

1 AN ACT concerning public employee benefits.

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

4 Section 5. The Illinois Pension Code is amended by changing
5 Sections 2-134, 14-135.08, 15-165, 16-158, and 18-140 as
6 follows:

7 (40 ILCS 5/2-134) (from Ch. 108 1/2, par. 2-134)

8 Sec. 2-134. To certify required State contributions and
9 submit vouchers.

10 (a) The Board shall certify to the Governor on or before
11 December 15 of each year the amount of the required State
12 contribution to the System for the next fiscal year. The
13 certification shall include a copy of the actuarial
14 recommendations upon 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

1 into account the changes in required State contributions made
2 by this amendatory Act of the 94th General Assembly.

3 On or before February 1, 2011, the Board shall recalculate
4 and recertify to the Governor the amount of the required State
5 contribution to the System for all of State fiscal year 2011,
6 taking into account Public Act 96-889.

7 (b) Beginning in State fiscal year 1996, on or as soon as
8 possible after the 15th day of each month the Board shall
9 submit vouchers for payment of State contributions to the
10 System, in a total monthly amount of one-twelfth of the
11 required annual State contribution certified under subsection
12 (a). From the effective date of this amendatory Act of the 93rd
13 General Assembly through June 30, 2004, the Board shall not
14 submit vouchers for the remainder of fiscal year 2004 in excess
15 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 (d) 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. If in
21 any month the amount remaining unexpended from all other
22 appropriations to the System for the applicable fiscal year
23 (including the appropriations to the System under Section 8.12
24 of the State Finance Act and Section 1 of the State Pension
25 Funds Continuing Appropriation Act) is less than the amount
26 lawfully vouchered under this Section, the difference shall be

1 paid from the General Revenue Fund under the continuing
2 appropriation authority provided in Section 1.1 of the State
3 Pension Funds Continuing Appropriation Act.

4 (c) The full amount of any annual appropriation for the
5 System for State fiscal year 1995 shall be transferred and made
6 available to the System at the beginning of that fiscal year at
7 the request of the Board. Any excess funds remaining at the end
8 of any fiscal year from appropriations shall be retained by the
9 System as a general reserve to meet the System's accrued
10 liabilities.

11 (Source: P.A. 94-4, eff. 6-1-05; 94-536, eff. 8-10-05; 95-331,
12 eff. 8-21-07.)

13 (40 ILCS 5/14-135.08) (from Ch. 108 1/2, par. 14-135.08)
14 Sec. 14-135.08. To certify required State contributions.

15 (a) To certify to the Governor and to each department, on
16 or before November 15 of each year, the required rate for State
17 contributions to the System for the next State fiscal year, as
18 determined under subsection (b) of Section 14-131. The
19 certification to the Governor shall include a copy of the
20 actuarial recommendations upon which the rate is based.

21 (b) The certification shall include an additional amount
22 necessary to pay all principal of and interest on those general
23 obligation bonds due the next fiscal year authorized by Section
24 7.2(a) of the General Obligation Bond Act and issued to provide
25 the proceeds deposited by the State with the System in July

1 2003, representing deposits other than amounts reserved under
2 Section 7.2(c) of the General Obligation Bond Act. For State
3 fiscal year 2005, the Board shall make a supplemental
4 certification of the additional amount necessary to pay all
5 principal of and interest on those general obligation bonds due
6 in State fiscal years 2004 and 2005 authorized by Section
7 7.2(a) of the General Obligation Bond Act and issued to provide
8 the proceeds deposited by the State with the System in July
9 2003, representing deposits other than amounts reserved under
10 Section 7.2(c) of the General Obligation Bond Act, as soon as
11 practical after the effective date of this amendatory Act of
12 the 93rd General Assembly.

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

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

1 On or before February 1, 2011, the Board shall recalculate
2 and recertify to the Governor the amount of the required State
3 contribution to the System for all of State fiscal year 2011,
4 taking into account Public Act 96-889.

5 (Source: P.A. 93-2, eff. 4-7-03; 93-839, eff. 7-30-04; 94-4,
6 eff. 6-1-05.)

7 (40 ILCS 5/15-165) (from Ch. 108 1/2, par. 15-165)

8 Sec. 15-165. To certify amounts and submit vouchers.

9 (a) The Board shall certify to the Governor on or before
10 November 15 of each year the appropriation required from State
11 funds for the purposes of this System for the following fiscal
12 year. The certification shall include a copy of the actuarial
13 recommendations upon which it is based.

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

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

25 On or before February 1, 2011, the Board shall recalculate

1 and recertify to the Governor the amount of the required State
2 contribution to the System for all of State fiscal year 2011,
3 taking into account Public Act 96-889.

4 (b) The Board shall certify to the State Comptroller or
5 employer, as the case may be, from time to time, by its
6 president and secretary, with its seal attached, the amounts
7 payable to the System from the various funds.

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

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

1 amount lawfully vouchered under this Section, the difference
2 shall be paid from the General Revenue Fund under the
3 continuing appropriation authority provided in Section 1.1 of
4 the State Pension Funds Continuing Appropriation Act.

