



Executive Committee

**Filed: 5/5/2010**

09600SB3514ham001

LRB096 18423 AMC 41224 a

1 AMENDMENT TO SENATE BILL 3514

2 AMENDMENT NO. \_\_\_\_\_. Amend Senate Bill 3514 by replacing  
3 everything after the enacting clause with the following:

4 "Section 5. The State Finance Act is amended by changing  
5 Section 14.1 as follows:

6 (30 ILCS 105/14.1) (from Ch. 127, par. 150.1)

7 Sec. 14.1. Appropriations for State contributions to the  
8 State Employees' Retirement System; payroll requirements.

9 (a) Appropriations for State contributions to the State  
10 Employees' Retirement System of Illinois shall be expended in  
11 the manner provided in this Section. Except as otherwise  
12 provided in subsections (a-1) and (a-2), at the time of each  
13 payment of salary to an employee under the personal services  
14 line item, payment shall be made to the State Employees'  
15 Retirement System, from the amount appropriated for State  
16 contributions to the State Employees' Retirement System, of an

1 amount calculated at the rate certified for the applicable  
2 fiscal year by the Board of Trustees of the State Employees'  
3 Retirement System under Section 14-135.08 of the Illinois  
4 Pension Code. If a line item appropriation to an employer for  
5 this purpose is exhausted or is unavailable due to any  
6 limitation on appropriations that may apply, (including, but  
7 not limited to, limitations on appropriations from the Road  
8 Fund under Section 8.3 of the State Finance Act), the amounts  
9 shall be paid under the continuing appropriation for this  
10 purpose contained in the State Pension Funds Continuing  
11 Appropriation Act.

12 (a-1) Beginning on the effective date of this amendatory  
13 Act of the 93rd General Assembly through the payment of the  
14 final payroll from fiscal year 2004 appropriations,  
15 appropriations for State contributions to the State Employees'  
16 Retirement System of Illinois shall be expended in the manner  
17 provided in this subsection (a-1). At the time of each payment  
18 of salary to an employee under the personal services line item  
19 from a fund other than the General Revenue Fund, payment shall  
20 be made for deposit into the General Revenue Fund from the  
21 amount appropriated for State contributions to the State  
22 Employees' Retirement System of an amount calculated at the  
23 rate certified for fiscal year 2004 by the Board of Trustees of  
24 the State Employees' Retirement System under Section 14-135.08  
25 of the Illinois Pension Code. This payment shall be made to the  
26 extent that a line item appropriation to an employer for this

1 purpose is available or unexhausted. No payment from  
2 appropriations for State contributions shall be made in  
3 conjunction with payment of salary to an employee under the  
4 personal services line item from the General Revenue Fund.

5 (a-2) For fiscal year 2010 only, at the time of each  
6 payment of salary to an employee under the personal services  
7 line item from a fund other than the General Revenue Fund,  
8 payment shall be made for deposit into the State Employees'  
9 Retirement System of Illinois from the amount appropriated for  
10 State contributions to the State Employees' Retirement System  
11 of Illinois of an amount calculated at the rate certified for  
12 fiscal year 2010 by the Board of Trustees of the State  
13 Employees' Retirement System of Illinois under Section  
14 14-135.08 of the Illinois Pension Code. This payment shall be  
15 made to the extent that a line item appropriation to an  
16 employer for this purpose is available or unexhausted. For  
17 fiscal year 2010 only, no payment from appropriations for State  
18 contributions shall be made in conjunction with payment of  
19 salary to an employee under the personal services line item  
20 from the General Revenue Fund.

21 (a-3) For fiscal year 2011 only, at the time of each  
22 payment of salary to an employee under the personal services  
23 line item from a fund other than the General Revenue Fund,  
24 payment shall be made for deposit into the State Employees'  
25 Retirement System of Illinois from the amount appropriated for  
26 State contributions to the State Employees' Retirement System

1 of Illinois of an amount calculated at the rate certified for  
2 fiscal year 2011 by the Board of Trustees of the State  
3 Employees' Retirement System of Illinois under Section  
4 14-135.08 of the Illinois Pension Code. This payment shall be  
5 made to the extent that a line item appropriation to an  
6 employer for this purpose is available or unexhausted. For  
7 fiscal year 2011 only, no payment from appropriations for State  
8 contributions shall be made in conjunction with payment of  
9 salary to an employee under the personal services line item  
10 from the General Revenue Fund.

11 (b) Except during the period beginning on the effective  
12 date of this amendatory Act of the 93rd General Assembly and  
13 ending at the time of the payment of the final payroll from  
14 fiscal year 2004 appropriations, the State Comptroller shall  
15 not approve for payment any payroll voucher that (1) includes  
16 payments of salary to eligible employees in the State  
17 Employees' Retirement System of Illinois and (2) does not  
18 include the corresponding payment of State contributions to  
19 that retirement system at the full rate certified under Section  
20 14-135.08 for that fiscal year for eligible employees, unless  
21 the balance in the fund on which the payroll voucher is drawn  
22 is insufficient to pay the total payroll voucher, or  
23 unavailable due to any limitation on appropriations that may  
24 apply, including, but not limited to, limitations on  
25 appropriations from the Road Fund under Section 8.3 of the  
26 State Finance Act. If the State Comptroller approves a payroll

1 voucher under this Section for which the fund balance is  
2 insufficient to pay the full amount of the required State  
3 contribution to the State Employees' Retirement System, the  
4 Comptroller shall promptly so notify the Retirement System.

5 (b-1) For fiscal year 2010 only, the State Comptroller  
6 shall not approve for payment any non-General Revenue Fund  
7 payroll voucher that (1) includes payments of salary to  
8 eligible employees in the State Employees' Retirement System of  
9 Illinois and (2) does not include the corresponding payment of  
10 State contributions to that retirement system at the full rate  
11 certified under Section 14-135.08 for that fiscal year for  
12 eligible employees, unless the balance in the fund on which the  
13 payroll voucher is drawn is insufficient to pay the total  
14 payroll voucher, or unavailable due to any limitation on  
15 appropriations that may apply, including, but not limited to,  
16 limitations on appropriations from the Road Fund under Section  
17 8.3 of the State Finance Act. If the State Comptroller approves  
18 a payroll voucher under this Section for which the fund balance  
19 is insufficient to pay the full amount of the required State  
20 contribution to the State Employees' Retirement System of  
21 Illinois, the Comptroller shall promptly so notify the  
22 retirement system.

23 (c) Notwithstanding any other provisions of law, beginning  
24 July 1, 2007, required State and employee contributions to the  
25 State Employees' Retirement System of Illinois relating to  
26 affected legislative staff employees shall be paid out of

1 moneys appropriated for that purpose to the Commission on  
2 Government Forecasting and Accountability, rather than out of  
3 the lump-sum appropriations otherwise made for the payroll and  
4 other costs of those employees.

5 These payments must be made pursuant to payroll vouchers  
6 submitted by the employing entity as part of the regular  
7 payroll voucher process.

8 For the purpose of this subsection, "affected legislative  
9 staff employees" means legislative staff employees paid out of  
10 lump-sum appropriations made to the General Assembly, an  
11 Officer of the General Assembly, or the Senate Operations  
12 Commission, but does not include district-office staff or  
13 employees of legislative support services agencies.

14 (Source: P.A. 95-707, eff. 1-11-08; 96-45, eff. 7-15-09.)

15 Section 10. The General Obligation Bond Act is amended by  
16 changing Sections 2, 2.5, 7.2, 9, 11, 14.1, and 15 as follows:

17 (30 ILCS 330/2) (from Ch. 127, par. 652)

18 Sec. 2. Authorization for Bonds. The State of Illinois is  
19 authorized to issue, sell and provide for the retirement of  
20 General Obligation Bonds of the State of Illinois for the  
21 categories and specific purposes expressed in Sections 2  
22 through 8 of this Act, in the total amount of \$40,917,777,443  
23 ~~\$37,217,777,443~~.

24 The bonds authorized in this Section 2 and in Section 16 of

1 this Act are herein called "Bonds".

2 Of the total amount of Bonds authorized in this Act, up to  
3 \$2,200,000,000 in aggregate original principal amount may be  
4 issued and sold in accordance with the Baccalaureate Savings  
5 Act in the form of General Obligation College Savings Bonds.

6 Of the total amount of Bonds authorized in this Act, up to  
7 \$300,000,000 in aggregate original principal amount may be  
8 issued and sold in accordance with the Retirement Savings Act  
9 in the form of General Obligation Retirement Savings Bonds.

