year ending on the June 30
10 immediately preceding the applicable November 15 certification
11 deadline), the estimated payroll (including all forms of
12 compensation) for personal services rendered by eligible
13 employees, and the recommendations of the actuary.

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

21 (c) Contributions shall be made by the several departments
22 for each pay period by warrants drawn by the State Comptroller
23 against their respective funds or appropriations based upon
24 vouchers stating the amount to be so contributed. These amounts
25 shall be based on the full rate certified by the Board under
26 Section 14-135.08 for that fiscal year. From the effective date
27 of this amendatory Act of the 93rd General Assembly through the
28 payment of the final payroll from fiscal year 2004
29 appropriations, the several departments shall not make
30 contributions for the remainder of fiscal year 2004 but shall
31 instead make payments as required under subsection (a-1) of
32 Section 14.1 of the State Finance Act. The several departments
33 shall resume those contributions at the commencement of fiscal
34 year 2005.

35 (d) If an employee is paid from trust funds or federal
36 funds, the department or other employer shall pay employer

1 contributions from those funds to the System at the certified
2 rate, unless the terms of the trust or the federal-State
3 agreement preclude the use of the funds for that purpose, in
4 which case the required employer contributions shall be paid by
5 the State. From the effective date of this amendatory Act of
6 the 93rd General Assembly through the payment of the final
7 payroll from fiscal year 2004 appropriations, the department or
8 other employer shall not pay contributions for the remainder of
9 fiscal year 2004 but shall instead make payments as required
10 under subsection (a-1) of Section 14.1 of the State Finance
11 Act. The department or other employer shall resume payment of
12 contributions at the commencement of fiscal year 2005.

13 (e) For State fiscal years 2011 through 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 For State fiscal years 1996 through 2005, the State
24 contribution to the System, as a percentage of the applicable
25 employee payroll, shall be increased in equal annual increments
26 so that by State fiscal year 2011, the State is contributing at
27 the rate required under this Section; except that (i) for State
28 fiscal year 1998, for all purposes of this Code and any other
29 law of this State, the certified percentage of the applicable
30 employee payroll shall be 5.052% for employees earning eligible
31 creditable service under Section 14-110 and 6.500% for all
32 other employees, notwithstanding any contrary certification
33 made under Section 14-135.08 before the effective date of this
34 amendatory Act of 1997, and (ii) in the following specified
35 State fiscal years, the State contribution to the System shall
36 not be less than the following indicated percentages of the

1 applicable employee payroll, even if the indicated percentage
2 will produce a State contribution in excess of the amount
3 otherwise required under this subsection and subsection (a):
4 9.8% in FY 1999; 10.0% in FY 2000; 10.2% in FY 2001; 10.4% in FY
5 2002; 10.6% in FY 2003; and 10.8% in FY 2004.

6 Notwithstanding any other provision of this Article, the
7 total required State contribution to the System for State
8 fiscal year 2006 is \$203,783,900.

9 Notwithstanding any other provision of this Article, the
10 total required State contribution to the System for State
11 fiscal year 2007 is \$344,164,400.

12 For each of State fiscal years 2008 through 2010, the State
13 contribution to the System, as a percentage of the applicable
14 employee payroll, shall be increased in equal annual increments
15 from the required State contribution for State fiscal year
16 2007, so that by State fiscal year 2011, the State is
17 contributing at the rate otherwise required under this Section.

18 Beginning in State fiscal year 2046, the minimum State
19 contribution for each fiscal year shall be the amount needed to
20 maintain the total assets of the System at 90% of the total
21 actuarial liabilities of the System.

22 Amounts received by the System pursuant to Section 23.1 of
23 the Riverboat Gambling Act in any fiscal year do not reduce and
24 do not constitute payment of any portion of the minimum State
25 contribution required under this Article in that fiscal year.
26 Such amounts are intended to reduce the unfunded liability of
27 the System and shall act to reduce the required State
28 contributions under this Article in future years only to the
29 extent that the System's current unfunded liability is normally
30 reflected in the calculation of those required State
31 contributions. A reference in this Article to the "required
32 State contribution" or any substantially similar term does not
33 include or apply to any amounts payable to the System under
34 Section 23.1 of the Riverboat Gambling Act.

