



Rep. Gary Hannig

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1 AMENDMENT TO SENATE BILL 36

2 AMENDMENT NO. _____. Amend Senate Bill 36, AS AMENDED, by
3 replacing everything after the enacting clause with the
4 following:

5 "Section 5. The Illinois Pension Code is amended by
6 changing Sections 14-103.05, 14-104, 16-106, 16-158, and
7 17-133 as follows:

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

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

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

22 A person entering service on or after January 1, 1984
23 shall, upon completion of 6 months of continuous service which
24 is not interrupted by a break of more than 2 months, become a

1 member as a condition of employment. Contributions shall begin
2 the first of the month after completion of the qualifying
3 period.

4 The qualifying period of 6 months of service is not
5 applicable to: (1) a person who has been granted credit for
6 service in a position covered by the State Universities
7 Retirement System, the Teachers' Retirement System of the State
8 of Illinois, the General Assembly Retirement System, or the
9 Judges Retirement System of Illinois unless that service has
10 been forfeited under the laws of those systems; (2) a person
11 entering service on or after July 1, 1991 in a noncovered
12 position; or (3) a person to whom Section 14-108.2a or
13 14-108.2b applies.

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

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

18 (2) incumbents of offices normally filled by vote of
19 the people;

20 (3) except as otherwise provided in this Section, any
21 person appointed by the Governor with the advice and
22 consent of the Senate unless that person elects to
23 participate in this system;

24 (3.1) any person serving as a commissioner of an ethics
25 commission created under the State Officials and Employees
26 Ethics Act unless that person elects to participate in this
27 system with respect to that service as a commissioner;

28 (3.2) any person serving as a part-time employee in any
29 of the following positions: Legislative Inspector General,
30 Special Legislative Inspector General, employee of the
31 Office of the Legislative Inspector General, Executive
32 Director of the Legislative Ethics Commission, or staff of
33 the Legislative Ethics Commission, regardless of whether
34 he or she is in active service on or after July 8, 2004

1 (the effective date of Public Act 93-685), unless that
2 person elects to participate in this System with respect to
3 that service; in this item (3.2), a "part-time employee" is
4 a person who is not required to work at least 35 hours per
5 week;

6 (3.3) any person who has made an election under Section
7 1-123 and who is serving either as legal counsel in the
8 Office of the Governor or as Chief Deputy Attorney General;

9 (4) except as provided in Section 14-108.2 or
10 14-108.2c, any person who is covered or eligible to be
11 covered by the Teachers' Retirement System of the State of
12 Illinois, the State Universities Retirement System, or the
13 Judges Retirement System of Illinois;

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

16 (6) any person who becomes an employee after June 30,
17 1979 as a public service employment program participant
18 under the Federal Comprehensive Employment and Training
19 Act and whose wages or fringe benefits are paid in whole or
20 in part by funds provided under such Act;

21 (7) enrollees of the Illinois Young Adult Conservation
22 Corps program, administered by the Department of Natural
23 Resources, authorized grantee pursuant to Title VIII of the
24 "Comprehensive Employment and Training Act of 1973", 29 USC
25 993, as now or hereafter amended;

26 (8) enrollees and temporary staff of programs
27 administered by the Department of Natural Resources under
28 the Youth Conservation Corps Act of 1970;

29 (9) any person who is a member of any professional
30 licensing or disciplinary board created under an Act
31 administered by the Department of Professional Regulation
32 or a successor agency or created or re-created after the
33 effective date of this amendatory Act of 1997, and who
34 receives per diem compensation rather than a salary,

1 notwithstanding that such per diem compensation is paid by
2 warrant issued pursuant to a payroll voucher; such persons
3 have never been included in the membership of this System,
4 and this amendatory Act of 1987 (P.A. 84-1472) is not
5 intended to effect any change in the status of such
6 persons;

7 (10) any person who is a member of the Illinois Health
8 Care Cost Containment Council, and receives per diem
9 compensation rather than a salary, notwithstanding that
10 such per diem compensation is paid by warrant issued
11 pursuant to a payroll voucher; such persons have never been
12 included in the membership of this System, and this
13 amendatory Act of 1987 is not intended to effect any change
14 in the status of such persons;

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

20 (12) a person employed by the State Board of Higher
21 Education in a position with the Illinois Century Network
22 as of June 30, 2004, who remains continuously employed
23 after that date by the Department of Central Management
24 Services in a position with the Illinois Century Network
25 and participates in the Article 15 system with respect to
26 that employment.