10 Of the total amount of Bonds authorized in this Act, the  
11 additional \$10,000,000,000 authorized by Public Act 93-2, ~~and~~  
12 the \$3,466,000,000 authorized by Public Act 96-43, and the  
13 \$3,700,000,000 authorized by this amendatory Act of the 96th  
14 General Assembly shall be used solely as provided in Section  
15 7.2.

16 The issuance and sale of Bonds pursuant to the General  
17 Obligation Bond Act is an economical and efficient method of  
18 financing the long-term capital needs of the State. This Act  
19 will permit the issuance of a multi-purpose General Obligation  
20 Bond with uniform terms and features. This will not only lower  
21 the cost of registration but also reduce the overall cost of  
22 issuing debt by improving the marketability of Illinois General  
23 Obligation Bonds.

24 (Source: P.A. 95-1026, eff. 1-12-09; 96-5, eff. 4-3-09; 96-36,  
25 eff. 7-13-09; 96-43, eff. 7-15-09; 96-885, eff. 3-11-10.)

1 (30 ILCS 330/2.5)

2 Sec. 2.5. Limitation on issuance of Bonds.

3 (a) Except as provided in subsection (b), no Bonds may be  
4 issued if, after the issuance, in the next State fiscal year  
5 after the issuance of the Bonds, the amount of debt service  
6 (including principal, whether payable at maturity or pursuant  
7 to mandatory sinking fund installments, and interest) on all  
8 then-outstanding Bonds, other than Bonds authorized by Public  
9 Act 96-43 or by this amendatory Act of the 96th General  
10 Assembly ~~this amendatory Act of the 96th General Assembly,~~  
11 would exceed 7% of the aggregate appropriations from the  
12 general funds (which consist of the General Revenue Fund, the  
13 Common School Fund, the General Revenue Common School Special  
14 Account Fund, and the Education Assistance Fund) and the Road  
15 Fund for the fiscal year immediately prior to the fiscal year  
16 of the issuance.

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

20 (Source: P.A. 96-43, eff. 7-15-09.)

21 (30 ILCS 330/7.2)

22 Sec. 7.2. State pension funding.

23 (a) The amount of \$10,000,000,000 is authorized to be used  
24 for the purpose of making contributions to the designated  
25 retirement systems. For the purposes of this Section,



1 "designated retirement systems" means the State Employees'  
2 Retirement System of Illinois; the Teachers' Retirement System  
3 of the State of Illinois; the State Universities Retirement  
4 System; the Judges Retirement System of Illinois; and the  
5 General Assembly Retirement System.

6 The amount of \$3,466,000,000 of Bonds authorized by Public  
7 Act 96-43 ~~this amendatory Act of the 96th General Assembly~~ is  
8 authorized to be used for the purpose of making a portion of  
9 the State's Fiscal Year 2010 required contributions to the  
10 designated retirement systems.

11 The amount of \$3,700,000,000 of Bonds authorized by this  
12 amendatory Act of the 96th General Assembly is authorized to be  
13 used for the purpose of making the State's Fiscal Year 2011  
14 required contributions to the designated retirement systems.

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

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

24 The proceeds of the additional \$3,466,000,000 of Bonds  
25 authorized by Public Act 96-43 ~~this amendatory Act of the 96th~~  
26 ~~General Assembly~~, less the amounts directly paid out for bond

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

12 The additional \$3,700,000,000 of Bonds authorized by this  
13 amendatory Act of the 96th General Assembly may be issued only  
14 for the purpose of fulfilling the State's Fiscal Year 2011  
15 required contributions to the designated retirement systems.

16 All or a portion of the Bonds shall be issued directly to  
17 the designated retirement systems, with the remaining amount  
18 necessary to make the required contributions sold by negotiated  
19 sale, if the State first obtains, prior to April 15, 2011, a  
20 written determination from the Internal Revenue Service that an  
21 issuance directly to the retirement systems is not a prohibited  
22 transaction under Section 503(b) of the Internal Revenue Code.  
23 If the State is unable to obtain a written determination from  
24 the Internal Revenue Service as required in the preceding  
25 sentence, the State may elect to issue by negotiated sale any  
26 amount of the additional \$3,700,000,000 of Bonds authorized by

1 this amendatory Act of the 96th General Assembly that, in the  
2 sole determination of the Director of the Governor's Office of  
3 Management and Budget, is appropriate given market conditions  
4 at that time.

5 The proceeds of any Bonds authorized by this amendatory Act  
6 of the 96th General Assembly and sold by negotiated sale, less  
7 the amounts directly paid out for bond sale expenses under  
8 Section 8, shall be deposited into the Pension Contribution  
9 Fund, and the Comptroller and the Treasurer shall, as soon as  
10 practical, (i) first, transfer from the Pension Contribution  
11 Fund to the General Revenue Fund or Common School Fund an  
12 amount equal to the amount of payments, if any, made to the  
13 designated retirement systems from the General Revenue Fund or  
14 Common School Fund in State fiscal year 2011 and (ii) second,  
15 make transfers from the Pension Contribution Fund to the  
16 designated retirement systems pursuant to Sections 2-124,  
17 14-131, 15-155, 16-158, and 18-131 of the Illinois Pension  
18 Code.

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

1 fiscal year 2004.

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

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

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

1 and other than amounts deposited into the Pension Contribution  
2 Fund from the bond sale authorized by Public Act 96-43 or this  
3 amendatory Act of the 96th General Assembly ~~this amendatory Act~~  
4 ~~of the 96th General Assembly~~, shall be appropriated to the  
5 designated retirement systems to reduce their actuarial  
6 reserve deficiencies. The amount of the appropriation to each  
7 designated retirement system shall constitute a portion of the  
8 total appropriation under this subsection that is the same as  
9 that retirement system's portion of the total actuarial reserve  
10 deficiency of the systems, as most recently determined by the  
11 Governor's Office of Management and Budget under Section 8.12  
12 of the State Finance Act.

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

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

1 designated retirement system from the Pension Contribution  
2 Fund pursuant to this subsection.

3 (Source: P.A. 96-43, eff. 7-15-09.)

4 (30 ILCS 330/9) (from Ch. 127, par. 659)

5 Sec. 9. Conditions for Issuance and Sale of Bonds -  
6 Requirements for Bonds.

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

1 and interest, as shall be specified in the Bond Sale Order.  
2 Bonds may be callable or subject to purchase and retirement or  
3 tender and remarketing as fixed and determined in the Bond Sale  
4 Order. Bonds, other than Bonds issued under Section 3 of this  
5 Act for the costs associated with the purchase and  
6 implementation of information technology, (i) except for  
7 refunding Bonds satisfying the requirements of Section 16 of  
8 this Act and sold during fiscal year 2009, 2010, or 2011, must  
9 be issued with principal or mandatory redemption amounts in  
10 equal amounts, with the first maturity issued occurring within  
11 the fiscal year in which the Bonds are issued or within the  
12 next succeeding fiscal year and (ii) must mature or be subject  
13 to mandatory redemption each fiscal year thereafter up to 25  
14 years, except for refunding Bonds satisfying the requirements  
15 of Section 16 of this Act and sold during fiscal year 2009,  
16 2010, or 2011 which must mature or be subject to mandatory  
17 redemption each fiscal year thereafter up to 16 years. Bonds  
18 issued under Section 3 of this Act for the costs associated  
19 with the purchase and implementation of information technology  
20 must be issued with principal or mandatory redemption amounts  
21 in equal amounts, with the first maturity issued occurring with  
22 the fiscal year in which the respective bonds are issued or  
23 with the next succeeding fiscal year, with the respective bonds  
24 issued maturing or subject to mandatory redemption each fiscal  
25 year thereafter up to 10 years. Notwithstanding any provision  
26 of this Act to the contrary, the Bonds authorized by Public Act

1 96-43 shall be payable within 5 years from their date and must  
 2 be issued with principal or mandatory redemption amounts in  
 3 equal amounts, with payment of principal or mandatory  
 4 redemption beginning in the first fiscal year following the  
 5 fiscal year in which the Bonds are issued.