35 Notwithstanding any other provision of this Section, the
36 required State contribution for State fiscal year 2005 and for

1 fiscal year 2008 and each fiscal year thereafter, as calculated
2 under this Section and certified under Section 14-135.08, shall
3 not exceed an amount equal to (i) the amount of the required
4 State contribution that would have been calculated under this
5 Section for that fiscal year if the System had not received any
6 payments under subsection (d) of Section 7.2 of the General
7 Obligation Bond Act, minus (ii) the portion of the State's
8 total debt service payments for that fiscal year on the bonds
9 issued for the purposes of that Section 7.2, as determined and
10 certified by the Comptroller, that is the same as the System's
11 portion of the total moneys distributed under subsection (d) of
12 Section 7.2 of the General Obligation Bond Act. In determining
13 this maximum for State fiscal years 2008 through 2010, however,
14 the amount referred to in item (i) shall be increased, as a
15 percentage of the applicable employee payroll, in equal
16 increments calculated from the sum of the required State
17 contribution for State fiscal year 2007 plus the applicable
18 portion of the State's total debt service payments for fiscal
19 year 2007 on the bonds issued for the purposes of Section 7.2
20 of the General Obligation Bond Act, so that, by State fiscal
21 year 2011, the State is contributing at the rate otherwise
22 required under this Section.

23 (f) After the submission of all payments for eligible
24 employees from personal services line items in fiscal year 2004
25 have been made, the Comptroller shall provide to the System a
26 certification of the sum of all fiscal year 2004 expenditures
27 for personal services that would have been covered by payments
28 to the System under this Section if the provisions of this
29 amendatory Act of the 93rd General Assembly had not been
30 enacted. Upon receipt of the certification, the System shall
31 determine the amount due to the System based on the full rate
32 certified by the Board under Section 14-135.08 for fiscal year
33 2004 in order to meet the State's obligation under this
34 Section. The System shall compare this amount due to the amount
35 received by the System in fiscal year 2004 through payments
36 under this Section and under Section 6z-61 of the State Finance

1 Act. If the amount due is more than the amount received, the
2 difference shall be termed the "Fiscal Year 2004 Shortfall" for
3 purposes of this Section, and the Fiscal Year 2004 Shortfall
4 shall be satisfied under Section 1.2 of the State Pension Funds
5 Continuing Appropriation Act. If the amount due is less than
6 the amount received, the difference shall be termed the "Fiscal
7 Year 2004 Overpayment" for purposes of this Section, and the
8 Fiscal Year 2004 Overpayment shall be repaid by the System to
9 the Pension Contribution Fund as soon as practicable after the
10 certification.

11 (Source: P.A. 93-2, eff. 4-7-03; 93-665, eff. 3-5-04; 94-4,
12 eff. 6-1-05.)

13 (40 ILCS 5/15-155) (from Ch. 108 1/2, par. 15-155)

14 Sec. 15-155. Employer contributions.

15 (a) The State of Illinois shall make contributions by
16 appropriations of amounts which, together with the other
17 employer contributions from trust, federal, and other funds,
18 employee contributions, income from investments, and other
19 income of this System, will be sufficient to meet the cost of
20 maintaining and administering the System on a 90% funded basis
21 in accordance with actuarial recommendations.

22 The Board shall determine the amount of State contributions
23 required for each fiscal year on the basis of the actuarial
24 tables and other assumptions adopted by the Board and the
25 recommendations of the actuary, using the formula in subsection
26 (a-1).

27 (a-1) For State fiscal years 2011 through 2045, the minimum
28 contribution to the System to be made by the State for each
29 fiscal year shall be an amount determined by the System to be
30 sufficient to bring the total assets of the System up to 90% of
31 the total actuarial liabilities of the System by the end of
32 State fiscal year 2045. In making these determinations, the
33 required State contribution shall be calculated each year as a
34 level percentage of payroll over the years remaining to and
35 including fiscal year 2045 and shall be determined under the

1 projected unit credit actuarial cost method.

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

7 Notwithstanding any other provision of this Article, the
8 total required State contribution for State fiscal year 2006 is
9 \$166,641,900.

10 Notwithstanding any other provision of this Article, the
11 total required State contribution for State fiscal year 2007 is
12 \$252,064,100.

13 For each of State fiscal years 2008 through 2010, the State
14 contribution to the System, as a percentage of the applicable
15 employee payroll, shall be increased in equal annual increments
16 from the required State contribution for State fiscal year
17 2007, so that by State fiscal year 2011, the State is
18 contributing at the rate otherwise required under this Section.

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

23 Amounts received by the System pursuant to Section 23.1 of
24 the Riverboat Gambling Act in any fiscal year do not reduce and
25 do not constitute payment of any portion of the minimum State
26 contribution required under this Article in that fiscal year.
27 Such amounts are intended to reduce the unfunded liability of
28 the System and shall act to reduce the required State
29 contributions under this Article in future years only to the
30 extent that the System's current unfunded liability is normally
31 reflected in the calculation of those required State
32 contributions. A reference in this Article to the "required
33 State contribution" or any substantially similar term does not
34 include or apply to any amounts payable to the System under
35 Section 23.1 of the Riverboat Gambling Act.

