

1 AN ACT concerning public employee benefits.

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

4 Section 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
18 continue assisting the most vulnerable of our citizens.

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

21 (30 ILCS 330/2) (from Ch. 127, par. 652)

22 Sec. 2. Authorization for Bonds. The State of Illinois is

1 authorized to issue, sell and provide for the retirement of
2 General Obligation Bonds of the State of Illinois for the
3 categories and specific purposes expressed in Sections 2
4 through 8 of this Act, in the total amount of \$34,159,149,369
5 ~~\$30,693,149,369~~.

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

8 Of the total amount of Bonds authorized in this Act, up to
9 \$2,200,000,000 in aggregate original principal amount may be
10 issued and sold in accordance with the Baccalaureate Savings
11 Act in the form of General Obligation College Savings Bonds.

12 Of the total amount of Bonds authorized in this Act, up to
13 \$300,000,000 in aggregate original principal amount may be
14 issued and sold in accordance with the Retirement Savings Act
15 in the form of General Obligation Retirement Savings Bonds.

16 Of the total amount of Bonds authorized in this Act, the
17 additional \$10,000,000,000 authorized by Public Act 93-2 and
18 the \$3,466,000,000 authorized by this amendatory Act of the
19 96th General Assembly ~~this amendatory Act of the 93rd General~~
20 ~~Assembly~~ shall be used solely as provided in Section 7.2.

21 The issuance and sale of Bonds pursuant to the General
22 Obligation Bond Act is an economical and efficient method of
23 financing the long-term capital needs of the State. This Act
24 will permit the issuance of a multi-purpose General Obligation
25 Bond with uniform terms and features. This will not only lower
26 the cost of registration but also reduce the overall cost of

1 issuing debt by improving the marketability of Illinois General
2 Obligation Bonds.

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

4 (30 ILCS 330/2.5)

5 Sec. 2.5. Limitation on issuance of Bonds.

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

18 (b) If the Comptroller and Treasurer each consent in
19 writing, Bonds may be issued even if the issuance does not
20 comply with subsection (a).

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

22 (30 ILCS 330/7.2)

23 Sec. 7.2. State pension funding.

24 (a) The amount of \$10,000,000,000 is authorized to be used

1 for the purpose of making contributions to the designated
2 retirement systems. For the purposes of this Section,
3 "designated retirement systems" means the State Employees'
4 Retirement System of Illinois; the Teachers' Retirement System
5 of the State of Illinois; the State Universities Retirement
6 System; the Judges Retirement System of Illinois; and the
7 General Assembly Retirement System.

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

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

15 The proceeds of the additional \$10,000,000,000 of Bonds
16 authorized by Public Act 93-2 ~~this amendatory Act of the 93rd~~
17 ~~General Assembly~~, less the amounts authorized in the Bond Sale
18 Order to be deposited directly into the capitalized interest
19 account of the General Obligation Bond Retirement and Interest
20 Fund or otherwise directly paid out for bond sale expenses
21 under Section 8, shall be deposited into the Pension
22 Contribution Fund and used as provided in this Section.

23 The proceeds of the additional \$3,466,000,000 of Bonds
24 authorized by this amendatory Act of the 96th General Assembly,
25 less the amounts directly paid out for bond sale expenses under
26 Section 8, shall be deposited into the Pension Contribution

1 Fund, and the Comptroller and the Treasurer shall, as soon as
2 practical, (i) first, transfer from the Pension Contribution
3 Fund to the General Revenue Fund or Common School Fund an
4 amount equal to the amount of payments, if any, made to the
5 designated retirement systems from the General Revenue Fund or
6 Common School Fund in State fiscal year 2010 and (ii) second,
7 make transfers from the Pension Contribution Fund to the
8 designated retirement systems pursuant to Sections 2-124,
9 14-131, 15-155, 16-158, and 18-131 of the Illinois Pension
10 Code.

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

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

25 Whenever any payment of required State contributions for
26 State fiscal year 2004 is made to one of the designated

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

16 (d) All amounts deposited into the Pension Contribution
17 Fund, other than the amounts reserved for the transfers under
18 subsection (c) from the bond sale authorized by Public Act 93-2
19 and other than amounts deposited into the Pension Contribution
20 Fund from the bond sale authorized by this amendatory Act of
21 the 96th General Assembly, shall be appropriated to the
22 designated retirement systems to reduce their actuarial
23 reserve deficiencies. The amount of the appropriation to each
24 designated retirement system shall constitute a portion of the
25 total appropriation under this subsection that is the same as
26 that retirement system's portion of the total actuarial reserve

1 deficiency of the systems, as most recently determined by the
2 Governor's Office of Management and Budget under Section 8.12
3 of the State Finance Act.

