

1 AN ACT concerning public employee benefits.

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

4 Section 5. The Open Meetings Act is amended by adding  
5 Section 7.3 as follows:

6 (5 ILCS 120/7.3 new)

7 Sec. 7.3. Duty to post information pertaining to benefits  
8 offered through the Illinois Municipal Retirement Fund.

9 (a) Within 6 business days after an employer participating  
10 in the Illinois Municipal Retirement Fund approves a budget,  
11 that employer must post on its website the total compensation  
12 package for each employee having a total compensation package  
13 that exceeds \$75,000 per year. If the employer does not  
14 maintain a website, the employer must post a physical copy of  
15 this information at the principal office of the employer. If an  
16 employer maintains a website, it may choose to post a physical  
17 copy of this information at the principal office of the  
18 employer in lieu of posting the information directly on the  
19 website; however, the employer must post directions on the  
20 website on how to access that information.

21 (b) At least 6 days before an employer participating in the  
22 Illinois Municipal Retirement Fund approves an employee's  
23 total compensation package that is equal to or in excess of

1 \$150,000 per year, the employer must post on its website the  
2 total compensation package for that employee. If the employer  
3 does not maintain a website, the employer shall post a physical  
4 copy of this information at the principal office of the  
5 employer. If an employer maintains a website, it may choose to  
6 post a physical copy of this information at the principal  
7 office of the employer in lieu of posting the information  
8 directly on the website; however, the employer must post  
9 directions on the website on how to access that information.

10 (c) For the purposes of this Section, "total compensation  
11 package" means payment by the employer to the employee for  
12 salary, health insurance, a housing allowance, a vehicle  
13 allowance, a clothing allowance, bonuses, loans, vacation days  
14 granted, and sick days granted.

15 Section 10. The Illinois Pension Code is amended by  
16 changing Sections 1-160, 7-116, 7-172, 7-205, 14-103.05,  
17 22-101, and 22-103 and by adding Section 7-225 as follows:

18 (40 ILCS 5/1-160)

19 Sec. 1-160. Provisions applicable to new hires.

20 (a) The provisions of this Section apply to a person who,  
21 on or after January 1, 2011, first becomes a member or a  
22 participant under any reciprocal retirement system or pension  
23 fund established under this Code, other than a retirement  
24 system or pension fund established under Article 2, 3, 4, 5, 6,

1 or 18 of this Code, notwithstanding any other provision of this  
2 Code to the contrary, but do not apply to any self-managed plan  
3 established under this Code, to any person with respect to  
4 service as a sheriff's law enforcement employee under Article  
5 7, or to any participant of the retirement plan established  
6 under Section 22-101.

7 (b) "Final average salary" means the average monthly (or  
8 annual) salary obtained by dividing the total salary or  
9 earnings calculated under the Article applicable to the member  
10 or participant during the 96 consecutive months (or 8  
11 consecutive years) of service within the last 120 months (or 10  
12 years) of service in which the total salary or earnings  
13 calculated under the applicable Article was the highest by the  
14 number of months (or years) of service in that period. For the  
15 purposes of a person who first becomes a member or participant  
16 of any retirement system or pension fund to which this Section  
17 applies on or after January 1, 2011, in this Code, "final  
18 average salary" shall be substituted for the following:

19 (1) In Articles 7 (except for service as sheriff's law  
20 enforcement employees) and 15, "final rate of earnings".

21 (2) In Articles 8, 9, 10, 11, and 12, "highest average  
22 annual salary for any 4 consecutive years within the last  
23 10 years of service immediately preceding the date of  
24 withdrawal".

25 (3) In Article 13, "average final salary".

26 (4) In Article 14, "final average compensation".

1 (5) In Article 17, "average salary".

2 (6) In Section 22-207, "wages or salary received by him  
3 at the date of retirement or discharge".

4 (b-5) Beginning on January 1, 2011, for all purposes under  
5 this Code (including without limitation the calculation of  
6 benefits and employee contributions), the annual earnings,  
7 salary, or wages (based on the plan year) of a member or  
8 participant to whom this Section applies shall not exceed  
9 \$106,800; however, that amount shall annually thereafter be  
10 increased by the lesser of (i) 3% of that amount, including all  
11 previous adjustments, or (ii) one-half the annual unadjusted  
12 percentage increase (but not less than zero) in the consumer  
13 price index-u for the 12 months ending with the September  
14 preceding each November 1, including all previous adjustments.

15 For the purposes of this Section, "consumer price index-u"  
16 means the index published by the Bureau of Labor Statistics of  
17 the United States Department of Labor that measures the average  
18 change in prices of goods and services purchased by all urban  
19 consumers, United States city average, all items, 1982-84 =  
20 100. The new amount resulting from each annual adjustment shall  
21 be determined by the Public Pension Division of the Department  
22 of Insurance and made available to the boards of the retirement  
23 systems and pension funds by November 1 of each year.

24 (c) A member or participant is entitled to a retirement  
25 annuity upon written application if he or she has attained age  
26 67 and has at least 10 years of service credit and is otherwise

1 eligible under the requirements of the applicable Article.

2 A member or participant who has attained age 62 and has at  
3 least 10 years of service credit and is otherwise eligible  
4 under the requirements of the applicable Article may elect to  
5 receive the lower retirement annuity provided in subsection (d)  
6 of this Section.

7 (d) The retirement annuity of a member or participant who  
8 is retiring after attaining age 62 with at least 10 years of  
9 service credit shall be reduced by one-half of 1% for each full  
10 month that the member's age is under age 67.

11 (e) Any retirement annuity or supplemental annuity shall be  
12 subject to annual increases on the January 1 occurring either  
13 on or after the attainment of age 67 or the first anniversary  
14 of the annuity start date, whichever is later. Each annual  
15 increase shall be calculated at 3% or one-half the annual  
16 unadjusted percentage increase (but not less than zero) in the  
17 consumer price index-u for the 12 months ending with the  
18 September preceding each November 1, whichever is less, of the  
19 originally granted retirement annuity. If the annual  
20 unadjusted percentage change in the consumer price index-u for  
21 the 12 months ending with the September preceding each November  
22 1 is zero or there is a decrease, then the annuity shall not be  
23 increased.

24 (f) The initial survivor's or widow's annuity of an  
25 otherwise eligible survivor or widow of a retired member or  
26 participant who first became a member or participant on or

1 after January 1, 2011 shall be in the amount of 66 2/3% of the  
2 retired member's or participant's retirement annuity at the  
3 date of death. In the case of the death of a member or  
4 participant who has not retired and who first became a member  
5 or participant on or after January 1, 2011, eligibility for a  
6 survivor's or widow's annuity shall be determined by the  
7 applicable Article of this Code. The initial benefit shall be  
8 66 2/3% of the earned annuity without a reduction due to age. A  
9 child's annuity of an otherwise eligible child shall be in the  
10 amount prescribed under each Article if applicable. Any  
11 survivor's or widow's annuity shall be increased (1) on each  
12 January 1 occurring on or after the commencement of the annuity  
13 if the deceased member died while receiving a retirement  
14 annuity or (2) in other cases, on each January 1 occurring  
15 after the first anniversary of the commencement of the annuity.  
16 Each annual increase shall be calculated at 3% or one-half the  
17 annual unadjusted percentage increase (but not less than zero)  
18 in the consumer price index-u for the 12 months ending with the  
19 September preceding each November 1, whichever is less, of the  
20 originally granted survivor's annuity. If the annual  
21 unadjusted percentage change in the consumer price index-u for  
22 the 12 months ending with the September preceding each November  
23 1 is zero or there is a decrease, then the annuity shall not be  
24 increased.

