

1 AN ACT concerning public employee benefits.

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

4 Section 5. The Illinois Pension Code is amended by changing
5 Sections 14-103.05, 14-104, 16-106, 16-158, and 17-133 as
6 follows:

7 (40 ILCS 5/14-103.05) (from Ch. 108 1/2, par. 14-103.05)
8 Sec. 14-103.05. Employee.

9 (a) Any person employed by a Department who receives salary
10 for personal services rendered to the Department on a warrant
11 issued pursuant to a payroll voucher certified by a Department
12 and drawn by the State Comptroller upon the State Treasurer,
13 including an elected official described in subparagraph (d) of
14 Section 14-104, shall become an employee for purpose of
15 membership in the Retirement System on the first day of such
16 employment.

17 A person entering service on or after January 1, 1972 and
18 prior to January 1, 1984 shall become a member as a condition
19 of employment and shall begin making contributions as of the
20 first day of employment.

21 A person entering service on or after January 1, 1984
22 shall, upon completion of 6 months of continuous service which
23 is not interrupted by a break of more than 2 months, become a
24 member as a condition of employment. Contributions shall begin
25 the first of the month after completion of the qualifying
26 period.

27 The qualifying period of 6 months of service is not
28 applicable to: (1) a person who has been granted credit for
29 service in a position covered by the State Universities
30 Retirement System, the Teachers' Retirement System of the State
31 of Illinois, the General Assembly Retirement System, or the
32 Judges Retirement System of Illinois unless that service has

1 been forfeited under the laws of those systems; (2) a person
2 entering service on or after July 1, 1991 in a noncovered
3 position; or (3) a person to whom Section 14-108.2a or
4 14-108.2b applies.

5 (b) The term "employee" does not include the following:

6 (1) members of the State Legislature, and persons
7 electing to become members of the General Assembly
8 Retirement System pursuant to Section 2-105;

9 (2) incumbents of offices normally filled by vote of
10 the people;

11 (3) except as otherwise provided in this Section, any
12 person appointed by the Governor with the advice and
13 consent of the Senate unless that person elects to
14 participate in this system;

15 (3.1) any person serving as a commissioner of an ethics
16 commission created under the State Officials and Employees
17 Ethics Act unless that person elects to participate in this
18 system with respect to that service as a commissioner;

19 (3.2) any person serving as a part-time employee in any
20 of the following positions: Legislative Inspector General,
21 Special Legislative Inspector General, employee of the
22 Office of the Legislative Inspector General, Executive
23 Director of the Legislative Ethics Commission, or staff of
24 the Legislative Ethics Commission, regardless of whether
25 he or she is in active service on or after July 8, 2004
26 (the effective date of Public Act 93-685), unless that
27 person elects to participate in this System with respect to
28 that service; in this item (3.2), a "part-time employee" is
29 a person who is not required to work at least 35 hours per
30 week;

31 (3.3) any person who has made an election under Section
32 1-123 and who is serving either as legal counsel in the
33 Office of the Governor or as Chief Deputy Attorney General;

34 (4) except as provided in Section 14-108.2 or
35 14-108.2c, any person who is covered or eligible to be
36 covered by the Teachers' Retirement System of the State of

1 Illinois, the State Universities Retirement System, or the
2 Judges Retirement System of Illinois;

3 (5) an employee of a municipality or any other
4 political subdivision of the State;

5 (6) any person who becomes an employee after June 30,
6 1979 as a public service employment program participant
7 under the Federal Comprehensive Employment and Training
8 Act and whose wages or fringe benefits are paid in whole or
9 in part by funds provided under such Act;

10 (7) enrollees of the Illinois Young Adult Conservation
11 Corps program, administered by the Department of Natural
12 Resources, authorized grantee pursuant to Title VIII of the
13 "Comprehensive Employment and Training Act of 1973", 29 USC
14 993, as now or hereafter amended;

15 (8) enrollees and temporary staff of programs
16 administered by the Department of Natural Resources under
17 the Youth Conservation Corps Act of 1970;

