



95TH GENERAL ASSEMBLY

State of Illinois

2007 and 2008

HB5088

by Rep. Robert S. Molaro

SYNOPSIS AS INTRODUCED:

See Index

Amends the State Finance Act. Provides that moneys in the State Pensions Fund shall be used for the funding of the unfunded liabilities of the 5 State-funded retirement systems (rather than for payment of or repayment to the General Revenue Fund of a portion of the required State contributions to the designated retirement systems). Provides that the payments to the designated retirement systems shall be in addition to, and not in lieu of, any State contributions required under the Illinois Pension Code. Provides that, for fiscal year 2010 and each fiscal year thereafter, as soon as may be practical after any money is deposited into the State Pensions Fund from the Unclaimed Property Trust Fund, the State Treasurer shall apportion the deposited amount to the designated retirement systems to reduce their actuarial reserve deficiencies. Provides that the amount apportioned to each designated retirement system shall constitute a portion of the amount estimated to be available for appropriation from the State Pensions Fund that is the same as that retirement system's portion of the total actuarial reserve deficiency of the systems. Makes conforming changes in the Illinois Pension Code, the State Pension Funds Continuing Appropriation Act, and the Uniform Disposition of Unclaimed Property Act. Effective immediately.

LRB095 17097 AMC 43150 b

FISCAL NOTE ACT
MAY APPLY

PENSION IMPACT
NOTE ACT MAY
APPLY

1 AN ACT concerning public employee benefits.

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

4 Section 5. The State Finance Act is amended by changing
5 Section 8.12 as follows:

6 (30 ILCS 105/8.12) (from Ch. 127, par. 144.12)

7 Sec. 8.12. State Pensions Fund.

8 (a) The moneys in the State Pensions Fund shall be used
9 exclusively for the administration of the Uniform Disposition
10 of Unclaimed Property Act and for the funding of the unfunded
11 liabilities of the designated retirement systems. Payments to
12 the designated retirement systems under this Section shall be
13 in addition to, and not in lieu of, any State contributions
14 required under the Illinois Pension Code ~~payment of or~~
15 ~~repayment to the General Revenue Fund a portion of the required~~
16 ~~State contributions to the designated retirement systems.~~

17 "Designated retirement systems" means:

18 (1) the State Employees' Retirement System of
19 Illinois;

20 (2) the Teachers' Retirement System of the State of
21 Illinois;

22 (3) the State Universities Retirement System;

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

1 (5) the General Assembly Retirement System.

2 (b) Each year the General Assembly may make appropriations
3 from the State Pensions Fund for the administration of the
4 Uniform Disposition of Unclaimed Property Act.

5 Each month, the Commissioner of the Office of Banks and
6 Real Estate shall certify to the State Treasurer the actual
7 expenditures that the Office of Banks and Real Estate incurred
8 conducting unclaimed property examinations under the Uniform
9 Disposition of Unclaimed Property Act during the immediately
10 preceding month. Within a reasonable time following the
11 acceptance of such certification by the State Treasurer, the
12 State Treasurer shall pay from its appropriation from the State
13 Pensions Fund to the Bank and Trust Company Fund and the
14 Savings and Residential Finance Regulatory Fund an amount equal
15 to the expenditures incurred by each Fund for that month.

16 Each month, the Director of Financial Institutions shall
17 certify to the State Treasurer the actual expenditures that the
18 Department of Financial Institutions incurred conducting
19 unclaimed property examinations under the Uniform Disposition
20 of Unclaimed Property Act during the immediately preceding
21 month. Within a reasonable time following the acceptance of
22 such certification by the State Treasurer, the State Treasurer
23 shall pay from its appropriation from the State Pensions Fund
24 to the Financial Institutions Fund and the Credit Union Fund an
25 amount equal to the expenditures incurred by each Fund for that
26 month.

1 (c) As soon as possible after the effective date of this
2 amendatory Act of the 93rd General Assembly, the General
3 Assembly shall appropriate from the State Pensions Fund (1) to
4 the State Universities Retirement System the amount certified
5 under Section 15-165 during the prior year, (2) to the Judges
6 Retirement System of Illinois the amount certified under
7 Section 18-140 during the prior year, and (3) to the General
8 Assembly Retirement System the amount certified under Section
9 2-134 during the prior year as part of the required State
10 contributions to each of those designated retirement systems;
11 except that amounts appropriated under this subsection (c) in
12 State fiscal year 2005 shall not reduce the amount in the State
13 Pensions Fund below \$5,000,000. If the amount in the State
14 Pensions Fund does not exceed the sum of the amounts certified
15 in Sections 15-165, 18-140, and 2-134 by at least \$5,000,000,
16 the amount paid to each designated retirement system under this
17 subsection shall be reduced in proportion to the amount
18 certified by each of those designated retirement systems.

