



Rep. Kevin A. McCarthy

Filed: 7/15/2009

09600SB1292ham005

LRB096 08007 AMC 28296 a

1 AMENDMENT TO SENATE BILL 1292

2 AMENDMENT NO. _____. Amend Senate Bill 1292 by replacing
3 everything after the enacting clause with the following:

4 "Section 1. Legislative intention; assist our most
5 vulnerable citizens. It is the intention of the General
6 Assembly in enacting this legislation that, by applying
7 \$2,230,000,000 of the net proceeds of the sale of general
8 obligation bonds authorized by this amendatory Act of the 96th
9 General Assembly to fund pension obligations of the State, an
10 equivalent amount will be appropriated from the General Revenue
11 Fund to the Office of the Governor to be directed to State
12 agencies, in the discretion of and as determined by the
13 Governor and upon written direction of the Governor to the
14 Comptroller, to be expended for operational expenses, awards,
15 grants, and permanent improvements to fund programs and
16 services provided by community-based human service providers
17 and for State-funded human service programs to ensure that we

1 continue assisting the most vulnerable of our citizens.

2 Section 5. The General Obligation Bond Act is amended by
3 changing Sections 2, 2.5, 7.2, 9, 11, and 15 as follows:

4 (30 ILCS 330/2) (from Ch. 127, par. 652)

5 Sec. 2. Authorization for Bonds. The State of Illinois is
6 authorized to issue, sell and provide for the retirement of
7 General Obligation Bonds of the State of Illinois for the
8 categories and specific purposes expressed in Sections 2
9 through 8 of this Act, in the total amount of \$34,159,149,369
10 ~~\$30,693,149,369~~.

11 The bonds authorized in this Section 2 and in Section 16 of
12 this Act are herein called "Bonds".

13 Of the total amount of Bonds authorized in this Act, up to
14 \$2,200,000,000 in aggregate original principal amount may be
15 issued and sold in accordance with the Baccalaureate Savings
16 Act in the form of General Obligation College Savings Bonds.

17 Of the total amount of Bonds authorized in this Act, up to
18 \$300,000,000 in aggregate original principal amount may be
19 issued and sold in accordance with the Retirement Savings Act
20 in the form of General Obligation Retirement Savings Bonds.

21 Of the total amount of Bonds authorized in this Act, the
22 additional \$10,000,000,000 authorized by Public Act 93-2 and
23 the \$3,466,000,000 authorized by this amendatory Act of the
24 96th General Assembly ~~this amendatory Act of the 93rd General~~

1 ~~Assembly~~ shall be used solely as provided in Section 7.2.

2 The issuance and sale of Bonds pursuant to the General
3 Obligation Bond Act is an economical and efficient method of
4 financing the long-term capital needs of the State. This Act
5 will permit the issuance of a multi-purpose General Obligation
6 Bond with uniform terms and features. This will not only lower
7 the cost of registration but also reduce the overall cost of
8 issuing debt by improving the marketability of Illinois General
9 Obligation Bonds.

10 (Source: P.A. 95-1026, eff. 1-12-09; 96-5, eff. 4-3-09.)

11 (30 ILCS 330/2.5)

12 Sec. 2.5. Limitation on issuance of Bonds.

13 (a) Except as provided in subsection (b), no Bonds may be
14 issued if, after the issuance, in the next State fiscal year
15 after the issuance of the Bonds, the amount of debt service
16 (including principal, whether payable at maturity or pursuant
17 to mandatory sinking fund installments, and interest) on all
18 then-outstanding Bonds, other than Bonds authorized by this
19 amendatory Act of the 96th General Assembly, would exceed 7% of
20 the aggregate appropriations from the general funds (which
21 consist of the General Revenue Fund, the Common School Fund,
22 the General Revenue Common School Special Account Fund, and the
23 Education Assistance Fund) and the Road Fund for the fiscal
24 year immediately prior to the fiscal year of the issuance.

25 (b) If the Comptroller and Treasurer each consent in

1 writing, Bonds may be issued even if the issuance does not
2 comply with subsection (a).

3 (Source: P.A. 93-839, eff. 7-30-04.)

4 (30 ILCS 330/7.2)

5 Sec. 7.2. State pension funding.

6 (a) The amount of \$10,000,000,000 is authorized to be used
7 for the purpose of making contributions to the designated
8 retirement systems. For the purposes of this Section,
9 "designated retirement systems" means the State Employees'
10 Retirement System of Illinois; the Teachers' Retirement System
11 of the State of Illinois; the State Universities Retirement
12 System; the Judges Retirement System of Illinois; and the
13 General Assembly Retirement System.

14 The amount of \$3,466,000,000 of Bonds authorized by this
15 amendatory Act of the 96th General Assembly is authorized to be
16 used for the purpose of making a portion of the State's Fiscal
17 Year 2010 required contributions to the designated retirement
18 systems.

19 (b) The Pension Contribution Fund is created as a special
20 fund in the State Treasury.

21 The proceeds of the additional \$10,000,000,000 of Bonds
22 authorized by Public Act 93-2 ~~this amendatory Act of the 93rd~~
23 ~~General Assembly~~, less the amounts authorized in the Bond Sale
24 Order to be deposited directly into the capitalized interest
25 account of the General Obligation Bond Retirement and Interest

1 Fund or otherwise directly paid out for bond sale expenses
2 under Section 8, shall be deposited into the Pension
3 Contribution Fund and used as provided in this Section.

