



Sen. Don Harmon

Filed: 5/26/2009

09600HB2643sam002

LRB096 09343 AMC 27276 a

1 AMENDMENT TO HOUSE BILL 2643

2 AMENDMENT NO. _____. Amend House Bill 2643 by replacing
3 everything after the enacting clause with the following:

4 "Section 5. The Illinois Public Labor Relations Act is
5 amended by changing Section 15 and by adding Section 28 as
6 follows:

7 (5 ILCS 315/15) (from Ch. 48, par. 1615)

8 Sec. 15. Act Takes Precedence.

9 (a) In case of any conflict between the provisions of this
10 Act and any other law (other than Section 5 of the State
11 Employees Group Insurance Act of 1971 and other than the
12 changes made to the Illinois Pension Code by this amendatory
13 Act of the 96th General Assembly), executive order or
14 administrative regulation relating to wages, hours and
15 conditions of employment and employment relations, the
16 provisions of this Act or any collective bargaining agreement

1 negotiated thereunder shall prevail and control. Nothing in
2 this Act shall be construed to replace or diminish the rights
3 of employees established by Sections 28 and 28a of the
4 Metropolitan Transit Authority Act, Sections 2.15 through 2.19
5 of the Regional Transportation Authority Act. The provisions of
6 this Act are subject to Section 5 of the State Employees Group
7 Insurance Act of 1971 and the changes made to the Illinois
8 Pension Code by this amendatory Act of the 96th General
9 Assembly. Nothing in this Act shall be construed to replace the
10 necessity of complaints against a sworn peace officer, as
11 defined in Section 2(a) of the Uniform Peace Officer
12 Disciplinary Act, from having a complaint supported by a sworn
13 affidavit.

14 (b) Except as provided in subsection (a) above, any
15 collective bargaining contract between a public employer and a
16 labor organization executed pursuant to this Act shall
17 supersede any contrary statutes, charters, ordinances, rules
18 or regulations relating to wages, hours and conditions of
19 employment and employment relations adopted by the public
20 employer or its agents. Any collective bargaining agreement
21 entered into prior to the effective date of this Act shall
22 remain in full force during its duration.

23 (c) It is the public policy of this State, pursuant to
24 paragraphs (h) and (i) of Section 6 of Article VII of the
25 Illinois Constitution, that the provisions of this Act are the
26 exclusive exercise by the State of powers and functions which

1 might otherwise be exercised by home rule units. Such powers
2 and functions may not be exercised concurrently, either
3 directly or indirectly, by any unit of local government,
4 including any home rule unit, except as otherwise authorized by
5 this Act.

6 (d) Any disputes that are brought on behalf of any employer
7 or employee or exclusive bargaining representative subject to
8 this Act arising from the changes made to the Illinois Pension
9 Code by this amendatory Act of the 96th General Assembly shall
10 be subject to the exclusive jurisdiction of the Illinois Labor
11 Relations Board, and the Circuit Courts shall have no
12 jurisdiction, except to hear disputes arising directly under
13 the Constitution of the United States of America or the
14 Illinois Constitution.

15 (Source: P.A. 95-331, eff. 8-21-07.)

16 (5 ILCS 315/28 new)

17 Sec. 28. Labor. Notwithstanding the existence of any other
18 provision in this Act or any other law, collective bargaining
19 between any employer whose employees are affected by the
20 changes made to the Illinois Pension Code by this amendatory
21 Act of the 96th General Assembly and the exclusive bargaining
22 representative of such employees may include decisions
23 concerning the changes made to the Illinois Pension Code by
24 this amendatory Act of the 96th General Assembly, including,
25 but not limited to, changes and benefits of retirement systems

1 covered by the Illinois Pension Code. These subjects are
2 permissive subjects of bargaining between an employer and an
3 exclusive representative of its employees and, for the purpose
4 of the this Act, are within the sole discretion of the employer
5 to decide to bargain, provided that the employer is required to
6 bargain over the impact of a decision concerning such subject
7 on the bargaining unit upon request by the exclusive
8 representative. During this bargaining, the employer shall not
9 be precluded from implementing its decision. If, after a
10 reasonable period of bargaining, a dispute or impasse exists
11 between the employer and the exclusive representative, then the
12 dispute or impasse shall be resolved exclusively as set forth
13 in this Act.

14 Section 10. The State Employees Group Insurance Act of 1971
15 is amended by changing Section 10 as follows:

16 (5 ILCS 375/10) (from Ch. 127, par. 530)

17 Sec. 10. Payments by State; premiums.

18 (a) The State shall pay the cost of basic non-contributory
19 group life insurance and, subject to member paid contributions
20 set by the Department or required by this Section, the basic
21 program of group health benefits on each eligible member,
22 except a member, not otherwise covered by this Act, who has
23 retired as a participating member under Article 2 of the
24 Illinois Pension Code but is ineligible for the retirement

1 annuity under Section 2-119 of the Illinois Pension Code, and
2 part of each eligible member's and retired member's premiums
3 for health insurance coverage for enrolled dependents as
4 provided by Section 9. The State shall pay the cost of the
5 basic program of group health benefits only after benefits are
6 reduced by the amount of benefits covered by Medicare for all
7 members and dependents who are eligible for benefits under
8 Social Security or the Railroad Retirement system or who had
9 sufficient Medicare-covered government employment, except that
10 such reduction in benefits shall apply only to those members
11 and dependents who (1) first become eligible for such Medicare
12 coverage on or after July 1, 1992; or (2) are Medicare-eligible
13 members or dependents of a local government unit which began
14 participation in the program on or after July 1, 1992; or (3)
15 remain eligible for, but no longer receive Medicare coverage
16 which they had been receiving on or after July 1, 1992. The
17 Department may determine the aggregate level of the State's
18 contribution on the basis of actual cost of medical services
19 adjusted for age, sex or geographic or other demographic
20 characteristics which affect the costs of such programs.

21 The cost of participation in the basic program of group
22 health benefits for the dependent or survivor of a living or
23 deceased retired employee who was formerly employed by the
24 University of Illinois in the Cooperative Extension Service and
25 would be an annuitant but for the fact that he or she was made
26 ineligible to participate in the State Universities Retirement

1 System by clause (4) of subsection (a) of Section 15-107 of the
2 Illinois Pension Code shall not be greater than the cost of
3 participation that would otherwise apply to that dependent or
4 survivor if he or she were the dependent or survivor of an
5 annuitant under the State Universities Retirement System.

6 (a-1) Beginning July 1, 2009 ~~January 1, 1998~~, for each
7 ~~person who becomes a new~~ SERS annuitant who ~~and~~ participates in
8 the basic program of group health benefits, regardless of the
9 date the individual became an annuitant, the State shall
10 contribute toward the cost of the annuitant's coverage under
11 the basic program of group health benefits an amount equal to
12 5% of the Medicare rate for the health plan in which the
13 annuitant is enrolled ~~that cost~~ for each full year of
14 creditable service upon which the annuitant's retirement
15 annuity is based, up to a maximum of 100% for an annuitant with
16 20 or more years of creditable service. The remainder of the
17 cost of an ~~a new SERS~~ annuitant's coverage under the basic
18 program of group health benefits shall be the responsibility of
19 the SERS annuitant. In the case of a new SERS annuitant who has
20 elected to receive an alternative retirement cancellation
21 payment under Section 14-108.5 of the Illinois Pension Code in
22 lieu of an annuity, for the purposes of this subsection the
23 annuitant shall be deemed to be receiving a retirement annuity
24 based on the number of years of creditable service that the
25 annuitant had established at the time of his or her termination
26 of service under SERS.

1 (a-2) Beginning July 1, 2009 ~~January 1, 1998~~, for each
2 ~~person who becomes a new~~ SERS survivor who ~~and~~ participates in
3 the basic program of group health benefits, the State shall
4 contribute toward the cost of the survivor's coverage under the
5 basic program of group health benefits an amount equal to 5% of
6 the Medicare rate for the health plan in which the survivor is
7 enrolled ~~that cost~~ for each full year of the deceased
8 employee's or deceased annuitant's creditable service in the
9 State Employees' Retirement System of Illinois on the date of
10 death, up to a maximum of 100% for a survivor of an employee or
11 annuitant with 20 or more years of creditable service. The
12 remainder of the cost of the ~~new~~ SERS survivor's coverage under
13 the basic program of group health benefits shall be the
14 responsibility of the survivor. In the case of a ~~new~~ SERS
15 survivor who was the dependent of an annuitant who elected to
16 receive an alternative retirement cancellation payment under
17 Section 14-108.5 of the Illinois Pension Code in lieu of an
18 annuity, for the purposes of this subsection the deceased
19 annuitant's creditable service shall be determined as of the
20 date of termination of service rather than the date of death.

21 (a-3) Beginning July 1, 2009 ~~January 1, 1998~~, for each
22 ~~person who becomes a new~~ SURS annuitant who ~~and~~ participates in
23 the basic program of group health benefits, regardless of the
24 date the individual became an annuitant, the State shall
25 contribute toward the cost of the annuitant's coverage under
26 the basic program of group health benefits an amount equal to

1 5% of the Medicare rate for the health plan in which the
2 annuitant is enrolled ~~that cost~~ for each full year of
3 creditable service upon which the annuitant's retirement
4 annuity is based, up to a maximum of 100% for an annuitant with
5 20 or more years of creditable service. The remainder of the
6 cost of a ~~new~~ SURS annuitant's coverage under the basic program
7 of group health benefits shall be the responsibility of the
8 annuitant.

9 (a-4) (Blank).

10 (a-5) Beginning July 1, 2009 ~~January 1, 1998~~, for each
11 ~~person who becomes a new~~ SURS survivor who ~~and~~ participates in
12 the basic program of group health benefits, the State shall
13 contribute toward the cost of the survivor's coverage under the
14 basic program of group health benefits an amount equal to 5% of
15 the Medicare rate for the health plan in which the survivor is
16 enrolled ~~that cost~~ for each full year of the deceased
17 employee's or deceased annuitant's creditable service in the
18 State Universities Retirement System on the date of death, up
19 to a maximum of 100% for a survivor of an employee or annuitant
20 with 20 or more years of creditable service. The remainder of
21 the cost of the ~~new~~ SURS survivor's coverage under the basic
22 program of group health benefits shall be the responsibility of
23 the survivor.

24 (a-6) Beginning July 1, 2009 ~~July 1, 1998~~, for each ~~person~~
25 ~~who becomes a new~~ TRS State annuitant who ~~and~~ participates in
26 the basic program of group health benefits, regardless of the

1 date the individual became an annuitant, the State shall
2 contribute toward the cost of the annuitant's coverage under
3 the basic program of group health benefits an amount equal to
4 5% of the Medicare rate for the health plan in which the
5 annuitant is enrolled ~~that cost~~ for each full year of
6 creditable service as a teacher as defined in paragraph (2),
7 (3), or (5) of Section 16-106 of the Illinois Pension Code upon
8 which the annuitant's retirement annuity is based, up to a
9 maximum of 100%; except that the State contribution shall be
10 12.5% per year (rather than 5%) for each full year of
11 creditable service as a regional superintendent or assistant
12 regional superintendent of schools. The remainder of the cost
13 of a ~~new~~ TRS State annuitant's coverage under the basic program
14 of group health benefits shall be the responsibility of the
15 annuitant.

16 (a-7) Beginning July 1, 2009 ~~July 1, 1998~~, for each ~~person~~
17 ~~who becomes a new~~ TRS State survivor who ~~and~~ participates in
18 the basic program of group health benefits, the State shall
19 contribute toward the cost of the survivor's coverage under the
20 basic program of group health benefits an amount equal to 5% of
21 the Medicare rate for the health plan in which the survivor is
22 enrolled ~~that cost~~ for each full year of the deceased
23 employee's or deceased annuitant's creditable service as a
24 teacher as defined in paragraph (2), (3), or (5) of Section
25 16-106 of the Illinois Pension Code on the date of death, up to
26 a maximum of 100%; except that the State contribution shall be

1 12.5% per year (rather than 5%) for each full year of the
2 deceased employee's or deceased annuitant's creditable service
3 as a regional superintendent or assistant regional
4 superintendent of schools. The remainder of the cost of the ~~new~~
5 TRS State survivor's coverage under the basic program of group
6 health benefits shall be the responsibility of the survivor.

7 (a-8) A new SERS annuitant, new SERS survivor, new SURS
8 annuitant, new SURS survivor, new TRS State annuitant, or new
9 TRS State survivor may waive or terminate coverage in the
10 program of group health benefits. Any such annuitant or
11 survivor who has waived or terminated coverage may enroll or
12 re-enroll in the program of group health benefits only during
13 the annual benefit choice period, as determined by the
14 Director; except that in the event of termination of coverage
15 due to nonpayment of premiums, the annuitant or survivor may
16 not re-enroll in the program.

17 (a-9) No later than May 1 of each calendar year, the
18 Director of Central Management Services shall certify in
19 writing to the Executive Secretary of the State Employees'
20 Retirement System of Illinois the amounts of the Medicare
21 supplement health care premiums and the amounts of the health
22 care premiums for all other retirees who are not Medicare
23 eligible.

24 A separate calculation of the premiums based upon the
25 actual cost of each health care plan shall be so certified.

26 The Director of Central Management Services shall provide

1 to the Executive Secretary of the State Employees' Retirement
2 System of Illinois such information, statistics, and other data
3 as he or she may require to review the premium amounts
4 certified by the Director of Central Management Services.

5 The Department of Healthcare and Family Services, or any
6 successor agency designated to procure healthcare contracts
7 pursuant to this Act, is authorized to establish funds,
8 separate accounts provided by any bank or banks as defined by
9 the Illinois Banking Act, or separate accounts provided by any
10 savings and loan association or associations as defined by the
11 Illinois Savings and Loan Act of 1985 to be held by the
12 Director, outside the State treasury, for the purpose of
13 receiving the transfer of moneys from the Local Government
14 Health Insurance Reserve Fund. The Department may promulgate
15 rules further defining the methodology for the transfers. Any
16 interest earned by moneys in the funds or accounts shall inure
17 to the Local Government Health Insurance Reserve Fund. The
18 transferred moneys, and interest accrued thereon, shall be used
19 exclusively for transfers to administrative service
20 organizations or their financial institutions for payments of
21 claims to claimants and providers under the self-insurance
22 health plan. The transferred moneys, and interest accrued
23 thereon, shall not be used for any other purpose including, but
24 not limited to, reimbursement of administration fees due the
25 administrative service organization pursuant to its contract
26 or contracts with the Department.

1 (b) State employees who become eligible for this program on
2 or after January 1, 1980 in positions normally requiring actual
3 performance of duty not less than 1/2 of a normal work period
4 but not equal to that of a normal work period, shall be given
5 the option of participating in the available program. If the
6 employee elects coverage, the State shall contribute on behalf
7 of such employee to the cost of the employee's benefit and any
8 applicable dependent supplement, that sum which bears the same
9 percentage as that percentage of time the employee regularly
10 works when compared to normal work period.

11 (c) The basic non-contributory coverage from the basic
12 program of group health benefits shall be continued for each
13 employee not in pay status or on active service by reason of
14 (1) leave of absence due to illness or injury, (2) authorized
15 educational leave of absence or sabbatical leave, or (3)
16 military leave with pay and benefits. This coverage shall
17 continue until expiration of authorized leave and return to
18 active service, but not to exceed 24 months for leaves under
19 item (1) or (2). This 24-month limitation and the requirement
20 of returning to active service shall not apply to persons
21 receiving ordinary or accidental disability benefits or
22 retirement benefits through the appropriate State retirement
23 system or benefits under the Workers' Compensation or
24 Occupational Disease Act.