19 (c-5) For fiscal years ~~year~~ 2006 ~~and thereafter~~, 2007,
20 2008, and 2009 the General Assembly shall appropriate from the
21 State Pensions Fund to the State Universities Retirement System
22 the amount estimated to be available during the fiscal year in
23 the State Pensions Fund; provided, however, that the amounts
24 appropriated under this subsection (c-5) shall not reduce the
25 amount in the State Pensions Fund below \$5,000,000.

26 (c-6) For fiscal year 2010 and each fiscal year thereafter,

1 as soon as may be practical after any money is deposited into
2 the State Pensions Fund from the Unclaimed Property Trust Fund,
3 the State Treasurer shall apportion the deposited amount among
4 the designated retirement systems as defined in subsection (a)
5 to reduce their actuarial reserve deficiencies. The State
6 Comptroller and State Treasurer shall pay the apportioned
7 amounts to the designated retirement systems to fund the
8 unfunded liabilities of the designated retirement systems. The
9 amount apportioned to each designated retirement system shall
10 constitute a portion of the amount estimated to be available
11 for appropriation from the State Pensions Fund that is the same
12 as that retirement system's portion of the total actual reserve
13 deficiency of the systems, as determined annually by the
14 Governor's Office of Management and Budget at the request of
15 the State Treasurer. The amounts apportioned under this
16 subsection shall not reduce the amount in the State Pensions
17 Fund below \$5,000,000.

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

26 (d-1) As soon as practicable after the effective date of

1 this amendatory Act of the 93rd General Assembly, the
2 Comptroller shall direct and the Treasurer shall transfer from
3 the State Pensions Fund to the General Revenue Fund, as funds
4 become available, a sum equal to the amounts that would have
5 been paid from the State Pensions Fund to the Teachers'
6 Retirement System of the State of Illinois, the State
7 Universities Retirement System, the Judges Retirement System
8 of Illinois, the General Assembly Retirement System, and the
9 State Employees' Retirement System of Illinois after the
10 effective date of this amendatory Act during the remainder of
11 fiscal year 2004 to the designated retirement systems from the
12 appropriations provided for in this Section if the transfers
13 provided in Section 6z-61 had not occurred. The transfers
14 described in this subsection (d-1) are to partially repay the
15 General Revenue Fund for the costs associated with the bonds
16 used to fund the moneys transferred to the designated
17 retirement systems under Section 6z-61.

18 (e) The changes to this Section made by this amendatory Act
19 of 1994 shall first apply to distributions from the Fund for
20 State fiscal year 1996.

21 (Source: P.A. 93-665, eff. 3-5-04; 93-839, eff. 7-30-04; 94-91,
22 eff. 7-1-05.)

23 Section 10. The Illinois Pension Code is amended by
24 changing Sections 2-124, 14-131, 15-155, 16-158, and 18-131 as
25 follows:

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

2 Sec. 2-124. Contributions by State.

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

9 (b) The Board shall determine the amount of State
10 contributions required for each fiscal year on the basis of the
11 actuarial tables and other assumptions adopted by the Board and
12 the prescribed rate of interest, using the formula in
13 subsection (c).

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

24 For State fiscal years 1996 through 2005, the State
25 contribution to the System, as a percentage of the applicable

1 employee payroll, shall be increased in equal annual increments
2 so that by State fiscal year 2011, the State is contributing at
3 the rate required under this Section.

4 Notwithstanding any other provision of this Article, the
5 total required State contribution for State fiscal year 2006 is
6 \$4,157,000.

7 Notwithstanding any other provision of this Article, the
8 total required State contribution for State fiscal year 2007 is
9 \$5,220,300.

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

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

20 Amounts received by the System pursuant to Section 25 of
21 the Budget Stabilization Act or Section 8.12 of the State
22 Finance Act in any fiscal year do not reduce and do not
23 constitute payment of any portion of the minimum State
24 contribution required under this Article in that fiscal year.
25 Such amounts shall not reduce, and shall not be included in the
26 calculation of, the required State contributions under this

1 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 Section 2-134, shall not
10 exceed an amount equal to (i) the amount of the required State
11 contribution that would have been calculated under this Section
12 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

1 of the General Obligation Bond Act, so that, by State fiscal
2 year 2011, the State is contributing at the rate otherwise
3 required under this Section.

4 (Source: P.A. 93-2, eff. 4-7-03; 94-4, eff. 6-1-05; 94-839,
5 eff. 6-6-06.)

6 (40 ILCS 5/14-131) (from Ch. 108 1/2, par. 14-131)
7 Sec. 14-131. Contributions by State.

8 (a) The State shall make contributions to the System by
9 appropriations of amounts which, together with other employer
10 contributions from trust, federal, and other funds, employee
11 contributions, investment income, and other income, will be
12 sufficient to meet the cost of maintaining and administering
13 the System on a 90% funded basis in accordance with actuarial
14 recommendations.