6 Notwithstanding any provision of this Act to the contrary,  
 7 the Bonds authorized by this amendatory Act of the 96th General  
 8 Assembly shall be issued with payment of maturing principal or  
 9 scheduled mandatory redemptions in accordance with the  
 10 following schedule, except the following amounts shall be  
 11 prorated if less than the total additional amount of Bonds  
 12 authorized by this amendatory Act of the 96th General Assembly  
 13 are issued:

<u>Fiscal Year After Issuance</u>	<u>Amount</u>
<u>1-2</u>	<u>\$0</u>
<u>3</u>	<u>\$100,000,000</u>
<u>4</u>	<u>\$300,000,000</u>
<u>5</u>	<u>\$600,000,000</u>
<u>6-8</u>	<u>\$900,000,000</u>

20 In the case of any series of Bonds bearing interest at a  
 21 variable interest rate ("Variable Rate Bonds"), in lieu of  
 22 determining the rate or rates at which such series of Variable  
 23 Rate Bonds shall bear interest and the price or prices at which  
 24 such Variable Rate Bonds shall be initially sold or remarketed  
 25 (in the event of purchase and subsequent resale), the Bond Sale  
 26 Order may provide that such interest rates and prices may vary



1 from time to time depending on criteria established in such  
2 Bond Sale Order, which criteria may include, without  
3 limitation, references to indices or variations in interest  
4 rates as may, in the judgment of a remarketing agent, be  
5 necessary to cause Variable Rate Bonds of such series to be  
6 remarketable from time to time at a price equal to their  
7 principal amount, and may provide for appointment of a bank,  
8 trust company, investment bank, or other financial institution  
9 to serve as remarketing agent in that connection. The Bond Sale  
10 Order may provide that alternative interest rates or provisions  
11 for establishing alternative interest rates, different  
12 security or claim priorities, or different call or amortization  
13 provisions will apply during such times as Variable Rate Bonds  
14 of any series are held by a person providing credit or  
15 liquidity enhancement arrangements for such Bonds as  
16 authorized in subsection (b) of this Section. The Bond Sale  
17 Order may also provide for such variable interest rates to be  
18 established pursuant to a process generally known as an auction  
19 rate process and may provide for appointment of one or more  
20 financial institutions to serve as auction agents and  
21 broker-dealers in connection with the establishment of such  
22 interest rates and the sale and remarketing of such Bonds.

23 (b) In connection with the issuance of any series of Bonds,  
24 the State may enter into arrangements to provide additional  
25 security and liquidity for such Bonds, including, without  
26 limitation, bond or interest rate insurance or letters of

1 credit, lines of credit, bond purchase contracts, or other  
2 arrangements whereby funds are made available to retire or  
3 purchase Bonds, thereby assuring the ability of owners of the  
4 Bonds to sell or redeem their Bonds. The State may enter into  
5 contracts and may agree to pay fees to persons providing such  
6 arrangements, but only under circumstances where the Director  
7 of the Governor's Office of Management and Budget certifies  
8 that he or she reasonably expects the total interest paid or to  
9 be paid on the Bonds, together with the fees for the  
10 arrangements (being treated as if interest), would not, taken  
11 together, cause the Bonds to bear interest, calculated to their  
12 stated maturity, at a rate in excess of the rate that the Bonds  
13 would bear in the absence of such arrangements.

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

1 shall at least annually certify to the Governor and the State  
2 Comptroller his or her estimate of the amounts of such net  
3 payments to be included in the calculation of interest required  
4 to be paid by the State.

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

17 (d) "Build America Bonds" in this Section means Bonds  
18 authorized by Section 54AA of the Internal Revenue Code of  
19 1986, as amended ("Internal Revenue Code"), and bonds issued  
20 from time to time to refund or continue to refund "Build  
21 America Bonds".

22 (e) Notwithstanding any other provision of this Section,  
23 Qualified School Construction Bonds shall be issued and sold  
24 from time to time, in one or more series, in such amounts and  
25 at such prices as may be directed by the Governor, upon  
26 recommendation by the Director of the Governor's Office of

1 Management and Budget. Qualified School Construction Bonds  
2 shall be in such form (either coupon, registered or book  
3 entry), in such denominations, payable within 25 years from  
4 their date, subject to such terms of redemption with or without  
5 premium, and if the Qualified School Construction Bonds are  
6 issued with a supplemental coupon, bear interest payable at  
7 such times and at such fixed or variable rate or rates, and be  
8 dated as shall be fixed and determined by the Director of the  
9 Governor's Office of Management and Budget in the order  
10 authorizing the issuance and sale of any series of Qualified  
11 School Construction Bonds, which order shall be approved by the  
12 Governor and is herein called a "Bond Sale Order"; except that  
13 interest payable at fixed or variable rates, if any, shall not  
14 exceed that permitted in the Bond Authorization Act, as now or  
15 hereafter amended. Qualified School Construction Bonds shall  
16 be payable at such place or places, within or without the State  
17 of Illinois, and may be made registrable as to either principal  
18 or as to both principal and interest, as shall be specified in  
19 the Bond Sale Order. Qualified School Construction Bonds may be  
20 callable or subject to purchase and retirement or tender and  
21 remarketing as fixed and determined in the Bond Sale Order.  
22 Qualified School Construction Bonds must be issued with  
23 principal or mandatory redemption amounts or sinking fund  
24 payments into the General Obligation Bond Retirement and  
25 Interest Fund (or subaccount therefor) in equal amounts, with  
26 the first maturity issued, mandatory redemption payment or

1 sinking fund payment occurring within the fiscal year in which  
2 the Qualified School Construction Bonds are issued or within  
3 the next succeeding fiscal year, with Qualified School  
4 Construction Bonds issued maturing or subject to mandatory  
5 redemption or with sinking fund payments thereof deposited each  
6 fiscal year thereafter up to 25 years. Sinking fund payments  
7 set forth in this subsection shall be permitted only to the  
8 extent authorized in Section 54F of the Internal Revenue Code  
9 or as otherwise determined by the Director of the Governor's  
10 Office of Management and Budget. "Qualified School  
11 Construction Bonds" in this subsection means Bonds authorized  
12 by Section 54F of the Internal Revenue Code and for bonds  
13 issued from time to time to refund or continue to refund such  
14 "Qualified School Construction Bonds".

15 (Source: P.A. 96-18, eff. 6-26-09; 96-37, eff. 7-13-09; 96-43,  
16 eff. 7-15-09; 96-828, eff. 12-2-09.)

17 (30 ILCS 330/11) (from Ch. 127, par. 661)

18 Sec. 11. Sale of Bonds. Except as otherwise provided in  
19 this Section, Bonds shall be sold from time to time pursuant to  
20 notice of sale and public bid or by negotiated sale in such  
21 amounts and at such times as is directed by the Governor, upon  
22 recommendation by the Director of the Governor's Office of  
23 Management and Budget. At least 25%, based on total principal  
24 amount, of all Bonds issued each fiscal year shall be sold  
25 pursuant to notice of sale and public bid. At all times during

1 each fiscal year, no more than 75%, based on total principal  
2 amount, of the Bonds issued each fiscal year, shall have been  
3 sold by negotiated sale. Failure to satisfy the requirements in  
4 the preceding 2 sentences shall not affect the validity of any  
5 previously issued Bonds; provided that all Bonds authorized by  
6 Public Act 96-43 or this amendatory Act of the 96th General  
7 Assembly ~~this amendatory Act of the 96th General Assembly~~ shall  
8 not be included in determining compliance for any fiscal year  
9 with the requirements of the preceding 2 sentences; and further  
10 provided that refunding Bonds satisfying the requirements of  
11 Section 16 of this Act and sold during fiscal year 2009, 2010,  
12 or 2011 shall not be subject to the requirements in the  
13 preceding 2 sentences.

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

19 If Bonds are to be sold pursuant to notice of sale and  
20 public bid, the Director of the Governor's Office of Management  
21 and Budget shall, from time to time, as Bonds are to be sold,  
22 advertise the sale of the Bonds in at least 2 daily newspapers,  
23 one of which is published in the City of Springfield and one in  
24 the City of Chicago. The sale of the Bonds shall also be  
25 advertised in the volume of the Illinois Procurement Bulletin  
26 that is published by the Department of Central Management

1 Services. Each of the advertisements for proposals shall be  
2 published once at least 10 days prior to the date fixed for the  
3 opening of the bids. The Director of the Governor's Office of  
4 Management and Budget may reschedule the date of sale upon the  
5 giving of such additional notice as the Director deems adequate  
6 to inform prospective bidders of such change; provided,  
7 however, that all other conditions of the sale shall continue  
8 as originally advertised.

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

12 (Source: P.A. 96-18, eff. 6-26-09; 96-43, eff. 7-15-09.)

13 (30 ILCS 330/15) (from Ch. 127, par. 665)

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

15 (a) Upon each delivery of Bonds authorized to be issued  
16 under this Act, the Comptroller shall compute and certify to  
17 the Treasurer the total amount of principal of, interest on,  
18 and premium, if any, on Bonds issued that will be payable in  
19 order to retire such Bonds, the amount of principal of,  
20 interest on and premium, if any, on such Bonds that will be  
21 payable on each payment date according to the tenor of such  
22 Bonds during the then current and each succeeding fiscal year,  
23 and the amount of sinking fund payments needed to be deposited  
24 in connection with Qualified School Construction Bonds  
25 authorized by subsection (e) of Section 9. With respect to the

1 interest payable on variable rate bonds, such certifications  
2 shall be calculated at the maximum rate of interest that may be  
3 payable during the fiscal year, after taking into account any  
4 credits permitted in the related indenture or other instrument  
5 against the amount of such interest required to be appropriated  
6 for such period pursuant to subsection (c) of Section 14 of  
7 this Act. With respect to the interest payable, such  
8 certifications shall include the amounts certified by the  
9 Director of the Governor's Office of Management and Budget  
10 under subsection (b) of Section 9 of this Act.