5 (d) So long as the payments received are the full amount
6 lawfully vouchered under this Section, payments received by the
7 System under this Section shall be applied first toward the
8 employer contribution to the self-managed plan established
9 under Section 15-158.2. Payments shall be applied second toward
10 the employer's portion of the normal costs of the System, as
11 defined in subsection (f) of Section 15-155. The balance shall
12 be applied toward the unfunded actuarial liabilities of the
13 System.

14 (e) In the event that the System does not receive, as a
15 result of legislative enactment or otherwise, payments
16 sufficient to fully fund the employer contribution to the
17 self-managed plan established under Section 15-158.2 and to
18 fully fund that portion of the employer's portion of the normal
19 costs of the System, as calculated in accordance with Section
20 15-155(a-1), then any payments received shall be applied
21 proportionately to the optional retirement program established
22 under Section 15-158.2 and to the employer's portion of the
23 normal costs of the System, as calculated in accordance with
24 Section 15-155(a-1).

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

1 (40 ILCS 5/16-158) (from Ch. 108 1/2, par. 16-158)
2 Sec. 16-158. Contributions by State and other employing
3 units.

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

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

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

21 On or before May 1, 2004, 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 2005, taking
24 into account the amounts appropriated to and received by the
25 System under subsection (d) of Section 7.2 of the General

1 Obligation Bond Act.

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

7 On or before February 1, 2011, the Board shall recalculate
8 and recertify to the Governor the amount of the required State
9 contribution to the System for all of State fiscal year 2011,
10 taking into account Public Act 96-889.

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

14 (b-1) Beginning in State fiscal year 1996, on the 15th day
15 of each month, or as soon thereafter as may be practicable, the
16 Board shall submit vouchers for payment of State contributions
17 to the System, in a total monthly amount of one-twelfth of the
18 required annual State contribution certified under subsection
19 (a-1). From the effective date of this amendatory Act of the
20 93rd General Assembly through June 30, 2004, the Board shall
21 not submit vouchers for the remainder of fiscal year 2004 in
22 excess of the fiscal year 2004 certified contribution amount
23 determined under this Section after taking into consideration
24 the transfer to the System under subsection (a) of Section
25 6z-61 of the State Finance Act. These vouchers shall be paid by
26 the State Comptroller and Treasurer by warrants drawn on the

1 funds appropriated to the System for that fiscal year.

2 If in any month the amount remaining unexpended from all
3 other appropriations to the System for the applicable fiscal
4 year (including the appropriations to the System under Section
5 8.12 of the State Finance Act and Section 1 of the State
6 Pension Funds Continuing Appropriation Act) is less than the
7 amount lawfully vouchered under this subsection, the
8 difference shall be paid from the Common School Fund under the
9 continuing appropriation authority provided in Section 1.1 of
10 the State Pension Funds Continuing Appropriation Act.

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

14 (b-3) 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
26 employee payroll, shall be increased in equal annual increments

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

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

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

19 For each of State fiscal years 2008 through 2009, the State
20 contribution to the System, as a percentage of the applicable
21 employee payroll, shall be increased in equal annual increments
22 from the required State contribution for State fiscal year
23 2007, so that by State fiscal year 2011, the State is
24 contributing at the rate otherwise required under this Section.

25 Notwithstanding any other provision of this Article, the
26 total required State contribution for State fiscal year 2010 is

1 \$2,089,268,000 and shall be made from the proceeds of bonds
2 sold in fiscal year 2010 pursuant to Section 7.2 of the General
3 Obligation Bond Act, less (i) the pro rata share of bond sale
4 expenses determined by the System's share of total bond
5 proceeds, (ii) any amounts received from the Common School Fund
6 in fiscal year 2010, and (iii) any reduction in bond proceeds
7 due to the issuance of discounted bonds, if applicable.

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 subsection (a-1), 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 (c) Payment of the required State contributions and of all
23 pensions, retirement annuities, death benefits, refunds, and
24 other benefits granted under or assumed by this System, and all
25 expenses in connection with the administration and operation
26 thereof, are obligations of the State.

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

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

18 However, with respect to benefits granted under Section
19 16-133.4 or 16-133.5 to a teacher as defined in paragraph (8)
20 of Section 16-106, the employer's contribution shall be 12%
21 (rather than 20%) of the member's highest annual salary rate
22 for each year of creditable service granted, and the employer
23 shall also pay the required employee contribution on behalf of
24 the teacher. For the purposes of Sections 16-133.4 and
25 16-133.5, a teacher as defined in paragraph (8) of Section
26 16-106 who is serving in that capacity while on leave of

1 absence from another employer under this Article shall not be
2 considered an employee of the employer from which the teacher
3 is on leave.

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

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

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

13 The school district or other employing unit may pay these
14 employer contributions out of any source of funding available
15 for that purpose and shall forward the contributions to the
16 System on the schedule established for the payment of member
17 contributions.

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

21 Each employer of teachers is entitled to a credit against
22 the contributions required under this subsection (e) with
23 respect to salaries paid to teachers for the period January 1,
24 2002 through June 30, 2003, equal to the amount paid by that
25 employer under subsection (a-5) of Section 6.6 of the State
26 Employees Group Insurance Act of 1971 with respect to salaries

1 paid to teachers for that period.