15 For the purposes of this Section and Section 14-135.08,
16 references to State contributions refer only to employer
17 contributions and do not include employee contributions that
18 are picked up or otherwise paid by the State or a department on
19 behalf of the employee.

20 (b) The Board shall determine the total amount of State
21 contributions required for each fiscal year on the basis of the
22 actuarial tables and other assumptions adopted by the Board,
23 using the formula in subsection (e).

24 The Board shall also determine a State contribution rate
25 for each fiscal year, expressed as a percentage of payroll,

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

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

17 (c) Contributions shall be made by the several departments
18 for each pay period by warrants drawn by the State Comptroller
19 against their respective funds or appropriations based upon
20 vouchers stating the amount to be so contributed. These amounts
21 shall be based on the full rate certified by the Board under
22 Section 14-135.08 for that fiscal year. From the effective date
23 of this amendatory Act of the 93rd General Assembly through the
24 payment of the final payroll from fiscal year 2004
25 appropriations, the several departments shall not make
26 contributions for the remainder of fiscal year 2004 but shall

1 instead make payments as required under subsection (a-1) of
2 Section 14.1 of the State Finance Act. The several departments
3 shall resume those contributions at the commencement of fiscal
4 year 2005.

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

19 (e) 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

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; except that (i) for State
8 fiscal year 1998, for all purposes of this Code and any other
9 law of this State, the certified percentage of the applicable
10 employee payroll shall be 5.052% for employees earning eligible
11 creditable service under Section 14-110 and 6.500% for all
12 other employees, notwithstanding any contrary certification
13 made under Section 14-135.08 before the effective date of this
14 amendatory Act of 1997, and (ii) in the following specified
15 State fiscal years, the State contribution to the System shall
16 not be less than the following indicated percentages of the
17 applicable employee payroll, even if the indicated percentage
18 will produce a State contribution in excess of the amount
19 otherwise required under this subsection and subsection (a):
20 9.8% in FY 1999; 10.0% in FY 2000; 10.2% in FY 2001; 10.4% in FY
21 2002; 10.6% in FY 2003; and 10.8% in FY 2004.

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

25 Notwithstanding any other provision of this Article, the
26 total required State contribution to the System for State

1 fiscal year 2007 is \$344,164,400.

2 For each of State fiscal years 2008 through 2010, the State
3 contribution to the System, as a percentage of the applicable
4 employee payroll, shall be increased in equal annual increments
5 from the required State contribution for State fiscal year
6 2007, so that by State fiscal year 2011, the State is
7 contributing at the rate otherwise required under this Section.

8 Beginning in State fiscal year 2046, the minimum State
9 contribution for each fiscal year shall be the amount needed to
10 maintain the total assets of the System at 90% of the total
11 actuarial liabilities of the System.

12 Amounts received by the System pursuant to Section 25 of
13 the Budget Stabilization Act or Section 8.12 of the State
14 Finance Act in any fiscal year do not reduce and do not
15 constitute payment of any portion of the minimum State
16 contribution required under this Article in that fiscal year.
17 Such amounts shall not reduce, and shall not be included in the
18 calculation of, the required State contributions under this
19 Article in any future year until the System has reached a
20 funding ratio of at least 90%. A reference in this Article to
21 the "required State contribution" or any substantially similar
22 term does not include or apply to any amounts payable to the
23 System under Section 25 of the Budget Stabilization Act.

24 Notwithstanding any other provision of this Section, the
25 required State contribution for State fiscal year 2005 and for
26 fiscal year 2008 and each fiscal year thereafter, as calculated

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

22 (f) After the submission of all payments for eligible
23 employees from personal services line items in fiscal year 2004
24 have been made, the Comptroller shall provide to the System a
25 certification of the sum of all fiscal year 2004 expenditures
26 for personal services that would have been covered by payments

1 to the System under this Section if the provisions of this
2 amendatory Act of the 93rd General Assembly had not been
3 enacted. Upon receipt of the certification, the System shall
4 determine the amount due to the System based on the full rate
5 certified by the Board under Section 14-135.08 for fiscal year
6 2004 in order to meet the State's obligation under this
7 Section. The System shall compare this amount due to the amount
8 received by the System in fiscal year 2004 through payments
9 under this Section and under Section 6z-61 of the State Finance
10 Act. If the amount due is more than the amount received, the
11 difference shall be termed the "Fiscal Year 2004 Shortfall" for
12 purposes of this Section, and the Fiscal Year 2004 Shortfall
13 shall be satisfied under Section 1.2 of the State Pension Funds
14 Continuing Appropriation Act. If the amount due is less than
15 the amount received, the difference shall be termed the "Fiscal
16 Year 2004 Overpayment" for purposes of this Section, and the
17 Fiscal Year 2004 Overpayment shall be repaid by the System to
18 the Pension Contribution Fund as soon as practicable after the
19 certification.