25 (g) The benefits in Section 14-110 apply only if the person  
26 is a State policeman, a fire fighter in the fire protection

1 service of a department, or a security employee of the  
2 Department of Corrections or the Department of Juvenile  
3 Justice, as those terms are defined in subsection (b) of  
4 Section 14-110. A person who meets the requirements of this  
5 Section is entitled to an annuity calculated under the  
6 provisions of Section 14-110, in lieu of the regular or minimum  
7 retirement annuity, only if the person has withdrawn from  
8 service with not less than 20 years of eligible creditable  
9 service and has attained age 60, regardless of whether the  
10 attainment of age 60 occurs while the person is still in  
11 service.

12 (h) If a person who first becomes a member or a participant  
13 of a retirement system or pension fund subject to this Section  
14 on or after January 1, 2011 is receiving a retirement annuity  
15 or retirement pension under that system or fund and becomes a  
16 member or participant under any other system or fund created by  
17 this Code and is employed on a full-time basis, except for  
18 those members or participants exempted from the provisions of  
19 this Section under subsection (a) of this Section, then the  
20 person's retirement annuity or retirement pension under that  
21 system or fund shall be suspended during that employment. Upon  
22 termination of that employment, the person's retirement  
23 annuity or retirement pension payments shall resume and be  
24 recalculated if recalculation is provided for under the  
25 applicable Article of this Code.

26 If a person who first becomes a member of a retirement

1 system or pension fund subject to this Section on or after the  
2 effective date of this amendatory Act of the 97th General  
3 Assembly is receiving a retirement annuity or retirement  
4 pension under that system or fund and accepts on a contractual  
5 basis a position to provide services to a governmental entity  
6 from which he or she has retired, then that person's annuity or  
7 retirement pension earned as an active employee of the employer  
8 shall be suspended during that contractual service. A person  
9 receiving an annuity or retirement pension under this Code  
10 shall notify the pension fund or retirement system from which  
11 he or she is receiving an annuity or retirement pension, as  
12 well as his or her contractual employer, of his or her  
13 retirement status before accepting contractual employment. A  
14 person who fails to submit such notification shall be guilty of  
15 a Class A misdemeanor and required to pay a fine of \$1,000.  
16 Upon termination of that contractual employment, the person's  
17 retirement annuity or retirement pension payments shall resume  
18 and, if appropriate, be recalculated under the applicable  
19 provisions of this Code.

20 (i) Notwithstanding any other provision of this Section, a  
21 person who first becomes a participant of the retirement system  
22 established under Article 15 on or after January 1, 2011 shall  
23 have the option to enroll in the self-managed plan created  
24 under Section 15-158.2 of this Code.

25 (j) In the case of a conflict between the provisions of  
26 this Section and any other provision of this Code, the



1 provisions of this Section shall control.

2 (Source: P.A. 96-889, eff. 1-1-11; 96-1490, eff. 1-1-11.)

3 (40 ILCS 5/7-116) (from Ch. 108 1/2, par. 7-116)

4 Sec. 7-116. "Final rate of earnings":

5 (a) For retirement and survivor annuities, the monthly  
6 earnings obtained by dividing the total earnings received by  
7 the employee during the period of either (1) the 48 consecutive  
8 months of service within the last 120 months of service in  
9 which his total earnings were the highest or (2) the employee's  
10 total period of service, by the number of months of service in  
11 such period.

12 (b) For death benefits, the higher of the rate determined  
13 under paragraph (a) of this Section or total earnings received  
14 in the last 12 months of service divided by twelve. If the  
15 deceased employee has less than 12 months of service, the  
16 monthly final rate shall be the monthly rate of pay the  
17 employee was receiving when he began service.

18 (c) For disability benefits, the total earnings of a  
19 participating employee in the last 12 calendar months of  
20 service prior to the date he becomes disabled divided by 12.

21 (d) In computing the final rate of earnings: (1) the  
22 earnings rate for all periods of prior service shall be  
23 considered equal to the average earnings rate for the last 3  
24 calendar years of prior service for which creditable service is  
25 received under Section 7-139 or, if there is less than 3 years

1 of creditable prior service, the average for the total prior  
2 service period for which creditable service is received under  
3 Section 7-139; (2) for out of state service and authorized  
4 leave, the earnings rate shall be the rate upon which service  
5 credits are granted; (3) periods of military leave shall not be  
6 considered; (4) the earnings rate for all periods of disability  
7 shall be considered equal to the rate of earnings upon which  
8 the employee's disability benefits are computed for such  
9 periods; (5) the earnings to be considered for each of the  
10 final three months of the final earnings period for persons who  
11 first became participants before the effective date of this  
12 amendatory Act of the 97th General Assembly and the earnings to  
13 be considered for each of the final 24 months for participants  
14 who first become participants on or after the effective date of  
15 this amendatory Act of the 97th General Assembly shall not  
16 exceed 125% of the highest earnings of any other month in the  
17 final earnings period; and (6) the annual amount of final rate  
18 of earnings shall be the monthly amount multiplied by the  
19 number of months of service normally required by the position  
20 in a year.

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

22 (40 ILCS 5/7-172) (from Ch. 108 1/2, par. 7-172)

23 Sec. 7-172. Contributions by participating municipalities  
24 and participating instrumentalities.

25 (a) Each participating municipality and each participating

1 instrumentality shall make payment to the fund as follows:

2 1. municipality contributions in an amount determined  
3 by applying the municipality contribution rate to each  
4 payment of earnings paid to each of its participating  
5 employees;

6 2. an amount equal to the employee contributions  
7 provided by paragraphs (a) and (b) of Section 7-173,  
8 whether or not the employee contributions are withheld as  
9 permitted by that Section;

10 3. all accounts receivable, together with interest  
11 charged thereon, as provided in Section 7-209;

12 4. if it has no participating employees with current  
13 earnings, an amount payable which, over a closed period of  
14 20 years for participating municipalities and 10 years for  
15 participating instrumentalities, will amortize, at the  
16 effective rate for that year, any unfunded obligation. The  
17 unfunded obligation shall be computed as provided in  
18 paragraph 2 of subsection (b);

19 5. if it has fewer than 7 participating employees or a  
20 negative balance in its municipality reserve, the greater  
21 of (A) an amount payable that, over a period of 20 years,  
22 will amortize at the effective rate for that year any  
23 unfunded obligation, computed as provided in paragraph 2 of  
24 subsection (b) or (B) the amount required by paragraph 1 of  
25 this subsection (a).