27 (c) An individual who represents or is employed as an
28 officer or employee of a statewide labor organization that
29 represents members of this System may participate in the System
30 and shall be deemed an employee, provided that (1) the
31 individual has previously earned creditable service under this
32 Article, (2) the individual files with the System an
33 irrevocable election to become a participant within 6 months
34 after the effective date of this amendatory Act of the 94th

1 General Assembly, and (3) the individual does not receive
2 credit for that employment under any other provisions of this
3 Code. An employee under this subsection (c) is responsible for
4 paying to the System both (i) employee contributions based on
5 the actual compensation received for service with the labor
6 organization and (ii) employer contributions based on the
7 percentage of payroll certified by the board; all or any part
8 of these contributions may be paid on the employee's behalf or
9 picked up for tax purposes (if authorized under federal law) by
10 the labor organization.

11 A person who is an employee as defined in this subsection
12 (c) may establish service credit for similar employment prior
13 to becoming an employee under this subsection by paying to the
14 System for that employment the contributions specified in this
15 subsection, plus interest at the effective rate from the date
16 of service to the date of payment. However, credit shall not be
17 granted under this subsection (c) for any such prior employment
18 for which the applicant received credit under any other
19 provision of this Code or during which the applicant was on a
20 leave of absence.

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

23 (40 ILCS 5/14-104) (from Ch. 108 1/2, par. 14-104)

24 Sec. 14-104. Service for which contributions permitted.
25 Contributions provided for in this Section shall cover the
26 period of service granted. Except as otherwise provided in this
27 Section, the contributions shall be based upon the employee's
28 compensation and contribution rate in effect on the date he
29 last became a member of the System; provided that for all
30 employment prior to January 1, 1969 the contribution rate shall
31 be that in effect for a noncovered employee on the date he last
32 became a member of the System. Except as otherwise provided in
33 this Section, contributions permitted under this Section shall

1 include regular interest from the date an employee last became
2 a member of the System to the date of payment.

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

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

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

14 (c) An employee of the Department of Insurance who, after
15 January 1, 1944 but prior to becoming eligible for membership,
16 received salary from funds of insurance companies in the
17 process of rehabilitation, liquidation, conservation or
18 dissolution, may elect to make contributions as required in
19 this Section for such service.

20 (d) Any employee who rendered service in a State office to
21 which he was elected, or rendered service in the elective
22 office of Clerk of the Appellate Court prior to the date he
23 became a member, may make contributions for such service as
24 required in this Section. Any member who served by appointment
25 of the Governor under the Civil Administrative Code of Illinois
26 and did not participate in this System may make contributions
27 as required in this Section for such service.

28 (e) Any person employed by the United States government or
29 any instrumentality or agency thereof from January 1, 1942
30 through November 15, 1946 as the result of a transfer from
31 State service by executive order of the President of the United
32 States shall be entitled to prior service credit covering the
33 period from January 1, 1942 through December 31, 1943 as
34 provided for in this Article and to membership service credit

1 for the period from January 1, 1944 through November 15, 1946
2 by making the contributions required in this Section. A person
3 so employed on January 1, 1944 but whose employment began after
4 January 1, 1942 may qualify for prior service and membership
5 service credit under the same conditions.

6 (f) An employee of the Department of Labor of the State of
7 Illinois who performed services for and under the supervision
8 of that Department prior to January 1, 1944 but who was
9 compensated for those services directly by federal funds and
10 not by a warrant of the Auditor of Public Accounts paid by the
11 State Treasurer may establish credit for such employment by
12 making the contributions required in this Section. An employee
13 of the Department of Agriculture of the State of Illinois, who
14 performed services for and under the supervision of that
15 Department prior to June 1, 1963, but was compensated for those
16 services directly by federal funds and not paid by a warrant of
17 the Auditor of Public Accounts paid by the State Treasurer, and
18 who did not contribute to any other public employee retirement
19 system for such service, may establish credit for such
20 employment by making the contributions required in this
21 Section.