25 (d) The basic group life insurance coverage shall continue,
26 with full State contribution, where such person is (1) absent

1 from active service by reason of disability arising from any
2 cause other than self-inflicted, (2) on authorized educational
3 leave of absence or sabbatical leave, or (3) on military leave
4 with pay and benefits.

5 (e) Where the person is in non-pay status for a period in
6 excess of 30 days or on leave of absence, other than by reason
7 of disability, educational or sabbatical leave, or military
8 leave with pay and benefits, such person may continue coverage
9 only by making personal payment equal to the amount normally
10 contributed by the State on such person's behalf. Such payments
11 and coverage may be continued: (1) until such time as the
12 person returns to a status eligible for coverage at State
13 expense, but not to exceed 24 months, (2) until such person's
14 employment or annuitant status with the State is terminated, or
15 (3) for a maximum period of 4 years for members on military
16 leave with pay and benefits and military leave without pay and
17 benefits (exclusive of any additional service imposed pursuant
18 to law).

19 (f) The Department shall establish by rule the extent to
20 which other employee benefits will continue for persons in
21 non-pay status or who are not in active service.

22 (g) The State shall not pay the cost of the basic
23 non-contributory group life insurance, program of health
24 benefits and other employee benefits for members who are
25 survivors as defined by paragraphs (1) and (2) of subsection
26 (q) of Section 3 of this Act. The costs of benefits for these

1 survivors shall be paid by the survivors or by the University
2 of Illinois Cooperative Extension Service, or any combination
3 thereof. However, the State shall pay the amount of the
4 reduction in the cost of participation, if any, resulting from
5 the amendment to subsection (a) made by this amendatory Act of
6 the 91st General Assembly.

7 (h) Those persons occupying positions with any department
8 as a result of emergency appointments pursuant to Section 8b.8
9 of the Personnel Code who are not considered employees under
10 this Act shall be given the option of participating in the
11 programs of group life insurance, health benefits and other
12 employee benefits. Such persons electing coverage may
13 participate only by making payment equal to the amount normally
14 contributed by the State for similarly situated employees. Such
15 amounts shall be determined by the Director. Such payments and
16 coverage may be continued until such time as the person becomes
17 an employee pursuant to this Act or such person's appointment
18 is terminated.

19 (i) Any unit of local government within the State of
20 Illinois may apply to the Director to have its employees,
21 annuitants, and their dependents provided group health
22 coverage under this Act on a non-insured basis. To participate,
23 a unit of local government must agree to enroll all of its
24 employees, who may select coverage under either the State group
25 health benefits plan or a health maintenance organization that
26 has contracted with the State to be available as a health care

1 provider for employees as defined in this Act. A unit of local
2 government must remit the entire cost of providing coverage
3 under the State group health benefits plan or, for coverage
4 under a health maintenance organization, an amount determined
5 by the Director based on an analysis of the sex, age,
6 geographic location, or other relevant demographic variables
7 for its employees, except that the unit of local government
8 shall not be required to enroll those of its employees who are
9 covered spouses or dependents under this plan or another group
10 policy or plan providing health benefits as long as (1) an
11 appropriate official from the unit of local government attests
12 that each employee not enrolled is a covered spouse or
13 dependent under this plan or another group policy or plan, and
14 (2) at least 85% of the employees are enrolled and the unit of
15 local government remits the entire cost of providing coverage
16 to those employees, except that a participating school district
17 must have enrolled at least 85% of its full-time employees who
18 have not waived coverage under the district's group health plan
19 by participating in a component of the district's cafeteria
20 plan. A participating school district is not required to enroll
21 a full-time employee who has waived coverage under the
22 district's health plan, provided that an appropriate official
23 from the participating school district attests that the
24 full-time employee has waived coverage by participating in a
25 component of the district's cafeteria plan. For the purposes of
26 this subsection, "participating school district" includes a

1 unit of local government whose primary purpose is education as
2 defined by the Department's rules.

3 Employees of a participating unit of local government who
4 are not enrolled due to coverage under another group health
5 policy or plan may enroll in the event of a qualifying change
6 in status, special enrollment, special circumstance as defined
7 by the Director, or during the annual Benefit Choice Period. A
8 participating unit of local government may also elect to cover
9 its annuitants. Dependent coverage shall be offered on an
10 optional basis, with the costs paid by the unit of local
11 government, its employees, or some combination of the two as
12 determined by the unit of local government. The unit of local
13 government shall be responsible for timely collection and
14 transmission of dependent premiums.

15 The Director shall annually determine monthly rates of
16 payment, subject to the following constraints:

17 (1) In the first year of coverage, the rates shall be
18 equal to the amount normally charged to State employees for
19 elected optional coverages or for enrolled dependents
20 coverages or other contributory coverages, or contributed
21 by the State for basic insurance coverages on behalf of its
22 employees, adjusted for differences between State
23 employees and employees of the local government in age,
24 sex, geographic location or other relevant demographic
25 variables, plus an amount sufficient to pay for the
26 additional administrative costs of providing coverage to

1 employees of the unit of local government and their
2 dependents.

3 (2) In subsequent years, a further adjustment shall be
4 made to reflect the actual prior years' claims experience
5 of the employees of the unit of local government.

6 In the case of coverage of local government employees under
7 a health maintenance organization, the Director shall annually
8 determine for each participating unit of local government the
9 maximum monthly amount the unit may contribute toward that
10 coverage, based on an analysis of (i) the age, sex, geographic
11 location, and other relevant demographic variables of the
12 unit's employees and (ii) the cost to cover those employees
13 under the State group health benefits plan. The Director may
14 similarly determine the maximum monthly amount each unit of
15 local government may contribute toward coverage of its
16 employees' dependents under a health maintenance organization.

17 Monthly payments by the unit of local government or its
18 employees for group health benefits plan or health maintenance
19 organization coverage shall be deposited in the Local
20 Government Health Insurance Reserve Fund.

21 The Local Government Health Insurance Reserve Fund is
22 hereby created as a nonappropriated trust fund to be held
23 outside the State Treasury, with the State Treasurer as
24 custodian. The Local Government Health Insurance Reserve Fund
25 shall be a continuing fund not subject to fiscal year
26 limitations. All revenues arising from the administration of

1 the health benefits program established under this Section
2 shall be deposited into the Local Government Health Insurance
3 Reserve Fund. Any interest earned on moneys in the Local
4 Government Health Insurance Reserve Fund shall be deposited
5 into the Fund. All expenditures from this Fund shall be used
6 for payments for health care benefits for local government and
7 rehabilitation facility employees, annuitants, and dependents,
8 and to reimburse the Department or its administrative service
9 organization for all expenses incurred in the administration of
10 benefits. No other State funds may be used for these purposes.

11 A local government employer's participation or desire to
12 participate in a program created under this subsection shall
13 not limit that employer's duty to bargain with the
14 representative of any collective bargaining unit of its
15 employees.

16 (j) Any rehabilitation facility within the State of
17 Illinois may apply to the Director to have its employees,
18 annuitants, and their eligible dependents provided group
19 health coverage under this Act on a non-insured basis. To
20 participate, a rehabilitation facility must agree to enroll all
21 of its employees and remit the entire cost of providing such
22 coverage for its employees, except that the rehabilitation
23 facility shall not be required to enroll those of its employees
24 who are covered spouses or dependents under this plan or
25 another group policy or plan providing health benefits as long
26 as (1) an appropriate official from the rehabilitation facility

1 attests that each employee not enrolled is a covered spouse or
2 dependent under this plan or another group policy or plan, and
3 (2) at least 85% of the employees are enrolled and the
4 rehabilitation facility remits the entire cost of providing
5 coverage to those employees. Employees of a participating
6 rehabilitation facility who are not enrolled due to coverage
7 under another group health policy or plan may enroll in the
8 event of a qualifying change in status, special enrollment,
9 special circumstance as defined by the Director, or during the
10 annual Benefit Choice Period. A participating rehabilitation
11 facility may also elect to cover its annuitants. Dependent
12 coverage shall be offered on an optional basis, with the costs
13 paid by the rehabilitation facility, its employees, or some
14 combination of the 2 as determined by the rehabilitation
15 facility. The rehabilitation facility shall be responsible for
16 timely collection and transmission of dependent premiums.

17 The Director shall annually determine quarterly rates of
18 payment, subject to the following constraints:

19 (1) In the first year of coverage, the rates shall be
20 equal to the amount normally charged to State employees for
21 elected optional coverages or for enrolled dependents
22 coverages or other contributory coverages on behalf of its
23 employees, adjusted for differences between State
24 employees and employees of the rehabilitation facility in
25 age, sex, geographic location or other relevant
26 demographic variables, plus an amount sufficient to pay for

1 the additional administrative costs of providing coverage
2 to employees of the rehabilitation facility and their
3 dependents.

4 (2) In subsequent years, a further adjustment shall be
5 made to reflect the actual prior years' claims experience
6 of the employees of the rehabilitation facility.

7 Monthly payments by the rehabilitation facility or its
8 employees for group health benefits shall be deposited in the
9 Local Government Health Insurance Reserve Fund.

10 (k) Any domestic violence shelter or service within the
11 State of Illinois may apply to the Director to have its
12 employees, annuitants, and their dependents provided group
13 health coverage under this Act on a non-insured basis. To
14 participate, a domestic violence shelter or service must agree
15 to enroll all of its employees and pay the entire cost of
16 providing such coverage for its employees. A participating
17 domestic violence shelter may also elect to cover its
18 annuitants. Dependent coverage shall be offered on an optional
19 basis, with employees, or some combination of the 2 as
20 determined by the domestic violence shelter or service. The
21 domestic violence shelter or service shall be responsible for
22 timely collection and transmission of dependent premiums.

23 The Director shall annually determine rates of payment,
24 subject to the following constraints:

25 (1) In the first year of coverage, the rates shall be
26 equal to the amount normally charged to State employees for

1 elected optional coverages or for enrolled dependents
2 coverages or other contributory coverages on behalf of its
3 employees, adjusted for differences between State
4 employees and employees of the domestic violence shelter or
5 service in age, sex, geographic location or other relevant
6 demographic variables, plus an amount sufficient to pay for
7 the additional administrative costs of providing coverage
8 to employees of the domestic violence shelter or service
9 and their dependents.

10 (2) In subsequent years, a further adjustment shall be
11 made to reflect the actual prior years' claims experience
12 of the employees of the domestic violence shelter or
13 service.

14 Monthly payments by the domestic violence shelter or
15 service or its employees for group health insurance shall be
16 deposited in the Local Government Health Insurance Reserve
17 Fund.

18 (1) A public community college or entity organized pursuant
19 to the Public Community College Act may apply to the Director
20 initially to have only annuitants not covered prior to July 1,
21 1992 by the district's health plan provided health coverage
22 under this Act on a non-insured basis. The community college
23 must execute a 2-year contract to participate in the Local
24 Government Health Plan. Any annuitant may enroll in the event
25 of a qualifying change in status, special enrollment, special
26 circumstance as defined by the Director, or during the annual

1 Benefit Choice Period.

2 The Director shall annually determine monthly rates of
3 payment subject to the following constraints: for those
4 community colleges with annuitants only enrolled, first year
5 rates shall be equal to the average cost to cover claims for a
6 State member adjusted for demographics, Medicare
7 participation, and other factors; and in the second year, a
8 further adjustment of rates shall be made to reflect the actual
9 first year's claims experience of the covered annuitants.

10 (l-5) The provisions of subsection (l) become inoperative
11 on July 1, 1999.

12 (m) The Director shall adopt any rules deemed necessary for
13 implementation of this amendatory Act of 1989 (Public Act
14 86-978).

15 (n) Any child advocacy center within the State of Illinois
16 may apply to the Director to have its employees, annuitants,
17 and their dependents provided group health coverage under this
18 Act on a non-insured basis. To participate, a child advocacy
19 center must agree to enroll all of its employees and pay the
20 entire cost of providing coverage for its employees. A
21 participating child advocacy center may also elect to cover its
22 annuitants. Dependent coverage shall be offered on an optional
23 basis, with the costs paid by the child advocacy center, its
24 employees, or some combination of the 2 as determined by the
25 child advocacy center. The child advocacy center shall be
26 responsible for timely collection and transmission of

1 dependent premiums.

2 The Director shall annually determine rates of payment,
3 subject to the following constraints:

4 (1) In the first year of coverage, the rates shall be
5 equal to the amount normally charged to State employees for
6 elected optional coverages or for enrolled dependents
7 coverages or other contributory coverages on behalf of its
8 employees, adjusted for differences between State
9 employees and employees of the child advocacy center in
10 age, sex, geographic location, or other relevant
11 demographic variables, plus an amount sufficient to pay for
12 the additional administrative costs of providing coverage
13 to employees of the child advocacy center and their
14 dependents.

15 (2) In subsequent years, a further adjustment shall be
16 made to reflect the actual prior years' claims experience
17 of the employees of the child advocacy center.

18 Monthly payments by the child advocacy center or its
19 employees for group health insurance shall be deposited into
20 the Local Government Health Insurance Reserve Fund.

21 (Source: P.A. 94-839, eff. 6-6-06; 94-860, eff. 6-16-06;
22 95-331, eff. 8-21-07; 95-632, eff. 9-25-07; 95-707, eff.
23 1-11-08.)

24 Section 15. The Illinois Pension Code is amended by
25 changing Sections 2-124, 2-134, 14-131, 14-135.08, 15-155,

1 15-165, 16-158, 18-131, and 18-140 and by adding Sections
2 2-300, 2-305, 2-310, 2-315, 2-320, 2-325, 2-330, 2-335, 2-340,
3 14-300, 14-305, 14-310, 14-315, 14-320, 14-325, 14-330,
4 14-335, 14-340, 15-300, 15-305, 15-310, 15-315, 15-320,
5 15-325, 15-330, 15-335, 15-340, 16-300, 16-305, 16-310,
6 16-315, 16-320, 16-325, 16-330, 16-335, 16-340, 18-300,
7 18-305, 18-310, 18-315, 18-320, 18-325, 18-330, 18-335, and
8 18-340 as follows:

9 (40 ILCS 5/2-124) (from Ch. 108 1/2, par. 2-124)

10 Sec. 2-124. Contributions by State.

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

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

22 (c) For State fiscal years 2011 through 2045, the minimum
23 contribution to the System to be made by the State for each
24 fiscal year shall be an amount determined by the System to be
25 sufficient to bring the total assets of the System up to 90% of

1 the total actuarial liabilities of the System by the end of
2 State fiscal year 2045. In making these determinations, the
3 required State contribution shall be calculated each year as a
4 level percentage of payroll over the years remaining to and
5 including fiscal year 2045 and shall be determined under the
6 projected unit credit actuarial cost method.

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

12 Notwithstanding any other provision of this Article, the
13 total required State contribution for State fiscal year 2006 is
14 \$4,157,000.

15 Notwithstanding any other provision of this Article, the
16 total required State contribution for State fiscal year 2007 is
17 \$5,220,300.

18 For each of State fiscal years 2008 and 2009 ~~through 2010~~,
19 the State contribution to the System, as a percentage of the
20 applicable employee payroll, shall be increased in equal annual
21 increments from the required State contribution for State
22 fiscal year 2007, so that by State fiscal year 2011, the State
23 is contributing at the rate otherwise required under this
24 Section.

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

1 the employer normal cost certified by the Board.

2 Notwithstanding any other provision of this Article, the
3 total required State contribution for State fiscal year 2011 is
4 \$4,102,529.