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

14 Upon receiving certification of an allocation under this
15 subsection, a designated retirement system shall submit to the
16 Comptroller a voucher for the amount of its allocation. The
17 voucher shall be paid out of the amount appropriated to that
18 designated retirement system from the Pension Contribution
19 Fund pursuant to this subsection.

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

21 (30 ILCS 330/9) (from Ch. 127, par. 659)

22 Sec. 9. Conditions for Issuance and Sale of Bonds -
23 Requirements for Bonds.

24 (a) Except as otherwise provided in this subsection, Bonds
25 shall be issued and sold from time to time, in one or more

1 series, in such amounts and at such prices as may be directed
2 by the Governor, upon recommendation by the Director of the
3 Governor's Office of Management and Budget. Bonds shall be in
4 such form (either coupon, registered or book entry), in such
5 denominations, payable within 25 years from their date, subject
6 to such terms of redemption with or without premium, bear
7 interest payable at such times and at such fixed or variable
8 rate or rates, and be dated as shall be fixed and determined by
9 the Director of the Governor's Office of Management and Budget
10 in the order authorizing the issuance and sale of any series of
11 Bonds, which order shall be approved by the Governor and is
12 herein called a "Bond Sale Order"; provided however, that
13 interest payable at fixed or variable rates shall not exceed
14 that permitted in the Bond Authorization Act, as now or
15 hereafter amended. Bonds shall be payable at such place or
16 places, within or without the State of Illinois, and may be
17 made registrable as to either principal or as to both principal
18 and interest, as shall be specified in the Bond Sale Order.
19 Bonds may be callable or subject to purchase and retirement or
20 tender and remarketing as fixed and determined in the Bond Sale
21 Order. Bonds must be issued with principal or mandatory
22 redemption amounts in equal amounts, with the first maturity
23 issued occurring within the fiscal year in which the Bonds are
24 issued or within the next succeeding fiscal year, with Bonds
25 issued maturing or subject to mandatory redemption each fiscal
26 year thereafter up to 25 years. Notwithstanding any provision

1 of this Act to the contrary, the Bonds authorized by this
2 amendatory Act of the 96th General Assembly shall be payable
3 within 5 years from their date and must be issued with
4 principal or mandatory redemption amounts in equal amounts,
5 with payment of principal or mandatory redemption beginning in
6 the first fiscal year following the fiscal year in which the
7 Bonds are issued.

8 In the case of any series of Bonds bearing interest at a
9 variable interest rate ("Variable Rate Bonds"), in lieu of
10 determining the rate or rates at which such series of Variable
11 Rate Bonds shall bear interest and the price or prices at which
12 such Variable Rate Bonds shall be initially sold or remarketed
13 (in the event of purchase and subsequent resale), the Bond Sale
14 Order may provide that such interest rates and prices may vary
15 from time to time depending on criteria established in such
16 Bond Sale Order, which criteria may include, without
17 limitation, references to indices or variations in interest
18 rates as may, in the judgment of a remarketing agent, be
19 necessary to cause Variable Rate Bonds of such series to be
20 remarketable from time to time at a price equal to their
21 principal amount, and may provide for appointment of a bank,
22 trust company, investment bank, or other financial institution
23 to serve as remarketing agent in that connection. The Bond Sale
24 Order may provide that alternative interest rates or provisions
25 for establishing alternative interest rates, different
26 security or claim priorities, or different call or amortization

1 provisions will apply during such times as Variable Rate Bonds
2 of any series are held by a person providing credit or
3 liquidity enhancement arrangements for such Bonds as
4 authorized in subsection (b) of this Section. The Bond Sale
5 Order may also provide for such variable interest rates to be
6 established pursuant to a process generally known as an auction
7 rate process and may provide for appointment of one or more
8 financial institutions to serve as auction agents and
9 broker-dealers in connection with the establishment of such
10 interest rates and the sale and remarketing of such Bonds.