36 Notwithstanding any other provision of this Section, the

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

24 (b) If an employee is paid from trust or federal funds, the
25 employer shall pay to the Board contributions from those funds
26 which are sufficient to cover the accruing normal costs on
27 behalf of the employee. However, universities having employees
28 who are compensated out of local auxiliary funds, income funds,
29 or service enterprise funds are not required to pay such
30 contributions on behalf of those employees. The local auxiliary
31 funds, income funds, and service enterprise funds of
32 universities shall not be considered trust funds for the
33 purpose of this Article, but funds of alumni associations,
34 foundations, and athletic associations which are affiliated
35 with the universities included as employers under this Article
36 and other employers which do not receive State appropriations

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

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

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

27 (d) Beginning in State fiscal year 1996, the required State
28 contributions to the System shall be appropriated directly to
29 the System and shall be payable through vouchers issued in
30 accordance with subsection (c) of Section 15-165, except as
31 provided in subsection (g).

32 (e) The State Comptroller shall draw warrants payable to
33 the System upon proper certification by the System or by the
34 employer in accordance with the appropriation laws and this
35 Code.

36 (f) Normal costs under this Section means liability for

1 pensions and other benefits which accrues to the System because
2 of the credits earned for service rendered by the participants
3 during the fiscal year and expenses of administering the
4 System, but shall not include the principal of or any
5 redemption premium or interest on any bonds issued by the Board
6 or any expenses incurred or deposits required in connection
7 therewith.

8 (g) If the amount of a participant's earnings for any
9 academic year used to determine the final rate of earnings
10 exceeds the amount of his or her earnings with the same
11 employer for the previous academic year by more than 6%, the
12 participant's employer shall pay to the System, in addition to
13 all other payments required under this Section and in
14 accordance with guidelines established by the System, the
15 present value of the increase in benefits resulting from the
16 portion of the increase in earnings that is in excess of 6%.
17 This present value shall be computed by the System on the basis
18 of the actuarial assumptions and tables used in the most recent
19 actuarial valuation of the System that is available at the time
20 of the computation. The employer contributions required under
21 this subsection (g) shall be paid in the form of a lump sum
22 within 30 days after receipt of the bill after the participant
23 begins receiving benefits under this Article.

24 The provisions of this subsection (g) do not apply to
25 earnings increases paid to participants under contracts or
26 collective bargaining agreements entered into, amended, or
27 renewed before the effective date of this amendatory Act of the
28 94th General Assembly.

29 (Source: P.A. 93-2, eff. 4-7-03; 94-4, eff. 6-1-05.)

30 (40 ILCS 5/16-158) (from Ch. 108 1/2, par. 16-158)

31 Sec. 16-158. Contributions by State and other employing
32 units.

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

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

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

10 (a-1) Annually, on or before November 15, the Board shall
11 certify to the Governor the amount of the required State
12 contribution for the coming fiscal year. The certification
13 shall include a copy of the actuarial recommendations upon
14 which it is based.

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

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

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

29 (b-1) Beginning in State fiscal year 1996, on the 15th day
30 of each month, or as soon thereafter as may be practicable, the
31 Board shall submit vouchers for payment of State contributions
32 to the System, in a total monthly amount of one-twelfth of the
33 required annual State contribution certified under subsection
34 (a-1). From the effective date of this amendatory Act of the
35 93rd General Assembly through June 30, 2004, the Board shall
36 not submit vouchers for the remainder of fiscal year 2004 in

1 excess of the fiscal year 2004 certified contribution amount
2 determined under this Section after taking into consideration
3 the transfer to the System under subsection (a) of Section
4 6z-61 of the State Finance Act. These vouchers shall be paid by
5 the State Comptroller and Treasurer by warrants drawn on the
6 funds appropriated to the System for that fiscal year.

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

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

19 (b-3) For State fiscal years 2011 through 2045, the minimum
20 contribution to the System to be made by the State for each
21 fiscal year shall be an amount determined by the System to be
22 sufficient to bring the total assets of the System up to 90% of
23 the total actuarial liabilities of the System by the end of
24 State fiscal year 2045. 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
27 including fiscal year 2045 and shall be determined under the
28 projected unit credit actuarial cost method.

29 For State fiscal years 1996 through 2005, the State
30 contribution to the System, as a percentage of the applicable
31 employee payroll, shall be increased in equal annual increments
32 so that by State fiscal year 2011, the State is contributing at
33 the rate required under this Section; except that in the
34 following specified State fiscal years, the State contribution
35 to the System shall not be less than the following indicated
36 percentages of the applicable employee payroll, even if the

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

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

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

14 For each of State fiscal years 2008 through 2010, the State
15 contribution to the System, as a percentage of the applicable
16 employee payroll, shall be increased in equal annual increments
17 from the required State contribution for State fiscal year
18 2007, so that by State fiscal year 2011, the State is
19 contributing at the rate otherwise required under this Section.