22 (g) Any employee who executed a waiver of membership within
23 60 days prior to January 1, 1944 may, at any time while in the
24 service of a department, file with the board a rescission of
25 such waiver. Upon making the contributions required by this
26 Section, the member shall be granted the creditable service
27 that would have been received if the waiver had not been
28 executed.

29 (h) Until May 1, 1990, an employee who was employed on a
30 full-time basis by a regional planning commission for at least
31 5 continuous years may establish creditable service for such
32 employment by making the contributions required under this
33 Section, provided that any credits earned by the employee in
34 the commission's retirement plan have been terminated.

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

6 (j) By paying the contributions otherwise required under
7 this Section, plus an amount determined by the Board to be
8 equal to the employer's normal cost of the benefit plus
9 interest, but with all of the interest calculated from the date
10 the employee last became a member of the System or November 19,
11 1991, whichever is later, to the date of payment, an employee
12 may establish service credit for a period of up to 2 years
13 spent in active military service for which he does not qualify
14 for credit under Section 14-105, provided that (1) he was not
15 dishonorably discharged from such military service, and (2) the
16 amount of service credit established by a member under this
17 subsection (j), when added to the amount of military service
18 credit granted to the member under subsection (b) of Section
19 14-105, shall not exceed 5 years. The change in the manner of
20 calculating interest under this subsection (j) made by this
21 amendatory Act of the 92nd General Assembly applies to credit
22 purchased by an employee on or after its effective date and
23 does not entitle any person to a refund of contributions or
24 interest already paid.

25 (k) An employee who was employed on a full-time basis by
26 the Illinois State's Attorneys Association Statewide Appellate
27 Assistance Service LEAA-ILEC grant project prior to the time
28 that project became the State's Attorneys Appellate Service
29 Commission, now the Office of the State's Attorneys Appellate
30 Prosecutor, an agency of State government, may establish
31 creditable service for not more than 60 months service for such
32 employment by making contributions required under this
33 Section.

34 (l) By paying the contributions otherwise required under

1 this Section, plus an amount determined by the Board to be
2 equal to the employer's normal cost of the benefit plus
3 interest, a member may establish service credit for periods of
4 less than one year spent on authorized leave of absence from
5 service, provided that (1) the period of leave began on or
6 after January 1, 1982 and (2) any credit established by the
7 member for the period of leave in any other public employee
8 retirement system has been terminated. A member may establish
9 service credit under this subsection for more than one period
10 of authorized leave, and in that case the total period of
11 service credit established by the member under this subsection
12 may exceed one year. In determining the contributions required
13 for establishing service credit under this subsection, the
14 interest shall be calculated from the beginning of the leave of
15 absence to the date of payment.

16 (m) Any person who rendered contractual services to a
17 member of the General Assembly as a worker in the member's
18 district office may establish creditable service for up to 3
19 years of those contractual services by making the contributions
20 required under this Section. The System shall determine a
21 full-time salary equivalent for the purpose of calculating the
22 required contribution. To establish credit under this
23 subsection, the applicant must apply to the System by March 1,
24 1998.

25 (n) Any person who rendered contractual services to a
26 member of the General Assembly as a worker providing
27 constituent services to persons in the member's district may
28 establish creditable service for up to 8 years of those
29 contractual services by making the contributions required
30 under this Section. The System shall determine a full-time
31 salary equivalent for the purpose of calculating the required
32 contribution. To establish credit under this subsection, the
33 applicant must apply to the System by March 1, 1998.

34 (o) A member who participated in the Illinois Legislative

1 Staff Internship Program may establish creditable service for
2 up to one year of that participation by making the contribution
3 required under this Section. The System shall determine a
4 full-time salary equivalent for the purpose of calculating the
5 required contribution. Credit may not be established under this
6 subsection for any period for which service credit is
7 established under any other provision of this Code.