11 On or before the last day of each month the State Treasurer  
12 and Comptroller shall transfer from (1) the Road Fund with  
13 respect to Bonds issued under paragraph (a) of Section 4 of  
14 this Act or Bonds issued for the purpose of refunding such  
15 bonds, and from (2) the General Revenue Fund, with respect to  
16 all other Bonds issued under this Act, to the General  
17 Obligation Bond Retirement and Interest Fund an amount  
18 sufficient to pay the aggregate of the principal of, interest  
19 on, and premium, if any, on Bonds payable, by their terms on  
20 the next payment date divided by the number of full calendar  
21 months between the date of such Bonds and the first such  
22 payment date, and thereafter, divided by the number of months  
23 between each succeeding payment date after the first. Such  
24 computations and transfers shall be made for each series of  
25 Bonds issued and delivered. Interest payable on variable rate  
26 bonds shall be calculated at the maximum rate of interest that



1 may be payable for the relevant period, after taking into  
2 account any credits permitted in the related indenture or other  
3 instrument against the amount of such interest required to be  
4 appropriated for such period pursuant to subsection (c) of  
5 Section 14 of this Act. Computations of interest shall include  
6 the amounts certified by the Director of the Governor's Office  
7 of Management and Budget under subsection (b) of Section 9 of  
8 this Act. Interest for which moneys have already been deposited  
9 into the capitalized interest account within the General  
10 Obligation Bond Retirement and Interest Fund shall not be  
11 included in the calculation of the amounts to be transferred  
12 under this subsection. Notwithstanding any other provision in  
13 this Section, the transfer provisions provided in this  
14 paragraph shall not apply to transfers made in fiscal year 2010  
15 or 2011 with respect to Bonds issued in fiscal year 2010 or  
16 2011 pursuant to Section 7.2 of this Act. In the case of  
17 transfers made in fiscal year 2010 or 2011 with respect to the  
18 Bonds issued in fiscal year 2010 or 2011 pursuant to Section  
19 7.2 of this Act, on or before the 15th day of the month prior to  
20 the required debt service payment, the State Treasurer and  
21 Comptroller shall transfer from the General Revenue Fund to the  
22 General Obligation Bond Retirement and Interest Fund an amount  
23 sufficient to pay the aggregate of the principal of, interest  
24 on, and premium, if any, on the Bonds payable in that next  
25 month.

26 The transfer of monies herein and above directed is not

1 required if monies in the General Obligation Bond Retirement  
2 and Interest Fund are more than the amount otherwise to be  
3 transferred as herein above provided, and if the Governor or  
4 his authorized representative notifies the State Treasurer and  
5 Comptroller of such fact in writing.

6 (b) After the effective date of this Act, the balance of,  
7 and monies directed to be included in the Capital Development  
8 Bond Retirement and Interest Fund, Anti-Pollution Bond  
9 Retirement and Interest Fund, Transportation Bond, Series A  
10 Retirement and Interest Fund, Transportation Bond, Series B  
11 Retirement and Interest Fund, and Coal Development Bond  
12 Retirement and Interest Fund shall be transferred to and  
13 deposited in the General Obligation Bond Retirement and  
14 Interest Fund. This Fund shall be used to make debt service  
15 payments on the State's general obligation Bonds heretofore  
16 issued which are now outstanding and payable from the Funds  
17 herein listed as well as on Bonds issued under this Act.

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

1 General Obligation Bond Retirement and Interest Fund.

2 (Source: P.A. 96-43, eff. 7-15-09; 96-828, eff. 12-2-09.)

3 Section 15. The Illinois Pension Code is amended by  
4 changing Sections 1-113, 1-114, 2-124, 2-134, 14-131,  
5 14-135.08, 15-155, 15-165, 16-158, 18-131, and 18-140 as  
6 follows:

7 (40 ILCS 5/1-113) (from Ch. 108 1/2, par. 1-113)

8 Sec. 1-113. Investment authority of certain pension funds,  
9 not including those established under Article 3 or 4. The  
10 investment authority of a board of trustees of a retirement  
11 system or pension fund established under this Code shall, if so  
12 provided in the Article establishing such retirement system or  
13 pension fund, embrace the following investments:

14 (1) Bonds, notes and other direct obligations of the United  
15 States Government; bonds, notes and other obligations of any  
16 United States Government agency or instrumentality, whether or  
17 not guaranteed; and obligations the principal and interest of  
18 which are guaranteed unconditionally by the United States  
19 Government or by an agency or instrumentality thereof.

20 (2) Obligations of the Inter-American Development Bank,  
21 the International Bank for Reconstruction and Development, the  
22 African Development Bank, the International Finance  
23 Corporation, and the Asian Development Bank.

24 (3) Obligations of any state, or of any political

1 subdivision in Illinois, or of any county or city in any other  
2 state having a population as shown by the last federal census  
3 of not less than 30,000 inhabitants provided that such  
4 political subdivision is not permitted by law to become  
5 indebted in excess of 10% of the assessed valuation of property  
6 therein and has not defaulted for a period longer than 30 days  
7 in the payment of interest and principal on any of its general  
8 obligations or indebtedness during a period of 10 calendar  
9 years immediately preceding such investment.

10 (3.1) Obligations of the State of Illinois issued in fiscal  
11 year 2011 pursuant to Section 7.2 of the General Obligation  
12 Bond Act.

13 (4) Nonconvertible bonds, debentures, notes and other  
14 corporate obligations of any corporation created or existing  
15 under the laws of the United States or any state, district or  
16 territory thereof, provided there has been no default on the  
17 obligations of the corporation or its predecessor(s) during the  
18 5 calendar years immediately preceding the purchase. Up to 5%  
19 of the assets of a pension fund established under Article 9 of  
20 this Code may be invested in nonconvertible bonds, debentures,  
21 notes, and other corporate obligations of corporations created  
22 or existing under the laws of a foreign country, provided there  
23 has been no default on the obligations of the corporation or  
24 its predecessors during the 5 calendar years immediately  
25 preceding the date of purchase.

26 (5) Obligations guaranteed by the Government of Canada, or

1 by any Province of Canada, or by any Canadian city with a  
2 population of not less than 150,000 inhabitants, provided (a)  
3 they are payable in United States currency and are exempt from  
4 any Canadian withholding tax; (b) the investment in any one  
5 issue of bonds shall not exceed 10% of the amount outstanding;  
6 and (c) the total investments at book value in Canadian  
7 securities shall be limited to 5% of the total investment  
8 account of the board at book value.

9 (5.1) Direct obligations of the State of Israel for the  
10 payment of money, or obligations for the payment of money which  
11 are guaranteed as to the payment of principal and interest by  
12 the State of Israel, or common or preferred stock or notes  
13 issued by a bank owned or controlled in whole or in part by the  
14 State of Israel, on the following conditions:

15 (a) The total investments in such obligations shall not  
16 exceed 5% of the book value of the aggregate investments  
17 owned by the board;

18 (b) The State of Israel shall not be in default in the  
19 payment of principal or interest on any of its direct  
20 general obligations on the date of such investment;

21 (c) The bonds, stock or notes, and interest thereon  
22 shall be payable in currency of the United States;

23 (d) The bonds shall (1) contain an option for the  
24 redemption thereof after 90 days from date of purchase or  
25 (2) either become due 5 years from the date of their  
26 purchase or be subject to redemption 120 days after the

1 date of notice for redemption;

2 (e) The investment in these obligations has been  
3 approved in writing by investment counsel employed by the  
4 board, which counsel shall be a national or state bank or  
5 trust company authorized to do a trust business in the  
6 State of Illinois, or an investment advisor qualified under  
7 the Federal Investment Advisors Act of 1940 and registered  
8 under the Illinois Securities Act of 1953;

9 (f) The fund or system making the investment shall have  
10 at least \$5,000,000 of net present assets.