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

24 Amounts received by the System pursuant to Section 23.1 of
25 the Riverboat Gambling Act in any fiscal year do not reduce and
26 do not constitute payment of any portion of the minimum State
27 contribution required under this Article in that fiscal year.
28 Such amounts are intended to reduce the unfunded liability of
29 the System and shall act to reduce the required State
30 contributions under this Article in future years only to the
31 extent that the System's current unfunded liability is normally
32 reflected in the calculation of those required State
33 contributions. A reference in this Article to the "required
34 State contribution" or any substantially similar term does not
35 include or apply to any amounts payable to the System under
36 Section 23.1 of the Riverboat Gambling 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 calculated
4 under this Section and certified under subsection (a-1), shall
5 not exceed an amount equal to (i) the amount of the required
6 State contribution that would have been calculated under this
7 Section for that fiscal year if the System had not received any
8 payments under subsection (d) of Section 7.2 of the General
9 Obligation Bond Act, minus (ii) the portion of the State's
10 total debt service payments for that fiscal year on the bonds
11 issued for the purposes of that Section 7.2, as determined and
12 certified by the Comptroller, that is the same as the System's
13 portion of the total moneys distributed under subsection (d) of
14 Section 7.2 of the General Obligation Bond Act. In determining
15 this maximum for State fiscal years 2008 through 2010, however,
16 the amount referred to in item (i) shall be increased, as a
17 percentage of the applicable employee payroll, in equal
18 increments calculated from the sum of the required State
19 contribution for State fiscal year 2007 plus the applicable
20 portion of the State's total debt service payments for fiscal
21 year 2007 on the bonds issued for the purposes of Section 7.2
22 of the General Obligation Bond Act, so that, by State fiscal
23 year 2011, the State is contributing at the rate otherwise
24 required under this Section.

25 (c) Payment of the required State contributions and of all
26 pensions, retirement annuities, death benefits, refunds, and
27 other benefits granted under or assumed by this System, and all
28 expenses in connection with the administration and operation
29 thereof, are obligations of the State.

30 If members are paid from special trust or federal funds
31 which are administered by the employing unit, whether school
32 district or other unit, the employing unit shall pay to the
33 System from such funds the full accruing retirement costs based
34 upon that service, as determined by the System. Employer
35 contributions, based on salary paid to members from federal
36 funds, may be forwarded by the distributing agency of the State

1 of Illinois to the System prior to allocation, in an amount
2 determined in accordance with guidelines established by such
3 agency and the System.

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

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

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

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

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

32 The school district or other employing unit may pay these
33 employer contributions out of any source of funding available
34 for that purpose and shall forward the contributions to the
35 System on the schedule established for the payment of member
36 contributions.

1 These employer contributions are intended to offset a
2 portion of the cost to the System of the increases in
3 retirement benefits resulting from this amendatory Act of 1998.

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

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

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

28 (f) If the amount of a teacher's salary for any school year
29 used to determine final average salary exceeds the amount of
30 his or her salary with the same employer for the previous
31 school year by more than 6%, the teacher's employer shall pay
32 to the System, in addition to all other payments required under
33 this Section and in accordance with guidelines established by
34 the System, the present value of the increase in benefits
35 resulting from the portion of the increase in salary that is in
36 excess of 6%. This present value shall be computed by the

1 System on the basis of the actuarial assumptions and tables
2 used in the most recent actuarial valuation of the System that
3 is available at the time of the computation. The employer
4 contributions required under this subsection (f) shall be paid
5 in the form of a lump sum within 30 days after receipt of the
6 bill after the teacher begins receiving benefits under this
7 Article.

8 The provisions of this subsection (f) do not apply to
9 salary increases paid to teachers under contracts or collective
10 bargaining agreements entered into, amended, or renewed before
11 the effective date of this amendatory Act of the 94th General
12 Assembly.

13 (Source: P.A. 93-2, eff. 4-7-03; 93-665, eff. 3-5-04; 94-4,
14 eff. 6-1-05.)

15 (40 ILCS 5/18-131) (from Ch. 108 1/2, par. 18-131)

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

17 (a) The State of Illinois shall make contributions to this
18 System by appropriations of the amounts which, together with
19 the contributions of participants, net earnings on
20 investments, and other income, will meet the costs of
21 maintaining and administering this System on a 90% funded basis
22 in accordance with actuarial recommendations.

23 (b) The Board shall determine the amount of State
24 contributions required for each fiscal year on the basis of the
25 actuarial tables and other assumptions adopted by the Board and
26 the prescribed rate of interest, using the formula in
27 subsection (c).