18 (9) any person who is a member of any professional
19 licensing or disciplinary board created under an Act
20 administered by the Department of Professional Regulation
21 or a successor agency or created or re-created after the
22 effective date of this amendatory Act of 1997, and who
23 receives per diem compensation rather than a salary,
24 notwithstanding that such per diem compensation is paid by
25 warrant issued pursuant to a payroll voucher; such persons
26 have never been included in the membership of this System,
27 and this amendatory Act of 1987 (P.A. 84-1472) is not
28 intended to effect any change in the status of such
29 persons;

30 (10) any person who is a member of the Illinois Health
31 Care Cost Containment Council, and receives per diem
32 compensation rather than a salary, notwithstanding that
33 such per diem compensation is paid by warrant issued
34 pursuant to a payroll voucher; such persons have never been
35 included in the membership of this System, and this
36 amendatory Act of 1987 is not intended to effect any change

1 in the status of such persons;

2 (11) any person who is a member of the Oil and Gas
3 Board created by Section 1.2 of the Illinois Oil and Gas
4 Act, and receives per diem compensation rather than a
5 salary, notwithstanding that such per diem compensation is
6 paid by warrant issued pursuant to a payroll voucher; or

7 (12) a person employed by the State Board of Higher
8 Education in a position with the Illinois Century Network
9 as of June 30, 2004, who remains continuously employed
10 after that date by the Department of Central Management
11 Services in a position with the Illinois Century Network
12 and participates in the Article 15 system with respect to
13 that employment.

14 (c) An individual who represents or is employed as an
15 officer or employee of a statewide labor organization that
16 represents members of this System may participate in the System
17 and shall be deemed an employee, provided that (1) the
18 individual has previously earned creditable service under this
19 Article, (2) the individual files with the System an
20 irrevocable election to become a participant within 6 months
21 after the effective date of this amendatory Act of the 94th
22 General Assembly, and (3) the individual does not receive
23 credit for that employment under any other provisions of this
24 Code. An employee under this subsection (c) is responsible for
25 paying to the System both (i) employee contributions based on
26 the actual compensation received for service with the labor
27 organization and (ii) employer contributions based on the
28 percentage of payroll certified by the board; all or any part
29 of these contributions may be paid on the employee's behalf or
30 picked up for tax purposes (if authorized under federal law) by
31 the labor organization.

32 A person who is an employee as defined in this subsection
33 (c) may establish service credit for similar employment prior
34 to becoming an employee under this subsection by paying to the
35 System for that employment the contributions specified in this
36 subsection, plus interest at the effective rate from the date

1 of service to the date of payment. However, credit shall not be
2 granted under this subsection (c) for any such prior employment
3 for which the applicant received credit under any other
4 provision of this Code or during which the applicant was on a
5 leave of absence.

6 (Source: P.A. 92-14, eff. 6-28-01; 93-685, eff. 7-8-04; 93-839,
7 eff. 7-30-04; 93-1069, eff. 1-15-05.)

8 (40 ILCS 5/14-104) (from Ch. 108 1/2, par. 14-104)

9 Sec. 14-104. Service for which contributions permitted.
10 Contributions provided for in this Section shall cover the
11 period of service granted. Except as otherwise provided in this
12 Section, the contributions shall be based upon the employee's
13 compensation and contribution rate in effect on the date he
14 last became a member of the System; provided that for all
15 employment prior to January 1, 1969 the contribution rate shall
16 be that in effect for a noncovered employee on the date he last
17 became a member of the System. Except as otherwise provided in
18 this Section, contributions permitted under this Section shall
19 include regular interest from the date an employee last became
20 a member of the System to the date of payment.

21 These contributions must be paid in full before retirement
22 either in a lump sum or in installment payments in accordance
23 with such rules as may be adopted by the board.

24 (a) Any member may make contributions as required in this
25 Section for any period of service, subsequent to the date of
26 establishment, but prior to the date of membership.

27 (b) Any employee who had been previously excluded from
28 membership because of age at entry and subsequently became
29 eligible may elect to make contributions as required in this
30 Section for the period of service during which he was
31 ineligible.

32 (c) An employee of the Department of Insurance who, after
33 January 1, 1944 but prior to becoming eligible for membership,
34 received salary from funds of insurance companies in the
35 process of rehabilitation, liquidation, conservation or

1 dissolution, may elect to make contributions as required in
2 this Section for such service.