5 Notwithstanding any other provision of this Article, the
6 total required State contribution for State fiscal year 2012 is
7 equal to the total required State contribution for State fiscal
8 year 2011 plus \$1,302,529.

9 Notwithstanding any other provision of this Article, the
10 total required State contribution for State fiscal year 2013 is
11 equal to the total required State contribution for State fiscal
12 year 2012 plus an additional amount which, when increased by 5%
13 each year from fiscal year 2014 through fiscal year 2045 and
14 added to the prior fiscal year's total required State
15 contribution, will be sufficient to achieve 90% funding by
16 State fiscal year 2045.

17 For each of State fiscal years 2014 through 2045, the State
18 contribution to the System shall be increased in an annual
19 amount equal to the dollar increase from the required State
20 contribution from the preceding fiscal year plus 5%, so that by
21 State fiscal year 2045, the State is contributing at the rate
22 otherwise required under this Section.

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

1 Amounts received by the System pursuant to Section 25 of
2 the Budget Stabilization Act or Section 8.12 of the State
3 Finance Act in any fiscal year do not reduce and do not
4 constitute payment of any portion of the minimum State
5 contribution required under this Article in that fiscal year.
6 Such amounts shall not reduce, and shall not be included in the
7 calculation of, the required State contributions under this
8 Article in any future year until the System has reached a
9 funding ratio of at least 90%. A reference in this Article to
10 the "required State contribution" or any substantially similar
11 term does not include or apply to any amounts payable to the
12 System under Section 25 of the Budget Stabilization Act.

13 Notwithstanding any other provision of this Section, the
14 required State contribution for State fiscal year 2005 and for
15 fiscal years ~~year~~ 2008 and 2009 ~~each fiscal year thereafter~~, as
16 calculated under this Section and certified under Section
17 2-134, shall not exceed an amount equal to (i) the amount of
18 the required State contribution that would have been calculated
19 under this Section for that fiscal year if the System had not
20 received any payments under subsection (d) of Section 7.2 of
21 the General Obligation Bond Act, minus (ii) the portion of the
22 State's total debt service payments for that fiscal year on the
23 bonds issued for the purposes of that Section 7.2, as
24 determined and certified by the Comptroller, that is the same
25 as the System's portion of the total moneys distributed under
26 subsection (d) of Section 7.2 of the General Obligation Bond

1 Act. In determining this maximum for State fiscal years 2008
2 and 2009 ~~through 2010~~, however, the amount referred to in item
3 (i) shall be increased, as a percentage of the applicable
4 employee payroll, in equal increments calculated from the sum
5 of the required State contribution for State fiscal year 2007
6 plus the applicable portion of the State's total debt service
7 payments for fiscal year 2007 on the bonds issued for the
8 purposes of Section 7.2 of the General Obligation Bond Act, so
9 that, by State fiscal year 2011, the State is contributing at
10 the rate otherwise required under this Section.

11 (Source: P.A. 94-4, eff. 6-1-05; 94-839, eff. 6-6-06; 95-950,
12 eff. 8-29-08.)

13 (40 ILCS 5/2-134) (from Ch. 108 1/2, par. 2-134)

14 Sec. 2-134. To certify required State contributions and
15 submit vouchers.

16 (a) The Board shall certify to the Governor on or before
17 December 15 of each year the amount of the required State
18 contribution to the System for the next fiscal year. The
19 certification shall include a copy of the actuarial
20 recommendations upon 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 July 1, 2009, the Board shall recalculate and
8 recertify to the Governor the amount of the required State
9 contribution to the System for State fiscal year 2010, taking
10 into account the changes in required State contributions made
11 by this amendatory Act of the 96th General Assembly.

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

1 appropriations to the System for the applicable fiscal year
2 (including the appropriations to the System under Section 8.12
3 of the State Finance Act and Section 1 of the State Pension
4 Funds Continuing Appropriation Act) is less than the amount
5 lawfully vouchered under this Section, the difference shall be
6 paid from the General Revenue Fund under the continuing
7 appropriation authority provided in Section 1.1 of the State
8 Pension Funds Continuing Appropriation Act.

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

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

18 (40 ILCS 5/2-300 new)

19 Sec. 2-300. Provisions applicable to later entrants.

20 (a) The provisions of this Article following this Section
21 apply only to members who first become members on or after
22 January 1, 2010, who are referred to as "later entrants" or who
23 are otherwise considered "later entrants" in accordance with
24 the following Sections of this Article.

25 (b) Except as provided in subsection (c) of this Section,

1 the Sections of this Article before this Section do not apply
2 to members who first become members on or after January 1,
3 2010.

4 (c) The following Sections are also applicable to members
5 who first become members on or after January 1, 2010: Sections
6 2-101, 2-102, 2-103, 2-104, 2-105, 2-106, 2-109, 2-111, 2-112,
7 2-113, 2-114, 2-116, 2-117, 2-117.3, 2-121.2, 2-121.3, 2-124
8 through 2-160, and 2-162.

9 (d) To the extent that the Sections enumerated in
10 subsection (c) of this Section conflict with the Sections
11 following this Section, the Sections following this Section
12 shall control.

13 (e) To the extent that the applicable Sections are included
14 under subsection (c) of this Section, later entrants are
15 entitled to disability benefits under this Article.

16 (f) "Participant" shall include later entrants who elect to
17 participate, but shall not include former members who elect to
18 participate under Section 2-117.1.

19 (40 ILCS 5/2-305 new)

20 Sec. 2-305. Creditable service for later entrants.

21 (a) A member may only establish creditable service for his
22 or her service as a member under this Article. Except as
23 otherwise provided in this Section, a member may not establish
24 creditable service for any other service.

25 (b) A member may establish creditable service, without

1 making contributions, for periods of military service, as
2 defined in Section 2-109, provided that the person received a
3 discharge other than dishonorable, was a member within 6 months
4 prior to military service, and returned to service as a member
5 under this System within one year after discharge.

6 A member may purchase up to 2 years of military service not
7 immediately following service as a member under this System, by
8 paying to the System (1) employee contributions based on the
9 member's salary upon the first date as a member after the
10 military service, plus (2) an amount determined by the board to
11 be equal to the employer's normal cost of the benefit, plus (3)
12 interest on items (1) and (2) at the actuarially assumed rate,
13 compounded annually, from the first date as a member after such
14 military service to the date of payment.

15 The total amount of creditable military service for any
16 member during his or her entire term of service shall not
17 exceed 5 years.

18 (c) A member may establish service credit for up to 2 years
19 of periods spent on authorized leave of absence from service
20 due to pregnancy or adoption by paying to the System (1)
21 employee contributions based upon the member's salary upon
22 becoming a member under this Article, (2) an amount determined
23 by the board to be equal to the employer's normal cost of the
24 benefit, and (3) interest on items (1) and (2) at the
25 actuarially assumed rate from the date of first membership in
26 the System to the date of payment.

1 (40 ILCS 5/2-310 new)

2 Sec. 2-310. Retirement annuity; conditions for
3 eligibility; later entrants. A member may claim his or her
4 retirement annuity upon attainment of (1) the full (normal)
5 retirement age as provided in the federal Social Security Act
6 with at least 10 years of service credit or (2) age 62 with at
7 least 35 years of service credit.

8 A member may claim a reduced retirement annuity under
9 subsection (c) of Section 2-315 if he or she is at least 62
10 years of age and has at least 10 years of service.

11 The annuity shall begin with the first full calendar month
12 following the date of withdrawal.

13 (40 ILCS 5/2-315 new)

14 Sec. 2-315. Retirement life annuity; amount; later
15 entrants.

16 (a) With respect to later entrants:

17 (1) "Final average salary" means the monthly salary
18 obtained by dividing the total salary of a participant
19 during the period of: (A) the 96 consecutive months of
20 service within the last 120 months of service in which the
21 total salary was the highest or (B) the total period of
22 service, if less than 96 months, by the number of months of
23 service in such period; provided that for the purposes of a
24 retirement annuity the average salary for the last 12

1 months of the 96 months shall not exceed the final average
2 salary by more than 25%.

3 In no event shall the monthly salary used to determine
4 final average salary exceed (i) the Social Security Covered
5 Wage Base for the given month of service or (ii) \$12,500,
6 whichever is less; provided, however, that the \$12,500
7 maximum shall be adjusted annually after the effective date
8 of this amendatory Act of the 96th General Assembly, by (1)
9 3% or (2) one-half of the percentage increase, if any, in
10 the Consumer Price Index for All Urban Consumers, whichever
11 is less.

12 The earnings limitations contained in this item (1)
13 apply to earnings under any other participating system
14 under the Retirement Systems Reciprocal Act that are
15 considered in calculating a proportional annuity under
16 this Article.

17 (2) "Salary" means:

18 (A) For members of the General Assembly, the total
19 salary paid to the member by the State for one year of
20 service, including the additional amounts, if any,
21 paid to the member as an officer, committee chair, or
22 minority spokesperson pursuant to Section 1 of General
23 Assembly Compensation Act. "Salary" shall not include
24 any compensation or allowance for mileage, food, or
25 lodging.

26 (B) For all other members specified in Section

1 2-105, the total salary paid to the member for one year
2 of service. "Salary" shall not include any
3 compensation or allowance for mileage, food, or
4 lodging.

5 However, in the event that federal tax law results in
6 any participant receiving imputed income, such imputed
7 income shall not be included in salary for the purposes of
8 this Article.

9 (b) The retirement life annuity shall be 2% of final
10 average salary for each year of service, but in no event shall
11 exceed 70% of final average salary.

12 (c) For a member retiring after attaining age 62 with less
13 than 35 years of service credit, the retirement life annuity
14 shall be reduced by one-half of 1% for each month that the
15 member's age is under the full (normal) retirement age as
16 provided in the federal Social Security Act.

17 (40 ILCS 5/2-320 new)

18 Sec. 2-320. Alternative forms of annuities for later
19 entrants. A participant may choose any of the following types
20 of annuities in lieu of receiving the full annuity provided in
21 Section 2-315:

22 (1) Joint and 50% survivor annuity. Under this form of
23 payment, the participant receives a reduced monthly
24 payment for his or her lifetime with a payment equal to 50%
25 of the reduced amount payable to the participant paid to

1 the participant's designated beneficiary for the
2 beneficiary's lifetime if the beneficiary survives the
3 participant.

4 (2) Joint and 75% survivor annuity. Under this form of
5 payment, the participant receives a reduced monthly
6 payment for his or her lifetime with a payment equal to 75%
7 of the reduced amount payable to the participant paid to
8 the participant's designated beneficiary for the
9 beneficiary's lifetime if the beneficiary survives the
10 participant.

11 (3) Joint and 100% survivor annuity. Under this form of
12 payment, the participant receives a reduced monthly
13 payment for his or her lifetime with a payment equal to
14 100% of the reduced amount payable to the participant paid
15 to the participant's designated beneficiary for the
16 beneficiary's lifetime if the beneficiary survives the
17 participant.

18 (4) Single life annuity with 60, 120, or 180 months of
19 guaranteed payments. Under this option, the participant
20 receives a reduced monthly payment for his or her lifetime.
21 If the participant dies before receiving at least the
22 number of guaranteed monthly payments, then the
23 participant's beneficiary or estate receives the remaining
24 guaranteed number of monthly payments.

25 The Board must determine the participant's optional form of
26 annuity provided under this Section by taking into account the

1 appropriate actuarial assumptions, including without
2 limitation the participant's and beneficiary's age; applicable
3 mortality tables; and any other factors that the Board
4 determines to be relevant. For this purpose, the participant's
5 joint and survivor annuity should result in no significant
6 increase to the System's unfunded actuarial accrued liability
7 determined as of the most recent actuarial valuation compared
8 to the System's actuarial liability if the participant opted
9 for a retirement life annuity under Section 2-315, based on the
10 same assumptions and methods used to develop and report the
11 System's actuarial accrued liability and actuarial value of
12 assets under Statement No. 25 of Governmental Accounting
13 Standards Board or any subsequent applicable Statement.

14 (40 ILCS 5/2-325 new)

15 Sec. 2-325. Automatic annual increases for later entrants.
16 Notwithstanding any other provision of this Article, a person
17 receiving a retirement or survivor annuity under Section 2-315
18 or 2-320 shall, on the first anniversary of retirement, but not
19 before attaining age 67, and annually thereafter, have his or
20 her annuity increased by (1) 3% or (2) one-half of the
21 percentage increase, if any, in the Consumer Price Index for
22 All Urban Consumers measured from the July 1 two years prior to
23 the January 1 of the year during which the increase is being
24 granted to the June 30 preceding the year during which the
25 increase is being granted, whichever is less, of the originally

1 granted annuity.

2 (40 ILCS 5/2-330 new)

3 Sec. 2-330. Contributions by participants; later entrants.

4 (a) Each participant shall contribute 7% of each payment of
5 salary received by him or her for service as a member toward
6 the cost of his or her retirement annuity. In no event shall
7 contributions be deducted from salary in excess of (1) the
8 Social Security Covered Wage Base for the given calendar year
9 or (2) \$150,000, whichever is less.

10 (b) Contributions shall be in the form of a deduction from
11 salary and shall be made notwithstanding that the net salary
12 paid to the member shall be reduced thereby below the minimum
13 prescribed by law or regulation. Each member is deemed to
14 consent and agree to the deductions from compensation provided
15 for in this Article.

16 (c) These contributions shall be picked up in the manner
17 provided in Section 2-126.1.

18 (40 ILCS 5/2-335 new)

19 Sec. 2-335. Refunds; later entrants.

20 (a) A participant who ceases to be a member, other than an
21 annuitant, shall, upon written request, receive a refund of his
22 or her total contributions, plus interest at (1) 3% or (2)
23 one-half of the percentage increase, if any, in the Consumer
24 Price Index for All Urban Consumers measured from the July 1

1 two years prior to the January 1 of the year during which the
2 interest is being credited to the June 30 preceding the year
3 during which the interest is being credited, whichever is less,
4 per year, not compounded.

5 (b) Upon re-entry into service as a member, a former
6 participant may reestablish any creditable service forfeited
7 by acceptance of a refund by paying to the System the full
8 amount refunded, plus interest at the actuarially assumed rate,
9 not compounded, from the date of payment of the refund to the
10 date of repayment.

11 (c) Participants covered by the provisions of this Section
12 shall be deemed later entrants only if the date of their
13 initial participation was on or after January 1, 2010.

14 (40 ILCS 5/2-340 new)

15 Sec. 2-340. Re-entry after retirement; later entrants.

16 (a) An annuitant who re-enters service as a member shall
17 become a participant on the date of re-entry, unless he or she
18 elects not to participate under Section 2-117, and retirement
19 annuity payments shall cease at that time. The participant
20 shall resume contributions to the system on the date of
21 re-entry at the rates then in effect and shall begin to accrue
22 additional service credit.

23 (b) Upon subsequent retirement, the participant shall be
24 entitled to a retirement annuity consisting of: (1) the amount
25 of retirement annuity previously granted and terminated by

1 re-entry into service and (2) the amount of additional
2 retirement annuity earned during the additional service.

3 (c) In computing the retirement annuity under subsection
4 (b) of this Section, the time that the member was on retirement
5 shall not interrupt the continuity of service for the
6 computation of final average compensation and the additional
7 membership service shall be considered, together with service
8 rendered before the previous retirement, in establishing final
9 average compensation.

10 (d) Participants covered by the provisions of this Section
11 shall be deemed later entrants only if the date of their
12 initial participation was on or after January 1, 2010.