28 (c) For State fiscal years 2011 through 2045, the minimum
29 contribution to the System to be made by the State for each
30 fiscal year shall be an amount determined by the System to be
31 sufficient to bring the total assets of the System up to 90% of
32 the total actuarial liabilities of the System by the end of
33 State fiscal year 2045. In making these determinations, the
34 required State contribution shall be calculated each year as a
35 level percentage of payroll over the years remaining to and

1 including fiscal year 2045 and shall be determined under the
2 projected unit credit actuarial cost method.

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

8 Notwithstanding any other provision of this Article, the
9 total required State contribution for State fiscal year 2006 is
10 \$29,189,400.

11 Notwithstanding any other provision of this Article, the
12 total required State contribution for State fiscal year 2007 is
13 \$35,236,800.

14 For each of State fiscal years 2008 through 2010, the State
15 contribution to the System, as a percentage of the applicable
16 employee payroll, shall be increased in equal annual increments
17 from the required State contribution for State fiscal year
18 2007, so that by State fiscal year 2011, the State is
19 contributing at the rate otherwise required under this Section.

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

24 Amounts received by the System pursuant to Section 23.1 of
25 the Riverboat Gambling Act in any fiscal year do not reduce and
26 do not constitute payment of any portion of the minimum State
27 contribution required under this Article in that fiscal year.
28 Such amounts are intended to reduce the unfunded liability of
29 the System and shall act to reduce the required State
30 contributions under this Article in future years only to the
31 extent that the System's current unfunded liability is normally
32 reflected in the calculation of those required State
33 contributions. A reference in this Article to the "required
34 State contribution" or any substantially similar term does not
35 include or apply to any amounts payable to the System under
36 Section 23.1 of the Riverboat Gambling 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 calculated
4 under this Section and certified under Section 18-140, shall
5 not exceed an amount equal to (i) the amount of the required
6 State contribution that would have been calculated under this
7 Section for that fiscal year if the System had not received any
8 payments under subsection (d) of Section 7.2 of the General
9 Obligation Bond Act, minus (ii) the portion of the State's
10 total debt service payments for that fiscal year on the bonds
11 issued for the purposes of that Section 7.2, as determined and
12 certified by the Comptroller, that is the same as the System's
13 portion of the total moneys distributed under subsection (d) of
14 Section 7.2 of the General Obligation Bond Act. In determining
15 this maximum for State fiscal years 2008 through 2010, however,
16 the amount referred to in item (i) shall be increased, as a
17 percentage of the applicable employee payroll, in equal
18 increments calculated from the sum of the required State
19 contribution for State fiscal year 2007 plus the applicable
20 portion of the State's total debt service payments for fiscal
21 year 2007 on the bonds issued for the purposes of Section 7.2
22 of the General Obligation Bond Act, so that, by State fiscal
23 year 2011, the State is contributing at the rate otherwise
24 required under this Section.

25 (Source: P.A. 93-2, eff. 4-7-03; 94-4, eff. 6-1-05.)

26 Section 10. The Riverboat Gambling Act is amended by
27 changing Section 13 and by adding Section 23.1 as follows:

28 (230 ILCS 10/13) (from Ch. 120, par. 2413)

29 Sec. 13. Wagering tax; rate; distribution.

30 (a) Until January 1, 1998, a tax is imposed on the adjusted
31 gross receipts received from gambling games authorized under
32 this Act at the rate of 20%.

33 (a-1) From January 1, 1998 until July 1, 2002, a privilege
34 tax is imposed on persons engaged in the business of conducting

1 riverboat gambling operations, based on the adjusted gross
2 receipts received by a licensed owner from gambling games
3 authorized under this Act at the following rates:

4 15% of annual adjusted gross receipts up to and
5 including \$25,000,000;

6 20% of annual adjusted gross receipts in excess of
7 \$25,000,000 but not exceeding \$50,000,000;

8 25% of annual adjusted gross receipts in excess of
9 \$50,000,000 but not exceeding \$75,000,000;

10 30% of annual adjusted gross receipts in excess of
11 \$75,000,000 but not exceeding \$100,000,000;

12 35% of annual adjusted gross receipts in excess of
13 \$100,000,000.