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

16 This subsection (p) applies without regard to whether the
17 person was in service on or after the effective date of this
18 amendatory Act of the 94th General Assembly. In the case of a
19 person who is receiving a retirement annuity on that effective
20 date, the increase, if any, shall begin to accrue on the first
21 annuity payment date following receipt by the System of the
22 contributions required under this subsection (p).

23 (q) By paying the required contributions under this
24 Section, plus an amount determined by the Board to be equal to
25 the employer's normal cost of the benefit plus interest, an
26 employee who was laid off but returned to State employment
27 under circumstances in which the employee is considered to have
28 been in continuous service for purposes of determining
29 seniority may establish creditable service for the period of
30 the layoff, provided that (1) the applicant applies for the
31 creditable service under this subsection (q) within 6 months
32 after the effective date of this amendatory Act of the 94th
33 General Assembly, (2) the applicant does not receive credit for
34 that period under any other provision of this Code, (3) at the

1 time of the layoff, the applicant is not in an initial
2 probationary status consistent with the rules of the Department
3 of Central Management Services, and (4) the total amount of
4 creditable service established by the applicant under this
5 subsection (q) does not exceed 3 years. For service established
6 under this subsection (q), the required employee contribution
7 shall be based on the rate of compensation earned by the
8 employee on the date of returning to employment after the
9 layoff and the contribution rate then in effect, and the
10 required interest shall be calculated from the date of
11 returning to employment after the layoff to the date of
12 payment.

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

14 (40 ILCS 5/16-106) (from Ch. 108 1/2, par. 16-106)

15 Sec. 16-106. Teacher. "Teacher": The following
16 individuals, provided that, for employment prior to July 1,
17 1990, they are employed on a full-time basis, or if not
18 full-time, on a permanent and continuous basis in a position in
19 which services are expected to be rendered for at least one
20 school term:

21 (1) Any educational, administrative, professional or
22 other staff employed in the public common schools included
23 within this system in a position requiring certification
24 under the law governing the certification of teachers;

25 (2) Any educational, administrative, professional or
26 other staff employed in any facility of the Department of
27 Children and Family Services or the Department of Human
28 Services, in a position requiring certification under the
29 law governing the certification of teachers, and any person
30 who (i) works in such a position for the Department of
31 Corrections, (ii) was a member of this System on May 31,
32 1987, and (iii) did not elect to become a member of the
33 State Employees' Retirement System pursuant to Section

1 14-108.2 of this Code; except that "teacher" does not
2 include any person who (A) becomes a security employee of
3 the Department of Human Services, as defined in Section
4 14-110, after June 28, 2001 (the effective date of Public
5 Act 92-14), or (B) becomes a member of the State Employees'
6 Retirement System pursuant to Section 14-108.2c of this
7 Code;

8 (3) Any regional superintendent of schools, assistant
9 regional superintendent of schools, State Superintendent
10 of Education; any person employed by the State Board of
11 Education as an executive; any executive of the boards
12 engaged in the service of public common school education in
13 school districts covered under this system of which the
14 State Superintendent of Education is an ex-officio member;

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

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

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

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

25 (6) Any educational, administrative, professional or
26 other staff employed by and under the supervision and
27 control of a regional superintendent of schools, provided
28 such employment position requires the person to be
29 certificated under the law governing the certification of
30 teachers and is in an educational program serving 2 or more
31 districts in accordance with a joint agreement authorized
32 by the School Code or by federal legislation;

33 (7) Any educational, administrative, professional or
34 other staff employed in an educational program serving 2 or

1 more school districts in accordance with a joint agreement
2 authorized by the School Code or by federal legislation and
3 in a position requiring certification under the laws
4 governing the certification of teachers;

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

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

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

1 the system and the system has not refunded those
2 contributions.