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

22 (40 ILCS 5/15-155) (from Ch. 108 1/2, par. 15-155)

23 Sec. 15-155. Employer contributions.

24 (a) The State of Illinois shall make contributions by
25 appropriations of amounts which, together with the other

1 employer contributions from trust, federal, and other funds,
2 employee contributions, income from investments, and other
3 income of this System, 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 (a-1).

11 (a-1) For State fiscal years 2011 through 2045, the minimum
12 contribution to the System to be made by the State for each
13 fiscal year shall be an amount determined by the System to be
14 sufficient to bring the total assets of the System up to 90% of
15 the total actuarial liabilities of the System by the end of
16 State fiscal year 2045. In making these determinations, the
17 required State contribution shall be calculated each year as a
18 level percentage of payroll over the years remaining to and
19 including fiscal year 2045 and shall be determined under the
20 projected unit credit actuarial cost method.

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

26 Notwithstanding any other provision of this Article, the

1 total required State contribution for State fiscal year 2006 is
2 \$166,641,900.

3 Notwithstanding any other provision of this Article, the
4 total required State contribution for State fiscal year 2007 is
5 \$252,064,100.

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

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

16 Amounts received by the System pursuant to Section 25 of
17 the Budget Stabilization Act or Section 8.12 of the State
18 Finance Act in any fiscal year do not reduce and do not
19 constitute payment of any portion of the minimum State
20 contribution required under this Article in that fiscal year.
21 Such amounts shall not reduce, and shall not be included in the
22 calculation of, the required State contributions under this
23 Article in any future year until the System has reached a
24 funding ratio of at least 90%. A reference in this Article to
25 the "required State contribution" or any substantially similar
26 term does not include or apply to any amounts payable to the

1 System under Section 25 of the Budget Stabilization Act.

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

26 (b) If an employee is paid from trust or federal funds, the

1 employer shall pay to the Board contributions from those funds
2 which are sufficient to cover the accruing normal costs on
3 behalf of the employee. However, universities having employees
4 who are compensated out of local auxiliary funds, income funds,
5 or service enterprise funds are not required to pay such
6 contributions on behalf of those employees. The local auxiliary
7 funds, income funds, and service enterprise funds of
8 universities shall not be considered trust funds for the
9 purpose of this Article, but funds of alumni associations,
10 foundations, and athletic associations which are affiliated
11 with the universities included as employers under this Article
12 and other employers which do not receive State appropriations
13 are considered to be trust funds for the purpose of this
14 Article.

15 (b-1) The City of Urbana and the City of Champaign shall
16 each make employer contributions to this System for their
17 respective firefighter employees who participate in this
18 System pursuant to subsection (h) of Section 15-107. The rate
19 of contributions to be made by those municipalities shall be
20 determined annually by the Board on the basis of the actuarial
21 assumptions adopted by the Board and the recommendations of the
22 actuary, and shall be expressed as a percentage of salary for
23 each such employee. The Board shall certify the rate to the
24 affected municipalities as soon as may be practical. The
25 employer contributions required under this subsection shall be
26 remitted by the municipality to the System at the same time and

1 in the same manner as employee contributions.

2 (c) Through State fiscal year 1995: The total employer
3 contribution shall be apportioned among the various funds of
4 the State and other employers, whether trust, federal, or other
5 funds, in accordance with actuarial procedures approved by the
6 Board. State of Illinois contributions for employers receiving
7 State appropriations for personal services shall be payable
8 from appropriations made to the employers or to the System. The
9 contributions for Class I community colleges covering earnings
10 other than those paid from trust and federal funds, shall be
11 payable solely from appropriations to the Illinois Community
12 College Board or the System for employer contributions.

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

18 (e) The State Comptroller shall draw warrants payable to
19 the System upon proper certification by the System or by the
20 employer in accordance with the appropriation laws and this
21 Code.

22 (f) Normal costs under this Section means liability for
23 pensions and other benefits which accrues to the System because
24 of the credits earned for service rendered by the participants
25 during the fiscal year and expenses of administering the
26 System, but shall not include the principal of or any

1 redemption premium or interest on any bonds issued by the Board
2 or any expenses incurred or deposits required in connection
3 therewith.