11 (b) In connection with the issuance of any series of Bonds,
12 the State may enter into arrangements to provide additional
13 security and liquidity for such Bonds, including, without
14 limitation, bond or interest rate insurance or letters of
15 credit, lines of credit, bond purchase contracts, or other
16 arrangements whereby funds are made available to retire or
17 purchase Bonds, thereby assuring the ability of owners of the
18 Bonds to sell or redeem their Bonds. The State may enter into
19 contracts and may agree to pay fees to persons providing such
20 arrangements, but only under circumstances where the Director
21 of the Governor's Office of Management and Budget certifies
22 that he or she reasonably expects the total interest paid or to
23 be paid on the Bonds, together with the fees for the
24 arrangements (being treated as if interest), would not, taken
25 together, cause the Bonds to bear interest, calculated to their
26 stated maturity, at a rate in excess of the rate that the Bonds

1 would bear in the absence of such arrangements.

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

19 (c) Prior to the issuance of any Variable Rate Bonds
20 pursuant to subsection (a), the Director of the Governor's
21 Office of Management and Budget shall adopt an interest rate
22 risk management policy providing that the amount of the State's
23 variable rate exposure with respect to Bonds shall not exceed
24 20%. This policy shall remain in effect while any Bonds are
25 outstanding and the issuance of Bonds shall be subject to the
26 terms of such policy. The terms of this policy may be amended

1 from time to time by the Director of the Governor's Office of
2 Management and Budget but in no event shall any amendment cause
3 the permitted level of the State's variable rate exposure with
4 respect to Bonds to exceed 20%.

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

7 (30 ILCS 330/11) (from Ch. 127, par. 661)

8 Sec. 11. Sale of Bonds. Except as otherwise provided in
9 this Section, Bonds shall be sold from time to time pursuant to
10 notice of sale and public bid or by negotiated sale in such
11 amounts and at such times as is directed by the Governor, upon
12 recommendation by the Director of the Governor's Office of
13 Management and Budget. At least 25%, based on total principal
14 amount, of all Bonds issued each fiscal year shall be sold
15 pursuant to notice of sale and public bid. At all times during
16 each fiscal year, no more than 75%, based on total principal
17 amount, of the Bonds issued each fiscal year, shall have been
18 sold by negotiated sale. Failure to satisfy the requirements in
19 the preceding 2 sentences shall not affect the validity of any
20 previously issued Bonds; provided that all Bonds authorized by
21 this amendatory Act of the 96th General Assembly shall not be
22 included in determining compliance for any fiscal year with the
23 requirements of the preceding 2 sentences; and further provided
24 that refunding Bonds satisfying the requirements of Section 16
25 of this Act and sold during fiscal year 2009, 2010, or 2011

1 shall not be subject to the requirements in the preceding 2
2 sentences.

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

8 If Bonds are to be sold pursuant to notice of sale and
9 public bid, the Director of the Governor's Office of Management
10 and Budget shall, from time to time, as Bonds are to be sold,
11 advertise the sale of the Bonds in at least 2 daily newspapers,
12 one of which is published in the City of Springfield and one in
13 the City of Chicago. The sale of the Bonds shall also be
14 advertised in the volume of the Illinois Procurement Bulletin
15 that is published by the Department of Central Management
16 Services. Each of the advertisements for proposals shall be
17 published once at least 10 days prior to the date fixed for the
18 opening of the bids. The Director of the Governor's Office of
19 Management and Budget may reschedule the date of sale upon the
20 giving of such additional notice as the Director deems adequate
21 to inform prospective bidders of such change; provided,
22 however, that all other conditions of the sale shall continue
23 as originally advertised.

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

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

2 (30 ILCS 330/15) (from Ch. 127, par. 665)

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

4 (a) Upon each delivery of Bonds authorized to be issued
5 under this Act, the Comptroller shall compute and certify to
6 the Treasurer the total amount of principal of, interest on,
7 and premium, if any, on Bonds issued that will be payable in
8 order to retire such Bonds and the amount of principal of,
9 interest on and premium, if any, on such Bonds that will be
10 payable on each payment date according to the tenor of such
11 Bonds during the then current and each succeeding fiscal year.
12 With respect to the interest payable on variable rate bonds,
13 such certifications shall be calculated at the maximum rate of
14 interest that may be payable during the fiscal year, after
15 taking into account any credits permitted in the related
16 indenture or other instrument against the amount of such
17 interest required to be appropriated for such period pursuant
18 to subsection (c) of Section 14 of this Act. With respect to
19 the interest payable, such certifications shall include the
20 amounts certified by the Director of the Governor's Office of
21 Management and Budget under subsection (b) of Section 9 of this
22 Act.