13 (40 ILCS 5/14-131) (from Ch. 108 1/2, par. 14-131)

14 Sec. 14-131. Contributions by State.

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

22 For the purposes of this Section and Section 14-135.08,
23 references to State contributions refer only to employer
24 contributions and do not include employee contributions that
25 are picked up or otherwise paid by the State or a department on

1 behalf of the employee.

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

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

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

24 (c) Contributions shall be made by the several departments
25 for each pay period by warrants drawn by the State Comptroller
26 against their respective funds or appropriations based upon

1 vouchers stating the amount to be so contributed. These amounts
2 shall be based on the full rate certified by the Board under
3 Section 14-135.08 for that fiscal year. From the effective date
4 of this amendatory Act of the 93rd General Assembly through the
5 payment of the final payroll from fiscal year 2004
6 appropriations, the several departments shall not make
7 contributions for the remainder of fiscal year 2004 but shall
8 instead make payments as required under subsection (a-1) of
9 Section 14.1 of the State Finance Act. The several departments
10 shall resume those contributions at the commencement of fiscal
11 year 2005.

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

26 (e) For State fiscal years 2011 through 2045, the minimum

1 contribution to the System to be made by the State for each
2 fiscal year shall be an amount determined by the System to be
3 sufficient to bring the total assets of the System up to 90% of
4 the total actuarial liabilities of the System by the end of
5 State fiscal year 2045. In making these determinations, the
6 required State contribution shall be calculated each year as a
7 level percentage of payroll over the years remaining to and
8 including fiscal year 2045 and shall be determined under the
9 projected unit credit actuarial cost method.

10 For State fiscal years 1996 through 2005, the State
11 contribution to the System, as a percentage of the applicable
12 employee payroll, shall be increased in equal annual increments
13 so that by State fiscal year 2011, the State is contributing at
14 the rate required under this Section; except that (i) for State
15 fiscal year 1998, for all purposes of this Code and any other
16 law of this State, the certified percentage of the applicable
17 employee payroll shall be 5.052% for employees earning eligible
18 creditable service under Section 14-110 and 6.500% for all
19 other employees, notwithstanding any contrary certification
20 made under Section 14-135.08 before the effective date of this
21 amendatory Act of 1997, and (ii) in the following specified
22 State fiscal years, the State contribution to the System shall
23 not be less than the following indicated percentages of the
24 applicable employee payroll, even if the indicated percentage
25 will produce a State contribution in excess of the amount
26 otherwise required under this subsection and subsection (a):

1 9.8% in FY 1999; 10.0% in FY 2000; 10.2% in FY 2001; 10.4% in FY
2 2002; 10.6% in FY 2003; and 10.8% in FY 2004.

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

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

9 For each of State fiscal years 2008 and 2009 ~~through 2010~~,
10 the State contribution to the System, as a percentage of the
11 applicable employee payroll, shall be increased in equal annual
12 increments from the required State contribution for State
13 fiscal year 2007, so that by State fiscal year 2011, the State
14 is contributing at the rate otherwise required under this
15 Section.

16 Notwithstanding any other provision of this Article, the
17 total required State contribution for State fiscal year 2010 is
18 the employer normal cost certified by the Board.

19 Notwithstanding any other provision of this Article, the
20 total required State contribution for State fiscal year 2011 is
21 \$514,584,341.

22 Notwithstanding any other provision of this Article, the
23 total required State contribution for State fiscal year 2012 is
24 equal to the total required State contribution for State fiscal
25 year 2011 plus \$135,996,060.

26 Notwithstanding any other provision of this Article, the

1 total required State contribution for State fiscal year 2013 is
2 equal to the total required State contribution for State fiscal
3 year 2012 plus an additional amount which, when increased by 5%
4 each year from fiscal year 2014 through fiscal year 2045 and
5 added to the prior fiscal year's total required State
6 contribution, will be sufficient to achieve 90% funding by
7 State fiscal year 2045.

8 For each of State fiscal years 2014 through 2045, the State
9 contribution to the System shall be increased in an annual
10 amount equal to the dollar increase from the required State
11 contribution from the preceding fiscal year plus 5%, so that by
12 State fiscal year 2045, the State is contributing at the rate
13 otherwise required under this Section.

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

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

1 the "required State contribution" or any substantially similar
2 term does not include or apply to any amounts payable to the
3 System under Section 25 of the Budget Stabilization Act.

4 Notwithstanding any other provision of this Section, the
5 required State contribution for State fiscal year 2005 and for
6 fiscal ~~years~~ year 2008 and 2009 ~~each fiscal year thereafter~~, as
7 calculated under this Section and certified under Section
8 14-135.08, shall not exceed an amount equal to (i) the amount
9 of the required State contribution that would have been
10 calculated under this Section for that fiscal year if the
11 System had not received any payments under subsection (d) of
12 Section 7.2 of the General Obligation Bond Act, minus (ii) the
13 portion of the State's total debt service payments for that
14 fiscal year on the bonds issued for the purposes of that
15 Section 7.2, as determined and certified by the Comptroller,
16 that is the same as the System's portion of the total moneys
17 distributed under subsection (d) of Section 7.2 of the General
18 Obligation Bond Act. In determining this maximum for State
19 fiscal years 2008 and 2009 ~~through 2010~~, however, the amount
20 referred to in item (i) shall be increased, as a percentage of
21 the applicable employee payroll, in equal increments
22 calculated from the sum of the required State contribution for
23 State fiscal year 2007 plus the applicable portion of the
24 State's total debt service payments for fiscal year 2007 on the
25 bonds issued for the purposes of Section 7.2 of the General
26 Obligation Bond Act, so that, by State fiscal year 2011, the

1 State is contributing at the rate otherwise required under this
2 Section.

3 (f) After the submission of all payments for eligible
4 employees from personal services line items in fiscal year 2004
5 have been made, the Comptroller shall provide to the System a
6 certification of the sum of all fiscal year 2004 expenditures
7 for personal services that would have been covered by payments
8 to the System under this Section if the provisions of this
9 amendatory Act of the 93rd General Assembly had not been
10 enacted. Upon receipt of the certification, the System shall
11 determine the amount due to the System based on the full rate
12 certified by the Board under Section 14-135.08 for fiscal year
13 2004 in order to meet the State's obligation under this
14 Section. The System shall compare this amount due to the amount
15 received by the System in fiscal year 2004 through payments
16 under this Section and under Section 6z-61 of the State Finance
17 Act. If the amount due is more than the amount received, the
18 difference shall be termed the "Fiscal Year 2004 Shortfall" for
19 purposes of this Section, and the Fiscal Year 2004 Shortfall
20 shall be satisfied under Section 1.2 of the State Pension Funds
21 Continuing Appropriation Act. If the amount due is less than
22 the amount received, the difference shall be termed the "Fiscal
23 Year 2004 Overpayment" for purposes of this Section, and the
24 Fiscal Year 2004 Overpayment shall be repaid by the System to
25 the Pension Contribution Fund as soon as practicable after the
26 certification.

1 (Source: P.A. 94-4, eff. 6-1-05; 94-839, eff. 6-6-06; 95-950,
2 eff. 8-29-08.)

3 (40 ILCS 5/14-135.08) (from Ch. 108 1/2, par. 14-135.08)

4 Sec. 14-135.08. To certify required State contributions.

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

11 (b) The certification shall include an additional amount
12 necessary to pay all principal of and interest on those general
13 obligation bonds due the next fiscal year authorized by Section
14 7.2(a) of the General Obligation Bond Act and issued to provide
15 the proceeds deposited by the State with the System in July
16 2003, representing deposits other than amounts reserved under
17 Section 7.2(c) of the General Obligation Bond Act. For State
18 fiscal year 2005, the Board shall make a supplemental
19 certification of the additional amount necessary to pay all
20 principal of and interest on those general obligation bonds due
21 in State fiscal years 2004 and 2005 authorized by Section
22 7.2(a) of the General Obligation Bond Act and issued to provide
23 the proceeds deposited by the State with the System in July
24 2003, representing deposits other than amounts reserved under
25 Section 7.2(c) of the General Obligation Bond Act, as soon as

1 practical after the effective date of this amendatory Act of
2 the 93rd General Assembly.

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

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

17 On or before July 1, 2009, the Board shall recalculate and
18 recertify to the Governor the amount of the required State
19 contribution to the System for State fiscal year 2010, taking
20 into account the changes in required State contributions made
21 by this amendatory Act of the 96th General Assembly.

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

24 (40 ILCS 5/14-300 new)

25 Sec. 14-300. Provisions applicable to later entrants.

1 (a) The provisions of this Article following this Section
2 apply only to members who first become members on or after
3 January 1, 2010, who are referred to as "later entrants" or who
4 are otherwise considered "later entrants" in accordance with
5 the following Sections of this Article.

6 (b) Except as provided in subsection (c) of this Section,
7 the Sections of this Article before this Section do not apply
8 to members who first become members on or after January 1,
9 2010.

10 (c) The following Sections are also applicable to employees
11 who first become employees on or after January 1, 2010:
12 Sections 14-101, 14-102, 14-103, 14-103.01, 14-103.02,
13 14-103.03, 14-103.04, 14-103.05, 14-103.06, 14-103.07,
14 14-103.08, 14-103.09, 14-103.11, 14-103.13, 14-103.15,
15 14-103.16, 14-103.17, 14-103.18, 14-103.19, 14-103.21,
16 14-103.22, 14-103.23, 14-103.24, 14-103.25, 14-103.26,
17 14-103.27, 14-103.28, 14-103.29, 14-103.32, 14-103.33,
18 14-103.34, 14-103.35, 14-103.36, 14-103.37, 14-103.38,
19 14-103.39, 14-104.4, 14-104.7, 14-121.1, 14-123, 14-123.1,
20 14-124, 14-125, 14-125.1, 14-126, 14-127, 14-128, 14-129,
21 14-131, 14-132, 14-132.2, and 14-133.1 and Sections 14-134
22 through 14-152.2.

23 (d) To the extent that the Sections enumerated in
24 subsection (c) of this Section conflict with the Sections
25 following this Section, the Sections following this Section
26 shall control.

1 (e) To the extent that the applicable Sections are included
2 under subsection (c) of this Section, later entrants are
3 entitled to disability benefits under this Article.

4 (40 ILCS 5/14-305 new)

5 Sec. 14-305. Creditable service for later entrants.

6 (a) Creditable service under this Article is subject to the
7 following conditions:

8 (1) A member may only establish creditable service for
9 his or her membership service, as defined in Section
10 14-103.13. Except as otherwise provided in this Section, a
11 member may not establish creditable service for any other
12 service.

13 (2) A member may not convert any unused sick leave or
14 vacation into creditable service under this Article.

15 (b) A member may establish creditable service, without
16 making contributions, for periods of military service, as
17 defined in Section 14-103.16, provided that the person received
18 a discharge other than dishonorable, was a member within 6
19 months prior to military service, and returned to service as a
20 member under this System within one year after discharge.

21 A member may purchase up to 2 years of military service not
22 immediately following service as a member under this System, by
23 paying to the System (1) employee contributions based on the
24 member's salary upon the first date as a member after the
25 military service, plus (2) an amount determined by the board to

1 be equal to the employer's normal cost of the benefit, plus (3)
2 interest on items (1) and (2) at the actuarially assumed rate,
3 compounded annually, from the first date as a member after such
4 military service to the date of payment.

5 The total amount of creditable military service for any
6 member during his or her entire term of service shall not
7 exceed 5 years.

8 (c) A member may establish service credit for up to 2 years
9 of periods spent on authorized leave of absence from service
10 due to pregnancy or adoption by paying to the System (1)
11 employee contributions based upon the member's salary upon
12 becoming a member under this Article, (2) an amount determined
13 by the board to be equal to the employer's normal cost of the
14 benefit, and (3) interest on items (1) and (2) at the
15 actuarially assumed rate from the date of first membership in
16 the System to the date of payment.

17 (40 ILCS 5/14-310 new)

18 Sec. 14-310. Retirement annuity; conditions for
19 eligibility; later entrants. A member may claim his or her
20 retirement annuity upon attainment of (1) the full (normal)
21 retirement age as provided in the federal Social Security Act
22 with at least 10 years of service credit or (2) age 62 with at
23 least 35 years of service credit.

24 A member may claim a reduced retirement annuity under
25 subsection (c) of Section 14-315 if he or she is at least 62

1 years of age and has at least 10 years of service.

2 The annuity shall begin with the first full calendar month
3 following the date of withdrawal.

4 (40 ILCS 5/14-315 new)

5 Sec. 14-315. Retirement life annuity; amount; later
6 entrants.

7 (a) With respect to later entrants:

8 (1) "Final average compensation" means the monthly
9 compensation obtained by dividing the total compensation
10 of an employee during the period of: (A) the 96 consecutive
11 months of service within the last 120 months of service in
12 which the total compensation was the highest or (B) the
13 total period of service, if less than 96 months, by the
14 number of months of service in such period; provided that
15 for the purposes of a retirement annuity the average
16 compensation for the last 12 months of the 96 months shall
17 not exceed the final average compensation by more than 25%.

18 In no event shall the monthly compensation used to
19 determined final average compensation exceed (i) the
20 Social Security Covered Wage Base for the given month of
21 service or (ii) \$12,500, whichever is less; provided,
22 however, that the \$12,500 maximum shall be adjusted
23 annually after the effective date of this amendatory Act of
24 the 96th General Assembly, by (1) 3% or (2) one-half of the
25 percentage increase, if any, in the Consumer Price Index

1 for All Urban Consumers, whichever is less.

2 (2) "Compensation" means a member's base compensation
3 for regularly scheduled services rendered for an employer,
4 but does not include bonuses, expense reimbursements,
5 taxable or non-taxable fringe benefits, imputed income,
6 lump-sum payments for cashouts of vacation, unused sick or
7 personal leave, severance pay, deferred compensation, or
8 any other similar amounts.

9 (b) The retirement life annuity shall be (1) 1.5% of final
10 average compensation for each year of service for covered
11 employees up to a maximum of 52.5% of final average
12 compensation or (2) 2% of final average compensation for each
13 year of service for noncovered employees up to a maximum of 70%
14 of final average compensation.

15 (c) For a member retiring after attaining age 62 with less
16 than 35 years of service credit, the retirement life annuity
17 shall be reduced by one-half of 1% for each month that the
18 member's age is under the full (normal) retirement age as
19 provided in the federal Social Security Act.

20 (40 ILCS 5/14-320 new)

21 Sec. 14-320. Alternative forms of annuities for later
22 entrants. A member may choose any of the following types of
23 annuities in lieu of receiving the full annuity provided in
24 Section 14-315:

25 (1) Joint and 50% survivor annuity. Under this form of

1 payment, the member receives a reduced monthly payment for
2 his or her lifetime with a payment equal to 50% of the
3 reduced amount payable to the member paid to the member's
4 designated beneficiary for the beneficiary's lifetime if
5 the beneficiary survives the member.

6 (2) Joint and 75% survivor annuity. Under this form of
7 payment, the member receives a reduced monthly payment for
8 his or her lifetime with a payment equal to 75% of the
9 reduced amount payable to the member paid to the member's
10 designated beneficiary for the beneficiary's lifetime if
11 the beneficiary survives the member.

12 (3) Joint and 100% survivor annuity. Under this form of
13 payment, the member receives a reduced monthly payment for
14 his or her lifetime with a payment equal to 100% of the
15 reduced amount payable to the member paid to the member's
16 designated beneficiary for the beneficiary's lifetime if
17 the beneficiary survives the member.