26 (b) A separate municipality contribution rate shall be

1 determined for each calendar year for all participating  
2 municipalities together with all instrumentalities thereof.  
3 The municipality contribution rate shall be determined for  
4 participating instrumentalities as if they were participating  
5 municipalities. The municipality contribution rate shall be  
6 the sum of the following percentages:

7 1. The percentage of earnings of all the participating  
8 employees of all participating municipalities and  
9 participating instrumentalities which, if paid over the  
10 entire period of their service, will be sufficient when  
11 combined with all employee contributions available for the  
12 payment of benefits, to provide all annuities for  
13 participating employees, and the \$3,000 death benefit  
14 payable under Sections 7-158 and 7-164, such percentage to  
15 be known as the normal cost rate.

16 2. The percentage of earnings of the participating  
17 employees of each participating municipality and  
18 participating instrumentalities necessary to adjust for  
19 the difference between the present value of all benefits,  
20 excluding temporary and total and permanent disability and  
21 death benefits, to be provided for its participating  
22 employees and the sum of its accumulated municipality  
23 contributions and the accumulated employee contributions  
24 and the present value of expected future employee and  
25 municipality contributions pursuant to subparagraph 1 of  
26 this paragraph (b). This adjustment shall be spread over

1 the remainder of the period that is allowable under  
2 generally accepted accounting principles.

3 3. The percentage of earnings of the participating  
4 employees of all municipalities and participating  
5 instrumentalities necessary to provide the present value  
6 of all temporary and total and permanent disability  
7 benefits granted during the most recent year for which  
8 information is available.

9 4. The percentage of earnings of the participating  
10 employees of all participating municipalities and  
11 participating instrumentalities necessary to provide the  
12 present value of the net single sum death benefits expected  
13 to become payable from the reserve established under  
14 Section 7-206 during the year for which this rate is fixed.

15 5. The percentage of earnings necessary to meet any  
16 deficiency arising in the Terminated Municipality Reserve.

17 (c) A separate municipality contribution rate shall be  
18 computed for each participating municipality or participating  
19 instrumentality for its sheriff's law enforcement employees.

20 A separate municipality contribution rate shall be  
21 computed for the sheriff's law enforcement employees of each  
22 forest preserve district that elects to have such employees.  
23 For the period from January 1, 1986 to December 31, 1986, such  
24 rate shall be the forest preserve district's regular rate plus  
25 2%.

26 In the event that the Board determines that there is an

1 actuarial deficiency in the account of any municipality with  
2 respect to a person who has elected to participate in the Fund  
3 under Section 3-109.1 of this Code, the Board may adjust the  
4 municipality's contribution rate so as to make up that  
5 deficiency over such reasonable period of time as the Board may  
6 determine.

7 (d) The Board may establish a separate municipality  
8 contribution rate for all employees who are program  
9 participants employed under the federal Comprehensive  
10 Employment Training Act by all of the participating  
11 municipalities and instrumentalities. The Board may also  
12 provide that, in lieu of a separate municipality rate for these  
13 employees, a portion of the municipality contributions for such  
14 program participants shall be refunded or an extra charge  
15 assessed so that the amount of municipality contributions  
16 retained or received by the fund for all CETA program  
17 participants shall be an amount equal to that which would be  
18 provided by the separate municipality contribution rate for all  
19 such program participants. Refunds shall be made to prime  
20 sponsors of programs upon submission of a claim therefor and  
21 extra charges shall be assessed to participating  
22 municipalities and instrumentalities. In establishing the  
23 municipality contribution rate as provided in paragraph (b) of  
24 this Section, the use of a separate municipality contribution  
25 rate for program participants or the refund of a portion of the  
26 municipality contributions, as the case may be, may be

1 considered.

2 (e) Computations of municipality contribution rates for  
3 the following calendar year shall be made prior to the  
4 beginning of each year, from the information available at the  
5 time the computations are made, and on the assumption that the  
6 employees in each participating municipality or participating  
7 instrumentality at such time will continue in service until the  
8 end of such calendar year at their respective rates of earnings  
9 at such time.

10 (f) Any municipality which is the recipient of State  
11 allocations representing that municipality's contributions for  
12 retirement annuity purposes on behalf of its employees as  
13 provided in Section 12-21.16 of the Illinois Public Aid Code  
14 shall pay the allocations so received to the Board for such  
15 purpose. Estimates of State allocations to be received during  
16 any taxable year shall be considered in the determination of  
17 the municipality's tax rate for that year under Section 7-171.  
18 If a special tax is levied under Section 7-171, none of the  
19 proceeds may be used to reimburse the municipality for the  
20 amount of State allocations received and paid to the Board. Any  
21 multiple-county or consolidated health department which  
22 receives contributions from a county under Section 11.2 of "An  
23 Act in relation to establishment and maintenance of county and  
24 multiple-county health departments", approved July 9, 1943, as  
25 amended, or distributions under Section 3 of the Department of  
26 Public Health Act, shall use these only for municipality

1 contributions by the health department.

2 (g) Municipality contributions for the several purposes  
3 specified shall, for township treasurers and employees in the  
4 offices of the township treasurers who meet the qualifying  
5 conditions for coverage hereunder, be allocated among the  
6 several school districts and parts of school districts serviced  
7 by such treasurers and employees in the proportion which the  
8 amount of school funds of each district or part of a district  
9 handled by the treasurer bears to the total amount of all  
10 school funds handled by the treasurer.

11 From the funds subject to allocation among districts and  
12 parts of districts pursuant to the School Code, the trustees  
13 shall withhold the proportionate share of the liability for  
14 municipality contributions imposed upon such districts by this  
15 Section, in respect to such township treasurers and employees  
16 and remit the same to the Board.

17 The municipality contribution rate for an educational  
18 service center shall initially be the same rate for each year  
19 as the regional office of education or school district which  
20 serves as its administrative agent. When actuarial data become  
21 available, a separate rate shall be established as provided in  
22 subparagraph (i) of this Section.

23 The municipality contribution rate for a public agency,  
24 other than a vocational education cooperative, formed under the  
25 Intergovernmental Cooperation Act shall initially be the  
26 average rate for the municipalities which are parties to the



1 intergovernmental agreement. When actuarial data become  
2 available, a separate rate shall be established as provided in  
3 subparagraph (i) of this Section.

4 (h) Each participating municipality and participating  
5 instrumentality shall make the contributions in the amounts  
6 provided in this Section in the manner prescribed from time to  
7 time by the Board and all such contributions shall be  
8 obligations of the respective participating municipalities and  
9 participating instrumentalities to this fund. The failure to  
10 deduct any employee contributions shall not relieve the  
11 participating municipality or participating instrumentality of  
12 its obligation to this fund. Delinquent payments of  
13 contributions due under this Section may, with interest, be  
14 recovered by civil action against the participating  
15 municipalities or participating instrumentalities.  
16 Municipality contributions, other than the amount necessary  
17 for employee contributions and Social Security contributions,  
18 for periods of service by employees from whose earnings no  
19 deductions were made for employee contributions to the fund,  
20 may be charged to the municipality reserve for the municipality  
21 or participating instrumentality.

22 (i) Contributions by participating instrumentalities shall  
23 be determined as provided herein except that the percentage  
24 derived under subparagraph 2 of paragraph (b) of this Section,  
25 and the amount payable under subparagraph 4 of paragraph (a) of  
26 this Section, shall be based on an amortization period of 10

1 years.