14 (a-2) From July 1, 2002 until July 1, 2003, a privilege tax
15 is imposed on persons engaged in the business of conducting
16 riverboat gambling operations, other than licensed managers
17 conducting riverboat gambling operations on behalf of the
18 State, based on the adjusted gross receipts received by a
19 licensed owner from gambling games authorized under this Act at
20 the following rates:

21 15% of annual adjusted gross receipts up to and
22 including \$25,000,000;

23 22.5% of annual adjusted gross receipts in excess of
24 \$25,000,000 but not exceeding \$50,000,000;

25 27.5% of annual adjusted gross receipts in excess of
26 \$50,000,000 but not exceeding \$75,000,000;

27 32.5% of annual adjusted gross receipts in excess of
28 \$75,000,000 but not exceeding \$100,000,000;

29 37.5% of annual adjusted gross receipts in excess of
30 \$100,000,000 but not exceeding \$150,000,000;

31 45% of annual adjusted gross receipts in excess of
32 \$150,000,000 but not exceeding \$200,000,000;

33 50% of annual adjusted gross receipts in excess of
34 \$200,000,000.

35 (a-3) Beginning July 1, 2003, a privilege tax is imposed on
36 persons engaged in the business of conducting riverboat

1 gambling operations, other than licensed managers conducting
2 riverboat gambling operations on behalf of the State, based on
3 the adjusted gross receipts received by a licensed owner from
4 gambling games authorized under this Act at the following
5 rates:

6 15% of annual adjusted gross receipts up to and
7 including \$25,000,000;

8 27.5% of annual adjusted gross receipts in excess of
9 \$25,000,000 but not exceeding \$37,500,000;

10 32.5% of annual adjusted gross receipts in excess of
11 \$37,500,000 but not exceeding \$50,000,000;

12 37.5% of annual adjusted gross receipts in excess of
13 \$50,000,000 but not exceeding \$75,000,000;

14 45% of annual adjusted gross receipts in excess of
15 \$75,000,000 but not exceeding \$100,000,000;

16 50% of annual adjusted gross receipts in excess of
17 \$100,000,000 but not exceeding \$250,000,000;

18 70% of annual adjusted gross receipts in excess of
19 \$250,000,000.

20 An amount equal to the amount of wagering taxes collected
21 under this subsection (a-3) that are in addition to the amount
22 of wagering taxes that would have been collected if the
23 wagering tax rates under subsection (a-2) were in effect shall
24 be paid into the Common School Fund.

25 The privilege tax imposed under this subsection (a-3) shall
26 no longer be imposed beginning on the earlier of (i) July 1,
27 2005; (ii) the first date after June 20, 2003 that riverboat
28 gambling operations are conducted pursuant to a dormant
29 license; or (iii) the first day that riverboat gambling
30 operations are conducted under the authority of an owners
31 license that is in addition to the 10 owners licenses initially
32 authorized under this Act. For the purposes of this subsection
33 (a-3), the term "dormant license" means an owners license that
34 is authorized by this Act under which no riverboat gambling
35 operations are being conducted on June 20, 2003.

36 (a-4) Beginning on the first day on which the tax imposed

1 under subsection (a-3) is no longer imposed, a privilege tax is
2 imposed on persons engaged in the business of conducting
3 riverboat gambling operations, other than licensed managers
4 conducting riverboat gambling operations on behalf of the
5 State, based on the adjusted gross receipts received by a
6 licensed owner from gambling games authorized under this Act at
7 the following rates:

8 15% of annual adjusted gross receipts up to and
9 including \$25,000,000;

10 22.5% of annual adjusted gross receipts in excess of
11 \$25,000,000 but not exceeding \$50,000,000;

12 27.5% of annual adjusted gross receipts in excess of
13 \$50,000,000 but not exceeding \$75,000,000;

14 32.5% of annual adjusted gross receipts in excess of
15 \$75,000,000 but not exceeding \$100,000,000;

16 37.5% of annual adjusted gross receipts in excess of
17 \$100,000,000 but not exceeding \$150,000,000;

18 45% of annual adjusted gross receipts in excess of
19 \$150,000,000 but not exceeding \$200,000,000;

20 50% of annual adjusted gross receipts in excess of
21 \$200,000,000.

22 (a-8) Riverboat gambling operations conducted by a
23 licensed manager on behalf of the State are not subject to the
24 tax imposed under this Section.

25 (a-10) The taxes imposed by this Section shall be paid by
26 the licensed owner to the Board not later than 3:00 o'clock
27 p.m. of the day after the day when the wagers were made.