18 (4) Single life annuity with 60, 120, or 180 months of
19 guaranteed payments. Under this option, the member
20 receives a reduced monthly payment for his or her lifetime.
21 If the member dies before receiving at least the number of
22 guaranteed monthly payments, then the member's beneficiary
23 or estate receives the remaining guaranteed number of
24 monthly payments.

25 The Board must determine the participant's optional form of
26 annuity provided under this Section by taking into account the

1 appropriate actuarial assumptions, including without
2 limitation the participant's and beneficiary's age; applicable
3 mortality tables; and any other factors that the Board
4 determines to be relevant. For this purpose, the participant's
5 joint and survivor annuity should result in no significant
6 increase to the System's unfunded actuarial accrued liability
7 determined as of the most recent actuarial valuation compared
8 to the System's actuarial liability if the participant opted
9 for a retirement life annuity under Section 14-315, based on
10 the same assumptions and methods used to develop and report the
11 System's actuarial accrued liability and actuarial value of
12 assets under Statement No. 25 of Governmental Accounting
13 Standards Board or any subsequent applicable Statement.

14 (40 ILCS 5/14-325 new)

15 Sec. 14-325. Automatic annual increases for later
16 entrants. Notwithstanding any other provision of this Article,
17 a person receiving a retirement or survivor annuity under
18 Section 14-315 or 14-320 shall, on the first anniversary of
19 retirement, but not before attaining age 67, and annually
20 thereafter, have his or her annuity increased by (1) 3% or (2)
21 one-half of the percentage increase, if any, in the Consumer
22 Price Index for All Urban Consumers measured from the July 1
23 two years prior to the January 1 of the year during which the
24 increase is being granted to the June 30 preceding the year
25 during which the increase is being granted, whichever is less,

1 of the originally granted annuity.

2 (40 ILCS 5/14-330 new)

3 Sec. 14-330. Contributions by members; later entrants.

4 (a) Each employee shall contribute the following
5 percentage of each payment of salary received by him or her for
6 service as an employee toward the cost of his or her retirement
7 annuity:

8 (1) Covered employees, 3%.

9 (2) Noncovered employees, 7%.

10 (b) Contributions shall be in the form of a deduction from
11 compensation and shall be made notwithstanding that the net
12 compensation paid to the employee shall be reduced thereby
13 below the minimum prescribed by law or regulation. Each member
14 is deemed to consent and agree to the deductions from
15 compensation provided for in this Article.

16 (c) These contributions shall be picked up in the manner
17 provided in Section 14-133.1.

18 (d) In no event shall contributions be deducted from salary
19 in excess of (1) the Social Security Covered Wage Base for the
20 given calendar year or (2) \$150,000, whichever is less.

21 (40 ILCS 5/14-335 new)

22 Sec. 14-335. Refunds; later entrants.

23 (a) A member who ceases to be an employee, other than an
24 annuitant, shall, upon written request made at least 30 days

1 following withdrawal as an employee, receive a refund of his or
2 her total contributions, plus interest at (1) 3% or (2)
3 one-half of the percentage increase, if any, in the Consumer
4 Price Index for All Urban Consumers measured from the July 1
5 two years prior to the January 1 of the year during which the
6 interest is being credited to the June 30 preceding the year
7 during which the interest is being credited, whichever is less,
8 per year, not compounded.

9 (b) Upon re-entry into service as a member and completion
10 of 2 years of creditable service, a former member may
11 reestablish any creditable service forfeited by acceptance of a
12 refund by paying to the System the full amount refunded, plus
13 interest at actuarially assumed rate, not compounded, from the
14 date of payment of the refund to the date of repayment.

15 (c) Members covered by the provisions of this Section shall
16 be deemed later entrants only if the date of their initial
17 membership was on or after January 1, 2010.

18 (40 ILCS 5/14-340 new)

19 Sec. 14-340. Re-entry after retirement; later entrants.

20 (a) An annuitant who re-enters service as a member shall
21 become a member on the date of re-entry and retirement annuity
22 payments shall cease at that time. The employee shall resume
23 contributions to the system on the date of re-entry at the
24 rates then in effect and shall begin to accrue additional
25 service credit.

1 (b) Upon subsequent retirement, the employee shall be
2 entitled to a retirement annuity consisting of: (1) the amount
3 of retirement annuity previously granted and terminated by
4 re-entry into service and (2) the amount of additional
5 retirement annuity earned during the additional service.

6 (c) In computing the retirement annuity under subsection
7 (b) of this Section, the time that the member was on retirement
8 shall not interrupt the continuity of service for the
9 computation of final average compensation and the additional
10 membership service shall be considered, together with service
11 rendered before the previous retirement, in establishing final
12 average compensation.

13 (d) Members covered by the provisions of this Section shall
14 be deemed later entrants only if the date of their initial
15 membership was on or after January 1, 2010.

16 (40 ILCS 5/15-155) (from Ch. 108 1/2, par. 15-155)

17 Sec. 15-155. Employer contributions.

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

25 The Board shall determine the amount of State contributions

1 required for each fiscal year on the basis of the actuarial
2 tables and other assumptions adopted by the Board and the
3 recommendations of the actuary, using the formula in subsection
4 (a-1).

5 (a-1) 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 \$166,641,900.

23 Notwithstanding any other provision of this Article, the
24 total required State contribution for State fiscal year 2007 is
25 \$252,064,100.

26 For each of State fiscal years 2008 and 2009 ~~through 2010~~,

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

7 Notwithstanding any other provision of this Article, the
8 total required State contribution for State fiscal year 2010 is
9 the employer normal cost certified by the Board.

10 Notwithstanding any other provision of this Article, the
11 total required State contribution for State fiscal year 2011 is
12 \$430,367,603.

13 Notwithstanding any other provision of this Article, the
14 total required State contribution for State fiscal year 2012 is
15 equal to the total required State contribution for State fiscal
16 year 2011 plus \$92,763,612.

17 Notwithstanding any other provision of this Article, the
18 total required State contribution for State fiscal year 2013 is
19 equal to the total required State contribution for State fiscal
20 year 2012 plus an additional amount which, when increased by 5%
21 each year from fiscal year 2014 through fiscal year 2045 and
22 added to the prior fiscal year's total required State
23 contribution, will be sufficient to achieve 90% funding by
24 State fiscal year 2045.

25 For each of State fiscal years 2014 through 2045, the State
26 contribution to the System shall be increased in an annual

1 amount equal to the dollar increase from the required State
2 contribution from the preceding fiscal year plus 5%, so that by
3 State fiscal year 2045, the State is contributing at the rate
4 otherwise required under this Section.

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

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

21 Notwithstanding any other provision of this Section, the
22 required State contribution for State fiscal year 2005 and for
23 fiscal ~~years~~ year 2008 and 2009 ~~each fiscal year thereafter~~, as
24 calculated under this Section and certified under Section
25 15-165, shall not exceed an amount equal to (i) the amount of
26 the required State contribution that would have been calculated

1 under this Section for that fiscal year if the System had not
2 received any payments under subsection (d) of Section 7.2 of
3 the General Obligation Bond Act, minus (ii) the portion of the
4 State's total debt service payments for that fiscal year on the
5 bonds issued for the purposes of that Section 7.2, as
6 determined and certified by the Comptroller, that is the same
7 as the System's portion of the total moneys distributed under
8 subsection (d) of Section 7.2 of the General Obligation Bond
9 Act. In determining this maximum for State fiscal years 2008
10 and 2009 ~~through 2010~~, however, the amount referred to in item
11 (i) shall be increased, as a percentage of the applicable
12 employee payroll, in equal increments calculated from the sum
13 of the required State contribution for State fiscal year 2007
14 plus the applicable portion of the State's total debt service
15 payments for fiscal year 2007 on the bonds issued for the
16 purposes of Section 7.2 of the General Obligation Bond Act, so
17 that, by State fiscal year 2011, the State is contributing at
18 the rate otherwise required under this Section.

19 (b) If an employee is paid from trust or federal funds, the
20 employer shall pay to the Board contributions from those funds
21 which are sufficient to cover the accruing normal costs on
22 behalf of the employee. However, universities having employees
23 who are compensated out of local auxiliary funds, income funds,
24 or service enterprise funds are not required to pay such
25 contributions on behalf of those employees. The local auxiliary
26 funds, income funds, and service enterprise funds of

1 universities shall not be considered trust funds for the
2 purpose of this Article, but funds of alumni associations,
3 foundations, and athletic associations which are affiliated
4 with the universities included as employers under this Article
5 and other employers which do not receive State appropriations
6 are considered to be trust funds for the purpose of this
7 Article.

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

21 (c) Through State fiscal year 1995: The total employer
22 contribution shall be apportioned among the various funds of
23 the State and other employers, whether trust, federal, or other
24 funds, in accordance with actuarial procedures approved by the
25 Board. State of Illinois contributions for employers receiving
26 State appropriations for personal services shall be payable

1 from appropriations made to the employers or to the System. The
2 contributions for Class I community colleges covering earnings
3 other than those paid from trust and federal funds, shall be
4 payable solely from appropriations to the Illinois Community
5 College Board or the System for employer contributions.

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

11 (e) The State Comptroller shall draw warrants payable to
12 the System upon proper certification by the System or by the
13 employer in accordance with the appropriation laws and this
14 Code.

15 (f) Normal costs under this Section means liability for
16 pensions and other benefits which accrues to the System because
17 of the credits earned for service rendered by the participants
18 during the fiscal year and expenses of administering the
19 System, but shall not include the principal of or any
20 redemption premium or interest on any bonds issued by the Board
21 or any expenses incurred or deposits required in connection
22 therewith.

23 (g) If the amount of a participant's earnings for any
24 academic year used to determine the final rate of earnings,
25 determined on a full-time equivalent basis, exceeds the amount
26 of his or her earnings with the same employer for the previous

1 academic year, determined on a full-time equivalent basis, by
2 more than 6%, the participant's employer shall pay to the
3 System, in addition to all other payments required under this
4 Section and in accordance with guidelines established by the
5 System, the present value of the increase in benefits resulting
6 from the portion of the increase in earnings that is in excess
7 of 6%. This present value shall be computed by the System on
8 the basis of the actuarial assumptions and tables used in the
9 most recent actuarial valuation of the System that is available
10 at the time of the computation. The System may require the
11 employer to provide any pertinent information or
12 documentation.

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

1 appropriate, recalculate the amount due.

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

11 (h) This subsection (h) applies only to payments made or
12 salary increases given on or after June 1, 2005 but before July
13 1, 2011. The changes made by Public Act 94-1057 shall not
14 require the System to refund any payments received before July
15 31, 2006 (the effective date of Public Act 94-1057).

16 When assessing payment for any amount due under subsection
17 (g), the System shall exclude earnings increases paid to
18 participants under contracts or collective bargaining
19 agreements entered into, amended, or renewed before June 1,
20 2005.

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

25 When assessing payment for any amount due under subsection
26 (g), the System shall exclude earnings increases resulting from

1 overload work, including a contract for summer teaching, or
2 overtime when the employer has certified to the System, and the
3 System has approved the certification, that: (i) in the case of
4 overloads (A) the overload work is for the sole purpose of
5 academic instruction in excess of the standard number of
6 instruction hours for a full-time employee occurring during the
7 academic year that the overload is paid and (B) the earnings
8 increases are equal to or less than the rate of pay for
9 academic instruction computed using the participant's current
10 salary rate and work schedule; and (ii) in the case of
11 overtime, the overtime was necessary for the educational
12 mission.

13 When assessing payment for any amount due under subsection
14 (g), the System shall exclude any earnings increase resulting
15 from (i) a promotion for which the employee moves from one
16 classification to a higher classification under the State
17 Universities Civil Service System, (ii) a promotion in academic
18 rank for a tenured or tenure-track faculty position, or (iii) a
19 promotion that the Illinois Community College Board has
20 recommended in accordance with subsection (k) of this Section.
21 These earnings increases shall be excluded only if the
22 promotion is to a position that has existed and been filled by
23 a member for no less than one complete academic year and the
24 earnings increase as a result of the promotion is an increase
25 that results in an amount no greater than the average salary
26 paid for other similar positions.

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

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

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

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

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

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

26 (k) The Illinois Community College Board shall adopt rules

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

15 (Source: P.A. 94-4, eff. 6-1-05; 94-839, eff. 6-6-06; 94-1057,
16 eff. 7-31-06; 95-331, eff. 8-21-07; 95-950, eff. 8-29-08.)

17 (40 ILCS 5/15-165) (from Ch. 108 1/2, par. 15-165)

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

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

24 On or before May 1, 2004, the Board shall recalculate and
25 recertify to the Governor the amount of the required State

1 contribution to the System for State fiscal year 2005, taking
2 into account the amounts appropriated to and received by the
3 System under subsection (d) of Section 7.2 of the General
4 Obligation Bond Act.

5 On or before July 1, 2005, 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 2006, taking
8 into account the changes in required State contributions made
9 by this amendatory Act of the 94th General Assembly.

10 On or before July 1, 2009, the Board shall recalculate and
11 recertify to the Governor the amount of the required State
12 contribution to the System for State fiscal year 2010, taking
13 into account the changes in required State contributions made
14 by this amendatory Act of the 96th General Assembly.

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

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

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

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

16 (d) So long as the payments received are the full amount
17 lawfully vouchered under this Section, payments received by the
18 System under this Section shall be applied first toward the
19 employer contribution to the self-managed plan established
20 under Section 15-158.2. Payments shall be applied second toward
21 the employer's portion of the normal costs of the System, as
22 defined in subsection (f) of Section 15-155. The balance shall
23 be applied toward the unfunded actuarial liabilities of the
24 System.

25 (e) In the event that the System does not receive, as a
26 result of legislative enactment or otherwise, payments

1 sufficient to fully fund the employer contribution to the
2 self-managed plan established under Section 15-158.2 and to
3 fully fund that portion of the employer's portion of the normal
4 costs of the System, as calculated in accordance with Section
5 15-155(a-1), then any payments received shall be applied
6 proportionately to the optional retirement program established
7 under Section 15-158.2 and to the employer's portion of the
8 normal costs of the System, as calculated in accordance with
9 Section 15-155(a-1).

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

12 (40 ILCS 5/15-300 new)

13 Sec. 15-300. Provisions applicable to later entrants.

14 (a) The provisions of this Article following this Section
15 apply only to employees who first become employees on or after
16 January 1, 2010, who are referred to as "later entrants" or who
17 are otherwise considered "later entrants" in accordance with
18 the following Sections of this Article.

19 (b) Except as provided in subsection (c) of this Section,
20 the Sections of this Article before this Section do not apply
21 to employees who first become employees on or after January 1,
22 2010.

23 (c) The following Sections are also applicable to employees
24 who first become employees on or after January 1, 2010:
25 Sections 15-101, 15-102, 15-103, 15-103.2, 15-103.3, 15-104,

1 15-105, 15-106, 15-107, 15-108, 15-109, 15-110, 15-111,
2 15-113, 15-113.1, 15-118, 15-119, 15-120, 15-124, 15-126,
3 15-126.1, 15-127, 15-129, 15-130, 15-132.2, 15-133, 15-134,
4 15-134.5, 15-136.4, 15-150, 15-151, 15-152, 15-153, 15-153.1,
5 15-153.2, 15-153.3, 15-155, 15-156, 15-157.1, 15-158.2,
6 15-158.3, and 15-158.4 and Sections 15-159 through 15-198.

7 (d) To the extent that the Sections enumerated in
8 subsection (c) of this Section conflict with the Sections
9 following this Section, the Sections following this Section
10 shall control.

11 (e) To the extent that the applicable Sections are included
12 under subsection (c) of this Section, later entrants are
13 entitled to disability benefits under this Article.