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

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

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

29 (40 ILCS 5/16-158) (from Ch. 108 1/2, par. 16-158)

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

32 (a) The State shall make contributions to the System by
33 means of appropriations from the Common School Fund and other

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

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

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

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

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

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

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

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

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

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

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

32 For State fiscal years 1996 through 2005, the State
33 contribution to the System, as a percentage of the applicable
34 employee payroll, shall be increased in equal annual increments

1 so that by State fiscal year 2011, the State is contributing at
2 the rate required under this Section; except that in the
3 following specified State fiscal years, the State contribution
4 to the System shall not be less than the following indicated
5 percentages of the applicable employee payroll, even if the
6 indicated percentage will produce a State contribution in
7 excess of the amount otherwise required under this subsection
8 and subsection (a), and notwithstanding any contrary
9 certification made under subsection (a-1) before the effective
10 date of this amendatory Act of 1998: 10.02% in FY 1999; 10.77%
11 in FY 2000; 11.47% in FY 2001; 12.16% in FY 2002; 12.86% in FY
12 2003; and 13.56% in FY 2004.

13 Notwithstanding any other provision of this Article, the
14 total required State contribution for State fiscal year 2006 is
15 \$534,627,700.

16 Notwithstanding any other provision of this Article, the
17 total required State contribution for State fiscal year 2007 is
18 \$738,014,500.

19 For each of State fiscal years 2008 through 2010, the State
20 contribution to the System, as a percentage of the applicable
21 employee payroll, shall be increased in equal annual increments
22 from the required State contribution for State fiscal year
23 2007, so that by State fiscal year 2011, the State is
24 contributing at the rate otherwise required under this Section.

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

29 Amounts received by the System pursuant to Section 25 of
30 the Budget Stabilization Act in any fiscal year do not reduce
31 and do not constitute payment of any portion of the minimum
32 State contribution required under this Article in that fiscal
33 year. Such amounts shall not reduce, and shall not be included
34 in the calculation of, the required State contributions under

1 this Article in any future year until the System has reached a
2 funding ratio of at least 90%. A reference in this Article to
3 the "required State contribution" or any substantially similar
4 term does not include or apply to any amounts payable to the
5 System under Section 25 of the Budget Stabilization Act.

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

30 (c) Payment of the required State contributions and of all
31 pensions, retirement annuities, death benefits, refunds, and
32 other benefits granted under or assumed by this System, and all
33 expenses in connection with the administration and operation
34 thereof, are obligations of the State.

1 If members are paid from special trust or federal funds
2 which are administered by the employing unit, whether school
3 district or other unit, the employing unit shall pay to the
4 System from such funds the full accruing retirement costs based
5 upon that service, as determined by the System. Employer
6 contributions, based on salary paid to members from federal
7 funds, may be forwarded by the distributing agency of the State
8 of Illinois to the System prior to allocation, in an amount
9 determined in accordance with guidelines established by such
10 agency and the System.

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

18 However, with respect to benefits granted under Section
19 16-133.4 or 16-133.5 to a teacher as defined in paragraph (8)
20 of Section 16-106, the employer's contribution shall be 12%
21 (rather than 20%) of the member's highest annual salary rate
22 for each year of creditable service granted, and the employer
23 shall also pay the required employee contribution on behalf of
24 the teacher. For the purposes of Sections 16-133.4 and
25 16-133.5, a teacher as defined in paragraph (8) of Section
26 16-106 who is serving in that capacity while on leave of
27 absence from another employer under this Article shall not be
28 considered an employee of the employer from which the teacher
29 is on leave.

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

33 (1) Beginning July 1, 1998 through June 30, 1999, the
34 employer contribution shall be equal to 0.3% of each

1 teacher's salary.

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

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

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

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

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

25 If an employer is required by a contract in effect on May
26 1, 1998 between the employer and an employee organization to
27 pay, on behalf of all its full-time employees covered by this
28 Article, all mandatory employee contributions required under
29 this Article, then the employer shall be excused from paying
30 the employer contribution required under this subsection (e)
31 for the balance of the term of that contract. The employer and
32 the employee organization shall jointly certify to the System
33 the existence of the contractual requirement, in such form as
34 the System may prescribe. This exclusion shall cease upon the

1 termination, extension, or renewal of the contract at any time
2 after May 1, 1998.