11 (6) Notes secured by mortgages under Sections 203, 207, 220  
12 and 221 of the National Housing Act which are insured by the  
13 Federal Housing Commissioner, or his successor assigns, or  
14 debentures issued by such Commissioner, which are guaranteed as  
15 to principal and interest by the Federal Housing  
16 Administration, or agency of the United States Government,  
17 provided the aggregate investment shall not exceed 20% of the  
18 total investment account of the board at book value, and  
19 provided further that the investment in such notes under  
20 Sections 220 and 221 shall in no event exceed one-half of the  
21 maximum investment in notes under this paragraph.

22 (7) Loans to veterans guaranteed in whole or part by the  
23 United States Government pursuant to Title III of the Act of  
24 Congress known as the "Servicemen's Readjustment Act of 1944,"  
25 58 Stat. 284, 38 U.S.C. 693, as amended or supplemented from  
26 time to time, provided such guaranteed loans are liens upon

1 real estate.

2 (8) Common and preferred stocks and convertible debt  
3 securities authorized for investment of trust funds under the  
4 laws of the State of Illinois, provided:

5 (a) the common stocks, except as provided in  
6 subparagraph (g), are listed on a national securities  
7 exchange or board of trade, as defined in the federal  
8 Securities Exchange Act of 1934, or quoted in the National  
9 Association of Securities Dealers Automated Quotation  
10 System (NASDAQ);

11 (b) the securities are of a corporation created or  
12 existing under the laws of the United States or any state,  
13 district or territory thereof, except that up to 5% of the  
14 assets of a pension fund established under Article 9 of  
15 this Code may be invested in securities issued by  
16 corporations created or existing under the laws of a  
17 foreign country, if those securities are otherwise in  
18 conformance with this paragraph (8);

19 (c) the corporation is not in arrears on payment of  
20 dividends on its preferred stock;

21 (d) the total book value of all stocks and convertible  
22 debt owned by any pension fund or retirement system shall  
23 not exceed 40% of the aggregate book value of all  
24 investments of such pension fund or retirement system,  
25 except for a pension fund or retirement system governed by  
26 Article 9 or 17, where the total of all stocks and

1 convertible debt shall not exceed 50% of the aggregate book  
2 value of all fund investments, and except for a pension  
3 fund or retirement system governed by Article 13, where the  
4 total market value of all stocks and convertible debt shall  
5 not exceed 65% of the aggregate market value of all fund  
6 investments;

7 (e) the book value of stock and convertible debt  
8 investments in any one corporation shall not exceed 5% of  
9 the total investment account at book value in which such  
10 securities are held, determined as of the date of the  
11 investment, and the investments in the stock of any one  
12 corporation shall not exceed 5% of the total outstanding  
13 stock of such corporation, and the investments in the  
14 convertible debt of any one corporation shall not exceed 5%  
15 of the total amount of such debt that may be outstanding;

16 (f) the straight preferred stocks or convertible  
17 preferred stocks and convertible debt securities are  
18 issued or guaranteed by a corporation whose common stock  
19 qualifies for investment by the board; and

20 (g) that any common stocks not listed or quoted as  
21 provided in subdivision 8(a) above be limited to the  
22 following types of institutions: (a) any bank which is a  
23 member of the Federal Deposit Insurance Corporation having  
24 capital funds represented by capital stock, surplus and  
25 undivided profits of at least \$20,000,000; (b) any life  
26 insurance company having capital funds represented by



1 capital stock, special surplus funds and unassigned  
2 surplus totalling at least \$50,000,000; and (c) any fire or  
3 casualty insurance company, or a combination thereof,  
4 having capital funds represented by capital stock, net  
5 surplus and voluntary reserves of at least \$50,000,000.

6 (9) Withdrawable accounts of State chartered and federal  
7 chartered savings and loan associations insured by the Federal  
8 Savings and Loan Insurance Corporation; deposits or  
9 certificates of deposit in State and national banks insured by  
10 the Federal Deposit Insurance Corporation; and share accounts  
11 or share certificate accounts in a State or federal credit  
12 union, the accounts of which are insured as required by the  
13 Illinois Credit Union Act or the Federal Credit Union Act, as  
14 applicable.

15 No bank or savings and loan association shall receive  
16 investment funds as permitted by this subsection (9), unless it  
17 has complied with the requirements established pursuant to  
18 Section 6 of the Public Funds Investment Act.

19 (10) Trading, purchase or sale of listed options on  
20 underlying securities owned by the board.

21 (11) Contracts and agreements supplemental thereto  
22 providing for investments in the general account of a life  
23 insurance company authorized to do business in Illinois.

24 (12) Conventional mortgage pass-through securities which  
25 are evidenced by interests in Illinois owner-occupied  
26 residential mortgages, having not less than an "A" rating from

1 at least one national securities rating service. Such mortgages  
2 may have loan-to-value ratios up to 95%, provided that any  
3 amount over 80% is insured by private mortgage insurance. The  
4 pool of such mortgages shall be insured by mortgage guaranty or  
5 equivalent insurance, in accordance with industry standards.

6 (13) Pooled or commingled funds managed by a national or  
7 State bank which is authorized to do a trust business in the  
8 State of Illinois, shares of registered investment companies as  
9 defined in the federal Investment Company Act of 1940 which are  
10 registered under that Act, and separate accounts of a life  
11 insurance company authorized to do business in Illinois, where  
12 such pooled or commingled funds, shares, or separate accounts  
13 are comprised of common or preferred stocks, bonds, or money  
14 market instruments.

15 (14) Pooled or commingled funds managed by a national or  
16 state bank which is authorized to do a trust business in the  
17 State of Illinois, separate accounts managed by a life  
18 insurance company authorized to do business in Illinois, and  
19 commingled group trusts managed by an investment adviser  
20 registered under the federal Investment Advisors Act of 1940  
21 (15 U.S.C. 80b-1 et seq.) and under the Illinois Securities Law  
22 of 1953, where such pooled or commingled funds, separate  
23 accounts or commingled group trusts are comprised of real  
24 estate or loans upon real estate secured by first or second  
25 mortgages. The total investment in such pooled or commingled  
26 funds, commingled group trusts and separate accounts shall not

1 exceed 10% of the aggregate book value of all investments owned  
2 by the fund.

3 (15) Investment companies which (a) are registered as such  
4 under the Investment Company Act of 1940, (b) are diversified,  
5 open-end management investment companies and (c) invest only in  
6 money market instruments.

7 (16) Up to 10% of the assets of the fund may be invested in  
8 investments not included in paragraphs (1) through (15) of this  
9 Section, provided that such investments comply with the  
10 requirements and restrictions set forth in Sections 1-109,  
11 1-109.1, 1-109.2, 1-110 and 1-111 of this Code.

12 The board shall have the authority to enter into such  
13 agreements and to execute such documents as it determines to be  
14 necessary to complete any investment transaction.

15 Any limitations herein set forth shall be applicable only  
16 at the time of purchase and shall not require the liquidation  
17 of any investment at any time.

18 All investments shall be clearly held and accounted for to  
19 indicate ownership by such board. Such board may direct the  
20 registration of securities in its own name or in the name of a  
21 nominee created for the express purpose of registration of  
22 securities by a national or state bank or trust company  
23 authorized to conduct a trust business in the State of  
24 Illinois.

25 Investments shall be carried at cost or at a value  
26 determined in accordance with generally accepted accounting

1 principles and accounting procedures approved by such board.

2 (Source: P.A. 92-53, eff. 7-12-01.)

3 (40 ILCS 5/1-114) (from Ch. 108 1/2, par. 1-114)

4 Sec. 1-114. Liability for Breach of Fiduciary Duty. (a) Any  
5 person who is a fiduciary with respect to a retirement system  
6 or pension fund established under this Code who breaches any  
7 duty imposed upon fiduciaries by this Code shall be personally  
8 liable to make good to such retirement system or pension fund  
9 any losses to it resulting from each such breach, and to  
10 restore to such retirement system or pension fund any profits  
11 of such fiduciary which have been made through use of assets of  
12 the retirement system or pension fund by the fiduciary, and  
13 shall be subject to such equitable or remedial relief as the  
14 court may deem appropriate, including the removal of such  
15 fiduciary.

16 (b) No person shall be liable with respect to a breach of  
17 fiduciary duty under this Code if such breach occurred before  
18 such person became a fiduciary or after such person ceased to  
19 be a fiduciary.

20 (c) No person shall be liable with respect to a breach of  
21 fiduciary duty under this Code for investing in obligations of  
22 the State of Illinois issued in fiscal year 2011 pursuant to  
23 Section 7.2 of the General Obligation Bond Act.

24 (Source: P.A. 82-960.)

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

2 Sec. 2-124. Contributions by State.

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

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

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

24 For State fiscal years 1996 through 2005, the State  
25 contribution to the System, as a percentage of the applicable  
26 employee payroll, shall be increased in equal annual increments

1 so that by State fiscal year 2011, the State is contributing at  
2 the rate required under this Section.