4 The proceeds of the additional \$3,466,000,000 of Bonds
5 authorized by this amendatory Act of the 96th General Assembly,
6 less the amounts directly paid out for bond sale expenses under
7 Section 8, shall be deposited into the Pension Contribution
8 Fund, and the Comptroller and the Treasurer shall, as soon as
9 practical, (i) first, transfer from the Pension Contribution
10 Fund to the General Revenue Fund or Common School Fund an
11 amount equal to the amount of payments, if any, made to the
12 designated retirement systems from the General Revenue Fund or
13 Common School Fund in State fiscal year 2010 and (ii) second,
14 make transfers from the Pension Contribution Fund to the
15 designated retirement systems pursuant to Sections 2-124,
16 14-131, 15-155, 16-158, and 18-131 of the Illinois Pension
17 Code.

18 (c) Of the amount of Bond proceeds from the bond sale
19 authorized by Public Act 93-2 first deposited into the Pension
20 Contribution Fund, there shall be reserved for transfers under
21 this subsection the sum of \$300,000,000, representing the
22 required State contributions to the designated retirement
23 systems for the last quarter of State fiscal year 2003, plus
24 the sum of \$1,860,000,000, representing the required State
25 contributions to the designated retirement systems for State
26 fiscal year 2004.

1 Upon the deposit of sufficient moneys from the bond sale
2 authorized by Public Act 93-2 into the Pension Contribution
3 Fund, the Comptroller and Treasurer shall immediately transfer
4 the sum of \$300,000,000 from the Pension Contribution Fund to
5 the General Revenue Fund.

6 Whenever any payment of required State contributions for
7 State fiscal year 2004 is made to one of the designated
8 retirement systems, the Comptroller and Treasurer shall, as
9 soon as practicable, transfer from the Pension Contribution
10 Fund to the General Revenue Fund an amount equal to the amount
11 of that payment to the designated retirement system. Beginning
12 on the effective date of this amendatory Act of the 93rd
13 General Assembly, the transfers from the Pension Contribution
14 Fund to the General Revenue Fund shall be suspended until June
15 30, 2004, and the remaining balance in the Pension Contribution
16 Fund shall be transferred directly to the designated retirement
17 systems as provided in Section 6z-61 of the State Finance Act.
18 On and after July 1, 2004, in the event that any amount is on
19 deposit in the Pension Contribution Fund from time to time, the
20 Comptroller and Treasurer shall continue to make such transfers
21 based on fiscal year 2005 payments until the entire amount on
22 deposit has been transferred.

23 (d) All amounts deposited into the Pension Contribution
24 Fund, other than the amounts reserved for the transfers under
25 subsection (c) from the bond sale authorized by Public Act 93-2
26 and other than amounts deposited into the Pension Contribution

1 Fund from the bond sale authorized by this amendatory Act of
2 the 96th General Assembly, shall be appropriated to the
3 designated retirement systems to reduce their actuarial
4 reserve deficiencies. The amount of the appropriation to each
5 designated retirement system shall constitute a portion of the
6 total appropriation under this subsection that is the same as
7 that retirement system's portion of the total actuarial reserve
8 deficiency of the systems, as most recently determined by the
9 Governor's Office of Management and Budget under Section 8.12
10 of the State Finance Act.

11 With respect to proceeds from the bond sale authorized by
12 Public Act 93-2 only, within ~~within~~ 15 days after any Bond
13 proceeds in excess of the amounts initially reserved under
14 subsection (c) are deposited into the Pension Contribution
15 Fund, the Governor's Office of Management and Budget shall (i)
16 allocate those proceeds among the designated retirement
17 systems in proportion to their respective actuarial reserve
18 deficiencies, as most recently determined under Section 8.12 of
19 the State Finance Act, and (ii) certify those allocations to
20 the designated retirement systems and the Comptroller.

21 Upon receiving certification of an allocation under this
22 subsection, a designated retirement system shall submit to the
23 Comptroller a voucher for the amount of its allocation. The
24 voucher shall be paid out of the amount appropriated to that
25 designated retirement system from the Pension Contribution
26 Fund pursuant to this subsection.

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

2 (30 ILCS 330/9) (from Ch. 127, par. 659)

3 Sec. 9. Conditions for Issuance and Sale of Bonds -
4 Requirements for Bonds.

5 (a) Except as otherwise provided in this subsection, Bonds
6 shall be issued and sold from time to time, in one or more
7 series, in such amounts and at such prices as may be directed
8 by the Governor, upon recommendation by the Director of the
9 Governor's Office of Management and Budget. Bonds shall be in
10 such form (either coupon, registered or book entry), in such
11 denominations, payable within 25 years from their date, subject
12 to such terms of redemption with or without premium, bear
13 interest payable at such times and at such fixed or variable
14 rate or rates, and be dated as shall be fixed and determined by
15 the Director of the Governor's Office of Management and Budget
16 in the order authorizing the issuance and sale of any series of
17 Bonds, which order shall be approved by the Governor and is
18 herein called a "Bond Sale Order"; provided however, that
19 interest payable at fixed or variable rates shall not exceed
20 that permitted in the Bond Authorization Act, as now or
21 hereafter amended. Bonds shall be payable at such place or
22 places, within or without the State of Illinois, and may be
23 made registrable as to either principal or as to both principal
24 and interest, as shall be specified in the Bond Sale Order.
25 Bonds may be callable or subject to purchase and retirement or

1 tender and remarketing as fixed and determined in the Bond Sale
2 Order. Bonds must be issued with principal or mandatory
3 redemption amounts in equal amounts, with the first maturity
4 issued occurring within the fiscal year in which the Bonds are
5 issued or within the next succeeding fiscal year, with Bonds
6 issued maturing or subject to mandatory redemption each fiscal
7 year thereafter up to 25 years. Notwithstanding any provision
8 of this Act to the contrary, the Bonds authorized by this
9 amendatory Act of the 96th General Assembly shall be payable
10 within 5 years from their date and must be issued with
11 principal or mandatory redemption amounts in equal amounts,
12 with payment of principal or mandatory redemption beginning in
13 the first fiscal year following the fiscal year in which the
14 Bonds are issued.