23 On or before the last day of each month the State Treasurer
24 and Comptroller shall transfer from (1) the Road Fund with
25 respect to Bonds issued under paragraph (a) of Section 4 of

1 this Act or Bonds issued for the purpose of refunding such
2 bonds, and from (2) the General Revenue Fund, with respect to
3 all other Bonds issued under this Act, to the General
4 Obligation Bond Retirement and Interest Fund an amount
5 sufficient to pay the aggregate of the principal of, interest
6 on, and premium, if any, on Bonds payable, by their terms on
7 the next payment date divided by the number of full calendar
8 months between the date of such Bonds and the first such
9 payment date, and thereafter, divided by the number of months
10 between each succeeding payment date after the first. Such
11 computations and transfers shall be made for each series of
12 Bonds issued and delivered. Interest payable on variable rate
13 bonds shall be calculated at the maximum rate of interest that
14 may be payable for the relevant period, after taking into
15 account any credits permitted in the related indenture or other
16 instrument against the amount of such interest required to be
17 appropriated for such period pursuant to subsection (c) of
18 Section 14 of this Act. Computations of interest shall include
19 the amounts certified by the Director of the Governor's Office
20 of Management and Budget under subsection (b) of Section 9 of
21 this Act. Interest for which moneys have already been deposited
22 into the capitalized interest account within the General
23 Obligation Bond Retirement and Interest Fund shall not be
24 included in the calculation of the amounts to be transferred
25 under this subsection. Notwithstanding any other provision in
26 this Section, the transfer provisions provided in this

1 paragraph shall not apply to transfers made in fiscal year 2010
2 with respect to Bonds issued in fiscal year 2010 pursuant to
3 Section 7.2 of this Act. In the case of transfers made in
4 fiscal year 2010 with respect to the Bonds issued in fiscal
5 year 2010 pursuant to Section 7.2 of this Act, on or before the
6 15th day of the month prior to the required debt service
7 payment, the State Treasurer and Comptroller shall transfer
8 from the General Revenue Fund to the General Obligation Bond
9 Retirement and Interest Fund an amount sufficient to pay the
10 aggregate of the principal of, interest on, and premium, if
11 any, on the Bonds payable in that next month.

12 The transfer of monies herein and above directed is not
13 required if monies in the General Obligation Bond Retirement
14 and Interest Fund are more than the amount otherwise to be
15 transferred as herein above provided, and if the Governor or
16 his authorized representative notifies the State Treasurer and
17 Comptroller of such fact in writing.

18 (b) After the effective date of this Act, the balance of,
19 and monies directed to be included in the Capital Development
20 Bond Retirement and Interest Fund, Anti-Pollution Bond
21 Retirement and Interest Fund, Transportation Bond, Series A
22 Retirement and Interest Fund, Transportation Bond, Series B
23 Retirement and Interest Fund, and Coal Development Bond
24 Retirement and Interest Fund shall be transferred to and
25 deposited in the General Obligation Bond Retirement and
26 Interest Fund. This Fund shall be used to make debt service

1 payments on the State's general obligation Bonds heretofore
2 issued which are now outstanding and payable from the Funds
3 herein listed as well as on Bonds issued under this Act.

4 (c) The unused portion of federal funds received for a
5 capital facilities project, as authorized by Section 3 of this
6 Act, for which monies from the Capital Development Fund have
7 been expended shall be deposited upon completion of the project
8 in the General Obligation Bond Retirement and Interest Fund.
9 Any federal funds received as reimbursement for the completed
10 construction of a capital facilities project, as authorized by
11 Section 3 of this Act, for which monies from the Capital
12 Development Fund have been expended shall be deposited in the
13 General Obligation Bond Retirement and Interest Fund.

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

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

19 (40 ILCS 5/2-124) (from Ch. 108 1/2, par. 2-124)

20 Sec. 2-124. Contributions by State.

21 (a) The State shall make contributions to the System by
22 appropriations of amounts which, together with the
23 contributions of participants, interest earned on investments,
24 and other income will meet the cost of maintaining and

1 administering the System on a 90% funded basis in accordance
2 with actuarial recommendations.

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

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

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

23 Notwithstanding any other provision of this Article, the
24 total required State contribution for State fiscal year 2006 is
25 \$4,157,000.

26 Notwithstanding any other provision of this Article, the

1 total required State contribution for State fiscal year 2007 is
2 \$5,220,300.