14 (40 ILCS 5/15-305 new)

15 Sec. 15-305. Creditable service for later entrants.

16 (a) Creditable service under this Article is subject to the
17 following conditions:

18 (1) A participant may only establish creditable
19 service for his or her service for employment with an
20 employer, as defined in Section 15-106. Except as otherwise
21 provided in this Section, a participant may not establish
22 creditable service for any other service.

23 (2) A participant may not convert any unused sick leave
24 or vacation into creditable service under this Article.

25 (3) Creditable service shall not include periods

1 during which a person was employed less than one-half time
2 with an employer, as defined in Section 15-106.

3 (b) A participant may establish creditable service,
4 without making contributions, for periods of military service,
5 provided that the person received a discharge other than
6 dishonorable, was a participant within 6 months prior to
7 military service, and returned to service as a participant
8 under this System within one year after discharge.

9 A participant may purchase up to 2 years of military
10 service not immediately following service as a participant
11 under this System, by paying to the System (1) employee
12 contributions based on the participant's salary upon the first
13 date as a participant after the military service, plus (2) an
14 amount determined by the board to be equal to the employer's
15 normal cost of the benefit, plus (3) interest on items (1) and
16 (2) at the actuarially assumed rate, compounded annually, from
17 the first date as a participant after such military service to
18 the date of payment.

19 The total amount of creditable military service for any
20 participant during his or her entire term of service shall not
21 exceed 5 years.

22 For the purposes of this subsection (b), "military service"
23 means periods during which a person served in the armed forces
24 of the United States for which the person received a discharge
25 other than dishonorable.

26 (c) A participant may establish service credit for up to 2

1 years of periods spent on authorized leave of absence from
2 service due to pregnancy or adoption by paying to the System
3 (1) employee contributions based upon the participant's salary
4 upon becoming a participant under this Article, (2) an amount
5 determined by the board to be equal to the employer's normal
6 cost of the benefit, and (3) interest on items (1) and (2) at
7 the actuarially assumed rate from the date of first
8 participation in the System to the date of payment.

9 (40 ILCS 5/15-310 new)

10 Sec. 15-310. Retirement annuity; conditions for
11 eligibility; later entrants. A participant may claim his or her
12 retirement annuity upon attainment of (1) the full (normal)
13 retirement age as provided in the federal Social Security Act
14 with at least 10 years of service credit or (2) age 62 with at
15 least 35 years of service credit. If the participant who has
16 not yet claimed his or her annuity is not an employee of an
17 employer participating in this System or in a participating
18 System as defined in Article 20 of this Code on April 1 of the
19 calendar year next following the calendar year in which the
20 participant attains age 70 1/2, then the annuity payment period
21 shall begin on that date.

22 A participant may claim a reduced retirement annuity under
23 subsection (c) of Section 15-315 if he or she is at least 62
24 years of age and has at least 10 years of service.

25 The annuity shall begin with the first full calendar month

1 following the date of withdrawal.

2 (40 ILCS 5/15-315 new)

3 Sec. 15-315. Retirement life annuity; amount; employer
4 contribution; later entrants.

5 (a) With respect to later entrants:

6 (1) "Final average rate of earnings" means the monthly
7 rate of earnings obtained by dividing the total rate of
8 earnings of an employee during the period of: (A) the 96
9 consecutive months of service within the last 120 months of
10 service in which the total rate of earnings was the highest
11 or (B) the total period of service, if less than 96 months,
12 by the number of months of service in such period; provided
13 that for the purposes of a retirement annuity the average
14 rate of earnings for the last 12 months of the 96 months
15 shall not exceed the final average rate of earnings by more
16 than 25%.

17 In no event shall the monthly rate of earnings used to
18 determined final average rate of earnings exceed (i) the
19 Social Security Covered Wage Base for the given month of
20 service or (ii) \$12,500, whichever is less; provided,
21 however, that the \$12,500 maximum shall be adjusted
22 annually after the effective date of this amendatory Act of
23 the 96th General Assembly, by (1) 3% or (2) one-half of the
24 percentage increase, if any, in the Consumer Price Index
25 for All Urban Consumers, whichever is less.

1 (2) "Earnings" means a participant's base earnings and
2 does not include any overtime or bonuses.

3 (b) The retirement life annuity shall be 2% of final
4 average rate of earnings for each year of service, but in no
5 event shall exceed 70% of final average rate of earnings.

6 (c) For a participant retiring after attaining age 62 with
7 less than 35 years of service credit, the retirement life
8 annuity shall be reduced by one-half of 1% for each month that
9 the participant's age is under the full (normal) retirement age
10 as provided in the federal Social Security Act.

11 (40 ILCS 5/15-320 new)

12 Sec. 15-320. Alternative forms of annuities for later
13 entrants.

14 (a) A participant may choose any of the following types of
15 annuities in lieu of receiving the full annuity provided in
16 Section 15-315:

17 (1) Joint and 50% survivor annuity. Under this form of
18 payment, the participant receives a reduced monthly
19 payment for his or her lifetime with a payment equal to 50%
20 of the reduced amount payable to the participant paid to
21 the participant's designated beneficiary for the
22 beneficiary's lifetime if the beneficiary survives the
23 participant.

24 (2) Joint and 75% survivor annuity. Under this form of
25 payment, the participant receives a reduced monthly

1 payment for his or her lifetime with a payment equal to 75%
2 of the reduced amount payable to the participant paid to
3 the participant's designated beneficiary for the
4 beneficiary's lifetime if the beneficiary survives the
5 participant.

6 (3) Joint and 100% survivor annuity. Under this form of
7 payment, the participant receives a reduced monthly
8 payment for his or her lifetime with a payment equal to
9 100% of the reduced amount payable to the participant paid
10 to the participant's designated beneficiary for the
11 beneficiary's lifetime if the beneficiary survives the
12 participant.

13 (4) Single life annuity with 60, 120, or 180 months of
14 guaranteed payments. Under this option, the participant
15 receives a reduced monthly payment for his or her lifetime.
16 If the participant dies before receiving at least the
17 number of guaranteed monthly payments, then the
18 participant's beneficiary or estate receives the remaining
19 guaranteed number of monthly payments.

20 (b) In lieu of the annuities under Section 15-315 and
21 subsection (a) of this Section, a participant may choose the
22 portable benefit package under Section 15-136.4 or the
23 self-managed plan under Section 15-158.2.

24 (c) The Board must determine the participant's optional
25 form of annuity provided under this Section by taking into
26 account the appropriate actuarial assumptions, including

1 without limitation the participant's and beneficiary's age;
2 applicable mortality tables; and any other factors that the
3 Board determines to be relevant. For this purpose, the
4 participant's joint and survivor annuity should result in no
5 significant increase to the System's unfunded actuarial
6 accrued liability determined as of the most recent actuarial
7 valuation compared to the System's actuarial liability if the
8 participant opted for a retirement life annuity under Section
9 15-315, based on the same assumptions and methods used to
10 develop and report the System's actuarial accrued liability and
11 actuarial value of assets under Statement No. 25 of
12 Governmental Accounting Standards Board or any subsequent
13 applicable Statement.

14 (40 ILCS 5/15-325 new)

15 Sec. 15-325. Automatic annual increases for later
16 entrants. Notwithstanding any other provision of this Article,
17 a person receiving a retirement or survivor annuity under
18 Section 15-315 or 15-320 shall, on the first anniversary of
19 retirement, but not before attaining age 67, and annually
20 thereafter, have his or her annuity increased by (1) 3% or (2)
21 one-half of the percentage increase, if any, in the Consumer
22 Price Index for All Urban Consumers measured from the July 1
23 two years prior to the January 1 of the year during which the
24 increase is being granted to the June 30 preceding the year
25 during which the increase is being granted, whichever is less,

1 of the originally granted annuity.

2 (40 ILCS 5/15-330 new)

3 Sec. 15-330. Contributions by participants; later
4 entrants.

5 (a) Each employee shall contribute 7% of each payment of
6 salary received by him or her for service as an employee toward
7 the cost of his or her retirement annuity.

8 (b) Contributions shall be in the form of a deduction from
9 earnings and shall be made notwithstanding that the net
10 earnings paid to the employee shall be reduced thereby below
11 the minimum prescribed by law or regulation. Each participant
12 is deemed to consent and agree to the deductions from earnings
13 provided for in this Article.

14 (c) These contributions shall be picked up in the manner
15 provided in Section 15-157.1.

16 (d) In no event shall contributions be deducted from salary
17 in excess of (1) the Social Security Covered Wage Base for the
18 given calendar year or (2) \$150,000, whichever is less.

19 (40 ILCS 5/15-335 new)

20 Sec. 15-335. Refunds; later entrants.

21 (a) A participant who ceases to be an employee, other than
22 an annuitant, shall, upon written request made at least 120
23 days following withdrawal as a member, receive a refund of his
24 or her total contributions, plus interest at (1) 3% or (2)

1 one-half of the percentage increase, if any, in the Consumer
2 Price Index for All Urban Consumers measured from the July 1
3 two years prior to the January 1 of the year during which the
4 interest is being credited to the June 30 preceding the year
5 during which the interest is being credited, whichever is less,
6 per year, not compounded, except that not more than one such
7 refund application may be made during any academic year.

8 (b) Upon re-entry into service as an employee and
9 completion of 2 years of creditable service, a former
10 participant may reestablish any creditable service forfeited
11 by acceptance of a refund by paying to the System the full
12 amount refunded, plus interest at the actuarially assumed rate,
13 not compounded, from the date of payment of the refund to the
14 date of repayment.

15 (c) Participants covered by the provisions of this Section
16 shall be deemed later entrants only if the date of their
17 initial participation was on or after January 1, 2010.

18 (40 ILCS 5/15-340 new)

19 Sec. 15-340. Re-entry after retirement; later entrants.

20 (a) An annuitant who re-enters service as an employee shall
21 become a participant on the date of re-entry and retirement
22 annuity payments shall cease at that time. The employee shall
23 resume contributions to the system on the date of re-entry at
24 the rates then in effect and shall begin to accrue additional
25 service credit.

1 (b) Upon subsequent retirement, the employee shall be
2 entitled to a retirement annuity consisting of: (1) the amount
3 of retirement annuity previously granted and terminated by
4 re-entry into service and (2) the amount of additional
5 retirement annuity earned during the additional service.

6 (c) In computing the retirement annuity under subsection
7 (b) of this Section, the time that the employee was on
8 retirement shall not interrupt the continuity of service for
9 the computation of final average rate of earnings and the
10 additional service shall be considered, together with service
11 rendered before the previous retirement, in establishing final
12 average rate of earnings.

13 (d) Participants covered by the provisions of this Section
14 shall be deemed later entrants only if the date of their
15 initial participation was on or after January 1, 2010.

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

17 Sec. 16-158. Contributions by State and other employing
18 units.

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

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

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

11 On or before May 1, 2004, 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 2005, taking
14 into account the amounts appropriated to and received by the
15 System under subsection (d) of Section 7.2 of the General
16 Obligation Bond Act.

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

22 On or before July 1, 2009, the Board shall recalculate and
23 recertify to the Governor the amount of the required State
24 contribution to the System for State fiscal year 2010, taking
25 into account the changes in required State contributions made
26 by this amendatory Act of the 96th General Assembly.

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

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

18 If in any month the amount remaining unexpended from all
19 other appropriations to the System for the applicable fiscal
20 year (including the appropriations to the System under Section
21 8.12 of the State Finance Act and Section 1 of the State
22 Pension Funds Continuing Appropriation Act) is less than the
23 amount lawfully vouchered under this subsection, the
24 difference shall be paid from the Common School Fund under the
25 continuing appropriation authority provided in Section 1.1 of
26 the State Pension Funds Continuing Appropriation Act.

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

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

14 For State fiscal years 1996 through 2005, the State
15 contribution to the System, as a percentage of the applicable
16 employee payroll, shall be increased in equal annual increments
17 so that by State fiscal year 2011, the State is contributing at
18 the rate required under this Section; except that in the
19 following specified State fiscal years, the State contribution
20 to the System shall not be less than the following indicated
21 percentages of the applicable employee payroll, even if the
22 indicated percentage will produce a State contribution in
23 excess of the amount otherwise required under this subsection
24 and subsection (a), and notwithstanding any contrary
25 certification made under subsection (a-1) before the effective
26 date of this amendatory Act of 1998: 10.02% in FY 1999; 10.77%

1 in FY 2000; 11.47% in FY 2001; 12.16% in FY 2002; 12.86% in FY
2 2003; and 13.56% in FY 2004.

3 Notwithstanding any other provision of this Article, the
4 total required State contribution for State fiscal year 2006 is
5 \$534,627,700.

6 Notwithstanding any other provision of this Article, the
7 total required State contribution for State fiscal year 2007 is
8 \$738,014,500.

9 For each of State fiscal years 2008 and 2009 ~~through 2010~~,
10 the State contribution to the System, as a percentage of the
11 applicable employee payroll, shall be increased in equal annual
12 increments from the required State contribution for State
13 fiscal year 2007, so that by State fiscal year 2011, the State
14 is contributing at the rate otherwise required under this
15 Section.

16 Notwithstanding any other provision of this Article, the
17 total required State contribution for State fiscal year 2010 is
18 the employer normal cost certified by the Board.

19 Notwithstanding any other provision of this Article, the
20 total required State contribution for State fiscal year 2011 is
21 \$1,090,909,342.

22 Notwithstanding any other provision of this Article, the
23 total required State contribution for State fiscal year 2012 is
24 equal to the total required State contribution for State fiscal
25 year 2011 plus \$260,115,629.

26 Notwithstanding any other provision of this Article, the

1 total required State contribution for State fiscal year 2013 is
2 equal to the total required State contribution for State fiscal
3 year 2012 plus an additional amount which, when increased by 5%
4 each year from fiscal year 2014 through fiscal year 2045 and
5 added to the prior fiscal year's total required State
6 contribution, will be sufficient to achieve 90% funding by
7 State fiscal year 2045.

8 For each of State fiscal years 2014 through 2045, the State
9 contribution to the System shall be increased in an annual
10 amount equal to the dollar increase from the required State
11 contribution from the preceding fiscal year plus 5%, so that by
12 State fiscal year 2045, the State is contributing at the rate
13 otherwise required under this Section.

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

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

1 the "required State contribution" or any substantially similar
2 term does not include or apply to any amounts payable to the
3 System under Section 25 of the Budget Stabilization Act.

4 Notwithstanding any other provision of this Section, the
5 required State contribution for State fiscal year 2005 and for
6 fiscal years ~~year~~ 2008 and 2009 ~~each fiscal year thereafter~~, as
7 calculated under this Section and certified under subsection
8 (a-1), shall not exceed an amount equal to (i) the amount of
9 the required State contribution that would have been calculated
10 under this Section for that fiscal year if the System had not
11 received any payments under subsection (d) of Section 7.2 of
12 the General Obligation Bond Act, minus (ii) the portion of the
13 State's total debt service payments for that fiscal year on the
14 bonds issued for the purposes of that Section 7.2, as
15 determined and certified by the Comptroller, that is the same
16 as the System's portion of the total moneys distributed under
17 subsection (d) of Section 7.2 of the General Obligation Bond
18 Act. In determining this maximum for State fiscal years 2008
19 and 2009 ~~through 2010~~, however, the amount referred to in item
20 (i) shall be increased, as a percentage of the applicable
21 employee payroll, in equal increments calculated from the sum
22 of the required State contribution for State fiscal year 2007
23 plus the applicable portion of the State's total debt service
24 payments for fiscal year 2007 on the bonds issued for the
25 purposes of Section 7.2 of the General Obligation Bond Act, so
26 that, by State fiscal year 2011, the State is contributing at

1 the rate otherwise required under this Section.