3 (d) Any employee who rendered service in a State office to
4 which he was elected, or rendered service in the elective
5 office of Clerk of the Appellate Court prior to the date he
6 became a member, may make contributions for such service as
7 required in this Section. Any member who served by appointment
8 of the Governor under the Civil Administrative Code of Illinois
9 and did not participate in this System may make contributions
10 as required in this Section for such service.

11 (e) Any person employed by the United States government or
12 any instrumentality or agency thereof from January 1, 1942
13 through November 15, 1946 as the result of a transfer from
14 State service by executive order of the President of the United
15 States shall be entitled to prior service credit covering the
16 period from January 1, 1942 through December 31, 1943 as
17 provided for in this Article and to membership service credit
18 for the period from January 1, 1944 through November 15, 1946
19 by making the contributions required in this Section. A person
20 so employed on January 1, 1944 but whose employment began after
21 January 1, 1942 may qualify for prior service and membership
22 service credit under the same conditions.

23 (f) An employee of the Department of Labor of the State of
24 Illinois who performed services for and under the supervision
25 of that Department prior to January 1, 1944 but who was
26 compensated for those services directly by federal funds and
27 not by a warrant of the Auditor of Public Accounts paid by the
28 State Treasurer may establish credit for such employment by
29 making the contributions required in this Section. An employee
30 of the Department of Agriculture of the State of Illinois, who
31 performed services for and under the supervision of that
32 Department prior to June 1, 1963, but was compensated for those
33 services directly by federal funds and not paid by a warrant of
34 the Auditor of Public Accounts paid by the State Treasurer, and
35 who did not contribute to any other public employee retirement
36 system for such service, may establish credit for such

1 employment by making the contributions required in this
2 Section.

3 (g) Any employee who executed a waiver of membership within
4 60 days prior to January 1, 1944 may, at any time while in the
5 service of a department, file with the board a rescission of
6 such waiver. Upon making the contributions required by this
7 Section, the member shall be granted the creditable service
8 that would have been received if the waiver had not been
9 executed.

10 (h) Until May 1, 1990, an employee who was employed on a
11 full-time basis by a regional planning commission for at least
12 5 continuous years may establish creditable service for such
13 employment by making the contributions required under this
14 Section, provided that any credits earned by the employee in
15 the commission's retirement plan have been terminated.

16 (i) Any person who rendered full time contractual services
17 to the General Assembly as a member of a legislative staff may
18 establish service credit for up to 8 years of such services by
19 making the contributions required under this Section, provided
20 that application therefor is made not later than July 1, 1991.

21 (j) By paying the contributions otherwise required under
22 this Section, plus an amount determined by the Board to be
23 equal to the employer's normal cost of the benefit plus
24 interest, but with all of the interest calculated from the date
25 the employee last became a member of the System or November 19,
26 1991, whichever is later, to the date of payment, an employee
27 may establish service credit for a period of up to 2 years
28 spent in active military service for which he does not qualify
29 for credit under Section 14-105, provided that (1) he was not
30 dishonorably discharged from such military service, and (2) the
31 amount of service credit established by a member under this
32 subsection (j), when added to the amount of military service
33 credit granted to the member under subsection (b) of Section
34 14-105, shall not exceed 5 years. The change in the manner of
35 calculating interest under this subsection (j) made by this
36 amendatory Act of the 92nd General Assembly applies to credit

1 purchased by an employee on or after its effective date and
2 does not entitle any person to a refund of contributions or
3 interest already paid.

4 (k) An employee who was employed on a full-time basis by
5 the Illinois State's Attorneys Association Statewide Appellate
6 Assistance Service LEAA-ILEC grant project prior to the time
7 that project became the State's Attorneys Appellate Service
8 Commission, now the Office of the State's Attorneys Appellate
9 Prosecutor, an agency of State government, may establish
10 creditable service for not more than 60 months service for such
11 employment by making contributions required under this
12 Section.