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

10 Notwithstanding any other provision of this Article, the
11 total required State contribution for State fiscal year 2010 is
12 \$10,454,000 and shall be made from the proceeds of bonds sold
13 in fiscal year 2010 pursuant to Section 7.2 of the General
14 Obligation Bond Act, less (i) the pro rata share of bond sale
15 expenses determined by the System's share of total bond
16 proceeds, (ii) any amounts received from the General Revenue
17 Fund in fiscal year 2010, and (iii) any reduction in bond
18 proceeds due to the issuance of discounted bonds, if
19 applicable.

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

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

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

10 Notwithstanding any other provision of this Section, the
11 required State contribution for State fiscal year 2005 and for
12 fiscal year 2008 and each fiscal year thereafter, as calculated
13 under this Section and certified under Section 2-134, shall not
14 exceed an amount equal to (i) the amount of the required State
15 contribution that would have been calculated under this Section
16 for that fiscal year if the System had not received any
17 payments under subsection (d) of Section 7.2 of the General
18 Obligation Bond Act, minus (ii) the portion of the State's
19 total debt service payments for that fiscal year on the bonds
20 issued for the purposes of that Section 7.2, as determined and
21 certified by the Comptroller, that is the same as the System's
22 portion of the total moneys distributed under subsection (d) of
23 Section 7.2 of the General Obligation Bond Act. In determining
24 this maximum for State fiscal years 2008 through 2010, however,
25 the amount referred to in item (i) shall be increased, as a
26 percentage of the applicable employee payroll, in equal

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

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

12 As of June 30, 2008, the actuarial value of the System's
13 assets shall be equal to the market value of the assets as of
14 that date. In determining the actuarial value of the System's
15 assets for fiscal years after June 30, 2008, any actuarial
16 gains or losses from investment return incurred in a fiscal
17 year shall be recognized in equal annual amounts over the
18 5-year period following that fiscal year.

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

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

1 Sec. 14-131. Contributions by State.

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

9 For the purposes of this Section and Section 14-135.08,
10 references to State contributions refer only to employer
11 contributions and do not include employee contributions that
12 are picked up or otherwise paid by the State or a department on
13 behalf of the employee.

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

18 The Board shall also determine a State contribution rate
19 for each fiscal year, expressed as a percentage of payroll,
20 based on the total required State contribution for that fiscal
21 year (less the amount received by the System from
22 appropriations under Section 8.12 of the State Finance Act and
23 Section 1 of the State Pension Funds Continuing Appropriation
24 Act, if any, for the fiscal year ending on the June 30
25 immediately preceding the applicable November 15 certification
26 deadline), the estimated payroll (including all forms of

1 compensation) for personal services rendered by eligible
2 employees, and the recommendations of the actuary.

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

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

24 (d) If an employee is paid from trust funds or federal
25 funds, the department or other employer shall pay employer
26 contributions from those funds to the System at the certified

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

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

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

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

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

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

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

1 Section.

2 Notwithstanding any other provision of this Article, the
3 total required State General Revenue Fund contribution for
4 State fiscal year 2010 is \$723,703,100 and shall be made from
5 the proceeds of bonds sold in fiscal year 2010 pursuant to
6 Section 7.2 of the General Obligation Bond Act, less (i) the
7 pro rata share of bond sale expenses determined by the System's
8 share of total bond proceeds, (ii) any amounts received from
9 the General Revenue Fund in fiscal year 2010, and (iii) any
10 reduction in bond proceeds due to the issuance of discounted
11 bonds, if applicable.

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

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

1 System under Section 25 of the Budget Stabilization Act.

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

26 (f) After the submission of all payments for eligible

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

24 (g) For purposes of determining the required State
25 contribution to the System, the value of the System's assets
26 shall be equal to the actuarial value of the System's assets,

1 which shall be calculated as follows:

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

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

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

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

16 Sec. 15-155. Employer contributions.

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

24 The Board shall determine the amount of State contributions
25 required for each fiscal year on the basis of the actuarial

1 tables and other assumptions adopted by the Board and the
2 recommendations of the actuary, using the formula in subsection
3 (a-1).

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

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

19 Notwithstanding any other provision of this Article, the
20 total required State contribution for State fiscal year 2006 is
21 \$166,641,900.

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

25 For each of State fiscal years 2008 through 2009 ~~2010~~, the
26 State contribution to the System, as a percentage of the

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

6 Notwithstanding any other provision of this Article, the
7 total required State contribution for State fiscal year 2010 is
8 \$702,514,000 and shall be made from the State Pensions Fund and
9 proceeds of bonds sold in fiscal year 2010 pursuant to Section
10 7.2 of the General Obligation Bond Act, less (i) the pro rata
11 share of bond sale expenses determined by the System's share of
12 total bond proceeds, (ii) any amounts received from the General
13 Revenue Fund in fiscal year 2010, (iii) any reduction in bond
14 proceeds due to the issuance of discounted bonds, if
15 applicable.