2 (j) Notwithstanding the other provisions of this Section,  
3 the additional unfunded liability accruing as a result of this  
4 amendatory Act of the 94th General Assembly shall be amortized  
5 over a period of 30 years beginning on January 1 of the second  
6 calendar year following the calendar year in which this  
7 amendatory Act takes effect, except that the employer may  
8 provide for a longer amortization period by adopting a  
9 resolution or ordinance specifying a 35-year or 40-year period  
10 and submitting a certified copy of the ordinance or resolution  
11 to the fund no later than June 1 of the calendar year following  
12 the calendar year in which this amendatory Act takes effect.

13 (k) If the amount of a participating employee's reported  
14 earnings for any of the 12-month periods used to determine the  
15 final rate of earnings exceeds the employee's 12 month reported  
16 earnings with the same employer for the previous year by the  
17 greater of 6% or 1.5 times the annual increase in the Consumer  
18 Price Index-U, as established by the United States Department  
19 of Labor for the preceding September, the participating  
20 municipality or participating instrumentality that paid those  
21 earnings shall pay to the Fund, in addition to any other  
22 contributions required under this Article, the present value of  
23 the increase in the pension resulting from the portion of the  
24 increase in salary that is in excess of the greater of 6% or  
25 1.5 times the annual increase in the Consumer Price Index-U, as  
26 determined by the Fund. This present value shall be computed on

1 the basis of the actuarial assumptions and tables used in the  
2 most recent actuarial valuation of the Fund that is available  
3 at the time of the computation.

4 Whenever it determines that a payment is or may be required  
5 under this subsection (k), the fund shall calculate the amount  
6 of the payment and bill the participating municipality or  
7 participating instrumentality for that amount. The bill shall  
8 specify the calculations used to determine the amount due. If  
9 the participating municipality or participating  
10 instrumentality disputes the amount of the bill, it may, within  
11 30 days after receipt of the bill, apply to the fund in writing  
12 for a recalculation. The application must specify in detail the  
13 grounds of the dispute. Upon receiving a timely application for  
14 recalculation, the fund shall review the application and, if  
15 appropriate, recalculate the amount due. The participating  
16 municipality and participating instrumentality contributions  
17 required under this subsection (k) may be paid in the form of a  
18 lump sum within 90 days after receipt of the bill. If the  
19 participating municipality and participating instrumentality  
20 contributions are not paid within 90 days after receipt of the  
21 bill, then interest will be charged at a rate equal to the  
22 fund's annual actuarially assumed rate of return on investment  
23 compounded annually from the 91st day after receipt of the  
24 bill. Payments must be concluded within 3 years after receipt  
25 of the bill by the participating municipality or participating  
26 instrumentality.

1       When assessing payment for any amount due under this  
2       subsection (k), the fund shall exclude earnings increases  
3       resulting from overload or overtime earnings.

4       When assessing payment for any amount due under this  
5       subsection (k), the fund shall also exclude earnings increases  
6       attributable to standard employment promotions resulting in  
7       increased responsibility and workload.

8       This subsection (k) does not apply to earnings increases  
9       paid to individuals under contracts or collective bargaining  
10       agreements entered into, amended, or renewed before the  
11       effective date of this amendatory Act of the 97th General  
12       Assembly, earnings increases paid to members who are 10 years  
13       or more from retirement eligibility, or earnings increases  
14       resulting from an increase in the number of hours required to  
15       be worked.

16       (Source: P.A. 96-1084, eff. 7-16-10; 96-1140, eff. 7-21-10;  
17       revised 9-16-10.)

18               (40 ILCS 5/7-205) (from Ch. 108 1/2, par. 7-205)

19       Sec. 7-205. Reserves for annuities. Appropriate reserves  
20       shall be created for payment of all annuities granted under  
21       this Article at the time such annuities are granted and in  
22       amounts determined to be necessary under actuarial tables  
23       adopted by the Board upon recommendation of the actuary of the  
24       fund. All annuities payable shall be charged to the annuity  
25       reserve.

1           1. Amounts credited to annuity reserves shall be derived by  
2 transfer of all the employee credits from the appropriate  
3 employee reserves and by charges to the municipality reserve of  
4 those municipalities in which the retiring employee has  
5 accumulated service. If a retiring employee has accumulated  
6 service in more than one participating municipality or  
7 participating instrumentality, the aggregate municipality  
8 charges for non-concurrent service shall be calculated as  
9 follows:

10           (A) for purposes of calculating the annuity reserve, an  
11 annuity will be calculated based on service and adjusted  
12 earnings with each employer (without regard to the vesting  
13 requirement contained in subsection (a) of Section 7-142);  
14 and

15           (B) the difference between the municipality charges  
16 for the actual annuity granted and the aggregation of the  
17 municipality charges based upon the ratio of each from  
18 those calculations to the aggregated total from paragraph  
19 (A) of this item 1.

20           Aggregate municipality charges for concurrent service  
21 shall be prorated based on the employee's earnings. The  
22 municipality charges for retirement annuities calculated under  
23 subparagraph a. of paragraph 1. of subsection (a) of Section  
24 7-142 shall be prorated based on actual contributions ~~prorated~~  
25 ~~on a basis of the employee's earnings in case of concurrent~~  
26 ~~service and creditable service in other cases.~~

1           2. Supplemental annuities shall be handled as a separate  
2 annuity and amounts to be credited to the annuity reserve  
3 therefor shall be derived in the same manner as a regular  
4 annuity.

5           3. When a retirement annuity is granted to an employee with  
6 a spouse eligible for a surviving spouse annuity, there shall  
7 be credited to the annuity reserve an amount to fund the cost  
8 of both the retirement and surviving spouse annuity as a joint  
9 and survivors annuity.

10          4. Beginning January 1, 1989, when a retirement annuity is  
11 awarded, an amount equal to the present value of the \$3,000  
12 death benefit payable upon the death of the annuitant shall be  
13 transferred to the annuity reserve from the appropriate  
14 municipality reserves in the same manner as the transfer for  
15 annuities.

16          5. All annuity reserves shall be revalued annually as of  
17 December 31. Beginning as of December 31, 1973, adjustment  
18 required therein by such revaluation shall be charged or  
19 credited to the earnings and experience variation reserve.

20          6. There shall be credited to the annuity reserve all of  
21 the payments made by annuitants under Section 7-144.2, plus an  
22 additional amount from the earnings and experience variation  
23 reserve to fund the cost of the incremental annuities granted  
24 to annuitants making these payments.

25          7. As of December 31, 1972, the excess in the annuity  
26 reserve shall be transferred to the municipality reserves. An

1 amount equal to the deficiency in the reserve of participating  
2 municipalities and participating instrumentalities which have  
3 no participating employees shall be allocated to their  
4 reserves. The remainder shall be allocated in amounts  
5 proportionate to the present value, as of January 1, 1972, of  
6 annuities of annuitants of the remaining participating  
7 municipalities and participating instrumentalities.

8 (Source: P.A. 89-136, eff. 7-14-95.)