15 In the case of any series of Bonds bearing interest at a
16 variable interest rate ("Variable Rate Bonds"), in lieu of
17 determining the rate or rates at which such series of Variable
18 Rate Bonds shall bear interest and the price or prices at which
19 such Variable Rate Bonds shall be initially sold or remarketed
20 (in the event of purchase and subsequent resale), the Bond Sale
21 Order may provide that such interest rates and prices may vary
22 from time to time depending on criteria established in such
23 Bond Sale Order, which criteria may include, without
24 limitation, references to indices or variations in interest
25 rates as may, in the judgment of a remarketing agent, be
26 necessary to cause Variable Rate Bonds of such series to be

1 remarketable from time to time at a price equal to their
2 principal amount, and may provide for appointment of a bank,
3 trust company, investment bank, or other financial institution
4 to serve as remarketing agent in that connection. The Bond Sale
5 Order may provide that alternative interest rates or provisions
6 for establishing alternative interest rates, different
7 security or claim priorities, or different call or amortization
8 provisions will apply during such times as Variable Rate Bonds
9 of any series are held by a person providing credit or
10 liquidity enhancement arrangements for such Bonds as
11 authorized in subsection (b) of this Section. The Bond Sale
12 Order may also provide for such variable interest rates to be
13 established pursuant to a process generally known as an auction
14 rate process and may provide for appointment of one or more
15 financial institutions to serve as auction agents and
16 broker-dealers in connection with the establishment of such
17 interest rates and the sale and remarketing of such Bonds.

18 (b) In connection with the issuance of any series of Bonds,
19 the State may enter into arrangements to provide additional
20 security and liquidity for such Bonds, including, without
21 limitation, bond or interest rate insurance or letters of
22 credit, lines of credit, bond purchase contracts, or other
23 arrangements whereby funds are made available to retire or
24 purchase Bonds, thereby assuring the ability of owners of the
25 Bonds to sell or redeem their Bonds. The State may enter into
26 contracts and may agree to pay fees to persons providing such

1 arrangements, but only under circumstances where the Director
2 of the Governor's Office of Management and Budget certifies
3 that he or she reasonably expects the total interest paid or to
4 be paid on the Bonds, together with the fees for the
5 arrangements (being treated as if interest), would not, taken
6 together, cause the Bonds to bear interest, calculated to their
7 stated maturity, at a rate in excess of the rate that the Bonds
8 would bear in the absence of such arrangements.

9 The State may, with respect to Bonds issued or anticipated
10 to be issued, participate in and enter into arrangements with
11 respect to interest rate protection or exchange agreements,
12 guarantees, or financial futures contracts for the purpose of
13 limiting, reducing, or managing interest rate exposure. The
14 authority granted under this paragraph, however, shall not
15 increase the principal amount of Bonds authorized to be issued
16 by law. The arrangements may be executed and delivered by the
17 Director of the Governor's Office of Management and Budget on
18 behalf of the State. Net payments for such arrangements shall
19 constitute interest on the Bonds and shall be paid from the
20 General Obligation Bond Retirement and Interest Fund. The
21 Director of the Governor's Office of Management and Budget
22 shall at least annually certify to the Governor and the State
23 Comptroller his or her estimate of the amounts of such net
24 payments to be included in the calculation of interest required
25 to be paid by the State.

26 (c) Prior to the issuance of any Variable Rate Bonds

1 pursuant to subsection (a), the Director of the Governor's
2 Office of Management and Budget shall adopt an interest rate
3 risk management policy providing that the amount of the State's
4 variable rate exposure with respect to Bonds shall not exceed
5 20%. This policy shall remain in effect while any Bonds are
6 outstanding and the issuance of Bonds shall be subject to the
7 terms of such policy. The terms of this policy may be amended
8 from time to time by the Director of the Governor's Office of
9 Management and Budget but in no event shall any amendment cause
10 the permitted level of the State's variable rate exposure with
11 respect to Bonds to exceed 20%.

12 (Source: P.A. 92-16, eff. 6-28-01; 93-9, eff. 6-3-03; 93-666,
13 eff. 3-5-04; 93-839, eff. 7-30-04.)

14 (30 ILCS 330/11) (from Ch. 127, par. 661)

15 Sec. 11. Sale of Bonds. Except as otherwise provided in
16 this Section, Bonds shall be sold from time to time pursuant to
17 notice of sale and public bid or by negotiated sale in such
18 amounts and at such times as is directed by the Governor, upon
19 recommendation by the Director of the Governor's Office of
20 Management and Budget. At least 25%, based on total principal
21 amount, of all Bonds issued each fiscal year shall be sold
22 pursuant to notice of sale and public bid. At all times during
23 each fiscal year, no more than 75%, based on total principal
24 amount, of the Bonds issued each fiscal year, shall have been
25 sold by negotiated sale. Failure to satisfy the requirements in

1 the preceding 2 sentences shall not affect the validity of any
2 previously issued Bonds; provided that all Bonds authorized by
3 this amendatory Act of the 96th General Assembly shall not be
4 included in determining compliance for any fiscal year with the
5 requirements of the preceding 2 sentences; and further provided
6 that refunding Bonds satisfying the requirements of Section 16
7 of this Act and sold during fiscal year 2009, 2010, or 2011
8 shall not be subject to the requirements in the preceding 2
9 sentences.