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

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

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

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

25 Notwithstanding any other provision of this Article, the  
26 total required State contribution for State fiscal year 2011 is

1 the amount recertified by the System pursuant to this  
2 amendatory Act of the 96th General Assembly. Subject to the  
3 requirements of Section 7.2 of the General Obligation Bond Act,  
4 the State contribution for fiscal year 2011 may be made through  
5 any combination of (i) the transfer of bonds to the System in  
6 fiscal year 2011 and (ii) the proceeds of bonds sold by  
7 negotiated sale in fiscal year 2011 pursuant to Section 7.2 of  
8 the General Obligation Bond Act, less (A) the pro rata share of  
9 bond sale expenses determined by the System's share of total  
10 bond proceeds, (B) any amounts received from the General  
11 Revenue Fund or the State Pensions Fund in fiscal year 2011,  
12 and (C) any reduction in bond proceeds due to the issuance of  
13 discounted bonds, if applicable. If no bonds are issued  
14 directly to the System in accordance with Section 7.2 of the  
15 General Obligation Bond Act and if in the sole determination of  
16 the Director of the Governor's Office of Management and Budget  
17 market conditions do not support the issuance of bonds by  
18 negotiated sale in order to make all or a portion of the  
19 required contribution, he or she shall so inform the System in  
20 writing and the State contribution for fiscal year 2011 shall  
21 be only the System's pro rata share, based on the amounts  
22 recertified by each System pursuant to this amendatory Act of  
23 the 96th General Assembly, of the proceeds of bonds issued,  
24 less (A) the pro rata share of bond sale expenses determined by  
25 the System's share of total bond proceeds, (B) any amounts  
26 received from the General Revenue Fund or the State Pensions

1 Fund in fiscal year 2011, and (C) any reduction in bond  
2 proceeds due to the issuance of discounted bonds, if  
3 applicable.

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

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

20 Notwithstanding any other provision of this Section, the  
21 required State contribution for State fiscal year 2005 and for  
22 fiscal year 2008 and each fiscal year thereafter, as calculated  
23 under this Section and certified under Section 2-134, shall not  
24 exceed an amount equal to (i) the amount of the required State  
25 contribution that would have been calculated under this Section  
26 for that fiscal year if the System had not received any



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

18 (d) 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 (e) 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. 95-950, eff. 8-29-08; 96-43, eff. 7-15-09.)

8 (40 ILCS 5/2-134) (from Ch. 108 1/2, par. 2-134)

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

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

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

22 On or before July 1, 2005, the Board shall recalculate and  
23 recertify to the Governor the amount of the required State  
24 contribution to the System for State fiscal year 2006, taking  
25 into account the changes in required State contributions made

1 by this amendatory Act of the 94th General Assembly.

2 On or before May 15, 2010, the Board shall recalculate and  
3 recertify to the Governor the amount of the required State  
4 contribution to the System for State fiscal year 2011, applying  
5 the changes made by Public Act 96-889 to the System's assets  
6 and liabilities as of June 30, 2009 as though Public Act 96-889  
7 was approved on that date.

8 (b) Beginning in State fiscal year 1996, on or as soon as  
9 possible after the 15th day of each month the Board shall  
10 submit vouchers for payment of State contributions to the  
11 System, in a total monthly amount of one-twelfth of the  
12 required annual State contribution certified under subsection  
13 (a). From the effective date of this amendatory Act of the 93rd  
14 General Assembly through June 30, 2004, the Board shall not  
15 submit vouchers for the remainder of fiscal year 2004 in excess  
16 of the fiscal year 2004 certified contribution amount  
17 determined under this Section after taking into consideration  
18 the transfer to the System under subsection (d) of Section  
19 6z-61 of the State Finance Act. These vouchers shall be paid by  
20 the State Comptroller and Treasurer by warrants drawn on the  
21 funds appropriated to the System for that fiscal year. If in  
22 any month the amount remaining unexpended from all other  
23 appropriations to the System for the applicable fiscal year  
24 (including the appropriations to the System under Section 8.12  
25 of the State Finance Act and Section 1 of the State Pension  
26 Funds Continuing Appropriation Act) is less than the amount

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

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

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

14 (40 ILCS 5/14-131)

15 Sec. 14-131. Contributions by State.

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

23 For the purposes of this Section and Section 14-135.08,  
24 references to State contributions refer only to employer  
25 contributions and do not include employee contributions that

1 are picked up or otherwise paid by the State or a department on  
2 behalf of the employee.

3 (b) The Board shall determine the total 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,  
6 using the formula in subsection (e).

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

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

25 (c) Contributions shall be made by the several departments  
26 for each pay period by warrants drawn by the State Comptroller

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

13 (c-1) Notwithstanding subsection (c) of this Section, for  
14 fiscal year 2010 only, contributions by the several departments  
15 are not required to be made for General Revenue Funds payrolls  
16 processed by the Comptroller. Payrolls paid by the several  
17 departments from all other State funds must continue to be  
18 processed pursuant to subsection (c) of this Section.

19 (c-2) For State fiscal year 2010 only, on or as soon as  
20 possible after the 15th day of each month the Board shall  
21 submit vouchers for payment of State contributions to the  
22 System, in a total monthly amount of one-twelfth of the fiscal  
23 year 2010 General Revenue Fund appropriation to the System.

24 (c-3) Notwithstanding subsection (c) of this Section, for  
25 fiscal year 2011 only, contributions by the several departments  
26 are not required to be made for General Revenue Fund payrolls

1 processed by the Comptroller. Payrolls paid by the several  
2 departments from all other State funds must continue to be  
3 processed pursuant to subsection (c) of this Section.

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

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

1 projected unit credit actuarial cost method.

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

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

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



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

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

17           Notwithstanding any other provision of this Article, the  
18 total required State General Revenue Fund contribution for  
19 State fiscal year 2011 is the amount recertified by the System  
20 pursuant to this amendatory Act of the 96th General Assembly.  
21 Subject to the requirements of Section 7.2 of the General  
22 Obligation Bond Act, the State contribution for fiscal year  
23 2011 may be made through any combination of (i) the transfer of  
24 bonds to the System in fiscal year 2011 and (ii) the proceeds  
25 of bonds sold by negotiated sale in fiscal year 2011 pursuant  
26 to Section 7.2 of the General Obligation Bond Act, less (A) the

1 pro rata share of bond sale expenses determined by the System's  
2 share of total bond proceeds, (B) any amounts received from the  
3 General Revenue Fund or the State Pensions Fund in fiscal year  
4 2011, and (C) any reduction in bond proceeds due to the  
5 issuance of discounted bonds, if applicable. If no bonds are  
6 issued directly to the System in accordance with Section 7.2 of  
7 the General Obligation Bond Act and if in the sole  
8 determination of the Director of the Governor's Office of  
9 Management and Budget market conditions do not support the  
10 issuance of bonds by negotiated sale in order to make all or a  
11 portion of the required contribution, he or she shall so inform  
12 the System in writing and the State contribution for fiscal  
13 year 2011 shall be only the System's pro rata share, based on  
14 the amounts recertified by each System pursuant to this  
15 amendatory Act of the 96th General Assembly, of the proceeds of  
16 bonds issued, less (A) the pro rata share of bond sale expenses  
17 determined by the System's share of total bond proceeds, (B)  
18 any amounts received from the General Revenue Fund or the State  
19 Pensions Fund in fiscal year 2011, and (C) any reduction in  
20 bond proceeds due to the issuance of discounted bonds, if  
21 applicable.

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

26       Amounts received by the System pursuant to Section 25 of

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

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

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

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

1 shall be satisfied under Section 1.2 of the State Pension Funds  
2 Continuing Appropriation Act. If the amount due is less than  
3 the amount received, the difference shall be termed the "Fiscal  
4 Year 2004 Overpayment" for purposes of this Section, and the  
5 Fiscal Year 2004 Overpayment shall be repaid by the System to  
6 the Pension Contribution Fund as soon as practicable after the  
7 certification.