9 (40 ILCS 5/7-225 new)

10 Sec. 7-225. Increases in earnings; pension impact  
11 statement. Before increasing the earnings of an officer,  
12 executive, or manager by 12% or more:

13 (1) the authorities of the respective employer who are  
14 authorizing the increase must contact the Illinois  
15 Municipal Retirement Fund as to the effect of that increase  
16 in salary on the pension benefits of that participant;

17 (2) the Illinois Municipal Retirement Fund must  
18 respond with a written "Pension Impact Statement" stating  
19 the effect of that increase in salary on the pension  
20 benefits of that participant, and any other relevant effect  
21 of the increase, including payment of the present value of  
22 the increase in benefits resulting from the portion of any  
23 increase in salary that is in excess of 6% as provided  
24 under subsection (k) of Section 7-172, if applicable;

25 (3) the authorities authorizing this increase must

1 sign the pension impact statement, acknowledging receipt  
2 and understanding of the effects of the increase; and

3 (4) the employer must pay the costs associated with the  
4 pension impact statement.

5 The provisions of this Section do not apply to any of the  
6 following: increases attributable to standard employment  
7 promotions resulting in increased responsibility and  
8 workloads; earnings increases paid to individuals under  
9 contracts or collective bargaining agreements entered into,  
10 amended, or renewed before the effective date of this  
11 Amendatory Act; earnings increases paid to members who are 10  
12 years or more from retirement eligibility; or earnings  
13 increases resulting from an increase in the number of hours  
14 required to be worked.

15 (40 ILCS 5/14-103.05) (from Ch. 108 1/2, par. 14-103.05)  
16 Sec. 14-103.05. Employee.

17 (a) Any person employed by a Department who receives salary  
18 for personal services rendered to the Department on a warrant  
19 issued pursuant to a payroll voucher certified by a Department  
20 and drawn by the State Comptroller upon the State Treasurer,  
21 including an elected official described in subparagraph (d) of  
22 Section 14-104, shall become an employee for purpose of  
23 membership in the Retirement System on the first day of such  
24 employment.

25 A person entering service on or after January 1, 1972 and



1 prior to January 1, 1984 shall become a member as a condition  
2 of employment and shall begin making contributions as of the  
3 first day of employment.

4 A person entering service on or after January 1, 1984  
5 shall, upon completion of 6 months of continuous service which  
6 is not interrupted by a break of more than 2 months, become a  
7 member as a condition of employment. Contributions shall begin  
8 the first of the month after completion of the qualifying  
9 period.

10 A person employed by the Chicago Metropolitan Agency for  
11 Planning on the effective date of this amendatory Act of the  
12 95th General Assembly who was a member of this System as an  
13 employee of the Chicago Area Transportation Study and makes an  
14 election under Section 14-104.13 to participate in this System  
15 for his or her employment with the Chicago Metropolitan Agency  
16 for Planning.

17 The qualifying period of 6 months of service is not  
18 applicable to: (1) a person who has been granted credit for  
19 service in a position covered by the State Universities  
20 Retirement System, the Teachers' Retirement System of the State  
21 of Illinois, the General Assembly Retirement System, or the  
22 Judges Retirement System of Illinois unless that service has  
23 been forfeited under the laws of those systems; (2) a person  
24 entering service on or after July 1, 1991 in a noncovered  
25 position; (3) a person to whom Section 14-108.2a or 14-108.2b  
26 applies; or (4) a person to whom subsection (a-5) of this

1 Section applies.

2 (a-5) A person entering service on or after December 1,  
3 2010 shall become a member as a condition of employment and  
4 shall begin making contributions as of the first day of  
5 employment. A person serving in the qualifying period on  
6 December 1, 2010 will become a member on December 1, 2010 and  
7 shall begin making contributions as of December 1, 2010.

8 (b) The term "employee" does not include the following:

9 (1) members of the State Legislature, and persons  
10 electing to become members of the General Assembly  
11 Retirement System pursuant to Section 2-105;

12 (2) incumbents of offices normally filled by vote of  
13 the people;

14 (3) except as otherwise provided in this Section, any  
15 person appointed by the Governor with the advice and  
16 consent of the Senate unless that person elects to  
17 participate in this system;

18 (3.1) any person serving as a commissioner of an ethics  
19 commission created under the State Officials and Employees  
20 Ethics Act unless that person elects to participate in this  
21 system with respect to that service as a commissioner;

22 (3.2) any person serving as a part-time employee in any  
23 of the following positions: Legislative Inspector General,  
24 Special Legislative Inspector General, employee of the  
25 Office of the Legislative Inspector General, Executive  
26 Director of the Legislative Ethics Commission, or staff of

1 the Legislative Ethics Commission, regardless of whether  
2 he or she is in active service on or after July 8, 2004  
3 (the effective date of Public Act 93-685), unless that  
4 person elects to participate in this System with respect to  
5 that service; in this item (3.2), a "part-time employee" is  
6 a person who is not required to work at least 35 hours per  
7 week;

8 (3.3) any person who has made an election under Section  
9 1-123 and who is serving either as legal counsel in the  
10 Office of the Governor or as Chief Deputy Attorney General;

11 (4) except as provided in Section 14-108.2 or  
12 14-108.2c, any person who is covered or eligible to be  
13 covered by the Teachers' Retirement System of the State of  
14 Illinois, the State Universities Retirement System, or the  
15 Judges Retirement System of Illinois;

16 (5) an employee of a municipality or any other  
17 political subdivision of the State;

18 (6) any person who becomes an employee after June 30,  
19 1979 as a public service employment program participant  
20 under the Federal Comprehensive Employment and Training  
21 Act and whose wages or fringe benefits are paid in whole or  
22 in part by funds provided under such Act;

23 (7) enrollees of the Illinois Young Adult Conservation  
24 Corps program, administered by the Department of Natural  
25 Resources, authorized grantee pursuant to Title VIII of the  
26 "Comprehensive Employment and Training Act of 1973", 29 USC

1 993, as now or hereafter amended;

2 (8) enrollees and temporary staff of programs  
3 administered by the Department of Natural Resources under  
4 the Youth Conservation Corps Act of 1970;

5 (9) any person who is a member of any professional  
6 licensing or disciplinary board created under an Act  
7 administered by the Department of Professional Regulation  
8 or a successor agency or created or re-created after the  
9 effective date of this amendatory Act of 1997, and who  
10 receives per diem compensation rather than a salary,  
11 notwithstanding that such per diem compensation is paid by  
12 warrant issued pursuant to a payroll voucher; such persons  
13 have never been included in the membership of this System,  
14 and this amendatory Act of 1987 (P.A. 84-1472) is not  
15 intended to effect any change in the status of such  
16 persons;

17 (10) any person who is a member of the Illinois Health  
18 Care Cost Containment Council, and receives per diem  
19 compensation rather than a salary, notwithstanding that  
20 such per diem compensation is paid by warrant issued  
21 pursuant to a payroll voucher; such persons have never been  
22 included in the membership of this System, and this  
23 amendatory Act of 1987 is not intended to effect any change  
24 in the status of such persons;

25 (11) any person who is a member of the Oil and Gas  
26 Board created by Section 1.2 of the Illinois Oil and Gas

1 Act, and receives per diem compensation rather than a  
2 salary, notwithstanding that such per diem compensation is  
3 paid by warrant issued pursuant to a payroll voucher; ~~or~~