13 (l) By paying the contributions otherwise required under
14 this Section, plus an amount determined by the Board to be
15 equal to the employer's normal cost of the benefit plus
16 interest, a member may establish service credit for periods of
17 less than one year spent on authorized leave of absence from
18 service, provided that (1) the period of leave began on or
19 after January 1, 1982 and (2) any credit established by the
20 member for the period of leave in any other public employee
21 retirement system has been terminated. A member may establish
22 service credit under this subsection for more than one period
23 of authorized leave, and in that case the total period of
24 service credit established by the member under this subsection
25 may exceed one year. In determining the contributions required
26 for establishing service credit under this subsection, the
27 interest shall be calculated from the beginning of the leave of
28 absence to the date of payment.

29 (m) Any person who rendered contractual services to a
30 member of the General Assembly as a worker in the member's
31 district office may establish creditable service for up to 3
32 years of those contractual services by making the contributions
33 required under this Section. The System shall determine a
34 full-time salary equivalent for the purpose of calculating the
35 required contribution. To establish credit under this
36 subsection, the applicant must apply to the System by March 1,

1 1998.

2 (n) Any person who rendered contractual services to a
3 member of the General Assembly as a worker providing
4 constituent services to persons in the member's district may
5 establish creditable service for up to 8 years of those
6 contractual services by making the contributions required
7 under this Section. The System shall determine a full-time
8 salary equivalent for the purpose of calculating the required
9 contribution. To establish credit under this subsection, the
10 applicant must apply to the System by March 1, 1998.

11 (o) A member who participated in the Illinois Legislative
12 Staff Internship Program may establish creditable service for
13 up to one year of that participation by making the contribution
14 required under this Section. The System shall determine a
15 full-time salary equivalent for the purpose of calculating the
16 required contribution. Credit may not be established under this
17 subsection for any period for which service credit is
18 established under any other provision of this Code.

19 (p) By paying the contributions otherwise required under
20 this Section, plus an amount determined by the Board to be
21 equal to the employer's normal cost of the benefit plus
22 interest, a member may establish service credit for a period of
23 up to 8 years during which he or she was employed by the
24 Visually Handicapped Managers of Illinois in a vending program
25 operated under a contractual agreement with the Department of
26 Rehabilitation Services or its successor agency.

27 This subsection (p) applies without regard to whether the
28 person was in service on or after the effective date of this
29 amendatory Act of the 94th General Assembly. In the case of a
30 person who is receiving a retirement annuity on that effective
31 date, the increase, if any, shall begin to accrue on the first
32 annuity payment date following receipt by the System of the
33 contributions required under this subsection (p).

34 (q) By paying the required contributions under this
35 Section, plus an amount determined by the Board to be equal to
36 the employer's normal cost of the benefit plus interest, an

1 employee who was laid off but returned to State employment
2 under circumstances in which the employee is considered to have
3 been in continuous service for purposes of determining
4 seniority may establish creditable service for the period of
5 the layoff, provided that (1) the applicant applies for the
6 creditable service under this subsection (q) within 6 months
7 after the effective date of this amendatory Act of the 94th
8 General Assembly, (2) the applicant does not receive credit for
9 that period under any other provision of this Code, (3) at the
10 time of the layoff, the applicant is not in an initial
11 probationary status consistent with the rules of the Department
12 of Central Management Services, and (4) the total amount of
13 creditable service established by the applicant under this
14 subsection (q) does not exceed 3 years. For service established
15 under this subsection (q), the required employee contribution
16 shall be based on the rate of compensation earned by the
17 employee on the date of returning to employment after the
18 layoff and the contribution rate then in effect, and the
19 required interest shall be calculated from the date of
20 returning to employment after the layoff to the date of
21 payment.

22 (Source: P.A. 94-612, eff. 8-18-05.)

23 (40 ILCS 5/16-106) (from Ch. 108 1/2, par. 16-106)

24 Sec. 16-106. Teacher. "Teacher": The following
25 individuals, provided that, for employment prior to July 1,
26 1990, they are employed on a full-time basis, or if not
27 full-time, on a permanent and continuous basis in a position in
28 which services are expected to be rendered for at least one
29 school term:

30 (1) Any educational, administrative, professional or
31 other staff employed in the public common schools included
32 within this system in a position requiring certification
33 under the law governing the certification of teachers;

34 (2) Any educational, administrative, professional or
35 other staff employed in any facility of the Department of