3 (f) If the amount of a teacher's salary for any school year
4 used to determine final average salary exceeds the member's
5 annual full-time salary rate with the same employer for the
6 previous school year by more than 6%, the teacher's employer
7 shall pay to the System, in addition to all other payments
8 required under this Section and in accordance with guidelines
9 established by the System, the present value of the increase in
10 benefits resulting from the portion of the increase in salary
11 that is in excess of 6%. This present value shall be computed
12 by the System on the basis of the actuarial assumptions and
13 tables used in the most recent actuarial valuation of the
14 System that is available at the time of the computation. If a
15 teacher's salary for the 2005-2006 school year is used to
16 determine final average salary under this subsection (f), then
17 the changes made to this subsection (f) by Public Act 94-1057
18 shall apply in calculating whether the increase in his or her
19 salary is in excess of 6%. For the purposes of this Section,
20 change in employment under Section 10-21.12 of the School Code
21 on or after June 1, 2005 shall constitute a change in employer.
22 The System may require the employer to provide any pertinent
23 information or documentation. The changes made to this
24 subsection (f) by this amendatory Act of the 94th General
25 Assembly apply without regard to whether the teacher was in
26 service on or after its effective date.

27 Whenever it determines that a payment is or may be required
28 under this subsection, the System shall calculate the amount of
29 the payment and bill the employer for that amount. The bill
30 shall specify the calculations used to determine the amount
31 due. If the employer disputes the amount of the bill, it may,
32 within 30 days after receipt of the bill, apply to the System
33 in writing for a recalculation. The application must specify in
34 detail the grounds of the dispute and, if the employer asserts

1 that the calculation is subject to subsection (g) or (h) of
2 this Section, must include an affidavit setting forth and
3 attesting to all facts within the employer's knowledge that are
4 pertinent to the applicability of that subsection. Upon
5 receiving a timely application for recalculation, the System
6 shall review the application and, if appropriate, recalculate
7 the amount due.

8 The employer contributions required under this subsection
9 (f) may be paid in the form of a lump sum within 90 days after
10 receipt of the bill. If the employer contributions are not paid
11 within 90 days after receipt of the bill, then interest will be
12 charged at a rate equal to the System's annual actuarially
13 assumed rate of return on investment compounded annually from
14 the 91st day after receipt of the bill. Payments must be
15 concluded within 3 years after the employer's receipt of the
16 bill.

17 (g) This subsection (g) applies only to payments made or
18 salary increases given on or after June 1, 2005 but before July
19 1, 2011. The changes made by Public Act 94-1057 ~~this amendatory~~
20 ~~Act of the 94th General Assembly~~ shall not require the System
21 to refund any payments received before July 31, 2006 (the
22 effective date of Public Act 94-1057) ~~this amendatory Act~~.

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

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

31 When assessing payment for any amount due under subsection
32 (f), the System shall exclude salary increases resulting from
33 overload work, including summer school, when the school
34 district has certified to the System, and the System has

1 approved the certification, that (i) the overload work is for
2 the sole purpose of classroom instruction in excess of the
3 standard number of classes for a full-time teacher in a school
4 district during a school year and (ii) the salary increases are
5 equal to or less than the rate of pay for classroom instruction
6 computed on the teacher's current salary and work schedule.

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

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

27 (h) When assessing payment for any amount due under
28 subsection (f), the System shall exclude any salary increase
29 described in subsection (g) of this Section given on or after
30 July 1, 2011 but before July 1, 2014 under a contract or
31 collective bargaining agreement entered into, amended, or
32 renewed on or after June 1, 2005 but before July 1, 2011.
33 Notwithstanding any other provision of this Section, any
34 payments made or salary increases given after June 30, 2014

1 shall be used in assessing payment for any amount due under
2 subsection (f) of this Section.

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

6 (1) The number of recalculations required by the
7 changes made to this Section by Public Act 94-1057 ~~this~~
8 ~~amendatory Act of the 94th General Assembly~~ for each
9 employer.

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

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

17 (4) The increase in the required State contribution
18 resulting from the changes made to this Section by Public
19 Act 94-1057 ~~this amendatory Act of the 94th General~~
20 ~~Assembly~~.