4 (12) a person employed by the State Board of Higher  
5 Education in a position with the Illinois Century Network  
6 as of June 30, 2004, who remains continuously employed  
7 after that date by the Department of Central Management  
8 Services in a position with the Illinois Century Network  
9 and participates in the Article 15 system with respect to  
10 that employment;~~;~~

11 (13) any person who first becomes a member of the Civil  
12 Service Commission on or after the effective date of this  
13 amendatory Act of the 97th General Assembly;

14 (14) any person, other than the Director of Employment  
15 Security, who first becomes a member of the Board of Review  
16 of the Department of Employment Security on or after the  
17 effective date of this amendatory Act of the 97th General  
18 Assembly;

19 (15) any person who first becomes a member of the Civil  
20 Service Commission on or after the effective date of this  
21 amendatory Act of the 97th General Assembly;

22 (16) any person who first becomes a member of the  
23 Illinois Liquor Control Commission on or after the  
24 effective date of this amendatory Act of the 97th General  
25 Assembly;

26 (17) any person who first becomes a member of the

1 Secretary of State Merit Commission on or after the  
2 effective date of this amendatory Act of the 97th General  
3 Assembly;

4 (18) any person who first becomes a member of the Human  
5 Rights Commission on or after the effective date of this  
6 amendatory Act of the 97th General Assembly;

7 (19) any person who first becomes a member of the State  
8 Mining Board on or after the effective date of this  
9 amendatory Act of the 97th General Assembly;

10 (20) any person who first becomes a member of the  
11 Property Tax Appeal Board on or after the effective date of  
12 this amendatory Act of the 97th General Assembly;

13 (21) any person who first becomes a member of the  
14 Illinois Racing Board on or after the effective date of  
15 this amendatory Act of the 97th General Assembly;

16 (22) any person who first becomes a member of the  
17 Department of State Police Merit Board on or after the  
18 effective date of this amendatory Act of the 97th General  
19 Assembly;

20 (23) any person who first becomes a member of the  
21 Illinois State Toll Highway Authority on or after the  
22 effective date of this amendatory Act of the 97th General  
23 Assembly; or

24 (24) any person who first becomes a member of the  
25 Illinois State Board of Elections on or after the effective  
26 date of this amendatory Act of the 97th General Assembly.

1           (c) An individual who represents or is employed as an  
2 officer or employee of a statewide labor organization that  
3 represents members of this System may participate in the System  
4 and shall be deemed an employee, provided that (1) the  
5 individual has previously earned creditable service under this  
6 Article, (2) the individual files with the System an  
7 irrevocable election to become a participant within 6 months  
8 after the effective date of this amendatory Act of the 94th  
9 General Assembly, and (3) the individual does not receive  
10 credit for that employment under any other provisions of this  
11 Code. An employee under this subsection (c) is responsible for  
12 paying to the System both (i) employee contributions based on  
13 the actual compensation received for service with the labor  
14 organization and (ii) employer contributions based on the  
15 percentage of payroll certified by the board; all or any part  
16 of these contributions may be paid on the employee's behalf or  
17 picked up for tax purposes (if authorized under federal law) by  
18 the labor organization.

19           A person who is an employee as defined in this subsection  
20 (c) may establish service credit for similar employment prior  
21 to becoming an employee under this subsection by paying to the  
22 System for that employment the contributions specified in this  
23 subsection, plus interest at the effective rate from the date  
24 of service to the date of payment. However, credit shall not be  
25 granted under this subsection (c) for any such prior employment  
26 for which the applicant received credit under any other

1 provision of this Code or during which the applicant was on a  
2 leave of absence.

3 (Source: P.A. 95-677, eff. 10-11-07; 96-1490, eff. 1-1-11.)

4 (40 ILCS 5/22-101) (from Ch. 108 1/2, par. 22-101)

5 Sec. 22-101. Retirement Plan for Chicago Transit Authority  
6 Employees.

7 (a) There shall be established and maintained by the  
8 Authority created by the "Metropolitan Transit Authority Act",  
9 approved April 12, 1945, as amended, (referred to in this  
10 Section as the "Authority") a financially sound pension and  
11 retirement system adequate to provide for all payments when due  
12 under such established system or as modified from time to time  
13 by ordinance of the Chicago Transit Board or collective  
14 bargaining agreement. For this purpose, the Board must make  
15 contributions to the established system as required under this  
16 Section and may make any additional contributions provided for  
17 by Board ordinance or collective bargaining agreement. The  
18 participating employees shall make such periodic payments to  
19 the established system as required under this Section and may  
20 make any additional contributions provided for by Board  
21 ordinance or collective bargaining agreement.

22 Provisions shall be made by the Board for all officers,  
23 except those who first become members on after the effective  
24 date of this amendatory Act of the 97th General Assembly, and  
25 employees of the Authority appointed pursuant to the



1 "Metropolitan Transit Authority Act" to become, subject to  
2 reasonable rules and regulations, participants of the pension  
3 or retirement system with uniform rights, privileges,  
4 obligations and status as to the class in which such officers  
5 and employees belong. The terms, conditions and provisions of  
6 any pension or retirement system or of any amendment or  
7 modification thereof affecting employees who are members of any  
8 labor organization may be established, amended or modified by  
9 agreement with such labor organization, provided the terms,  
10 conditions and provisions must be consistent with this Act, the  
11 annual funding levels for the retirement system established by  
12 law must be met and the benefits paid to future participants in  
13 the system may not exceed the benefit ceilings set for future  
14 participants under this Act and the contribution levels  
15 required by the Authority and its employees may not be less  
16 than the contribution levels established under this Act.

17 (b) The Board of Trustees shall consist of 11 members  
18 appointed as follows: (i) 5 trustees shall be appointed by the  
19 Chicago Transit Board; (ii) 3 trustees shall be appointed by an  
20 organization representing the highest number of Chicago  
21 Transit Authority participants; (iii) one trustee shall be  
22 appointed by an organization representing the second-highest  
23 number of Chicago Transit Authority participants; (iv) one  
24 trustee shall be appointed by the recognized coalition  
25 representatives of participants who are not represented by an  
26 organization with the highest or second-highest number of

1 Chicago Transit Authority participants; and (v) one trustee  
2 shall be selected by the Regional Transportation Authority  
3 Board of Directors, and the trustee shall be a professional  
4 fiduciary who has experience in the area of collectively  
5 bargained pension plans. Trustees shall serve until a successor  
6 has been appointed and qualified, or until resignation, death,  
7 incapacity, or disqualification.

8 Any person appointed as a trustee of the board shall  
9 qualify by taking an oath of office that he or she will  
10 diligently and honestly administer the affairs of the system  
11 and will not knowingly violate or willfully permit the  
12 violation of any of the provisions of law applicable to the  
13 Plan, including Sections 1-109, 1-109.1, 1-109.2, 1-110,  
14 1-111, 1-114, and 1-115 of the Illinois Pension Code.

15 Each trustee shall cast individual votes, and a majority  
16 vote shall be final and binding upon all interested parties,  
17 provided that the Board of Trustees may require a supermajority  
18 vote with respect to the investment of the assets of the  
19 Retirement Plan, and may set forth that requirement in the  
20 Retirement Plan documents, by-laws, or rules of the Board of  
21 Trustees. Each trustee shall have the rights, privileges,  
22 authority, and obligations as are usual and customary for such  
23 fiduciaries.