1 Children and Family Services or the Department of Human
2 Services, in a position requiring certification under the
3 law governing the certification of teachers, and any person
4 who (i) works in such a position for the Department of
5 Corrections, (ii) was a member of this System on May 31,
6 1987, and (iii) did not elect to become a member of the
7 State Employees' Retirement System pursuant to Section
8 14-108.2 of this Code; except that "teacher" does not
9 include any person who (A) becomes a security employee of
10 the Department of Human Services, as defined in Section
11 14-110, after June 28, 2001 (the effective date of Public
12 Act 92-14), or (B) becomes a member of the State Employees'
13 Retirement System pursuant to Section 14-108.2c of this
14 Code;

15 (3) Any regional superintendent of schools, assistant
16 regional superintendent of schools, State Superintendent
17 of Education; any person employed by the State Board of
18 Education as an executive; any executive of the boards
19 engaged in the service of public common school education in
20 school districts covered under this system of which the
21 State Superintendent of Education is an ex-officio member;

22 (4) Any employee of a school board association
23 operating in compliance with Article 23 of the School Code
24 who is certificated under the law governing the
25 certification of teachers;

26 (5) Any person employed by the retirement system who:

27 (i) was an employee of and a participant in the
28 system on August 17, 2001 (the effective date of Public
29 Act 92-416), or

30 (ii) becomes an employee of the system on or after
31 August 17, 2001;

32 (6) Any educational, administrative, professional or
33 other staff employed by and under the supervision and
34 control of a regional superintendent of schools, provided
35 such employment position requires the person to be
36 certificated under the law governing the certification of

1 teachers and is in an educational program serving 2 or more
2 districts in accordance with a joint agreement authorized
3 by the School Code or by federal legislation;

4 (7) Any educational, administrative, professional or
5 other staff employed in an educational program serving 2 or
6 more school districts in accordance with a joint agreement
7 authorized by the School Code or by federal legislation and
8 in a position requiring certification under the laws
9 governing the certification of teachers;

10 (8) Any officer or employee of a statewide teacher
11 organization or officer of a national teacher organization
12 who is certified under the law governing certification of
13 teachers, provided: (i) the individual had previously
14 established creditable service under this Article, (ii)
15 the individual files with the system an irrevocable
16 election to become a member, and (iii) the individual does
17 not receive credit for such service under any other Article
18 of this Code;

19 (9) Any educational, administrative, professional, or
20 other staff employed in a charter school operating in
21 compliance with the Charter Schools Law who is certificated
22 under the law governing the certification of teachers.

23 (10) Any person employed, on the effective date of this
24 amendatory Act of the 94th General Assembly, by the
25 Macon-Piatt Regional Office of Education in a
26 birth-through-age-three pilot program receiving funds
27 under Section 2-389 of the School Code who is required by
28 the Macon-Piatt Regional Office of Education to hold a
29 teaching certificate, provided that the Macon-Piatt
30 Regional Office of Education makes an election, within 6
31 months after the effective date of this amendatory Act of
32 the 94th General Assembly, to have the person participate
33 in the system. Any service established prior to the
34 effective date of this amendatory Act of the 94th General
35 Assembly for service as an employee of the Macon-Piatt
36 Regional Office of Education in a birth-through-age-three

1 pilot program receiving funds under Section 2-389 of the
2 School Code shall be considered service as a teacher if
3 employee and employer contributions have been received by
4 the system and the system has not refunded those
5 contributions.

6 An annuitant receiving a retirement annuity under this
7 Article or under Article 17 of this Code who is employed by a
8 board of education or other employer as permitted under Section
9 16-118 or 16-150.1 is not a "teacher" for purposes of this
10 Article. A person who has received a single-sum retirement
11 benefit under Section 16-136.4 of this Article is not a
12 "teacher" for purposes of this Article.

13 A person who is a teacher as described in item (8) of this
14 Section may establish service credit for similar employment
15 prior to becoming certified as a teacher if he or she (i) is
16 certified as a teacher on or before the effective date of this
17 amendatory Act of the 94th General Assembly, (ii) applies in
18 writing to the system within 6 months after the effective date
19 of this amendatory Act of the 94th General Assembly, and (iii)
20 pays to the system contributions equal to the normal costs
21 calculated from the date of first full-time employment as
22 described in item (8) to the date of payment, compounded
23 annually at the rate of 8.5% per year for periods before the
24 effective date of this amendatory Act of the 94th General
25 Assembly and for subsequent periods at a rate equal to the
26 System's actuarially assumed rate of return on investments.
27 However, credit shall not be granted under this paragraph for
28 any such prior employment for which the applicant received
29 credit under any other provision of this Code.