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

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

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

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

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

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

19 (b-1) The City of Urbana and the City of Champaign shall
20 each make employer contributions to this System for their
21 respective firefighter employees who participate in this
22 System pursuant to subsection (h) of Section 15-107. The rate
23 of contributions to be made by those municipalities shall be
24 determined annually by the Board on the basis of the actuarial
25 assumptions adopted by the Board and the recommendations of the
26 actuary, and shall be expressed as a percentage of salary for

1 each such employee. The Board shall certify the rate to the
2 affected municipalities as soon as may be practical. The
3 employer contributions required under this subsection shall be
4 remitted by the municipality to the System at the same time and
5 in the same manner as employee contributions.

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

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

22 (e) The State Comptroller shall draw warrants payable to
23 the System upon proper certification by the System or by the
24 employer in accordance with the appropriation laws and this
25 Code.

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

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

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

24 Whenever it determines that a payment is or may be required
25 under this subsection (g), the System shall calculate the
26 amount of the payment and bill the employer for that amount.

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

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

22 (h) This subsection (h) applies only to payments made or
23 salary increases given on or after June 1, 2005 but before July
24 1, 2011. The changes made by Public Act 94-1057 shall not
25 require the System to refund any payments received before July
26 31, 2006 (the effective date of Public Act 94-1057).

1 When assessing payment for any amount due under subsection
2 (g), the System shall exclude earnings increases paid to
3 participants under contracts or collective bargaining
4 agreements entered into, amended, or renewed before June 1,
5 2005.

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

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

24 When assessing payment for any amount due under subsection
25 (g), the System shall exclude any earnings increase resulting
26 from (i) a promotion for which the employee moves from one

1 classification to a higher classification under the State
2 Universities Civil Service System, (ii) a promotion in academic
3 rank for a tenured or tenure-track faculty position, or (iii) a
4 promotion that the Illinois Community College Board has
5 recommended in accordance with subsection (k) of this Section.
6 These earnings increases shall be excluded only if the
7 promotion is to a position that has existed and been filled by
8 a member for no less than one complete academic year and the
9 earnings increase as a result of the promotion is an increase
10 that results in an amount no greater than the average salary
11 paid for other similar positions.

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

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

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

1 employer.

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

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

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

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

26 (l) For purposes of determining the required State

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

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

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

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

17 (40 ILCS 5/16-158) (from Ch. 108 1/2, par. 16-158)

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

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

1 in accordance with actuarial recommendations.

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

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

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

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

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

26 (b-1) Beginning in State fiscal year 1996, on the 15th day

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

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

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

26 (b-3) For State fiscal years 2011 through 2045, the minimum

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

10 For State fiscal years 1996 through 2005, the State
11 contribution to the System, as a percentage of the applicable
12 employee payroll, shall be increased in equal annual increments
13 so that by State fiscal year 2011, the State is contributing at
14 the rate required under this Section; except that in the
15 following specified State fiscal years, the State contribution
16 to the System shall not be less than the following indicated
17 percentages of the applicable employee payroll, even if the
18 indicated percentage will produce a State contribution in
19 excess of the amount otherwise required under this subsection
20 and subsection (a), and notwithstanding any contrary
21 certification made under subsection (a-1) before the effective
22 date of this amendatory Act of 1998: 10.02% in FY 1999; 10.77%
23 in FY 2000; 11.47% in FY 2001; 12.16% in FY 2002; 12.86% in FY
24 2003; and 13.56% in FY 2004.

25 Notwithstanding any other provision of this Article, the
26 total required State contribution for State fiscal year 2006 is

1 \$534,627,700.

2 Notwithstanding any other provision of this Article, the
3 total required State contribution for State fiscal year 2007 is
4 \$738,014,500.

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

12 Notwithstanding any other provision of this Article, the
13 total required State contribution for State fiscal year 2010 is
14 \$2,089,268,000 and shall be made from the proceeds of bonds
15 sold in fiscal year 2010 pursuant to Section 7.2 of the General
16 Obligation Bond Act, less (i) the pro rata share of bond sale
17 expenses determined by the System's share of total bond
18 proceeds, (ii) any amounts received from the Common School Fund
19 in fiscal year 2010, and (iii) any reduction in bond proceeds
20 due to the issuance of discounted bonds, if applicable.