10 If any Bonds, including refunding Bonds, are to be sold by
11 negotiated sale, the Director of the Governor's Office of
12 Management and Budget shall comply with the competitive request
13 for proposal process set forth in the Illinois Procurement Code
14 and all other applicable requirements of that Code.

15 If Bonds are to be sold pursuant to notice of sale and
16 public bid, the Director of the Governor's Office of Management
17 and Budget shall, from time to time, as Bonds are to be sold,
18 advertise the sale of the Bonds in at least 2 daily newspapers,
19 one of which is published in the City of Springfield and one in
20 the City of Chicago. The sale of the Bonds shall also be
21 advertised in the volume of the Illinois Procurement Bulletin
22 that is published by the Department of Central Management
23 Services. Each of the advertisements for proposals shall be
24 published once at least 10 days prior to the date fixed for the
25 opening of the bids. The Director of the Governor's Office of
26 Management and Budget may reschedule the date of sale upon the

1 giving of such additional notice as the Director deems adequate
2 to inform prospective bidders of such change; provided,
3 however, that all other conditions of the sale shall continue
4 as originally advertised.

5 Executed Bonds shall, upon payment therefor, be delivered
6 to the purchaser, and the proceeds of Bonds shall be paid into
7 the State Treasury as directed by Section 12 of this Act.

8 (Source: P.A. 96-18, eff. 6-26-09.)

9 (30 ILCS 330/15) (from Ch. 127, par. 665)

10 Sec. 15. Computation of Principal and Interest; transfers.

11 (a) Upon each delivery of Bonds authorized to be issued
12 under this Act, the Comptroller shall compute and certify to
13 the Treasurer the total amount of principal of, interest on,
14 and premium, if any, on Bonds issued that will be payable in
15 order to retire such Bonds and the amount of principal of,
16 interest on and premium, if any, on such Bonds that will be
17 payable on each payment date according to the tenor of such
18 Bonds during the then current and each succeeding fiscal year.
19 With respect to the interest payable on variable rate bonds,
20 such certifications shall be calculated at the maximum rate of
21 interest that may be payable during the fiscal year, after
22 taking into account any credits permitted in the related
23 indenture or other instrument against the amount of such
24 interest required to be appropriated for such period pursuant
25 to subsection (c) of Section 14 of this Act. With respect to

1 the interest payable, such certifications shall include the
2 amounts certified by the Director of the Governor's Office of
3 Management and Budget under subsection (b) of Section 9 of this
4 Act.

5 On or before the last day of each month the State Treasurer
6 and Comptroller shall transfer from (1) the Road Fund with
7 respect to Bonds issued under paragraph (a) of Section 4 of
8 this Act or Bonds issued for the purpose of refunding such
9 bonds, and from (2) the General Revenue Fund, with respect to
10 all other Bonds issued under this Act, to the General
11 Obligation Bond Retirement and Interest Fund an amount
12 sufficient to pay the aggregate of the principal of, interest
13 on, and premium, if any, on Bonds payable, by their terms on
14 the next payment date divided by the number of full calendar
15 months between the date of such Bonds and the first such
16 payment date, and thereafter, divided by the number of months
17 between each succeeding payment date after the first. Such
18 computations and transfers shall be made for each series of
19 Bonds issued and delivered. Interest payable on variable rate
20 bonds shall be calculated at the maximum rate of interest that
21 may be payable for the relevant period, after taking into
22 account any credits permitted in the related indenture or other
23 instrument against the amount of such interest required to be
24 appropriated for such period pursuant to subsection (c) of
25 Section 14 of this Act. Computations of interest shall include
26 the amounts certified by the Director of the Governor's Office

1 of Management and Budget under subsection (b) of Section 9 of
2 this Act. Interest for which moneys have already been deposited
3 into the capitalized interest account within the General
4 Obligation Bond Retirement and Interest Fund shall not be
5 included in the calculation of the amounts to be transferred
6 under this subsection. Notwithstanding any other provision in
7 this Section, the transfer provisions provided in this
8 paragraph shall not apply to transfers made in fiscal year 2010
9 with respect to Bonds issued in fiscal year 2010 pursuant to
10 Section 7.2 of this Act. In the case of transfers made in
11 fiscal year 2010 with respect to the Bonds issued in fiscal
12 year 2010 pursuant to Section 7.2 of this Act, on or before the
13 15th day of the month prior to the required debt service
14 payment, the State Treasurer and Comptroller shall transfer
15 from the General Revenue Fund to the General Obligation Bond
16 Retirement and Interest Fund an amount sufficient to pay the
17 aggregate of the principal of, interest on, and premium, if
18 any, on the Bonds payable in that next month.

19 The transfer of monies herein and above directed is not
20 required if monies in the General Obligation Bond Retirement
21 and Interest Fund are more than the amount otherwise to be
22 transferred as herein above provided, and if the Governor or
23 his authorized representative notifies the State Treasurer and
24 Comptroller of such fact in writing.