28 (a-15) If the privilege tax imposed under subsection (a-3)
29 is no longer imposed pursuant to item (i) of the last paragraph
30 of subsection (a-3), then by June 15 of each year, each owners
31 licensee, other than an owners licensee that admitted 1,000,000
32 persons or fewer in calendar year 2004, must, in addition to
33 the payment of all amounts otherwise due under this Section,
34 pay to the Board the amount, if any, by which the base amount
35 for the licensed owner exceeds the amount of tax paid under
36 this Section by the licensed owner in the then current State

1 fiscal year. The obligation imposed by this subsection (a-15)
2 is binding on any person, firm, corporation, or other entity
3 that acquires an ownership interest in any such owners license.
4 The obligation imposed under this subsection (a-15) terminates
5 on the earliest of: (i) July 1, 2007, (ii) the first day after
6 the effective date of this amendatory Act of the 94th General
7 Assembly that riverboat gambling operations are conducted
8 pursuant to a dormant license, (iii) the first day that
9 riverboat gambling operations are conducted under the
10 authority of an owners license that is in addition to the 10
11 owners licenses initially authorized under this Act, or (iv)
12 the first day that a licensee under the Illinois Horse Racing
13 Act of 1975 conducts gaming operations with slot machines or
14 other electronic gaming devices. The Board must reduce the
15 obligation imposed under this subsection (a-15) by an amount
16 the Board deems reasonable for any of the following reasons:
17 (A) an act or acts of God, (B) an act of bioterrorism or
18 terrorism or a bioterrorism or terrorism threat that was
19 investigated by a law enforcement agency, or (C) a condition
20 beyond the control of the owners licensee that does not result
21 from any act or omission by the owners licensee or any of its
22 agents and that poses a hazardous threat to the health and
23 safety of patrons. If an owners licensee pays an amount in
24 excess of its liability under this Section, the Board shall
25 apply the overpayment to future payments required under this
26 Section.

27 For purposes of this subsection (a-15):

28 "Act of God" means an incident caused by the operation of
29 an extraordinary force that cannot be foreseen, that cannot be
30 avoided by the exercise of due care, and for which no person
31 can be held liable.

32 "Base amount" means the following:

33 For a riverboat in Alton, \$31,000,000.

34 For a riverboat in East Peoria, \$43,000,000.

35 For the Empress riverboat in Joliet, \$86,000,000.

36 For a riverboat in Metropolis, \$45,000,000.

1 For the Harrah's riverboat in Joliet, \$114,000,000.

2 For a riverboat in Aurora, \$86,000,000.

3 For a riverboat in East St. Louis, \$48,500,000.

4 For a riverboat in Elgin, \$198,000,000.

5 "Dormant license" has the meaning ascribed to it in
6 subsection (a-3).

7 (b) Until January 1, 1998, 25% of the tax revenue deposited
8 in the State Gaming Fund under this Section shall be paid,
9 subject to appropriation by the General Assembly, to the unit
10 of local government which is designated as the home dock of the
11 riverboat. Beginning January 1, 1998, from the tax revenue
12 deposited in the State Gaming Fund under this Section, an
13 amount equal to 5% of adjusted gross receipts generated by a
14 riverboat shall be paid monthly, subject to appropriation by
15 the General Assembly, to the unit of local government that is
16 designated as the home dock of the riverboat. From the tax
17 revenue deposited in the State Gaming Fund pursuant to
18 riverboat gambling operations conducted by a licensed manager
19 on behalf of the State, an amount equal to 5% of adjusted gross
20 receipts generated pursuant to those riverboat gambling
21 operations shall be paid monthly, subject to appropriation by
22 the General Assembly, to the unit of local government that is
23 designated as the home dock of the riverboat upon which those
24 riverboat gambling operations are conducted.

25 (b-5) After the payments required under subsection (b) have
26 been made, all of the remaining monies received by the Board
27 for the issuance of and conduct of gambling under any license
28 issued under the jurisdiction of the Illinois Gaming Board on
29 or after the effective date of this amendatory Act of the 94th
30 General Assembly shall be transferred to the Pension Reserve
31 Fund as soon as practical after receipt of those funds into the
32 State Gaming Fund. The transfers provided for under this
33 subsection (b-5) shall not be made in any fiscal year following
34 a fiscal year in which all of the designated retirement
35 systems, as defined in Section 23.1, are at least 90% funded,
36 as determined by the Commission on Government Forecasting and

1 Accountability.

2 (c) Appropriations, as approved by the General Assembly,
3 may be made from the State Gaming Fund to the Department of
4 Revenue and the Department of State Police for the
5 administration and enforcement of this Act, or to the
6 Department of Human Services for the administration of programs
7 to treat problem gambling.

8 (c-5) After the payments required under subsections (b),
9 (b-5), and (c) have been made, an amount equal to 15% of the
10 adjusted gross receipts of (1) an owners licensee that
11 relocates pursuant to Section 11.2, (2) an owners licensee
12 conducting riverboat gambling operations pursuant to an owners
13 license that is initially issued after June 25, 1999, or (3)
14 the first riverboat gambling operations conducted by a licensed
15 manager on behalf of the State under Section 7.3, whichever
16 comes first, shall be paid from the State Gaming Fund into the
17 Horse Racing Equity Fund.