24 The Board of Trustees may cause amounts on deposit in the  
25 Retirement Plan to be invested in those investments that are  
26 permitted investments for the investment of moneys held under

1 any one or more of the pension or retirement systems of the  
2 State, any unit of local government or school district, or any  
3 agency or instrumentality thereof. The Board, by a vote of at  
4 least two-thirds of the trustees, may transfer investment  
5 management to the Illinois State Board of Investment, which is  
6 hereby authorized to manage these investments when so requested  
7 by the Board of Trustees.

8 Notwithstanding any other provision of this Article or any  
9 law to the contrary, any person who first becomes a member of  
10 the Chicago Transit Board on or after the effective date of  
11 this Act shall not be eligible to participate in this  
12 Retirement Plan.

13 (c) All individuals who were previously participants in the  
14 Retirement Plan for Chicago Transit Authority Employees shall  
15 remain participants, and shall receive the same benefits  
16 established by the Retirement Plan for Chicago Transit  
17 Authority Employees, except as provided in this amendatory Act  
18 or by subsequent legislative enactment or amendment to the  
19 Retirement Plan. For Authority employees hired on or after the  
20 effective date of this amendatory Act of the 95th General  
21 Assembly, the Retirement Plan for Chicago Transit Authority  
22 Employees shall be the exclusive retirement plan and such  
23 employees shall not be eligible for any supplemental plan,  
24 except for a deferred compensation plan funded only by employee  
25 contributions.

26 For all Authority employees who are first hired on or after

1 the effective date of this amendatory Act of the 95th General  
2 Assembly and are participants in the Retirement Plan for  
3 Chicago Transit Authority Employees, the following terms,  
4 conditions and provisions with respect to retirement shall be  
5 applicable:

6 (1) Such participant shall be eligible for an unreduced  
7 retirement allowance for life upon the attainment of age 64  
8 with 25 years of continuous service.

9 (2) Such participant shall be eligible for a reduced  
10 retirement allowance for life upon the attainment of age 55  
11 with 10 years of continuous service.

12 (3) For the purpose of determining the retirement  
13 allowance to be paid to a retiring employee, the term  
14 "Continuous Service" as used in the Retirement Plan for  
15 Chicago Transit Authority Employees shall also be deemed to  
16 include all pension credit for service with any retirement  
17 system established under Article 8 or Article 11 of this  
18 Code, provided that the employee forfeits and relinquishes  
19 all pension credit under Article 8 or Article 11 of this  
20 Code, and the contribution required under this subsection  
21 is made by the employee. The Retirement Plan's actuary  
22 shall determine the contribution paid by the employee as an  
23 amount equal to the normal cost of the benefit accrued, had  
24 the service been rendered as an employee, plus interest per  
25 annum from the time such service was rendered until the  
26 date the payment is made.

1           (d) From the effective date of this amendatory Act through  
2 December 31, 2008, all participating employees shall  
3 contribute to the Retirement Plan in an amount not less than 6%  
4 of compensation, and the Authority shall contribute to the  
5 Retirement Plan in an amount not less than 12% of compensation.

6           (e) (1) Beginning January 1, 2009 the Authority shall make  
7 contributions to the Retirement Plan in an amount equal to  
8 twelve percent (12%) of compensation and participating  
9 employees shall make contributions to the Retirement Plan in an  
10 amount equal to six percent (6%) of compensation. These  
11 contributions may be paid by the Authority and participating  
12 employees on a payroll or other periodic basis, but shall in  
13 any case be paid to the Retirement Plan at least monthly.

14           (2) For the period ending December 31, 2040, the amount  
15 paid by the Authority in any year with respect to debt service  
16 on bonds issued for the purposes of funding a contribution to  
17 the Retirement Plan under Section 12c of the Metropolitan  
18 Transit Authority Act, other than debt service paid with the  
19 proceeds of bonds or notes issued by the Authority for any year  
20 after calendar year 2008, shall be treated as a credit against  
21 the amount of required contribution to the Retirement Plan by  
22 the Authority under subsection (e) (1) for the following year up  
23 to an amount not to exceed 6% of compensation paid by the  
24 Authority in that following year.

25           (3) By September 15 of each year beginning in 2009 and  
26 ending on December 31, 2039, on the basis of a report prepared

1 by an enrolled actuary retained by the Plan, the Board of  
2 Trustees of the Retirement Plan shall determine the estimated  
3 funded ratio of the total assets of the Retirement Plan to its  
4 total actuarially determined liabilities. A report containing  
5 that determination and the actuarial assumptions on which it is  
6 based shall be filed with the Authority, the representatives of  
7 its participating employees, the Auditor General of the State  
8 of Illinois, and the Regional Transportation Authority. If the  
9 funded ratio is projected to decline below 60% in any year  
10 before 2040, the Board of Trustees shall also determine the  
11 increased contribution required each year as a level percentage  
12 of payroll over the years remaining until 2040 using the  
13 projected unit credit actuarial cost method so the funded ratio  
14 does not decline below 60% and include that determination in  
15 its report. If the actual funded ratio declines below 60% in  
16 any year prior to 2040, the Board of Trustees shall also  
17 determine the increased contribution required each year as a  
18 level percentage of payroll during the years after the then  
19 current year using the projected unit credit actuarial cost  
20 method so the funded ratio is projected to reach at least 60%  
21 no later than 10 years after the then current year and include  
22 that determination in its report. Within 60 days after  
23 receiving the report, the Auditor General shall review the  
24 determination and the assumptions on which it is based, and if  
25 he finds that the determination and the assumptions on which it  
26 is based are unreasonable in the aggregate, he shall issue a

1 new determination of the funded ratio, the assumptions on which  
2 it is based and the increased contribution required each year  
3 as a level percentage of payroll over the years remaining until  
4 2040 using the projected unit credit actuarial cost method so  
5 the funded ratio does not decline below 60%, or, in the event  
6 of an actual decline below 60%, so the funded ratio is  
7 projected to reach 60% by no later than 10 years after the then  
8 current year. If the Board of Trustees or the Auditor General  
9 determine that an increased contribution is required to meet  
10 the funded ratio required by the subsection, effective January  
11 1 following the determination or 30 days after such  
12 determination, whichever is later, one-third of the increased  
13 contribution shall be paid by participating employees and  
14 two-thirds by the Authority, in addition to the contributions  
15 required by this subsection (1).