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

7 If an employer is required by a contract in effect on May
8 1, 1998 between the employer and an employee organization to
9 pay, on behalf of all its full-time employees covered by this
10 Article, all mandatory employee contributions required under
11 this Article, then the employer shall be excused from paying
12 the employer contribution required under this subsection (e)
13 for the balance of the term of that contract. The employer and
14 the employee organization shall jointly certify to the System
15 the existence of the contractual requirement, in such form as
16 the System may prescribe. This exclusion shall cease upon the
17 termination, extension, or renewal of the contract at any time
18 after May 1, 1998.

19 (f) If the amount of a teacher's salary for any school year
20 used to determine final average salary exceeds the member's
21 annual full-time salary rate with the same employer for the
22 previous school year by more than 6%, the teacher's employer
23 shall pay to the System, in addition to all other payments
24 required under this Section and in accordance with guidelines
25 established by the System, the present value of the increase in
26 benefits resulting from the portion of the increase in salary

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

17 Whenever it determines that a payment is or may be required
18 under this subsection, the System shall calculate the amount of
19 the payment and bill the employer for that amount. The bill
20 shall specify the calculations used to determine the amount
21 due. If the employer disputes the amount of the bill, it may,
22 within 30 days after receipt of the bill, apply to the System
23 in writing for a recalculation. The application must specify in
24 detail the grounds of the dispute and, if the employer asserts
25 that the calculation is subject to subsection (g) or (h) of
26 this Section, must include an affidavit setting forth and

1 attesting to all facts within the employer's knowledge that are
2 pertinent to the applicability of that subsection. Upon
3 receiving a timely application for recalculation, the System
4 shall review the application and, if appropriate, recalculate
5 the amount due.

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

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

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

24 When assessing payment for any amount due under subsection
25 (f), the System shall exclude salary increases paid to a
26 teacher at a time when the teacher is 10 or more years from

1 retirement eligibility under Section 16-132 or 16-133.2.

2 When assessing payment for any amount due under subsection
3 (f), the System shall exclude salary increases resulting from
4 overload work, including summer school, when the school
5 district has certified to the System, and the System has
6 approved the certification, that (i) the overload work is for
7 the sole purpose of classroom instruction in excess of the
8 standard number of classes for a full-time teacher in a school
9 district during a school year and (ii) the salary increases are
10 equal to or less than the rate of pay for classroom instruction
11 computed on the teacher's current salary and work schedule.

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

26 When assessing payment for any amount due under subsection

1 (f), the System shall exclude any payment to the teacher from
2 the State of Illinois or the State Board of Education over
3 which the employer does not have discretion, notwithstanding
4 that the payment is included in the computation of final
5 average salary.

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

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

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

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

25 (3) The total amount the System received from each
26 employer as a result of the changes made to this Section by

1 Public Act 94-4.

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

5 (j) For purposes of determining the required State
6 contribution to the System, the value of the System's assets
7 shall be equal to the actuarial value of the System's assets,
8 which shall be calculated as follows:

9 As of June 30, 2008, the actuarial value of the System's
10 assets shall be equal to the market value of the assets as of
11 that date. In determining the actuarial value of the System's
12 assets for fiscal years after June 30, 2008, any actuarial
13 gains or losses from investment return incurred in a fiscal
14 year shall be recognized in equal annual amounts over the
15 5-year period following that fiscal year.

16 (k) For purposes of determining the required State
17 contribution to the system for a particular year, the actuarial
18 value of assets shall be assumed to earn a rate of return equal
19 to the system's actuarially assumed rate of return.

20 (Source: P.A. 95-331, eff. 8-21-07; 95-950, eff. 8-29-08;
21 96-43, eff. 7-15-09.)

22 (40 ILCS 5/18-140) (from Ch. 108 1/2, par. 18-140)

23 Sec. 18-140. To certify required State contributions and
24 submit vouchers.

25 (a) The Board shall certify to the Governor, on or before

1 November 15 of each year, the amount of the required State
2 contribution to the System for the following fiscal year. The
3 certification shall include a copy of the actuarial
4 recommendations upon which it is based.

5 On or before May 1, 2004, the Board shall recalculate and
6 recertify to the Governor the amount of the required State
7 contribution to the System for State fiscal year 2005, taking
8 into account the amounts appropriated to and received by the
9 System under subsection (d) of Section 7.2 of the General
10 Obligation Bond Act.

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

16 On or before February 1, 2011, the Board shall recalculate
17 and recertify to the Governor the amount of the required State
18 contribution to the System for all of State fiscal year 2011,
19 taking into account Public Act 96-889.

20 (b) Beginning in State fiscal year 1996, on or as soon as
21 possible after the 15th day of each month the Board shall
22 submit vouchers for payment of State contributions to the
23 System, in a total monthly amount of one-twelfth of the
24 required annual State contribution certified under subsection
25 (a). From the effective date of this amendatory Act of the 93rd
26 General Assembly through June 30, 2004, the Board shall not

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

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

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

19 Section 99. Effective date. This Act takes effect upon
20 becoming law.