8 (g) 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 (h) 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 (i) ~~(g)~~ After the submission of all payments for eligible  
24 employees from personal services line items paid from the  
25 General Revenue Fund in fiscal year 2010 have been made, the  
26 Comptroller shall provide to the System a certification of the

1 sum of all fiscal year 2010 expenditures for personal services  
2 that would have been covered by payments to the System under  
3 this Section if the provisions of this amendatory Act of the  
4 96th General Assembly had not been enacted. Upon receipt of the  
5 certification, the System shall determine the amount due to the  
6 System based on the full rate certified by the Board under  
7 Section 14-135.08 for fiscal year 2010 in order to meet the  
8 State's obligation under this Section. The System shall compare  
9 this amount due to the amount received by the System in fiscal  
10 year 2010 through payments under this Section. If the amount  
11 due is more than the amount received, the difference shall be  
12 termed the "Fiscal Year 2010 Shortfall" for purposes of this  
13 Section, and the Fiscal Year 2010 Shortfall shall be satisfied  
14 under Section 1.2 of the State Pension Funds Continuing  
15 Appropriation Act. If the amount due is less than the amount  
16 received, the difference shall be termed the "Fiscal Year 2010  
17 Overpayment" for purposes of this Section, and the Fiscal Year  
18 2010 Overpayment shall be repaid by the System to the General  
19 Revenue Fund as soon as practicable after the certification.

20 (Source: P.A. 95-950, eff. 8-29-08; 96-43, eff. 7-15-09; 96-45,  
21 eff. 7-15-09; revised 11-3-09.)

22 (40 ILCS 5/14-135.08) (from Ch. 108 1/2, par. 14-135.08)

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

24 (a) To certify to the Governor and to each department, on  
25 or before November 15 of each year, the required rate for State

1 contributions to the System for the next State fiscal year, as  
2 determined under subsection (b) of Section 14-131. The  
3 certification to the Governor shall include a copy of the  
4 actuarial recommendations upon which the rate is based.

5 (b) The certification shall include an additional amount  
6 necessary to pay all principal of and interest on those general  
7 obligation bonds due the next fiscal year authorized by Section  
8 7.2(a) of the General Obligation Bond Act and issued to provide  
9 the proceeds deposited by the State with the System in July  
10 2003, representing deposits other than amounts reserved under  
11 Section 7.2(c) of the General Obligation Bond Act. For State  
12 fiscal year 2005, the Board shall make a supplemental  
13 certification of the additional amount necessary to pay all  
14 principal of and interest on those general obligation bonds due  
15 in State fiscal years 2004 and 2005 authorized by Section  
16 7.2(a) of the General Obligation Bond Act and issued to provide  
17 the proceeds deposited by the State with the System in July  
18 2003, representing deposits other than amounts reserved under  
19 Section 7.2(c) of the General Obligation Bond Act, as soon as  
20 practical after the effective date of this amendatory Act of  
21 the 93rd General Assembly.

22 On or before May 1, 2004, the Board shall recalculate and  
23 recertify to the Governor and to each department the amount of  
24 the required State contribution to the System and the required  
25 rates for State contributions to the System for State fiscal  
26 year 2005, taking into account the amounts appropriated to and

1 received by the System under subsection (d) of Section 7.2 of  
2 the General Obligation Bond Act.

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

10 On or before May 15, 2010, the Board shall recalculate and  
11 recertify to the Governor and to each department the amount of  
12 the required State contribution to the System for State fiscal  
13 year 2011, applying the changes made by Public Act 96-889 to  
14 the System's assets and liabilities as of June 30, 2009 as  
15 though Public Act 96-889 was approved on that date.

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

18 (40 ILCS 5/15-155) (from Ch. 108 1/2, par. 15-155)

19 Sec. 15-155. Employer contributions.

20 (a) The State of Illinois shall make contributions by  
21 appropriations of amounts which, together with the other  
22 employer contributions from trust, federal, and other funds,  
23 employee contributions, income from investments, and other  
24 income of this System, 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 (a-1).

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

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

22 Notwithstanding any other provision of this Article, the  
23 total required State contribution for State fiscal year 2006 is  
24 \$166,641,900.

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

1 \$252,064,100.

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

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

18 Notwithstanding any other provision of this Article, the  
19 total required State contribution for State fiscal year 2011 is  
20 the amount recertified by the System pursuant to this  
21 amendatory Act of the 96th General Assembly. Subject to the  
22 requirements of Section 7.2 of the General Obligation Bond Act,  
23 the State contribution for fiscal year 2011 may be made through  
24 any combination of (i) the transfer of bonds to the System in  
25 fiscal year 2011 and (ii) the proceeds of bonds sold by  
26 negotiated sale in fiscal year 2011 pursuant to Section 7.2 of

1 the General Obligation Bond Act, less (A) the pro rata share of  
2 bond sale expenses determined by the System's share of total  
3 bond proceeds, (B) any amounts received from the General  
4 Revenue Fund or the State Pensions Fund in fiscal year 2011,  
5 and (C) any reduction in bond proceeds due to the issuance of  
6 discounted bonds, if applicable. If no bonds are issued  
7 directly to the System in accordance with Section 7.2 of the  
8 General Obligation Bond Act and if in the sole determination of  
9 the Director of the Governor's Office of Management and Budget  
10 market conditions do not support the issuance of bonds by  
11 negotiated sale in order to make all or a portion of the  
12 required contribution, he or she shall so inform the System in  
13 writing and the State contribution for fiscal year 2011 shall  
14 be only the System's pro rata share, based on the amounts  
15 recertified by each System pursuant to this amendatory Act of  
16 the 96th General Assembly, of the proceeds of bonds issued,  
17 less (A) the pro rata share of bond sale expenses determined by  
18 the System's share of total bond proceeds, (B) any amounts  
19 received from the General Revenue Fund or the State Pensions  
20 Fund in fiscal year 2011, and (C) any reduction in bond  
21 proceeds due to the issuance of discounted bonds, if  
22 applicable.

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

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

13           Notwithstanding any other provision of this Section, the  
14 required State contribution for State fiscal year 2005 and for  
15 fiscal year 2008 and each fiscal year thereafter, as calculated  
16 under this Section and certified under Section 15-165, shall  
17 not exceed an amount equal to (i) the amount of the required  
18 State contribution that would have been calculated under this  
19 Section for that fiscal year if the System had not received any  
20 payments under subsection (d) of Section 7.2 of the General  
21 Obligation Bond Act, minus (ii) the portion of the State's  
22 total debt service payments for that fiscal year on the bonds  
23 issued for the purposes of that Section 7.2, as determined and  
24 certified by the Comptroller, that is the same as the System's  
25 portion of the total moneys distributed under subsection (d) of  
26 Section 7.2 of the General Obligation Bond Act. In determining

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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

22 (Source: P.A. 95-331, eff. 8-21-07; 95-950, eff. 8-29-08;  
23 96-43, eff. 7-15-09.)

24 (40 ILCS 5/15-165) (from Ch. 108 1/2, par. 15-165)

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

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

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

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

17           On or before May 15, 2010, the Board shall recalculate and  
18 recertify to the Governor the amount of the required State  
19 contribution to the System for State fiscal year 2011, applying  
20 the changes made by Public Act 96-889 to the System's assets  
21 and liabilities as of June 30, 2009 as though Public Act 96-889  
22 was approved on that date.

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

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

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

24           (d) So long as the payments received are the full amount  
25 lawfully vouchered under this Section, payments received by the  
26 System under this Section shall be applied first toward the

1 employer contribution to the self-managed plan established  
2 under Section 15-158.2. Payments shall be applied second toward  
3 the employer's portion of the normal costs of the System, as  
4 defined in subsection (f) of Section 15-155. The balance shall  
5 be applied toward the unfunded actuarial liabilities of the  
6 System.

7 (e) In the event that the System does not receive, as a  
8 result of legislative enactment or otherwise, payments  
9 sufficient to fully fund the employer contribution to the  
10 self-managed plan established under Section 15-158.2 and to  
11 fully fund that portion of the employer's portion of the normal  
12 costs of the System, as calculated in accordance with Section  
13 15-155(a-1), then any payments received shall be applied  
14 proportionately to the optional retirement program established  
15 under Section 15-158.2 and to the employer's portion of the  
16 normal costs of the System, as calculated in accordance with  
17 Section 15-155(a-1).

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

20 (40 ILCS 5/16-158) (from Ch. 108 1/2, par. 16-158)

21 Sec. 16-158. Contributions by State and other employing  
22 units.

23 (a) The State shall make contributions to the System by  
24 means of appropriations from the Common School Fund and other  
25 State funds of amounts which, together with other employer

1 contributions, employee contributions, investment income, and  
2 other income, will be sufficient to meet the cost of  
3 maintaining and administering the System on a 90% funded basis  
4 in accordance with actuarial recommendations.

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

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

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

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

26 On or before May 15, 2010, the Board shall recalculate and



1 recertify to the Governor the amount of the required State  
2 contribution to the System for State fiscal year 2011, applying  
3 the changes made by Public Act 96-889 to the System's assets  
4 and liabilities as of June 30, 2009 as though Public Act 96-889  
5 was approved on that date.