25 (b) After the effective date of this Act, the balance of,
26 and monies directed to be included in the Capital Development

1 Bond Retirement and Interest Fund, Anti-Pollution Bond
2 Retirement and Interest Fund, Transportation Bond, Series A
3 Retirement and Interest Fund, Transportation Bond, Series B
4 Retirement and Interest Fund, and Coal Development Bond
5 Retirement and Interest Fund shall be transferred to and
6 deposited in the General Obligation Bond Retirement and
7 Interest Fund. This Fund shall be used to make debt service
8 payments on the State's general obligation Bonds heretofore
9 issued which are now outstanding and payable from the Funds
10 herein listed as well as on Bonds issued under this Act.

11 (c) The unused portion of federal funds received for a
12 capital facilities project, as authorized by Section 3 of this
13 Act, for which monies from the Capital Development Fund have
14 been expended shall be deposited upon completion of the project
15 in the General Obligation Bond Retirement and Interest Fund.
16 Any federal funds received as reimbursement for the completed
17 construction of a capital facilities project, as authorized by
18 Section 3 of this Act, for which monies from the Capital
19 Development Fund have been expended shall be deposited in the
20 General Obligation Bond Retirement and Interest Fund.

21 (Source: P.A. 93-2, eff. 4-7-03; 93-9, eff. 6-3-03; 94-793,
22 eff. 5-19-06.)

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

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

2 Sec. 2-124. Contributions by State.

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

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

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

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

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

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

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

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

17 Notwithstanding any other provision of this Article, the
18 total required State contribution for State fiscal year 2010 is
19 \$10,454,000 and shall be made from the proceeds of bonds sold
20 in fiscal year 2010 pursuant to Section 7.2 of the General
21 Obligation Bond Act, less (i) the pro rata share of bond sale
22 expenses determined by the System's share of total bond
23 proceeds, (ii) any amounts received from the General Revenue
24 Fund in fiscal year 2010, and (iii) any reduction in bond
25 proceeds due to the issuance of discounted bonds, if
26 applicable.

1 Beginning in State fiscal year 2046, the minimum State
2 contribution for each fiscal year shall be the amount needed to
3 maintain the total assets of the System at 90% of the total
4 actuarial liabilities of the System.

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

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

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

15 (d) For purposes of determining the required State
16 contribution to the System, the value of the System's assets
17 shall be equal to the actuarial value of the System's assets,
18 which shall be calculated as follows:

19 As of June 30, 2008, the actuarial value of the System's
20 assets shall be equal to the market value of the assets as of
21 that date. In determining the actuarial value of the System's
22 assets for fiscal years after June 30, 2008, any actuarial
23 gains or losses from investment return incurred in a fiscal
24 year shall be recognized in equal annual amounts over the
25 5-year period following that fiscal year.

26 (e) For purposes of determining the required State

1 contribution to the system for a particular year, the actuarial
2 value of assets shall be assumed to earn a rate of return equal
3 to the system's actuarially assumed rate of return.

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

6 (40 ILCS 5/14-131) (from Ch. 108 1/2, par. 14-131)

7 Sec. 14-131. Contributions by State.

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

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

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

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

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

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

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

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

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

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

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

3 For State fiscal years 1996 through 2005, the State
4 contribution to the System, as a percentage of the applicable
5 employee payroll, shall be increased in equal annual increments
6 so that by State fiscal year 2011, the State is contributing at
7 the rate required under this Section; except that (i) for State
8 fiscal year 1998, for all purposes of this Code and any other
9 law of this State, the certified percentage of the applicable
10 employee payroll shall be 5.052% for employees earning eligible
11 creditable service under Section 14-110 and 6.500% for all
12 other employees, notwithstanding any contrary certification
13 made under Section 14-135.08 before the effective date of this
14 amendatory Act of 1997, and (ii) in the following specified
15 State fiscal years, the State contribution to the System shall
16 not be less than the following indicated percentages of the
17 applicable employee payroll, even if the indicated percentage
18 will produce a State contribution in excess of the amount
19 otherwise required under this subsection and subsection (a):
20 9.8% in FY 1999; 10.0% in FY 2000; 10.2% in FY 2001; 10.4% in FY
21 2002; 10.6% in FY 2003; and 10.8% in FY 2004.

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

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

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

2 For each of State fiscal years 2008 through 2009 ~~2010~~, the
3 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 General Revenue Fund contribution for
11 State fiscal year 2010 is \$723,703,100 and shall be made from
12 the proceeds of bonds sold in fiscal year 2010 pursuant to
13 Section 7.2 of the General Obligation Bond Act, less (i) the
14 pro rata share of bond sale expenses determined by the System's
15 share of total bond proceeds, (ii) any amounts received from
16 the General Revenue Fund in fiscal year 2010, and (iii) any
17 reduction in bond proceeds due to the issuance of discounted
18 bonds, if applicable.

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

23 Amounts received by the System pursuant to Section 25 of
24 the Budget Stabilization Act or Section 8.12 of the State
25 Finance Act in any fiscal year do not reduce and do not
26 constitute payment of any portion of the minimum State

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

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

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

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

1 Year 2004 Overpayment" for purposes of this Section, and the
2 Fiscal Year 2004 Overpayment shall be repaid by the System to
3 the Pension Contribution Fund as soon as practicable after the
4 certification.