4 (g) If the amount of a participant's earnings for any
5 academic year used to determine the final rate of earnings,
6 determined on a full-time equivalent basis, exceeds the amount
7 of his or her earnings with the same employer for the previous
8 academic year, determined on a full-time equivalent basis, by
9 more than 6%, the participant's employer shall pay to the
10 System, in addition to all other payments required under this
11 Section and in accordance with guidelines established by the
12 System, the present value of the increase in benefits resulting
13 from the portion of the increase in earnings that is in excess
14 of 6%. This present value shall be computed by the System on
15 the basis of the actuarial assumptions and tables used in the
16 most recent actuarial valuation of the System that is available
17 at the time of the computation. The System may require the
18 employer to provide any pertinent information or
19 documentation.

20 Whenever it determines that a payment is or may be required
21 under this subsection (g), the System shall calculate the
22 amount of the payment and bill the employer for that amount.
23 The bill shall specify the calculations used to determine the
24 amount due. If the employer disputes the amount of the bill, it
25 may, within 30 days after receipt of the bill, apply to the
26 System in writing for a recalculation. The application must

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

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

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

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

1 2005.

2 When assessing payment for any amount due under subsection
3 (g), the System shall exclude earnings increases paid to a
4 participant at a time when the participant is 10 or more years
5 from retirement eligibility under Section 15-135.

6 When assessing payment for any amount due under subsection
7 (g), the System shall exclude earnings increases resulting from
8 overload work, including a contract for summer teaching, or
9 overtime when the employer has certified to the System, and the
10 System has approved the certification, that: (i) in the case of
11 overloads (A) the overload work is for the sole purpose of
12 academic instruction in excess of the standard number of
13 instruction hours for a full-time employee occurring during the
14 academic year that the overload is paid and (B) the earnings
15 increases are equal to or less than the rate of pay for
16 academic instruction computed using the participant's current
17 salary rate and work schedule; and (ii) in the case of
18 overtime, the overtime was necessary for the educational
19 mission.

20 When assessing payment for any amount due under subsection
21 (g), the System shall exclude any earnings increase resulting
22 from (i) a promotion for which the employee moves from one
23 classification to a higher classification under the State
24 Universities Civil Service System, (ii) a promotion in academic
25 rank for a tenured or tenure-track faculty position, or (iii) a
26 promotion that the Illinois Community College Board has

1 recommended in accordance with subsection (k) of this Section.
2 These earnings increases shall be excluded only if the
3 promotion is to a position that has existed and been filled by
4 a member for no less than one complete academic year and the
5 earnings increase as a result of the promotion is an increase
6 that results in an amount no greater than the average salary
7 paid for other similar positions.

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

18 (j) The System shall prepare a report and file copies of
19 the report with the Governor and the General Assembly by
20 January 1, 2007 that contains all of the following information:

21 (1) The number of recalculations required by the
22 changes made to this Section by Public Act 94-1057 for each
23 employer.

24 (2) The dollar amount by which each employer's
25 contribution to the System was changed due to
26 recalculations required by Public Act 94-1057.

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

4 (4) The increase in the required State contribution
5 resulting from the changes made to this Section by Public
6 Act 94-1057.

7 (k) The Illinois Community College Board shall adopt rules
8 for recommending lists of promotional positions submitted to
9 the Board by community colleges and for reviewing the
10 promotional lists on an annual basis. When recommending
11 promotional lists, the Board shall consider the similarity of
12 the positions submitted to those positions recognized for State
13 universities by the State Universities Civil Service System.
14 The Illinois Community College Board shall file a copy of its
15 findings with the System. The System shall consider the
16 findings of the Illinois Community College Board when making
17 determinations under this Section. The System shall not exclude
18 any earnings increases resulting from a promotion when the
19 promotion was not submitted by a community college. Nothing in
20 this subsection (k) shall require any community college to
21 submit any information to the Community College Board.

22 (Source: P.A. 94-4, eff. 6-1-05; 94-839, eff. 6-6-06; 94-1057,
23 eff. 7-31-06; 95-331, eff. 8-21-07.)

24 (40 ILCS 5/16-158) (from Ch. 108 1/2, par. 16-158)

25 Sec. 16-158. Contributions by State and other employing

1 units.

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

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

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

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

25 On or before July 1, 2005, the Board shall recalculate and
26 recertify to the Governor the amount of the required State

1 contribution to the System for State fiscal year 2006, taking
2 into account the changes in required State contributions made
3 by this amendatory Act of the 94th General Assembly.

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

7 (b-1) Beginning in State fiscal year 1996, on the 15th day
8 of each month, or as soon thereafter as may be practicable, the
9 Board shall submit vouchers for payment of State contributions
10 to the System, in a total monthly amount of one-twelfth of the
11 required annual State contribution certified under subsection
12 (a-1). From the effective date of this amendatory Act of the
13 93rd General Assembly through June 30, 2004, the Board shall
14 not submit vouchers for the remainder of fiscal year 2004 in
15 excess of the fiscal year 2004 certified contribution amount
16 determined under this Section after taking into consideration
17 the transfer to the System under subsection (a) of Section
18 6z-61 of the State Finance Act. These vouchers shall be paid by
19 the State Comptroller and Treasurer by warrants drawn on the
20 funds appropriated to the System for that fiscal year.