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

25 Amounts received by the System pursuant to Section 25 of
26 the Budget Stabilization Act or Section 8.12 of the State

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

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

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

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

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

24 (d) Effective July 1, 1986, any employer of a teacher as
25 defined in paragraph (8) of Section 16-106 shall pay the
26 employer's normal cost of benefits based upon the teacher's

1 service, in addition to employee contributions, as determined
2 by the System. Such employer contributions shall be forwarded
3 monthly in accordance with guidelines established by the
4 System.

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

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

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

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

26 The school district or other employing unit may pay these

1 employer contributions out of any source of funding available
2 for that purpose and shall forward the contributions to the
3 System on the schedule established for the payment of member
4 contributions.

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

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

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

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

1 the employee organization shall jointly certify to the System
2 the existence of the contractual requirement, in such form as
3 the System may prescribe. This exclusion shall cease upon the
4 termination, extension, or renewal of the contract at any time
5 after May 1, 1998.

6 (f) If the amount of a teacher's salary for any school year
7 used to determine final average salary exceeds the member's
8 annual full-time salary rate with the same employer for the
9 previous school year by more than 6%, the teacher's employer
10 shall pay to the System, in addition to all other payments
11 required under this Section and in accordance with guidelines
12 established by the System, the present value of the increase in
13 benefits resulting from the portion of the increase in salary
14 that is in excess of 6%. This present value shall be computed
15 by the System on the basis of the actuarial assumptions and
16 tables used in the most recent actuarial valuation of the
17 System that is available at the time of the computation. If a
18 teacher's salary for the 2005-2006 school year is used to
19 determine final average salary under this subsection (f), then
20 the changes made to this subsection (f) by Public Act 94-1057
21 shall apply in calculating whether the increase in his or her
22 salary is in excess of 6%. For the purposes of this Section,
23 change in employment under Section 10-21.12 of the School Code
24 on or after June 1, 2005 shall constitute a change in employer.
25 The System may require the employer to provide any pertinent
26 information or documentation. The changes made to this

1 subsection (f) by this amendatory Act of the 94th General
2 Assembly apply without regard to whether the teacher was in
3 service on or after its effective date.

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

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

1 bill.

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

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

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

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

25 When assessing payment for any amount due under subsection
26 (f), the System shall exclude a salary increase resulting from

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

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

19 (h) When assessing payment for any amount due under
20 subsection (f), the System shall exclude any salary increase
21 described in subsection (g) 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 (f) of this Section.

3 (i) 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 (j) For purposes of determining the required State
19 contribution to the System, the value of the System's assets
20 shall be equal to the actuarial value of the System's assets,
21 which shall be calculated as follows:

22 As of June 30, 2008, the actuarial value of the System's
23 assets shall be equal to the market value of the assets as of
24 that date. In determining the actuarial value of the System's
25 assets for fiscal years after June 30, 2008, any actuarial
26 gains or losses from investment return incurred in a fiscal

1 year shall be recognized in equal annual amounts over the
2 5-year period following that fiscal year.

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

7 (Source: P.A. 94-4, eff. 6-1-05; 94-839, eff. 6-6-06; 94-1057,
8 eff. 7-31-06; 94-1111, eff. 2-27-07; 95-331, eff. 8-21-07;
9 95-950, eff. 8-29-08.)

10 (40 ILCS 5/18-131) (from Ch. 108 1/2, par. 18-131)

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

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

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

23 (c) For State fiscal years 2011 through 2045, the minimum
24 contribution to the System to be made by the State for each
25 fiscal year shall be an amount determined by the System to be

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

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

13 Notwithstanding any other provision of this Article, the
14 total required State contribution for State fiscal year 2006 is
15 \$29,189,400.

16 Notwithstanding any other provision of this Article, the
17 total required State contribution for State fiscal year 2007 is
18 \$35,236,800.

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

26 Notwithstanding any other provision of this Article, the

1 total required State contribution for State fiscal year 2010 is
2 \$78,832,000 and shall be made from the proceeds of bonds sold
3 in fiscal year 2010 pursuant to Section 7.2 of the General
4 Obligation Bond Act, less (i) the pro rata share of bond sale
5 expenses determined by the System's share of total bond
6 proceeds, (ii) any amounts received from the General Revenue
7 Fund in fiscal year 2010, and (iii) any reduction in bond
8 proceeds due to the issuance of discounted bonds, if
9 applicable.