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

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

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

24 However, with respect to benefits granted under Section
25 16-133.4 or 16-133.5 to a teacher as defined in paragraph (8)
26 of Section 16-106, the employer's contribution shall be 12%

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

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

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

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

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

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

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

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

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

25 (f) If the amount of a teacher's salary for any school year
26 used to determine final average salary exceeds the member's

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

23 Whenever it determines that a payment is or may be required
24 under this subsection, the System shall calculate the amount of
25 the payment and bill the employer for that amount. The bill
26 shall specify the calculations used to determine the amount

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

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

21 (g) This subsection (g) applies only to payments made or
22 salary increases given on or after June 1, 2005 but before July
23 1, 2011. The changes made by Public Act 94-1057 shall not
24 require the System to refund any payments received before July
25 31, 2006 (the effective date of Public Act 94-1057).

26 When assessing payment for any amount due under subsection

1 (f), the System shall exclude salary increases paid to teachers
2 under contracts or collective bargaining agreements entered
3 into, amended, or renewed before June 1, 2005.

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

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

18 When assessing payment for any amount due under subsection
19 (f), the System shall exclude a salary increase resulting from
20 a promotion (i) for which the employee is required to hold a
21 certificate or supervisory endorsement issued by the State
22 Teacher Certification Board that is a different certification
23 or supervisory endorsement than is required for the teacher's
24 previous position and (ii) to a position that has existed and
25 been filled by a member for no less than one complete academic
26 year and the salary increase from the promotion is an increase

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

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

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

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

25 (1) The number of recalculations required by the
26 changes made to this Section by Public Act 94-1057 for each

1 employer.

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

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

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

11 (Source: P.A. 94-4, eff. 6-1-05; 94-839, eff. 6-6-06; 94-1057,
12 eff. 7-31-06; 94-1111, eff. 2-27-07; 95-331, eff. 8-21-07;
13 95-950, eff. 8-29-08.)

14 (40 ILCS 5/16-300 new)

15 Sec. 16-300. Provisions applicable to later entrants.

16 (a) The provisions of this Article following this Section
17 apply only to teachers who first become teachers on or after
18 January 1, 2010, who are referred to as "later entrants" or who
19 are otherwise considered "later entrants" in accordance with
20 the following Sections of this Article..

21 (b) Except as provided in subsection (c) of this Section,
22 the Sections of this Article before this Section do not apply
23 to teachers who first become teachers on or after January 1,
24 2010.

25 (c) The following Sections are also applicable to teachers

1 who first become teachers on or after January 1, 2010: Sections
2 16-101, 16-102, 16-103, 16-104, 16-105, 16-106, 16-106.1,
3 16-106.2, 16-106.3, 16-107, 16-109, 16-110, 16-111.1, 16-113,
4 16-114, 16-118, 16-121, 16-122, 16-122.1, 16-123, 16-130,
5 16-142.3, 16-149, 16-149.1, 16-149.2, 16-149.3, 16-149.4,
6 16-149.5, 16-149.6, 16-150.1, and 16-152.1 and Sections
7 16-153.5 through 16-203.

8 (d) To the extent that the Sections enumerated in
9 subsection (c) of this Section conflict with the Sections
10 following this Section, the Sections following this Section
11 shall control.

12 (e) To the extent that the applicable Sections are included
13 under subsection (c) of this Section, later entrants are
14 entitled to disability benefits under this Article.

15 (40 ILCS 5/16-305 new)

16 Sec. 16-305. Creditable service for later entrants.

17 (a) Creditable service under this Article is subject to the
18 following conditions:

19 (1) A member may only establish creditable service for
20 his or her service for employment as a teacher, as defined
21 in Section 16-106. Except as otherwise provided in this
22 Section, a member may not establish creditable service for
23 any other service.

24 (2) A member may not convert any unused sick leave or
25 vacation into creditable service under this Article.

1 (b) A member may establish creditable service, without
2 making contributions, for periods of military service,
3 provided that the person received a discharge other than
4 dishonorable, was a member within 6 months prior to military
5 service, and returned to service as a member under this System
6 within one year after discharge.

7 A member may purchase up to 2 years of military service not
8 immediately following service as a member under this System, by
9 paying to the System (1) employee contributions based on the
10 member's salary upon the first date as a member after the
11 military service, plus (2) an amount determined by the board to
12 be equal to the employer's normal cost of the benefit, plus (3)
13 interest on items (1) and (2) at the actuarially assumed rate,
14 compounded annually, from the first date as a member after such
15 military service to the date of payment.

16 The total amount of creditable military service for any
17 member during his or her entire term of service shall not
18 exceed 5 years.

19 For the purposes of this subsection (b), "military service"
20 means periods a person spent in active service with the
21 military forces of the United States for which the person
22 received a discharge other than dishonorable.

23 (c) A member may establish service credit for up to 2 years
24 of periods spent on authorized leave of absence from service
25 due to pregnancy or adoption by paying to the System (1)
26 employee contributions based upon the member's salary upon

1 becoming a member under this Article, (2) an amount determined
2 by the board to be equal to the employer's normal cost of the
3 benefit, and (3) interest on items (1) and (2) at the
4 actuarially assumed rate from the date of first membership in
5 the System to the date of payment.

6 (40 ILCS 5/16-310 new)

7 Sec. 16-310. Retirement annuity; conditions for
8 eligibility; later entrants. A member may claim his or her
9 retirement annuity upon attainment of (1) the full (normal)
10 retirement age as provided in the federal Social Security Act
11 with at least 10 years of service credit or (2) age 62 with at
12 least 35 years of service credit.

13 A member may claim a reduced retirement annuity under
14 subsection (c) of Section 16-315 if he or she is at least 62
15 years of age and has at least 10 years of service.

16 The annuity shall begin with the first full calendar month
17 following the date of withdrawal.

18 (40 ILCS 5/16-315 new)

19 Sec. 16-315. Retirement life annuity; amount; employer
20 contribution; later entrants.

21 (a) With respect to later entrants:

22 (1) "Final average salary" means the monthly salary
23 obtained by dividing the total salary of a member during
24 the period of: (A) the 8 years of service within the last

1 10 years of service in which the total salary was the
2 highest or (B) the total period of service, if less than 8
3 years, by the number of months of service in such period;
4 provided that for the purposes of a retirement annuity the
5 average salary for the last year of the 8 years shall not
6 exceed the final average salary by more than 25%.

7 In no event shall the monthly salary used to determine
8 final average salary exceed (i) the Social Security Covered
9 Wage Base for the given month of service or (ii) \$12,500,
10 whichever is less; provided, however, that the \$12,500
11 maximum shall be adjusted annually after the effective date
12 of this amendatory Act of the 96th General Assembly, by (1)
13 3% or (2) one-half of the percentage increase, if any, in
14 the Consumer Price Index for All Urban Consumers, whichever
15 is less.

16 (2) "Salary" means a member's base salary and does not
17 include any overtime or bonuses.

18 (b) The retirement life annuity shall be 2% of final
19 average salary for each year of service, but in no event shall
20 exceed 70% of final average salary.

21 (c) For a member retiring after attaining age 62 with less
22 than 35 years of service credit, the retirement life annuity
23 shall be reduced by one-half of 1% for each month that the
24 member's age is under the full (normal) retirement age as
25 provided in the federal Social Security Act.

1 (40 ILCS 5/16-320 new)

2 Sec. 16-320. Alternative forms of annuities for later
3 entrants. A member may choose any of the following types of
4 annuities in lieu of receiving the full annuity provided in
5 Section 16-315:

6 (1) Joint and 50% survivor annuity. Under this form of
7 payment, the member receives a reduced monthly payment for
8 his or her lifetime with a payment equal to 50% of the
9 reduced amount payable to the member paid to the member's
10 designated beneficiary for the beneficiary's lifetime if
11 the beneficiary survives the member.

12 (2) Joint and 75% survivor annuity. Under this form of
13 payment, the member receives a reduced monthly payment for
14 his or her lifetime with a payment equal to 75% of the
15 reduced amount payable to the member paid to the member's
16 designated beneficiary for the beneficiary's lifetime if
17 the beneficiary survives the member.

18 (3) Joint and 100% survivor annuity. Under this form of
19 payment, the member receives a reduced monthly payment for
20 his or her lifetime with a payment equal to 100% of the
21 reduced amount payable to the member paid to the member's
22 designated beneficiary for the beneficiary's lifetime if
23 the beneficiary survives the member.

24 (4) Single life annuity with 60, 120, or 180 months of
25 guaranteed payments. Under this option, the member
26 receives a reduced monthly payment for his or her lifetime.

1 If the member dies before receiving at least the number of
2 guaranteed monthly payments, then the member's beneficiary
3 or estate receives the remaining guaranteed number of
4 monthly payments.

5 The Board must determine the participant's optional form of
6 annuity provided under this Section by taking into account the
7 appropriate actuarial assumptions, including without
8 limitation the participant's and beneficiary's age and
9 applicable mortality tables. For this purpose, the
10 participant's joint and survivor annuity should result in no
11 significant increase to the System's unfunded actuarial
12 accrued liability determined as of the most recent actuarial
13 valuation compared to the System's actuarial liability if the
14 participant opted for a retirement life annuity under Section
15 16-315, based on the same assumptions and methods used to
16 develop and report the System's actuarial accrued liability and
17 actuarial value of assets under Statement No. 25 of
18 Governmental Accounting Standards Board or any subsequent
19 applicable Statement.

20 (40 ILCS 5/16-325 new)

21 Sec. 16-325. Automatic annual increases for later
22 entrants. Notwithstanding any other provision of this Article,
23 a person receiving a retirement or survivor annuity under
24 Section 16-315 or 16-320 shall, on the first anniversary of
25 retirement, but not before attaining age 67, and annually

1 thereafter, have his or her annuity increased by (1) 3% or (2)
2 one-half of the percentage increase, if any, in the Consumer
3 Price Index for All Urban Consumers measured from the July 1
4 two years prior to the January 1 of the year during which the
5 increase is being granted to the June 30 preceding the year
6 during which the increase is being granted, whichever is less,
7 of the originally granted annuity.

8 (40 ILCS 5/16-330 new)

9 Sec. 16-330. Contributions by teachers; later entrants.

10 (a) Each teacher shall contribute 7% of each payment of
11 salary received by him or her for service as a teacher toward
12 the cost of his or her retirement annuity.

13 (b) Contributions shall be in the form of a deduction from
14 salary and shall be made notwithstanding that the net salary
15 paid to the teacher shall be reduced thereby below the minimum
16 prescribed by law or regulation. Each member is deemed to
17 consent and agree to the deductions from salary provided for in
18 this Article.

19 (c) These contributions shall be picked up in the manner
20 provided in Section 16-152.1.

21 (d) In no event shall contributions be deducted from salary
22 in excess of (1) the Social Security Covered Wage Base for the
23 given calendar year or (2) \$150,000, whichever is less.

24 (40 ILCS 5/16-335 new)

1 Sec. 16-335. Refunds; later entrants.

2 (a) A member who ceases to be a teacher, other than an
3 annuitant, shall, upon written request made at least 4 months
4 after ceasing to teach, receive a refund of his or her total
5 contributions, plus interest at (1) 3% or (2) one-half of the
6 percentage increase, if any, in the Consumer Price Index for
7 All Urban Consumers measured from the July 1 two years prior to
8 the January 1 of the year during which the interest is being
9 credited to the June 30 preceding the year during which the
10 interest is being credited, whichever is less, per year, not
11 compounded.

12 (b) Upon re-entry into service as a teacher and completion
13 of one year of creditable service, a former member may
14 reestablish any creditable service forfeited by acceptance of a
15 refund by paying to the System the full amount refunded, plus
16 interest at the actuarially assumed rate, not compounded, from
17 the date of payment of the refund to the date of repayment.

18 (c) Participants covered by the provisions of this Section
19 shall be deemed later entrants only if the date of their
20 initial participation was on or after January 1, 2010.

21 (40 ILCS 5/16-340 new)

22 Sec. 16-340. Re-entry after retirement; later entrants.

23 (a) An annuitant who re-enters service as a teacher shall
24 become a member on the date of re-entry and retirement annuity
25 payments shall cease at that time. The teacher shall resume

1 contributions to the system on the date of re-entry at the
2 rates then in effect and shall begin to accrue additional
3 service credit.

4 (b) Upon subsequent retirement, the teacher shall be
5 entitled to a retirement annuity consisting of: (1) the amount
6 of retirement annuity previously granted and terminated by
7 re-entry into service and (2) the amount of additional
8 retirement annuity earned during the additional service.

9 (c) In computing the retirement annuity under subsection
10 (b) of this Section, the time that the teacher was on
11 retirement shall not interrupt the continuity of service for
12 the computation of final average salary and the additional
13 service shall be considered, together with service rendered
14 before the previous retirement, in establishing final average
15 salary.

16 (d) Participants covered by the provisions of this Section
17 shall be deemed later entrants only if the date of their
18 initial participation was on or after January 1, 2010.

19 (40 ILCS 5/18-131) (from Ch. 108 1/2, par. 18-131)
20 Sec. 18-131. Financing; employer contributions.

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

1 in accordance with actuarial recommendations.

2 (b) The Board shall determine the amount of State
3 contributions required for each fiscal year on the basis of the
4 actuarial tables and other assumptions adopted by the Board and
5 the prescribed rate of interest, using the formula in
6 subsection (c).

7 (c) 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.

22 Notwithstanding any other provision of this Article, the
23 total required State contribution for State fiscal year 2006 is
24 \$29,189,400.

25 Notwithstanding any other provision of this Article, the
26 total required State contribution for State fiscal year 2007 is

1 \$35,236,800.

2 For each of State fiscal years 2008 and 2009 ~~through 2010~~,
3 the State contribution to the System, as a percentage of the
4 applicable employee payroll, shall be increased in equal annual
5 increments from the required State contribution for State
6 fiscal year 2007, so that by State fiscal year 2011, the State
7 is contributing at the rate otherwise required under this
8 Section.

9 Notwithstanding any other provision of this Article, the
10 total required State contribution for State fiscal year 2010 is
11 the employer normal cost certified by the Board.

12 Notwithstanding any other provision of this Article, the
13 total required State contribution for State fiscal year 2011 is
14 \$47,747,015.

15 Notwithstanding any other provision of this Article, the
16 total required State contribution for State fiscal year 2012 is
17 equal to the total required State contribution for State fiscal
18 year 2011 plus \$9,822,170.

19 Notwithstanding any other provision of this Article, the
20 total required State contribution for State fiscal year 2013 is
21 equal to the total required State contribution for State fiscal
22 year 2012 plus an additional amount which, when increased by 5%
23 each year from fiscal year 2014 through fiscal year 2045 and
24 added to the prior fiscal year's total required State
25 contribution, will be sufficient to achieve 90% funding by
26 State fiscal year 2045.

1 For each of State fiscal years 2014 through 2045, the State
2 contribution to the System shall be increased in an annual
3 amount equal to the dollar increase from the required State
4 contribution from the preceding fiscal year plus 5%, so that by
5 State fiscal year 2045, the State is contributing at the rate
6 otherwise required under this Section.