30 (Source: P.A. 92-14, eff. 6-28-01; 92-416, eff. 8-17-01;
31 92-651, eff. 7-11-02; 93-320, eff. 7-23-03.)

32 (40 ILCS 5/16-158) (from Ch. 108 1/2, par. 16-158)

33 Sec. 16-158. Contributions by State and other employing
34 units.

35 (a) The State shall make contributions to the System by

1 means of appropriations from the Common School Fund and other
2 State funds of amounts which, together with other employer
3 contributions, employee contributions, investment income, and
4 other income, will be sufficient to meet the cost of
5 maintaining and administering the System on a 90% funded basis
6 in accordance with actuarial recommendations.

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

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

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

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

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

31 (b-1) Beginning in State fiscal year 1996, on the 15th day
32 of each month, or as soon thereafter as may be practicable, the
33 Board shall submit vouchers for payment of State contributions
34 to the System, in a total monthly amount of one-twelfth of the
35 required annual State contribution certified under subsection
36 (a-1). From the effective date of this amendatory Act of the

1 93rd General Assembly through June 30, 2004, the Board shall
2 not submit vouchers for the remainder of fiscal year 2004 in
3 excess of the fiscal year 2004 certified contribution amount
4 determined under this Section after taking into consideration
5 the transfer to the System under subsection (a) of Section
6 6z-61 of the State Finance Act. These vouchers shall be paid by
7 the State Comptroller and Treasurer by warrants drawn on the
8 funds appropriated to the System for that fiscal year.

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

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

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

31 For State fiscal years 1996 through 2005, the State
32 contribution to the System, as a percentage of the applicable
33 employee payroll, shall be increased in equal annual increments
34 so that by State fiscal year 2011, the State is contributing at
35 the rate required under this Section; except that in the
36 following specified State fiscal years, the State contribution

1 to the System shall not be less than the following indicated
2 percentages of the applicable employee payroll, even if the
3 indicated percentage will produce a State contribution in
4 excess of the amount otherwise required under this subsection
5 and subsection (a), and notwithstanding any contrary
6 certification made under subsection (a-1) before the effective
7 date of this amendatory Act of 1998: 10.02% in FY 1999; 10.77%
8 in FY 2000; 11.47% in FY 2001; 12.16% in FY 2002; 12.86% in FY
9 2003; and 13.56% in FY 2004.

10 Notwithstanding any other provision of this Article, the
11 total required State contribution for State fiscal year 2006 is
12 \$534,627,700.

13 Notwithstanding any other provision of this Article, the
14 total required State contribution for State fiscal year 2007 is
15 \$738,014,500.

16 For each of State fiscal years 2008 through 2010, the State
17 contribution to the System, as a percentage of the applicable
18 employee payroll, shall be increased in equal annual increments
19 from the required State contribution for State fiscal year
20 2007, so that by State fiscal year 2011, the State is
21 contributing at the rate otherwise required under this Section.

22 Beginning in State fiscal year 2046, the minimum State
23 contribution for each fiscal year shall be the amount needed to
24 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
27 the Budget Stabilization Act in any fiscal year do not reduce
28 and do not constitute payment of any portion of the minimum
29 State contribution required under this Article in that fiscal
30 year. Such amounts shall not reduce, and shall not be included
31 in the calculation of, the required State contributions under
32 this Article in any future year until the System has reached a
33 funding ratio of at least 90%. A reference in this Article to
34 the "required State contribution" or any substantially similar
35 term does not include or apply to any amounts payable to the
36 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 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 member's
30 annual full-time salary rate with the same employer for the
31 previous school year by more than 6%, the teacher's employer
32 shall pay to the System, in addition to all other payments
33 required under this Section and in accordance with guidelines
34 established by the System, the present value of the increase in
35 benefits resulting from the portion of the increase in salary
36 that is in excess of 6%. This present value shall be computed