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

24 (40 ILCS 5/17-133) (from Ch. 108 1/2, par. 17-133)

25 Sec. 17-133. Contributions for periods of outside and other
26 service.

27 Regularly certified and appointed teachers who desire to
28 have the following described services credited for pension
29 purposes shall submit to the Board evidence thereof and pay
30 into the Fund the amounts prescribed herein:

31 1. For teaching service by a certified teacher in the
32 public schools of the several states or in schools operated
33 by or under the auspices of the United States, a teacher

1 shall pay the contributions at the rates in force (a) on
2 the date of appointment as a regularly certified teacher
3 after salary adjustments are completed, or (b) at the time
4 of reappointment after salary adjustments are completed,
5 whichever is later, but not less than \$450 per year of
6 service. Upon the Board's approval of such service and the
7 payment of the required contributions, service credit of
8 not more than 10 years shall be granted.

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

16 3. For service prior to September 1, 1955, in the
17 public schools of the City as a substitute, evening school
18 or temporary teacher, or for service as an Americanization
19 teacher prior to December 31, 1955, teachers shall pay the
20 contributions prescribed in this Article (a) at the time of
21 appointment, as a regularly certified teacher after salary
22 adjustments are completed, (b) on return to service as a
23 full time regularly certified teacher, as the case may be,
24 provided such rates or amounts shall not be less than \$450
25 per year; and provided further that for teachers employed
26 on or after September 1, 1953, rates shall not include
27 contributions for widows' pensions if the service
28 described in this sub-paragraph 3 was rendered before that
29 date. Any teacher entitled to repay a refund of
30 contributions under Section 17-126 may validate service
31 described in this paragraph by payment of the amounts
32 prescribed herein, together with the repayment of the
33 refund, provided that if such creditable service was the
34 last service rendered in the public schools of the City and

1 is not automatically reinstated by repayment of the refund,
2 the rates or amounts shall not be less than \$450 per year.

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

7 5. For service during the 1986-87 school year as a
8 teacher on a special leave of absence with full loss of
9 salary, teaching for an agency under contract to the Board
10 of Education, if the teacher returned to employment in
11 September, 1987. For service under this item 5, the teacher
12 must pay the contributions at the rates in force at the
13 completion of the leave period.

14 6. For up to 2 years of service as a teacher or
15 administrator employed by a private school registered with
16 or recognized by the Illinois State Board of Education,
17 provided that the teacher (i) was certified under the law
18 governing the certification of teachers at the time the
19 service was rendered, (ii) applies in writing on or after
20 the effective date of this amendatory Act of the 94th
21 General Assembly and on or before June 1, 2009, (iii)
22 supplies satisfactory evidence of the employment, (iv)
23 completes at least 10 years of contributing service as a
24 teacher as defined in Section 17-106, (v) pays the
25 contribution required in this Section, and (vi) does not
26 receive credit for that service under any other provision
27 of this Code. The member may apply for credit under this
28 subsection and pay the required contribution before
29 completing the 10 years of contributing service required
30 under item (iv), but the credit may not be used until the
31 item (iv) contributing service requirement has been met.

32 For each year of service credit to be established under
33 this subparagraph 6, a member is required to contribute to
34 the System (i) 16.5% of the annual salary rate during the

1 first year of full-time employment as a teacher under this
2 Article following the private school service, plus (ii)
3 interest thereon from the date of first full-time
4 employment as a teacher under this Article following the
5 private school service to the date of payment, compounded
6 annually, at the rate of 8.0% per year.

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

10 Effective September 1, 1974, the interest rate to be
11 charged by the Fund on contributions provided in sub-paragraphs
12 1, 2, 3 and 4 shall be 5% per annum compounded annually.

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

14 Section 90. The State Mandates Act is amended by adding
15 Section 8.30 as follows:

16 (30 ILCS 805/8.30 new)

17 Sec. 8.30. Exempt mandate. Notwithstanding Sections 6 and 8
18 of this Act, no reimbursement by the State is required for the
19 implementation of any mandate created by this amendatory Act of
20 the 94th General Assembly.

21 Section 99. Effective date. This Act takes effect upon
22 becoming law."