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

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

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

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

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

23 Sec. 15-155. Employer contributions.

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

1 employer contributions from trust, federal, and other funds,
2 employee contributions, income from investments, and other
3 income of this System, will be sufficient to meet the cost of
4 maintaining and administering the System on a 90% funded basis
5 in accordance with actuarial recommendations.

6 The Board shall determine the amount of State contributions
7 required for each fiscal year on the basis of the actuarial
8 tables and other assumptions adopted by the Board and the
9 recommendations of the actuary, using the formula in subsection
10 (a-1).

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

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

26 Notwithstanding any other provision of this Article, the

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

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

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

13 Notwithstanding any other provision of this Article, the
14 total required State contribution for State fiscal year 2010 is
15 \$702,514,000 and shall be made from the State Pensions Fund and
16 proceeds of bonds sold in fiscal year 2010 pursuant to Section
17 7.2 of the General Obligation Bond Act, less (i) the pro rata
18 share of bond sale expenses determined by the System's share of
19 total bond proceeds, (ii) any amounts received from the General
20 Revenue Fund in fiscal year 2010, (iii) any reduction in bond
21 proceeds due to the issuance of discounted bonds, if
22 applicable.

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 year 2008 and each fiscal year thereafter, as calculated
16 under this Section and certified under Section 15-165, shall
17 not exceed an amount equal to (i) the amount of the required
18 State contribution that would have been calculated under this
19 Section for that fiscal year if the System had not received any
20 payments under subsection (d) of Section 7.2 of the General
21 Obligation Bond Act, minus (ii) the portion of the State's
22 total debt service payments for that fiscal year on the bonds
23 issued for the purposes of that Section 7.2, as determined and
24 certified by the Comptroller, that is the same as the System's
25 portion of the total moneys distributed under subsection (d) of
26 Section 7.2 of the General Obligation Bond Act. In determining

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

11 (b) If an employee is paid from trust or federal funds, the
12 employer shall pay to the Board contributions from those funds
13 which are sufficient to cover the accruing normal costs on
14 behalf of the employee. However, universities having employees
15 who are compensated out of local auxiliary funds, income funds,
16 or service enterprise funds are not required to pay such
17 contributions on behalf of those employees. The local auxiliary
18 funds, income funds, and service enterprise funds of
19 universities shall not be considered trust funds for the
20 purpose of this Article, but funds of alumni associations,
21 foundations, and athletic associations which are affiliated
22 with the universities included as employers under this Article
23 and other employers which do not receive State appropriations
24 are considered to be trust funds for the purpose of this
25 Article.

26 (b-1) The City of Urbana and the City of Champaign shall

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

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

24 (d) Beginning in State fiscal year 1996, the required State
25 contributions to the System shall be appropriated directly to
26 the System and shall be payable through vouchers issued in

1 accordance with subsection (c) of Section 15-165, except as
2 provided in subsection (g).

3 (e) The State Comptroller shall draw warrants payable to
4 the System upon proper certification by the System or by the
5 employer in accordance with the appropriation laws and this
6 Code.

7 (f) Normal costs under this Section means liability for
8 pensions and other benefits which accrues to the System because
9 of the credits earned for service rendered by the participants
10 during the fiscal year and expenses of administering the
11 System, but shall not include the principal of or any
12 redemption premium or interest on any bonds issued by the Board
13 or any expenses incurred or deposits required in connection
14 therewith.

15 (g) If the amount of a participant's earnings for any
16 academic year used to determine the final rate of earnings,
17 determined on a full-time equivalent basis, exceeds the amount
18 of his or her earnings with the same employer for the previous
19 academic year, determined on a full-time equivalent basis, by
20 more than 6%, the participant's employer shall pay to the
21 System, in addition to all other payments required under this
22 Section and in accordance with guidelines established by the
23 System, the present value of the increase in benefits resulting
24 from the portion of the increase in earnings that is in excess
25 of 6%. This present value shall be computed by the System on
26 the basis of the actuarial assumptions and tables used in the

1 most recent actuarial valuation of the System that is available
2 at the time of the computation. The System may require the
3 employer to provide any pertinent information or
4 documentation.

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

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

1 concluded within 3 years after the employer's receipt of the
2 bill.

3 (h) This subsection (h) applies only to payments made or
4 salary increases given on or after June 1, 2005 but before July
5 1, 2011. The changes made by Public Act 94-1057 shall not
6 require the System to refund any payments received before July
7 31, 2006 (the effective date of Public Act 94-1057).

8 When assessing payment for any amount due under subsection
9 (g), the System shall exclude earnings increases paid to
10 participants under contracts or collective bargaining
11 agreements entered into, amended, or renewed before June 1,
12 2005.

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

17 When assessing payment for any amount due under subsection
18 (g), the System shall exclude earnings increases resulting from
19 overload work, including a contract for summer teaching, or
20 overtime when the employer has certified to the System, and the
21 System has approved the certification, that: (i) in the case of
22 overloads (A) the overload work is for the sole purpose of
23 academic instruction in excess of the standard number of
24 instruction hours for a full-time employee occurring during the
25 academic year that the overload is paid and (B) the earnings
26 increases are equal to or less than the rate of pay for

1 academic instruction computed using the participant's current
2 salary rate and work schedule; and (ii) in the case of
3 overtime, the overtime was necessary for the educational
4 mission.