1 by the System on the basis of the actuarial assumptions and
2 tables used in the most recent actuarial valuation of the
3 System that is available at the time of the computation. If a
4 teacher's salary for the 2005-2006 school year is used to
5 determine final average salary under this subsection (f), then
6 the changes made to this subsection (f) by Public Act 94-1057
7 shall apply in calculating whether the increase in his or her
8 salary is in excess of 6%. For the purposes of this Section,
9 change in employment under Section 10-21.12 of the School Code
10 on or after June 1, 2005 shall constitute a change in employer.
11 The System may require the employer to provide any pertinent
12 information or documentation. The changes made to this
13 subsection (f) by this amendatory Act of the 94th General
14 Assembly apply without regard to whether the teacher was in
15 service on or after its effective date.

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

31 The employer contributions required under this subsection
32 (f) may be paid in the form of a lump sum within 90 days after
33 receipt of the bill. If the employer contributions are not paid
34 within 90 days after receipt of the bill, then interest will be
35 charged at a rate equal to the System's annual actuarially
36 assumed rate of return on investment compounded annually from

1 the 91st day after receipt of the bill. Payments must be
2 concluded within 3 years after the employer's receipt of the
3 bill.

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

10 When assessing payment for any amount due under subsection
11 (f), the System shall exclude salary increases paid to teachers
12 under contracts or collective bargaining agreements entered
13 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 are
26 equal to or less than the rate of pay for classroom instruction
27 computed on the teacher's current salary and work schedule.

28 When assessing payment for any amount due under subsection
29 (f), the System shall exclude a salary increase resulting from
30 a promotion (i) for which the employee is required to hold a
31 certificate or supervisory endorsement issued by the State
32 Teacher Certification Board that is a different certification
33 or supervisory endorsement than is required for the teacher's
34 previous position and (ii) to a position that has existed and
35 been filled by a member for no less than one complete academic
36 year and the salary increase from the promotion is an increase

1 that results in an amount no greater than the lesser of the
2 average salary paid for other similar positions in the district
3 requiring the same certification or the amount stipulated in
4 the collective bargaining agreement for a similar position
5 requiring the same certification.

6 When assessing payment for any amount due under subsection
7 (f), the System shall exclude any payment to the teacher from
8 the State of Illinois or the State Board of Education over
9 which the employer does not have discretion, notwithstanding
10 that the payment is included in the computation of final
11 average salary.

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

22 (i) The System shall prepare a report and file copies of
23 the report with the Governor and the General Assembly by
24 January 1, 2007 that contains all of the following information:

25 (1) The number of recalculations required by the
26 changes made to this Section by Public Act 94-1057 ~~this~~
27 ~~amendatory Act of the 94th General Assembly~~ for each
28 employer.

29 (2) The dollar amount by which each employer's
30 contribution to the System was changed due to
31 recalculations required by Public Act 94-1057 ~~this~~
32 ~~amendatory Act of the 94th General Assembly~~.

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

36 (4) The increase in the required State contribution

1 resulting from the changes made to this Section by Public
2 Act 94-1057 ~~this amendatory Act of the 94th General~~
3 ~~Assembly.~~

4 (Source: P.A. 93-2, eff. 4-7-03; 93-665, eff. 3-5-04; 94-4,
5 eff. 6-1-05; 94-839, eff. 6-6-06; 94-1057, eff. 7-31-06;
6 revised 8-3-06.)

7 (40 ILCS 5/17-133) (from Ch. 108 1/2, par. 17-133)

8 Sec. 17-133. Contributions for periods of outside and other
9 service.

10 Regularly certified and appointed teachers who desire to
11 have the following described services credited for pension
12 purposes shall submit to the Board evidence thereof and pay
13 into the Fund the amounts prescribed herein:

14 1. For teaching service by a certified teacher in the
15 public schools of the several states or in schools operated
16 by or under the auspices of the United States, a teacher
17 shall pay the contributions at the rates in force (a) on
18 the date of appointment as a regularly certified teacher
19 after salary adjustments are completed, or (b) at the time
20 of reappointment after salary adjustments are completed,
21 whichever is later, but not less than \$450 per year of
22 service. Upon the Board's approval of such service and the
23 payment of the required contributions, service credit of
24 not more than 10 years shall be granted.