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

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

23 Notwithstanding any other provision of this Section, the
24 required State contribution for State fiscal year 2005 and for
25 fiscal ~~years year~~ 2008 and ~~2009~~ ~~each fiscal year thereafter~~, as
26 calculated under this Section and certified under Section

1 18-140, shall not exceed an amount equal to (i) the amount of
2 the required State contribution that would have been calculated
3 under this Section for that fiscal year if the System had not
4 received any payments under subsection (d) of Section 7.2 of
5 the General Obligation Bond Act, minus (ii) the portion of the
6 State's total debt service payments for that fiscal year on the
7 bonds issued for the purposes of that Section 7.2, as
8 determined and certified by the Comptroller, that is the same
9 as the System's portion of the total moneys distributed under
10 subsection (d) of Section 7.2 of the General Obligation Bond
11 Act. In determining this maximum for State fiscal years 2008
12 through 2009 ~~2010~~, however, the amount referred to in item (i)
13 shall be increased, as a percentage of the applicable employee
14 payroll, in equal increments calculated from the sum of the
15 required State contribution for State fiscal year 2007 plus the
16 applicable portion of the State's total debt service payments
17 for fiscal year 2007 on the bonds issued for the purposes of
18 Section 7.2 of the General Obligation Bond Act, so that, by
19 State fiscal year 2011, the State is contributing at the rate
20 otherwise required under this Section.

21 (Source: P.A. 94-4, eff. 6-1-05; 94-839, eff. 6-6-06; 95-950,
22 eff. 8-29-08.)

23 (40 ILCS 5/18-140) (from Ch. 108 1/2, par. 18-140)

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

1 (a) The Board shall certify to the Governor, on or before
2 November 15 of each year, the amount of the required State
3 contribution to the System for the following fiscal year. The
4 certification shall include a copy of the actuarial
5 recommendations upon which it is based.

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

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

17 On or before July 1, 2009, the Board shall recalculate and
18 recertify to the Governor the amount of the required State
19 contribution to the System for State fiscal year 2010, taking
20 into account the changes in required State contributions made
21 by this amendatory Act of the 96th General Assembly.

22 (b) Beginning in State fiscal year 1996, on or as soon as
23 possible after the 15th day of each month the Board shall
24 submit vouchers for payment of State contributions to the
25 System, in a total monthly amount of one-twelfth of the
26 required annual State contribution certified under subsection

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

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

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

21 (40 ILCS 5/18-300 new)

22 Sec. 18-300. Provisions applicable to later entrants.

23 (a) The provisions of this Article following this Section
24 apply only to judges who first become judges on or after
25 January 1, 2010, who are referred to as "later entrants" or who

1 are otherwise considered "later entrants" in accordance with
2 the following Sections of this Article.

3 (b) Except as provided in subsection (c) of this Section,
4 the Sections of this Article before this Section do not apply
5 to judges who first become judges on or after January 1, 2010.

6 (c) The following Sections are also applicable to judges
7 who first become judges on or after January 1, 2010: Sections
8 18-101, 18-102, 18-103, 18-104, 18-105, 18-106, 18-107,
9 18-108, 18-109, 18-110, 18-111, 18-112, 18-112.5, 18-113,
10 18-114, 18-115, 18-116, 18-118, 18-119, 18-120, 18-120.1,
11 18-121, 18-126, 18-126.1, 18-127, 18-128.2, 18-128.3, 18-131,
12 and 18-132 and Sections 18-133.1 through 18-169.

13 (d) To the extent that the Sections enumerated in
14 subsection (c) of this Section conflict with the Sections
15 following this Section, the Sections following this Section
16 shall control.

17 (e) To the extent that the applicable Sections are included
18 under subsection (c) of this Section, later entrants are
19 entitled to disability benefits under this Article.

20 (40 ILCS 5/18-305 new)

21 Sec. 18-305. Creditable service for later entrants.

22 (a) A participant may only establish creditable service for
23 his or her service for employment as a judge, as defined in
24 Section 18-108. Except as otherwise provided in this Section, a
25 participant may not establish creditable service for any other

1 service.

2 (b) A participant may establish creditable service,
3 without making contributions, for periods of military service,
4 provided that the person received a discharge other than
5 dishonorable, was a participant within 6 months prior to
6 military service, and returned to service as a participant
7 under this System within one year after discharge.

8 A participant may purchase up to 2 years of military
9 service not immediately following service as a participant
10 under this System, by paying to the System (1) employee
11 contributions based on the participant's salary upon the first
12 date as a participant after the military service, plus (2) an
13 amount determined by the board to be equal to the employer's
14 normal cost of the benefit, plus (3) interest on items (1) and
15 (2) at the actuarially assumed rate, compounded annually, from
16 the first date as a participant after such military service to
17 the date of payment.

18 The total amount of creditable military service for any
19 participant during his or her entire term of service shall not
20 exceed 5 years.

21 For the purposes of this subsection (b), "military service"
22 means periods a person spent in active service with the
23 military forces of the United States for which the person
24 received a discharge other than dishonorable.

25 (c) A participant may establish service credit for up to 2
26 years of periods spent on authorized leave of absence from

1 service due to pregnancy or adoption by paying to the System
2 (1) employee contributions based upon the participant's salary
3 upon becoming a participant under this Article, (2) an amount
4 determined by the board to be equal to the employer's normal
5 cost of the benefit, and (3) interest on items (1) and (2) at
6 the actuarially assumed rate from the date of first
7 participation in the System to the date of payment.

8 (40 ILCS 5/18-310 new)

9 Sec. 18-310. Retirement annuity; conditions for
10 eligibility; later entrants. A participant may claim his or her
11 retirement annuity upon attainment of (1) the full (normal)
12 retirement age as provided in the federal Social Security Act
13 with at least 10 years of service credit or (2) age 62 with at
14 least 35 years of service credit.

15 A participant may claim a reduced retirement annuity under
16 subsection (c) of Section 18-315 if he or she is at least 62
17 years of age and has at least 10 years of service.

18 The annuity shall begin with the first full calendar month
19 following the date of withdrawal.

20 (40 ILCS 5/18-315 new)

21 Sec. 18-315. Retirement life annuity; amount; employer
22 contribution; later entrants.

23 (a) With respect to later entrants:

24 (1) "Final average salary" means the monthly salary

1 obtained by dividing the total salary of a participant
2 during the period of: (A) the 96 consecutive months of
3 service within the last 120 months of service in which the
4 total salary was the highest or (B) the total period of
5 service, if less than 96 months, by the number of months of
6 service in such period; provided that for the purposes of a
7 retirement annuity the average salary for the last 12
8 months of the 96 months shall not exceed the final average
9 salary by more than 25%.

10 In no event shall the monthly salary used to determine
11 final average salary exceed (i) the Social Security Covered
12 Wage Base for the given month of service or (ii) \$12,500,
13 whichever is less; provided, however, that the \$12,500
14 maximum shall be adjusted annually after the effective date
15 of this amendatory Act of the 96th General Assembly, by (1)
16 3% or (2) one-half of the percentage increase, if any, in
17 the Consumer Price Index for All Urban Consumers, whichever
18 is less.

19 (2) "Salary" means a participant's base salary and does
20 not include any overtime or bonuses.

21 (b) The retirement life annuity shall be 2% of final
22 average salary for each year of service, but in no event shall
23 exceed 70% of final average salary.

24 (c) For a participant retiring after attaining age 62 with
25 less than 35 years of service credit, the retirement life
26 annuity shall be reduced by one-half of 1% for each month that

1 the participant's age is under the full (normal) retirement age
2 as provided in the federal Social Security Act.

3 (40 ILCS 5/18-320 new)

4 Sec. 18-320. Alternative forms of annuities for later
5 entrants. A participant may choose any of the following types
6 of annuities in lieu of receiving the full annuity provided in
7 Section 18-315:

8 (1) Joint and 50% survivor annuity. Under this form of
9 payment, the participant receives a reduced monthly
10 payment for his or her lifetime with a payment equal to 50%
11 of the reduced amount payable to the participant paid to
12 the participant's designated beneficiary for the
13 beneficiary's lifetime if the beneficiary survives the
14 participant.

15 (2) Joint and 75% survivor annuity. Under this form of
16 payment, the participant receives a reduced monthly
17 payment for his or her lifetime with a payment equal to 75%
18 of the reduced amount payable to the participant paid to
19 the participant's designated beneficiary for the
20 beneficiary's lifetime if the beneficiary survives the
21 participant.

22 (3) Joint and 100% survivor annuity. Under this form of
23 payment, the participant receives a reduced monthly
24 payment for his or her lifetime with a payment equal to
25 100% of the reduced amount payable to the participant paid

1 to the participant's designated beneficiary for the
2 beneficiary's lifetime if the beneficiary survives the
3 participant.

4 (4) Single life annuity with 60, 120, or 180 months of
5 guaranteed payments. Under this option, the participant
6 receives a reduced monthly payment for his or her lifetime.
7 If the participant dies before receiving at least the
8 number of guaranteed monthly payments, then the
9 participant's beneficiary or estate receives the remaining
10 guaranteed number of monthly payments.

11 The Board must determine the participant's optional form of
12 annuity provided under this Section by taking into account the
13 appropriate actuarial assumptions, including without
14 limitation the participant's and beneficiary's age; applicable
15 mortality tables; and any other factors that the Board
16 determines to be relevant. For this purpose, the participant's
17 joint and survivor annuity should result in no significant
18 increase to the System's unfunded actuarial accrued liability
19 determined as of the most recent actuarial valuation compared
20 to the System's actuarial liability if the participant opted
21 for a retirement life annuity under Section 18-315, based on
22 the same assumptions and methods used to develop and report the
23 System's actuarial accrued liability and actuarial value of
24 assets under Statement No. 25 of Governmental Accounting
25 Standards Board or any subsequent applicable Statement.

1 (40 ILCS 5/18-325 new)

2 Sec. 18-325. Automatic annual increases for later
3 entrants. Notwithstanding any other provision of this Article,
4 a person receiving a retirement or survivor annuity under
5 Section 18-315 or 18-320 shall, on the first anniversary of
6 retirement, but not before attaining age 67, and annually
7 thereafter, have his or her annuity increased by (1) 3% or (2)
8 one-half of the percentage increase, if any, in the Consumer
9 Price Index for All Urban Consumers measured from the July 1
10 two years prior to the January 1 of the year during which the
11 increase is being granted to the June 30 preceding the year
12 during which the increase is being granted, whichever is less,
13 of the originally granted annuity.

14 (40 ILCS 5/18-330 new)

15 Sec. 18-330. Contributions by judges; later entrants.

16 (a) Each judge shall contribute 7% of each payment of
17 salary received by him or her for service as a judge toward the
18 cost of his or her retirement annuity.

19 (b) Contributions shall be in the form of a deduction from
20 salary and shall be made notwithstanding that the net salary
21 paid to the judge shall be reduced thereby below the minimum
22 prescribed by law or regulation. Each participant is deemed to
23 consent and agree to the deductions from salary provided for in
24 this Article.

25 (c) These contributions shall be picked up in the manner

1 provided in Section 18-133.1.

2 (d) In no event shall contributions be deducted from salary
3 in excess of (1) the Social Security Covered Wage Base for the
4 given calendar year or (2) \$150,000, whichever is less.

5 (40 ILCS 5/18-335 new)

6 Sec. 18-335. Refunds; later entrants.

7 (a) A participant who ceases to be a judge, other than an
8 annuitant, shall, upon written request, receive a refund of his
9 or her total contributions, plus interest at (1) 3% or (2)
10 one-half of the percentage increase, if any, in the Consumer
11 Price Index for All Urban Consumers measured from the July 1
12 two years prior to the January 1 of the year during which the
13 interest is being credited to the June 30 preceding the year
14 during which the interest is being credited, whichever is less,
15 per year, not compounded.

16 (b) Upon re-entry into service as a judge, a former
17 participant may reestablish any creditable service forfeited
18 by acceptance of a refund by paying to the System the full
19 amount refunded, plus interest at the actuarially assumed rate,
20 not compounded, from the date of payment of the refund to the
21 date of repayment.

22 (c) Participants covered by the provisions of this Section
23 shall be deemed later entrants only if the date of their
24 initial participation was on or after January 1, 2010.

1 (40 ILCS 5/18-340 new)

2 Sec. 18-340. Re-entry after retirement; later entrants.

3 (a) An annuitant who re-enters service as a judge shall
4 become a participant on the date of re-entry and retirement
5 annuity payments shall cease at that time. The judge shall
6 resume contributions to the system on the date of re-entry at
7 the rates then in effect and shall begin to accrue additional
8 service credit.

9 (b) Upon subsequent retirement, the judge shall be entitled
10 to a retirement annuity consisting of: (1) the amount of
11 retirement annuity previously granted and terminated by
12 re-entry into service and (2) the amount of additional
13 retirement annuity earned during the additional service.

14 (c) In computing the retirement annuity under subsection
15 (b) of this Section, the time that the judge was on retirement
16 shall not interrupt the continuity of service for the
17 computation of final average salary and the additional service
18 shall be considered, together with service rendered before the
19 previous retirement, in establishing final average salary.

20 (d) Participants covered by the provisions of this Section
21 shall be deemed later entrants only if the date of their
22 initial participation was on or after January 1, 2010.

23 Section 20. The Illinois Educational Labor Relations Act is
24 amended by changing Section 17 and by adding Section 22 as
25 follows:

1 (115 ILCS 5/17) (from Ch. 48, par. 1717)

2 Sec. 17. Effect on other laws. Except as provided in this
3 Section, in ~~in~~ case of any conflict between the provisions of
4 this Act and any other law, executive order or administrative
5 regulation, the provisions of this Act shall prevail and
6 control.

7 However, the changes made to the Illinois Pension Code by
8 this amendatory Act of the 96th General Assembly shall prevail
9 and control over any conflicting provision in this Act and any
10 collective bargaining agreement negotiated pursuant thereto,
11 and any other law, executive order, or administrative
12 regulation. Any disputes that are brought on behalf of any
13 employer or employee or exclusive bargaining representative
14 subject to this Act arising from the changes made to the
15 Illinois Pension Code by this amendatory Act of the 96th
16 General Assembly shall be subject to the exclusive jurisdiction
17 of the Illinois Educational Labor Relations Board, and the
18 Circuit Courts shall have no jurisdiction, except to hear
19 disputes arising directly under the Constitution of the United
20 States of America or the Illinois Constitution.

21 Nothing in this Act shall be construed to replace or
22 diminish the rights of employees established by Section 36d of
23 "An Act to create the State Universities Civil Service System",
24 approved May 11, 1905, as amended or modified.

25 (Source: P.A. 83-1014.)

1 (115 ILCS 5/22 new)

2 Sec. 22. Illinois Pension Code. Notwithstanding the
3 existence of any other provision in this Act or any other law,
4 collective bargaining between any employer whose employees are
5 affected by the changes made to the Illinois Pension Code by
6 this amendatory Act of the 96th General Assembly and the
7 exclusive bargaining representative of such employees may
8 include decisions concerning the changes made to the Illinois
9 Pension Code by this amendatory Act of the 96th General
10 Assembly, including, but not limited to, changes and benefits
11 of retirement systems covered by the Illinois Pension Code.
12 These subjects are permissive subjects of bargaining between an
13 employer and an exclusive representative of its employees and,
14 for the purpose of this Act, are within the sole discretion of
15 the employer to decide to bargain, provided that the employer
16 is required to bargain over the impact of a decision concerning
17 such subject on the bargaining unit upon request by the
18 exclusive representative. During this bargaining, the employer
19 shall not be precluded from implementing its decision. If,
20 after a reasonable period of bargaining, a dispute or impasse
21 exists between the employer and the exclusive representative,
22 then the dispute or impasse shall be resolved exclusively as
23 set forth in this Act.

24 Section 97. Severability. The provisions of this Act are

1 severable under Section 1.31 of the Statute on Statutes.

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