18 (c-10) Each year the General Assembly shall appropriate
19 from the General Revenue Fund to the Education Assistance Fund
20 an amount equal to the amount paid into the Horse Racing Equity
21 Fund pursuant to subsection (c-5) in the prior calendar year.

22 (c-15) After the payments required under subsections (b),
23 (b-5), (c), and (c-5) have been made, an amount equal to 2% of
24 the adjusted gross receipts of (1) an owners licensee that
25 relocates pursuant to Section 11.2, (2) an owners licensee
26 conducting riverboat gambling operations pursuant to an owners
27 license that is initially issued after June 25, 1999, or (3)
28 the first riverboat gambling operations conducted by a licensed
29 manager on behalf of the State under Section 7.3, whichever
30 comes first, shall be paid, subject to appropriation from the
31 General Assembly, from the State Gaming Fund to each home rule
32 county with a population of over 3,000,000 inhabitants for the
33 purpose of enhancing the county's criminal justice system.

34 (c-20) Each year the General Assembly shall appropriate
35 from the General Revenue Fund to the Education Assistance Fund
36 an amount equal to the amount paid to each home rule county

1 with a population of over 3,000,000 inhabitants pursuant to
2 subsection (c-15) in the prior calendar year.

3 (c-25) After the payments required under subsections (b),
4 (b-5), (c), (c-5), and (c-15) have been made, an amount equal
5 to 2% of the adjusted gross receipts of (1) an owners licensee
6 that relocates pursuant to Section 11.2, (2) an owners licensee
7 conducting riverboat gambling operations pursuant to an owners
8 license that is initially issued after June 25, 1999, or (3)
9 the first riverboat gambling operations conducted by a licensed
10 manager on behalf of the State under Section 7.3, whichever
11 comes first, shall be paid from the State Gaming Fund to
12 Chicago State University.

13 (d) From time to time, the Board shall transfer the
14 remainder of the funds generated by this Act into the Education
15 Assistance Fund, created by Public Act 86-0018, of the State of
16 Illinois.

17 (e) Nothing in this Act shall prohibit the unit of local
18 government designated as the home dock of the riverboat from
19 entering into agreements with other units of local government
20 in this State or in other states to share its portion of the
21 tax revenue.

22 (f) To the extent practicable, the Board shall administer
23 and collect the wagering taxes imposed by this Section in a
24 manner consistent with the provisions of Sections 4, 5, 5a, 5b,
25 5c, 5d, 5e, 5f, 5g, 5i, 5j, 6, 6a, 6b, 6c, 8, 9, and 10 of the
26 Retailers' Occupation Tax Act and Section 3-7 of the Uniform
27 Penalty and Interest Act.

28 (Source: P.A. 93-27, eff. 6-20-03; 93-28, eff. 6-20-03; 94-673,
29 eff. 8-23-05.)

30 (230 ILCS 10/23.1 new)

31 Sec. 23.1. The Pension Reserve Fund.

32 (a) The Pension Reserve Fund is a special fund created
33 within the State Treasury.

34 (b) Subject to appropriation, the monies in the Pension
35 Reserve Fund shall be paid to the designated retirement systems

1 to be used for funding the unfunded liabilities of the
2 designated retirement systems. The amount of the annual
3 appropriation to each of the designated retirement systems
4 shall constitute a portion of the total amount available for
5 appropriation under this Section for that fiscal year that is
6 the same as that retirement system's portion of the total
7 actuarial reserve deficiency of the systems, as most recently
8 determined by the Governor's Office of Management and Budget.

9 "Designated retirement systems" means:

10 (1) the State Employees' Retirement System of
11 Illinois;

12 (2) the Teachers' Retirement System of the State of
13 Illinois;

14 (3) the State Universities Retirement System;

15 (4) the Judges Retirement System of Illinois; and

16 (5) the General Assembly Retirement System.

17 (c) The Governor's Office of Management and Budget shall
18 determine the individual and total reserve deficiencies of the
19 designated retirement systems. For this purpose, the
20 Governor's Office of Management and Budget shall utilize the
21 latest available audit and actuarial reports of each of the
22 retirement systems and the relevant reports and statistics of
23 the Public Pension Division of the Department of Financial and
24 Professional Regulation.

25 (d) Appropriations authorized under this Section shall be
26 in addition to, not in lieu of, any State contributions
27 required under Section 2-124, 14-131, 15-155, 16-158, or 18-131
28 of the Illinois Pension Code.

29 Section 15. The State Finance Act is amended by adding
30 Section 5.663 as follows:

31 (30 ILCS 105/5.663 new)

32 Sec. 5.663. The Pension Reserve Fund.

33 Section 99. Effective date. This Act takes effect upon

1 becoming law.