21 If in any month the amount remaining unexpended from all
22 other appropriations to the System for the applicable fiscal
23 year (including the appropriations to the System under Section
24 8.12 of the State Finance Act and Section 1 of the State
25 Pension Funds Continuing Appropriation Act) is less than the
26 amount lawfully vouchered under this subsection, the

1 difference shall be paid from the Common School Fund under the
2 continuing appropriation authority provided in Section 1.1 of
3 the State Pension Funds Continuing Appropriation Act.

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

7 (b-3) For State fiscal years 2011 through 2045, the minimum
8 contribution to the System to be made by the State for each
9 fiscal year shall be an amount determined by the System to be
10 sufficient to bring the total assets of the System up to 90% of
11 the total actuarial liabilities of the System by the end of
12 State fiscal year 2045. In making these determinations, the
13 required State contribution shall be calculated each year as a
14 level percentage of payroll over the years remaining to and
15 including fiscal year 2045 and shall be determined under the
16 projected unit credit actuarial cost method.

17 For State fiscal years 1996 through 2005, the State
18 contribution to the System, as a percentage of the applicable
19 employee payroll, shall be increased in equal annual increments
20 so that by State fiscal year 2011, the State is contributing at
21 the rate required under this Section; except that in the
22 following specified State fiscal years, the State contribution
23 to the System shall not be less than the following indicated
24 percentages of the applicable employee payroll, even if the
25 indicated percentage will produce a State contribution in
26 excess of the amount otherwise required under this subsection

1 and subsection (a), and notwithstanding any contrary
2 certification made under subsection (a-1) before the effective
3 date of this amendatory Act of 1998: 10.02% in FY 1999; 10.77%
4 in FY 2000; 11.47% in FY 2001; 12.16% in FY 2002; 12.86% in FY
5 2003; and 13.56% in FY 2004.

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

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

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 25 of
23 the Budget Stabilization Act or Section 8.12 of the State
24 Finance Act in any fiscal year do not reduce and do not
25 constitute payment of any portion of the minimum State
26 contribution required under this Article in that fiscal year.

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

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

1 portion of the State's total debt service payments for fiscal
2 year 2007 on the bonds issued for the purposes of Section 7.2
3 of the General Obligation Bond Act, so that, by State fiscal
4 year 2011, the State is contributing at the rate otherwise
5 required under this Section.

6 (c) Payment of the required State contributions and of all
7 pensions, retirement annuities, death benefits, refunds, and
8 other benefits granted under or assumed by this System, and all
9 expenses in connection with the administration and operation
10 thereof, are obligations of the State.

11 If members are paid from special trust or federal funds
12 which are administered by the employing unit, whether school
13 district or other unit, the employing unit shall pay to the
14 System from such funds the full accruing retirement costs based
15 upon that service, as determined by the System. Employer
16 contributions, based on salary paid to members from federal
17 funds, may be forwarded by the distributing agency of the State
18 of Illinois to the System prior to allocation, in an amount
19 determined in accordance with guidelines established by such
20 agency and the System.

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

1 System.

2 However, with respect to benefits granted under Section
3 16-133.4 or 16-133.5 to a teacher as defined in paragraph (8)
4 of Section 16-106, the employer's contribution shall be 12%
5 (rather than 20%) of the member's highest annual salary rate
6 for each year of creditable service granted, and the employer
7 shall also pay the required employee contribution on behalf of
8 the teacher. For the purposes of Sections 16-133.4 and
9 16-133.5, a teacher as defined in paragraph (8) of Section
10 16-106 who is serving in that capacity while on leave of
11 absence from another employer under this Article shall not be
12 considered an employee of the employer from which the teacher
13 is on leave.

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

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

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

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

1 contributions.

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

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

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

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

1 Whenever it determines that a payment is or may be required
2 under this subsection, the System shall calculate the amount of
3 the payment and bill the employer for that amount. The bill
4 shall specify the calculations used to determine the amount
5 due. If the employer disputes the amount of the bill, it may,
6 within 30 days after receipt of the bill, apply to the System
7 in writing for a recalculation. The application must specify in
8 detail the grounds of the dispute and, if the employer asserts
9 that the calculation is subject to subsection (g) or (h) of
10 this Section, must include an affidavit setting forth and
11 attesting to all facts within the employer's knowledge that are
12 pertinent to the applicability of that subsection. Upon
13 receiving a timely application for recalculation, the System
14 shall review the application and, if appropriate, recalculate
15 the amount due.