25 2. For service as a playground instructor in public
26 school playgrounds, teachers shall pay the contributions
27 prescribed in this Article (a) at the time of appointment,
28 as a regularly certified teacher after salary adjustments
29 are completed, or (b) on return to service as a full time
30 regularly certified teacher, as the case may be, provided
31 such rates or amounts shall not be less than \$450 per year.

32 3. For service prior to September 1, 1955, in the
33 public schools of the City as a substitute, evening school
34 or temporary teacher, or for service as an Americanization
35 teacher prior to December 31, 1955, teachers shall pay the

1 contributions prescribed in this Article (a) at the time of
2 appointment, as a regularly certified teacher after salary
3 adjustments are completed, (b) on return to service as a
4 full time regularly certified teacher, as the case may be,
5 provided such rates or amounts shall not be less than \$450
6 per year; and provided further that for teachers employed
7 on or after September 1, 1953, rates shall not include
8 contributions for widows' pensions if the service
9 described in this sub-paragraph 3 was rendered before that
10 date. Any teacher entitled to repay a refund of
11 contributions under Section 17-126 may validate service
12 described in this paragraph by payment of the amounts
13 prescribed herein, together with the repayment of the
14 refund, provided that if such creditable service was the
15 last service rendered in the public schools of the City and
16 is not automatically reinstated by repayment of the refund,
17 the rates or amounts shall not be less than \$450 per year.

18 4. For service after June 30, 1982 as a member of the
19 Board of Education, if required to resign from an
20 administrative or teaching position in order to qualify as
21 a member of the Board of Education.

22 5. For service during the 1986-87 school year as a
23 teacher on a special leave of absence with full loss of
24 salary, teaching for an agency under contract to the Board
25 of Education, if the teacher returned to employment in
26 September, 1987. For service under this item 5, the teacher
27 must pay the contributions at the rates in force at the
28 completion of the leave period.

29 6. For up to 2 years of service as a teacher or
30 administrator employed by a private school registered with
31 or recognized by the Illinois State Board of Education,
32 provided that the teacher (i) was certified under the law
33 governing the certification of teachers at the time the
34 service was rendered, (ii) applies in writing on or after
35 the effective date of this amendatory Act of the 94th
36 General Assembly and on or before June 1, 2009, (iii)

1 supplies satisfactory evidence of the employment, (iv)
2 completes at least 10 years of contributing service as a
3 teacher as defined in Section 17-106, (v) pays the
4 contribution required in this Section, and (vi) does not
5 receive credit for that service under any other provision
6 of this Code. The member may apply for credit under this
7 subsection and pay the required contribution before
8 completing the 10 years of contributing service required
9 under item (iv), but the credit may not be used until the
10 item (iv) contributing service requirement has been met.

11 For each year of service credit to be established under
12 this subparagraph 6, a member is required to contribute to
13 the System (i) 16.5% of the annual salary rate during the
14 first year of full-time employment as a teacher under this
15 Article following the private school service, plus (ii)
16 interest thereon from the date of first full-time
17 employment as a teacher under this Article following the
18 private school service to the date of payment, compounded
19 annually, at the rate of 8.0% per year.

20 For service described in sub-paragraphs 1, 2 and 3 of this
21 Section, interest shall be charged beginning one year after the
22 effective date of appointment or reappointment.

23 Effective September 1, 1974, the interest rate to be
24 charged by the Fund on contributions provided in sub-paragraphs
25 1, 2, 3 and 4 shall be 5% per annum compounded annually.

26 (Source: P.A. 90-566, eff. 1-2-98; 91-887, eff. 7-6-00.)

27 Section 90. The State Mandates Act is amended by adding
28 Section 8.30 as follows:

29 (30 ILCS 805/8.30 new)

30 Sec. 8.30. Exempt mandate. Notwithstanding Sections 6 and 8
31 of this Act, no reimbursement by the State is required for the
32 implementation of any mandate created by this amendatory Act of
33 the 94th General Assembly.

1 Section 99. Effective date. This Act takes effect upon
2 becoming law.