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

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

26 Notwithstanding any other provision of this Section, the

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

24 (d) For purposes of determining the required State
25 contribution to the System, the value of the System's assets
26 shall be equal to the actuarial value of the System's assets,

1 which shall be calculated as follows:

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

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

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

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

18 (40 ILCS 15/1.1)

19 Sec. 1.1. Appropriations to certain retirement systems.

20 (a) There is hereby appropriated from the General Revenue
21 Fund to the General Assembly Retirement System, on a continuing
22 monthly basis, the amount, if any, by which the total available
23 amount of all other appropriations to that retirement system
24 for the payment of State contributions is less than the total

1 amount of the vouchers for required State contributions
2 lawfully submitted by the retirement system for that month
3 under Section 2-134 of the Illinois Pension Code.

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

15 (c) There is hereby appropriated from the Common School
16 Fund to the Teachers' Retirement System of the State of
17 Illinois, on a continuing monthly basis, the amount, if any, by
18 which the total available amount of all other appropriations to
19 that retirement system for the payment of State contributions
20 is less than the total amount of the vouchers for required
21 State contributions lawfully submitted by the retirement
22 system for that month under Section 16-158 of the Illinois
23 Pension Code.

24 (d) There is hereby appropriated from the General Revenue
25 Fund to the Judges Retirement System of Illinois, on a
26 continuing monthly basis, the amount, if any, by which the

1 total available amount of all other appropriations to that
2 retirement system for the payment of State contributions is
3 less than the total amount of the vouchers for required State
4 contributions lawfully submitted by the retirement system for
5 that month under Section 18-140 of the Illinois Pension Code.

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

8 (f) For State fiscal year 2010 only, the continuing
9 appropriations provided by this Section are equal to the amount
10 certified by each System on or before December 31, 2008, less
11 (i) the gross proceeds of the bonds sold in fiscal year 2010
12 under the authorization contained in subsection (a) of Section
13 7.2 of the General Obligation Bond Act and (ii) any amounts
14 received from the State Pensions Fund.

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

16 (40 ILCS 15/1.2)

17 Sec. 1.2. Appropriations for the State Employees'
18 Retirement System.

19 (a) From each fund from which an amount is appropriated for
20 personal services to a department or other employer under
21 Article 14 of the Illinois Pension Code, there is hereby
22 appropriated to that department or other employer, on a
23 continuing annual basis for each State fiscal year, an
24 additional amount equal to the amount, if any, by which (1) an
25 amount equal to the percentage of the personal services line

1 item for that department or employer from that fund for that
2 fiscal year that the Board of Trustees of the State Employees'
3 Retirement System of Illinois has certified under Section
4 14-135.08 of the Illinois Pension Code to be necessary to meet
5 the State's obligation under Section 14-131 of the Illinois
6 Pension Code for that fiscal year, exceeds (2) the amounts
7 otherwise appropriated to that department or employer from that
8 fund for State contributions to the State Employees' Retirement
9 System for that fiscal year. From the effective date of this
10 amendatory Act of the 93rd General Assembly through the final
11 payment from a department or employer's personal services line
12 item for fiscal year 2004, payments to the State Employees'
13 Retirement System that otherwise would have been made under
14 this subsection (a) shall be governed by the provisions in
15 subsection (a-1).

16 (a-1) If a Fiscal Year 2004 Shortfall is certified under
17 subsection (f) of Section 14-131 of the Illinois Pension Code,
18 there is hereby appropriated to the State Employees' Retirement
19 System of Illinois on a continuing basis from the General
20 Revenue Fund an additional aggregate amount equal to the Fiscal
21 Year 2004 Shortfall.

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

24 (c) Beginning in Fiscal Year 2005, any continuing
25 appropriation under this Section arising out of an
26 appropriation for personal services from the Road Fund to the

1 Department of State Police or the Secretary of State shall be
2 payable from the General Revenue Fund rather than the Road
3 Fund.

4 (d) For State fiscal year 2010 only, a continuing
5 appropriation is provided to the State Employees' Retirement
6 System equal to the amount certified by the System on or before
7 December 31, 2008, less the gross proceeds of the bonds sold in
8 fiscal year 2010 under the authorization contained in
9 subsection (a) of Section 7.2 of the General Obligation Bond
10 Act.

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

12 Section 99. Effective date. This Act takes effect upon
13 becoming law.