16 The employer contributions required under this subsection
17 (f) may be paid in the form of a lump sum within 90 days after
18 receipt of the bill. If the employer contributions are not paid
19 within 90 days after receipt of the bill, then interest will be
20 charged at a rate equal to the System's annual actuarially
21 assumed rate of return on investment compounded annually from
22 the 91st day after receipt of the bill. Payments must be
23 concluded within 3 years after the employer's receipt of the
24 bill.

25 (g) This subsection (g) applies only to payments made or
26 salary increases given on or after June 1, 2005 but before July

1 1, 2011. The changes made by Public Act 94-1057 shall not
2 require the System to refund any payments received before July
3 31, 2006 (the effective date of Public Act 94-1057).

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

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

12 When assessing payment for any amount due under subsection
13 (f), the System shall exclude salary increases resulting from
14 overload work, including summer school, when the school
15 district has certified to the System, and the System has
16 approved the certification, that (i) the overload work is for
17 the sole purpose of classroom instruction in excess of the
18 standard number of classes for a full-time teacher in a school
19 district during a school year and (ii) the salary increases are
20 equal to or less than the rate of pay for classroom instruction
21 computed on the teacher's current salary and work schedule.

22 When assessing payment for any amount due under subsection
23 (f), the System shall exclude a salary increase resulting from
24 a promotion (i) for which the employee is required to hold a
25 certificate or supervisory endorsement issued by the State
26 Teacher Certification Board that is a different certification

1 or supervisory endorsement than is required for the teacher's
2 previous position and (ii) to a position that has existed and
3 been filled by a member for no less than one complete academic
4 year and the salary increase from the promotion is an increase
5 that results in an amount no greater than the lesser of the
6 average salary paid for other similar positions in the district
7 requiring the same certification or the amount stipulated in
8 the collective bargaining agreement for a similar position
9 requiring the same certification.

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

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

26 (i) The System shall prepare a report and file copies of

1 the report with the Governor and the General Assembly by
2 January 1, 2007 that contains all of the following information:

3 (1) The number of recalculations required by the
4 changes made to this Section by Public Act 94-1057 for each
5 employer.

6 (2) The dollar amount by which each employer's
7 contribution to the System was changed due to
8 recalculations required by Public Act 94-1057.

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

12 (4) The increase in the required State contribution
13 resulting from the changes made to this Section by Public
14 Act 94-1057.

15 (Source: P.A. 94-4, eff. 6-1-05; 94-839, eff. 6-6-06; 94-1057,
16 eff. 7-31-06; 94-1111, eff. 2-27-07; 95-331, eff. 8-21-07.)

17 (40 ILCS 5/18-131) (from Ch. 108 1/2, par. 18-131)

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

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

25 (b) The Board shall determine the amount of State

1 contributions required for each fiscal year on the basis of the
2 actuarial tables and other assumptions adopted by the Board and
3 the prescribed rate of interest, using the formula in
4 subsection (c).

5 (c) For State fiscal years 2011 through 2045, the minimum
6 contribution to the System to be made by the State for each
7 fiscal year shall be an amount determined by the System to be
8 sufficient to bring the total assets of the System up to 90% of
9 the total actuarial liabilities of the System by the end of
10 State fiscal year 2045. In making these determinations, the
11 required State contribution shall be calculated each year as a
12 level percentage of payroll over the years remaining to and
13 including fiscal year 2045 and shall be determined under the
14 projected unit credit actuarial cost method.

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

20 Notwithstanding any other provision of this Article, the
21 total required State contribution for State fiscal year 2006 is
22 \$29,189,400.

23 Notwithstanding any other provision of this Article, the
24 total required State contribution for State fiscal year 2007 is
25 \$35,236,800.

26 For each of State fiscal years 2008 through 2010, the State

1 contribution to the System, as a percentage of the applicable
2 employee payroll, shall be increased in equal annual increments
3 from the required State contribution for State fiscal year
4 2007, so that by State fiscal year 2011, the State is
5 contributing at the rate otherwise required under this Section.

6 Beginning in State fiscal year 2046, the minimum State
7 contribution for each fiscal year shall be the amount needed to
8 maintain the total assets of the System at 90% of the total
9 actuarial liabilities of the System.

10 Amounts received by the System pursuant to Section 25 of
11 the Budget Stabilization Act or Section 8.12 of the State
12 Finance Act in any fiscal year do not reduce and do not
13 constitute payment of any portion of the minimum State
14 contribution required under this Article in that fiscal year.
15 Such amounts shall not reduce, and shall not be included in the
16 calculation of, the required State contributions under this
17 Article in any future year until the System has reached a
18 funding ratio of at least 90%. A reference in this Article to
19 the "required State contribution" or any substantially similar
20 term does not include or apply to any amounts payable to the
21 System under Section 25 of the Budget Stabilization Act.