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

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

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

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

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

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

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

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

18 (k) The Illinois Community College Board shall adopt rules
19 for recommending lists of promotional positions submitted to
20 the Board by community colleges and for reviewing the
21 promotional lists on an annual basis. When recommending
22 promotional lists, the Board shall consider the similarity of
23 the positions submitted to those positions recognized for State
24 universities by the State Universities Civil Service System.
25 The Illinois Community College Board shall file a copy of its
26 findings with the System. The System shall consider the

1 findings of the Illinois Community College Board when making
2 determinations under this Section. The System shall not exclude
3 any earnings increases resulting from a promotion when the
4 promotion was not submitted by a community college. Nothing in
5 this subsection (k) shall require any community college to
6 submit any information to the Community College Board.

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

11 As of June 30, 2008, the actuarial value of the System's
12 assets shall be equal to the market value of the assets as of
13 that date. In determining the actuarial value of the System's
14 assets for fiscal years after June 30, 2008, any actuarial
15 gains or losses from investment return incurred in a fiscal
16 year shall be recognized in equal annual amounts over the
17 5-year period following that fiscal year.

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

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

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

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

1 units.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

19 Notwithstanding any other provision of this Article, the
20 total required State contribution for State fiscal year 2010 is
21 \$2,089,268,000 and shall be made from the proceeds of bonds
22 sold in fiscal year 2010 pursuant to Section 7.2 of the General
23 Obligation Bond Act, less (i) the pro rata share of bond sale
24 expenses determined by the System's share of total bond
25 proceeds, (ii) any amounts received from the Common School Fund
26 in fiscal year 2010, and (iii) any reduction in bond proceeds

1 due to the issuance of discounted bonds, if applicable.

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

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

18 Notwithstanding any other provision of this Section, the
19 required State contribution for State fiscal year 2005 and for
20 fiscal year 2008 and each fiscal year thereafter, as calculated
21 under this Section and certified under subsection (a-1), shall
22 not exceed an amount equal to (i) the amount of the required
23 State contribution that would have been calculated under this
24 Section for that fiscal year if the System had not received any
25 payments under subsection (d) of Section 7.2 of the General
26 Obligation Bond Act, minus (ii) the portion of the State's

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

16 (c) Payment of the required State contributions and of all
17 pensions, retirement annuities, death benefits, refunds, and
18 other benefits granted under or assumed by this System, and all
19 expenses in connection with the administration and operation
20 thereof, are obligations of the State.

21 If members are paid from special trust or federal funds
22 which are administered by the employing unit, whether school
23 district or other unit, the employing unit shall pay to the
24 System from such funds the full accruing retirement costs based
25 upon that service, as determined by the System. Employer
26 contributions, based on salary paid to members from federal

1 funds, may be forwarded by the distributing agency of the State
2 of Illinois to the System prior to allocation, in an amount
3 determined in accordance with guidelines established by such
4 agency and the System.

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

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

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

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

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

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

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

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

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

1 If an employer is required by a contract in effect on May
2 1, 1998 between the employer and an employee organization to
3 pay, on behalf of all its full-time employees covered by this
4 Article, all mandatory employee contributions required under
5 this Article, then the employer shall be excused from paying
6 the employer contribution required under this subsection (e)
7 for the balance of the term of that contract. The employer and
8 the employee organization shall jointly certify to the System
9 the existence of the contractual requirement, in such form as
10 the System may prescribe. This exclusion shall cease upon the
11 termination, extension, or renewal of the contract at any time
12 after May 1, 1998.

13 (f) If the amount of a teacher's salary for any school year
14 used to determine final average salary exceeds the member's
15 annual full-time salary rate with the same employer for the
16 previous school year by more than 6%, the teacher's employer
17 shall pay to the System, in addition to all other payments
18 required under this Section and in accordance with guidelines
19 established by the System, the present value of the increase in
20 benefits resulting from the portion of the increase in salary
21 that is in excess of 6%. This present value shall be computed
22 by the System on the basis of the actuarial assumptions and
23 tables used in the most recent actuarial valuation of the
24 System that is available at the time of the computation. If a
25 teacher's salary for the 2005-2006 school year is used to
26 determine final average salary under this subsection (f), then

1 the changes made to this subsection (f) by Public Act 94-1057
2 shall apply in calculating whether the increase in his or her
3 salary is in excess of 6%. For the purposes of this Section,
4 change in employment under Section 10-21.12 of the School Code
5 on or after June 1, 2005 shall constitute a change in employer.
6 The System may require the employer to provide any pertinent
7 information or documentation. The changes made to this
8 subsection (f) by this amendatory Act of the 94th General
9 Assembly apply without regard to whether the teacher was in
10 service on or after its effective date.

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

26 The employer contributions required under this subsection

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

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

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

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

22 When assessing payment for any amount due under subsection
23 (f), the System shall exclude salary increases resulting from
24 overload work, including summer school, when the school
25 district has certified to the System, and the System has
26 approved the certification, that (i) the overload work is for

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

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

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

26 (h) When assessing payment for any amount due under

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

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

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

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

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

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

25 (j) For purposes of determining the required State
26 contribution to the System, the value of the System's assets

1 shall be equal to the actuarial value of the System's assets,
2 which shall be calculated as follows:

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

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

14 (Source: P.A. 94-4, eff. 6-1-05; 94-839, eff. 6-6-06; 94-1057,
15 eff. 7-31-06; 94-1111, eff. 2-27-07; 95-331, eff. 8-21-07;
16 95-950, eff. 8-29-08.)