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

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

23 If in any month the amount remaining unexpended from all  
24 other appropriations to the System for the applicable fiscal  
25 year (including the appropriations to the System under Section  
26 8.12 of the State Finance Act and Section 1 of the State

1 Pension Funds Continuing Appropriation Act) is less than the  
2 amount lawfully vouchered under this subsection, the  
3 difference shall be paid from the Common School Fund under the  
4 continuing appropriation authority provided in Section 1.1 of  
5 the State Pension Funds Continuing Appropriation Act.

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

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

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

1 indicated percentage will produce a State contribution in  
2 excess of the amount otherwise required under this subsection  
3 and subsection (a), and notwithstanding any contrary  
4 certification made under subsection (a-1) before the effective  
5 date of this amendatory Act of 1998: 10.02% in FY 1999; 10.77%  
6 in FY 2000; 11.47% in FY 2001; 12.16% in FY 2002; 12.86% in FY  
7 2003; and 13.56% in FY 2004.

8 Notwithstanding any other provision of this Article, the  
9 total required State contribution for State fiscal year 2006 is  
10 \$534,627,700.

11 Notwithstanding any other provision of this Article, the  
12 total required State contribution for State fiscal year 2007 is  
13 \$738,014,500.

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

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

1 in fiscal year 2010, and (iii) any reduction in bond proceeds  
2 due to the issuance of discounted bonds, if applicable.

3 Notwithstanding any other provision of this Article, the  
4 total required State contribution for State fiscal year 2011 is  
5 the amount recertified by the System pursuant to this  
6 amendatory Act of the 96th General Assembly. Subject to the  
7 requirements of Section 7.2 of the General Obligation Bond Act,  
8 the State contribution for fiscal year 2011 may be made through  
9 any combination of (i) the transfer of bonds to the System in  
10 fiscal year 2011 and (ii) the proceeds of bonds sold by  
11 negotiated sale in fiscal year 2011 pursuant to Section 7.2 of  
12 the General Obligation Bond Act, less (A) the pro rata share of  
13 bond sale expenses determined by the System's share of total  
14 bond proceeds, (B) any amounts received from the General  
15 Revenue Fund, the Common School Fund, or the State Pensions  
16 Fund in fiscal year 2011, and (C) any reduction in bond  
17 proceeds due to the issuance of discounted bonds, if  
18 applicable. If no bonds are issued directly to the System in  
19 accordance with Section 7.2 of the General Obligation Bond Act  
20 and if in the sole determination of the Director of the  
21 Governor's Office of Management and Budget market conditions do  
22 not support the issuance of bonds by negotiated sale in order  
23 to make all or a portion of the required contribution, he or  
24 she shall so inform the System in writing and the State  
25 contribution for fiscal year 2011 shall be only the System's  
26 pro rata share, based on the amounts recertified by each System

1 pursuant to this amendatory Act of the 96th General Assembly,  
2 of the proceeds of bonds issued, less (A) the pro rata share of  
3 bond sale expenses determined by the System's share of total  
4 bond proceeds, (B) any amounts received from the General  
5 Revenue Fund, the Common School Fund, or the State Pensions  
6 Fund in fiscal year 2011, and (C) any reduction in bond  
7 proceeds due to the issuance of discounted bonds, if  
8 applicable.

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

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

25       Notwithstanding any other provision of this Section, the  
26 required State contribution for State fiscal year 2005 and for

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

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

1       thereof, are obligations of the State.

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

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

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

1 16-106 who is serving in that capacity while on leave of  
2 absence from another employer under this Article shall not be  
3 considered an employee of the employer from which the teacher  
4 is on leave.

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

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

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

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

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

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



1 Employees Group Insurance Act of 1971 with respect to salaries  
2 paid to teachers for that period.

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

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

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

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

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

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

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

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

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

25 When assessing payment for any amount due under subsection  
26 (f), the System shall exclude salary increases paid to a

1 teacher at a time when the teacher is 10 or more years from  
2 retirement eligibility under Section 16-132 or 16-133.2.

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

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

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

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

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

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

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

26           (3) The total amount the System received from each

1 employer as a result of the changes made to this Section by  
2 Public Act 94-4.

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

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

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

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

21 (Source: P.A. 95-331, eff. 8-21-07; 95-950, eff. 8-29-08;  
22 96-43, eff. 7-15-09.)

23 (40 ILCS 5/18-131) (from Ch. 108 1/2, par. 18-131)  
24 Sec. 18-131. Financing; employer contributions.

25 (a) The State of Illinois shall make contributions to this

1 System by appropriations of the amounts which, together with  
2 the contributions of participants, net earnings on  
3 investments, and other income, will meet the costs of  
4 maintaining and administering this System on a 90% funded basis  
5 in accordance with actuarial recommendations.

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

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

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

26 Notwithstanding any other provision of this Article, the

1 total required State contribution for State fiscal year 2006 is  
2 \$29,189,400.

3 Notwithstanding any other provision of this Article, the  
4 total required State contribution for State fiscal year 2007 is  
5 \$35,236,800.

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

12 Notwithstanding any other provision of this Article, the  
13 total required State contribution for State fiscal year 2010 is  
14 \$78,832,000 and shall be made from the proceeds of bonds sold  
15 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 General Revenue  
19 Fund in fiscal year 2010, and (iii) any reduction in bond  
20 proceeds due to the issuance of discounted bonds, if  
21 applicable.

22 Notwithstanding any other provision of this Article, the  
23 total required State contribution for State fiscal year 2011 is  
24 the amount recertified by the System pursuant to this  
25 amendatory Act of the 96th General Assembly. Subject to the  
26 requirements of Section 7.2 of the General Obligation Bond Act,



1 the State contribution for fiscal year 2011 may be made through  
2 any combination of (i) the transfer of bonds to the System in  
3 fiscal year 2011 and (ii) the proceeds of bonds sold by  
4 negotiated sale in fiscal year 2011 pursuant to Section 7.2 of  
5 the General Obligation Bond Act, less (A) the pro rata share of  
6 bond sale expenses determined by the System's share of total  
7 bond proceeds, (B) any amounts received from the General  
8 Revenue Fund or the State Pensions Fund in fiscal year 2011,  
9 and (C) any reduction in bond proceeds due to the issuance of  
10 discounted bonds, if applicable. If no bonds are issued  
11 directly to the System in accordance with Section 7.2 of the  
12 General Obligation Bond Act and if in the sole determination of  
13 the Director of the Governor's Office of Management and Budget  
14 market conditions do not support the issuance of bonds by  
15 negotiated sale in order to make all or a portion of the  
16 required contribution, he or she shall so inform the System in  
17 writing and the State contribution for fiscal year 2011 shall  
18 be only the System's pro rata share, based on the amounts  
19 recertified by each System pursuant to this amendatory Act of  
20 the 96th General Assembly, of the proceeds of bonds issued,  
21 less (A) the pro rata share of bond sale expenses determined by  
22 the System's share of total bond proceeds, (B) any amounts  
23 received from the General Revenue Fund or the State Pensions  
24 Fund in fiscal year 2011, and (C) any reduction in bond  
25 proceeds due to the issuance of discounted bonds, if  
26 applicable.

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

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

17           Notwithstanding any other provision of this Section, the  
18 required State contribution for State fiscal year 2005 and for  
19 fiscal year 2008 and each fiscal year thereafter, as calculated  
20 under this Section and certified under Section 18-140, shall  
21 not exceed an amount equal to (i) the amount of the required  
22 State contribution that would have been calculated under this  
23 Section for that fiscal year if the System had not received any  
24 payments under subsection (d) of Section 7.2 of the General  
25 Obligation Bond Act, minus (ii) the portion of the State's  
26 total debt service payments for that fiscal year on the bonds

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

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

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

26 (e) For purposes of determining the required State

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

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

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

6 Sec. 18-140. To certify required State contributions and  
7 submit vouchers.

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

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

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

24 On or before May 15, 2010, the Board shall recalculate and  
25 recertify to the Governor the amount of the required State

1 contribution to the System for State fiscal year 2011, applying  
2 the changes made by Public Act 96-889 to the System's assets  
3 and liabilities as of June 30, 2009 as though Public Act 96-889  
4 was approved on that date.

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

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

1 the State Pension Funds Continuing Appropriation Act.

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

4 Section 20. The State Pension Funds Continuing  
5 Appropriation Act is amended by adding Section 1.8 as follows:

6 (40 ILCS 15/1.8 new)

7 Sec. 1.8. Suspension of appropriations for FY11.  
8 Notwithstanding any other provision of this Act, no  
9 appropriation otherwise required from the General Revenue Fund  
10 or the Common School Fund under this Act is required or shall  
11 be made for State fiscal year 2011.

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