22 Notwithstanding any other provision of this Section, the
23 required State contribution for State fiscal year 2005 and for
24 fiscal year 2008 and each fiscal year thereafter, as calculated
25 under this Section and certified under Section 18-140, shall
26 not exceed an amount equal to (i) the amount of the required

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

20 (Source: P.A. 93-2, eff. 4-7-03; 94-4, eff. 6-1-05; 94-839,
21 eff. 6-6-06.)

22 Section 15. The State Pension Funds Continuing
23 Appropriation Act is amended by changing Section 1 as follows:

24 (40 ILCS 15/1)

1 Sec. 1. Appropriations from State Pensions Fund. For the
2 purpose of making up any deficiency in the appropriations to
3 the designated retirement systems that are required to be made
4 under Section 8.12 of the State Finance Act, there is hereby
5 appropriated, on a continuing annual basis in each fiscal year,
6 from the State Pensions Fund to each designated retirement
7 system, the amount, if any, by which the total appropriation to
8 that system from the State Pensions Fund for that fiscal year
9 is less than the amount required to be appropriated to that
10 retirement system under Section 8.12 of the State Finance Act.

11 The annual appropriation under this Section to each
12 designated retirement system shall take effect on July 1 for
13 the State fiscal year beginning on that date.

14 The amount of any continuing appropriation used by a
15 retirement system under this Section for a given fiscal year
16 shall be charged against the unexpended amount of any
17 appropriation to that retirement system for that fiscal year
18 under Section 8.12 of the State Finance Act that subsequently
19 becomes available, subject to Section 8.3 of the State Finance
20 Act.

21 "Designated retirement systems" means the State Employees'
22 Retirement System of Illinois, the Teachers' Retirement System
23 of the State of Illinois, the State Universities Retirement
24 System, the Judges Retirement System of Illinois, and the
25 General Assembly Retirement System.

26 The appropriations made in this Section are appropriated to

1 the designated retirement systems for the funding of the
2 unfunded liabilities of the designated retirement systems and
3 are in addition to, and not in lieu of, any State contributions
4 required under the Illinois Pension Code. ~~as a part of the~~
5 ~~annual State contribution required by the laws providing for~~
6 ~~the funding of those systems.~~

7 (Source: P.A. 93-1067, eff. 1-15-05.)

8 Section 20. The Uniform Disposition of Unclaimed Property
9 Act is amended by changing Section 18 as follows:

10 (765 ILCS 1025/18) (from Ch. 141, par. 118)

11 Sec. 18. Deposit of funds received under the Act.

12 (a) The State Treasurer shall retain all funds received
13 under this Act, including the proceeds from the sale of
14 abandoned property under Section 17, in a trust fund. The State
15 Treasurer may deposit any amount in the Trust Fund into the
16 State Pensions Fund during the fiscal year at his or her
17 discretion; however, he or she ~~and~~ shall, on April 15 and
18 October 15 of each year, deposit any amount in the trust fund
19 exceeding \$2,500,000 into the State Pensions Fund. All amounts
20 in excess of \$2,500,000 that are deposited into the State
21 Pension Fund from the unclaimed Property Trust Fund shall be
22 apportioned to the designated retirement systems as provided in
23 subsection (c-6) of Section 8.12 of the state Finance Act to
24 reduce their actuarial reserve deficiencies. He or she shall

1 make prompt payment of claims he or she duly allows as provided
2 for in this Act for the trust fund. Before making the deposit
3 the State Treasurer shall record the name and last known
4 address of each person appearing from the holders' reports to
5 be entitled to the abandoned property. The record shall be
6 available for public inspection during reasonable business
7 hours.

8 (b) Before making any deposit to the credit of the State
9 Pensions Fund, the State Treasurer may deduct: (1) any costs in
10 connection with sale of abandoned property, (2) any costs of
11 mailing and publication in connection with any abandoned
12 property, and (3) any costs in connection with the maintenance
13 of records or disposition of claims made pursuant to this Act.
14 The State Treasurer shall semiannually file an itemized report
15 of all such expenses with the Legislative Audit Commission.

16 (Source: P.A. 93-531, eff. 8-14-03.)

17 Section 99. Effective date. This Act takes effect upon
18 becoming law.

1		INDEX
2		Statutes amended in order of appearance
3	30 ILCS 105/8.12	from Ch. 127, par. 144.12
4	40 ILCS 5/2-124	from Ch. 108 1/2, par. 2-124
5	40 ILCS 5/14-131	from Ch. 108 1/2, par. 14-131
6	40 ILCS 5/15-155	from Ch. 108 1/2, par. 15-155
7	40 ILCS 5/16-158	from Ch. 108 1/2, par. 16-158
8	40 ILCS 5/18-131	from Ch. 108 1/2, par. 18-131
9	40 ILCS 15/1	
10	765 ILCS 1025/18	from Ch. 141, par. 118