



## 94TH GENERAL ASSEMBLY

### State of Illinois

2005 and 2006

SB2851

Introduced 1/20/2006, by Sen. Jeffrey M. Schoenberg

#### SYNOPSIS AS INTRODUCED:

40 ILCS 5/2-124	from Ch. 108 1/2, par. 2-124
40 ILCS 5/14-131	from Ch. 108 1/2, par. 14-131
40 ILCS 5/15-155	from Ch. 108 1/2, par. 15-155
40 ILCS 5/16-158	from Ch. 108 1/2, par. 16-158
40 ILCS 5/18-131	from Ch. 108 1/2, par. 18-131
230 ILCS 10/13	from Ch. 120, par. 2413
230 ILCS 10/23.1 new	
30 ILCS 105/5.663 new	

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

LRB094 18136 AMC 53443 b

FISCAL NOTE ACT  
MAY APPLY

PENSION IMPACT  
NOTE ACT MAY  
APPLY

1 AN ACT concerning pension financing.

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

4 Section 5. The Illinois Pension Code is amended by changing  
5 Sections 2-124, 14-131, 15-155, 16-158, and 18-131 as follows:

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

7 Sec. 2-124. Contributions by State.

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

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

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

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

1 the rate required under this Section.

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

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

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

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

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

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

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

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

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

21 Sec. 14-131. Contributions by State.

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

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

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

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

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

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

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

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

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

13 (e) For State fiscal years 2011 through 2045, the minimum  
14 contribution to the System to be made by the State for each  
15 fiscal year shall be an amount determined by the System to be  
16 sufficient to bring the total assets of the System up to 90% of  
17 the total actuarial liabilities of the System by the end of  
18 State fiscal year 2045. In making these determinations, the  
19 required State contribution shall be calculated each year as a  
20 level percentage of payroll over the years remaining to and  
21 including fiscal year 2045 and shall be determined under the  
22 projected unit credit actuarial cost method.

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

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

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

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

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

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

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

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

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

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



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

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

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

14 Sec. 15-155. Employer contributions.

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

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

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

1 projected unit credit actuarial cost method.

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

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

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

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

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

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

36 Notwithstanding any other provision of this Section, the

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 Notwithstanding any other provision of this Section, the  
2 required State contribution for State fiscal year 2005 and for  
3 fiscal year 2008 and each fiscal year thereafter, as calculated  
4 under this Section and certified under Section 18-140, shall  
5 not exceed an amount equal to (i) the amount of the required  
6 State contribution that would have been calculated under this  
7 Section for that fiscal year if the System had not received any  
8 payments under subsection (d) of Section 7.2 of the General  
9 Obligation Bond Act, minus (ii) the portion of the State's  
10 total debt service payments for that fiscal year on the bonds  
11 issued for the purposes of that Section 7.2, as determined and  
12 certified by the Comptroller, that is the same as the System's  
13 portion of the total moneys distributed under subsection (d) of  
14 Section 7.2 of the General Obligation Bond Act. In determining  
15 this maximum for State fiscal years 2008 through 2010, however,  
16 the amount referred to in item (i) shall be increased, as a  
17 percentage of the applicable employee payroll, in equal  
18 increments calculated from the sum of the required State  
19 contribution for State fiscal year 2007 plus the applicable  
20 portion of the State's total debt service payments for fiscal  
21 year 2007 on the bonds issued for the purposes of Section 7.2  
22 of the General Obligation Bond Act, so that, by State fiscal  
23 year 2011, the State is contributing at the rate otherwise  
24 required under this Section.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

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

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

32 "Base amount" means the following:

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

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

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

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

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

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

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

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

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

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

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

1 Accountability.

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

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

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

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

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

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

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

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

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

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

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

30 (230 ILCS 10/23.1 new)

31 Sec. 23.1. The Pension Reserve Fund.

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

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

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

9 "Designated retirement systems" means:

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

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

14 (3) the State Universities Retirement System;

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

16 (5) the General Assembly Retirement System.

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

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

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

31 (30 ILCS 105/5.663 new)

32 Sec. 5.663. The Pension Reserve Fund.

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

1 becoming law.