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

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

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

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

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

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

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

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

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

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

1 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 \$78,832,000 and shall be made from the proceeds of bonds sold
10 in fiscal year 2010 pursuant to Section 7.2 of the General
11 Obligation Bond Act, less (i) the pro rata share of bond sale
12 expenses determined by the System's share of total bond
13 proceeds, (ii) any amounts received from the General Revenue
14 Fund in fiscal year 2010, and (iii) any reduction in bond
15 proceeds due to the issuance of discounted bonds, if
16 applicable.

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

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

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

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

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

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

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

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

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

22 Section 15. The State Pension Funds Continuing
23 Appropriation Act is amended by changing Sections 1.1 and 1.2
24 as follows:

1 (40 ILCS 15/1.1)

2 Sec. 1.1. Appropriations to certain retirement systems.

3 (a) There is hereby appropriated from the General Revenue
4 Fund to the General Assembly Retirement System, on a continuing
5 monthly basis, the amount, if any, by which the total available
6 amount of all other appropriations to that retirement system
7 for the payment of State contributions is less than the total
8 amount of the vouchers for required State contributions
9 lawfully submitted by the retirement system for that month
10 under Section 2-134 of the Illinois Pension Code.

11 (b) There is hereby appropriated from the General Revenue
12 Fund to the State Universities Retirement System, on a
13 continuing monthly basis, the amount, if any, by which the
14 total available amount of all other appropriations to that
15 retirement system for the payment of State contributions,
16 including any deficiency in the required contributions of the
17 optional retirement program established under Section 15-158.2
18 of the Illinois Pension Code, is less than the total amount of
19 the vouchers for required State contributions lawfully
20 submitted by the retirement system for that month under Section
21 15-165 of the Illinois Pension Code.

22 (c) There is hereby appropriated from the Common School
23 Fund to the Teachers' Retirement System of the State of
24 Illinois, on a continuing monthly basis, the amount, if any, by
25 which the total available amount of all other appropriations to
26 that retirement system for the payment of State contributions

1 is less than the total amount of the vouchers for required
2 State contributions lawfully submitted by the retirement
3 system for that month under Section 16-158 of the Illinois
4 Pension Code.

5 (d) There is hereby appropriated from the General Revenue
6 Fund to the Judges Retirement System of Illinois, on a
7 continuing monthly basis, the amount, if any, by which the
8 total available amount of all other appropriations to that
9 retirement system for the payment of State contributions is
10 less than the total amount of the vouchers for required State
11 contributions lawfully submitted by the retirement system for
12 that month under Section 18-140 of the Illinois Pension Code.

13 (e) The continuing appropriations provided by this Section
14 shall first be available in State fiscal year 1996.

15 (f) For State fiscal year 2010 only, the continuing
16 appropriations provided by this Section are equal to the amount
17 certified by each System on or before December 31, 2008, less
18 (i) the gross proceeds of the bonds sold in fiscal year 2010
19 under the authorization contained in subsection (a) of Section
20 7.2 of the General Obligation Bond Act and (ii) any amounts
21 received from the State Pensions Fund.

22 (Source: P.A. 90-448, eff. 8-16-97.)

23 (40 ILCS 15/1.2)

24 Sec. 1.2. Appropriations for the State Employees'
25 Retirement System.

1 (a) From each fund from which an amount is appropriated for
2 personal services to a department or other employer under
3 Article 14 of the Illinois Pension Code, there is hereby
4 appropriated to that department or other employer, on a
5 continuing annual basis for each State fiscal year, an
6 additional amount equal to the amount, if any, by which (1) an
7 amount equal to the percentage of the personal services line
8 item for that department or employer from that fund for that
9 fiscal year that the Board of Trustees of the State Employees'
10 Retirement System of Illinois has certified under Section
11 14-135.08 of the Illinois Pension Code to be necessary to meet
12 the State's obligation under Section 14-131 of the Illinois
13 Pension Code for that fiscal year, exceeds (2) the amounts
14 otherwise appropriated to that department or employer from that
15 fund for State contributions to the State Employees' Retirement
16 System for that fiscal year. From the effective date of this
17 amendatory Act of the 93rd General Assembly through the final
18 payment from a department or employer's personal services line
19 item for fiscal year 2004, payments to the State Employees'
20 Retirement System that otherwise would have been made under
21 this subsection (a) shall be governed by the provisions in
22 subsection (a-1).

23 (a-1) If a Fiscal Year 2004 Shortfall is certified under
24 subsection (f) of Section 14-131 of the Illinois Pension Code,
25 there is hereby appropriated to the State Employees' Retirement
26 System of Illinois on a continuing basis from the General

1 Revenue Fund an additional aggregate amount equal to the Fiscal
2 Year 2004 Shortfall.

3 (b) The continuing appropriations provided for by this
4 Section shall first be available in State fiscal year 1996.

5 (c) Beginning in Fiscal Year 2005, any continuing
6 appropriation under this Section arising out of an
7 appropriation for personal services from the Road Fund to the
8 Department of State Police or the Secretary of State shall be
9 payable from the General Revenue Fund rather than the Road
10 Fund.

11 (d) For State fiscal year 2010 only, a continuing
12 appropriation is provided to the State Employees' Retirement
13 System equal to the amount certified by the System on or before
14 December 31, 2008, less the gross proceeds of the bonds sold in
15 fiscal year 2010 under the authorization contained in
16 subsection (a) of Section 7.2 of the General Obligation Bond
17 Act.

18 (Source: P.A. 93-665, eff. 3-5-04; 93-1067, eff. 1-15-05.)

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