16 (4) For the period beginning 2040, the minimum contribution  
17 to the Retirement Plan for each fiscal year shall be an amount  
18 determined by the Board of Trustees of the Retirement Plan to  
19 be sufficient to bring the total assets of the Retirement Plan  
20 up to 90% of its total actuarial liabilities by the end of  
21 2059. Participating employees shall be responsible for  
22 one-third of the required contribution and the Authority shall  
23 be responsible for two-thirds of the required contribution. In  
24 making these determinations, the Board of Trustees shall  
25 calculate the required contribution each year as a level  
26 percentage of payroll over the years remaining to and including

1 fiscal year 2059 using the projected unit credit actuarial cost  
2 method. A report containing that determination and the  
3 actuarial assumptions on which it is based shall be filed by  
4 September 15 of each year with the Authority, the  
5 representatives of its participating employees, the Auditor  
6 General of the State of Illinois and the Regional  
7 Transportation Authority. If the funded ratio is projected to  
8 fail to reach 90% by December 31, 2059, the Board of Trustees  
9 shall also determine the increased contribution required each  
10 year as a level percentage of payroll over the years remaining  
11 until December 31, 2059 using the projected unit credit  
12 actuarial cost method so the funded ratio will meet 90% by  
13 December 31, 2059 and include that determination in its report.  
14 Within 60 days after receiving the report, the Auditor General  
15 shall review the determination and the assumptions on which it  
16 is based and if he finds that the determination and the  
17 assumptions on which it is based are unreasonable in the  
18 aggregate, he shall issue a new determination of the funded  
19 ratio, the assumptions on which it is based and the increased  
20 contribution required each year as a level percentage of  
21 payroll over the years remaining until December 31, 2059 using  
22 the projected unit credit actuarial cost method so the funded  
23 ratio reaches no less than 90% by December 31, 2059. If the  
24 Board of Trustees or the Auditor General determine that an  
25 increased contribution is required to meet the funded ratio  
26 required by this subsection, effective January 1 following the



1 determination or 30 days after such determination, whichever is  
2 later, one-third of the increased contribution shall be paid by  
3 participating employees and two-thirds by the Authority, in  
4 addition to the contributions required by subsection (e) (1).

5 (5) Beginning in 2060, the minimum contribution for each  
6 year shall be the amount needed to maintain the total assets of  
7 the Retirement Plan at 90% of the total actuarial liabilities  
8 of the Plan, and the contribution shall be funded two-thirds by  
9 the Authority and one-third by the participating employees in  
10 accordance with this subsection.

11 (f) The Authority shall take the steps necessary to comply  
12 with Section 414(h) (2) of the Internal Revenue Code of 1986, as  
13 amended, to permit the pick-up of employee contributions under  
14 subsections (d) and (e) on a tax-deferred basis.

15 (g) The Board of Trustees shall certify to the Governor,  
16 the General Assembly, the Auditor General, the Board of the  
17 Regional Transportation Authority, and the Authority at least  
18 90 days prior to the end of each fiscal year the amount of the  
19 required contributions to the retirement system for the next  
20 retirement system fiscal year under this Section. The  
21 certification shall include a copy of the actuarial  
22 recommendations upon which it is based. In addition, copies of  
23 the certification shall be sent to the Commission on Government  
24 Forecasting and Accountability and the Mayor of Chicago.

25 (h) (1) As to an employee who first becomes entitled to a  
26 retirement allowance commencing on or after November 30, 1989,

1 the retirement allowance shall be the amount determined in  
2 accordance with the following formula:

3 (A) One percent (1%) of his "Average Annual  
4 Compensation in the highest four (4) completed Plan Years"  
5 for each full year of continuous service from the date of  
6 original employment to the effective date of the Plan; plus

7 (B) One and seventy-five hundredths percent (1.75%) of  
8 his "Average Annual Compensation in the highest four (4)  
9 completed Plan Years" for each year (including fractions  
10 thereof to completed calendar months) of continuous  
11 service as provided for in the Retirement Plan for Chicago  
12 Transit Authority Employees.

13 Provided, however that:

14 (2) As to an employee who first becomes entitled to a  
15 retirement allowance commencing on or after January 1, 1993,  
16 the retirement allowance shall be the amount determined in  
17 accordance with the following formula:

18 (A) One percent (1%) of his "Average Annual  
19 Compensation in the highest four (4) completed Plan Years"  
20 for each full year of continuous service from the date of  
21 original employment to the effective date of the Plan; plus

22 (B) One and eighty hundredths percent (1.80%) of his  
23 "Average Annual Compensation in the highest four (4)  
24 completed Plan Years" for each year (including fractions  
25 thereof to completed calendar months) of continuous  
26 service as provided for in the Retirement Plan for Chicago

1 Transit Authority Employees.

2 Provided, however that:

3 (3) As to an employee who first becomes entitled to a  
4 retirement allowance commencing on or after January 1, 1994,  
5 the retirement allowance shall be the amount determined in  
6 accordance with the following formula:

7 (A) One percent (1%) of his "Average Annual  
8 Compensation in the highest four (4) completed Plan Years"  
9 for each full year of continuous service from the date of  
10 original employment to the effective date of the Plan; plus

11 (B) One and eighty-five hundredths percent (1.85%) of  
12 his "Average Annual Compensation in the highest four (4)  
13 completed Plan Years" for each year (including fractions  
14 thereof to completed calendar months) of continuous  
15 service as provided for in the Retirement Plan for Chicago  
16 Transit Authority Employees.

17 Provided, however that:

18 (4) As to an employee who first becomes entitled to a  
19 retirement allowance commencing on or after January 1, 2000,  
20 the retirement allowance shall be the amount determined in  
21 accordance with the following formula:

22 (A) One percent (1%) of his "Average Annual  
23 Compensation in the highest four (4) completed Plan Years"  
24 for each full year of continuous service from the date of  
25 original employment to the effective date of the Plan; plus

26 (B) Two percent (2%) of his "Average Annual

1 Compensation in the highest four (4) completed Plan Years"  
2 for each year (including fractions thereof to completed  
3 calendar months) of continuous service as provided for in  
4 the Retirement Plan for Chicago Transit Authority  
5 Employees.

6 Provided, however that:

7 (5) As to an employee who first becomes entitled to a  
8 retirement allowance commencing on or after January 1, 2001,  
9 the retirement allowance shall be the amount determined in  
10 accordance with the following formula:

11 (A) One percent (1%) of his "Average Annual  
12 Compensation in the highest four (4) completed Plan Years"  
13 for each full year of continuous service from the date of  
14 original employment to the effective date of the Plan; plus

15 (B) Two and fifteen hundredths percent (2.15%) of his  
16 "Average Annual Compensation in the highest four (4)  
17 completed Plan Years" for each year (including fractions  
18 thereof to completed calendar months) of continuous  
19 service as provided for in the Retirement Plan for Chicago  
20 Transit Authority Employees.

21 The changes made by this amendatory Act of the 95th General  
22 Assembly, to the extent that they affect the rights or  
23 privileges of Authority employees that are currently the  
24 subject of collective bargaining, have been agreed to between  
25 the authorized representatives of these employees and of the  
26 Authority prior to enactment of this amendatory Act, as

1 evidenced by a Memorandum of Understanding between these  
2 representatives that will be filed with the Secretary of State  
3 Index Department and designated as "95-GA-C05". The General  
4 Assembly finds and declares that those changes are consistent  
5 with 49 U.S.C. 5333(b) (also known as Section 13(c) of the  
6 Federal Transit Act) because of this agreement between  
7 authorized representatives of these employees and of the  
8 Authority, and that any future amendments to the provisions of  
9 this amendatory Act of the 95th General Assembly, to the extent  
10 those amendments would affect the rights and privileges of  
11 Authority employees that are currently the subject of  
12 collective bargaining, would be consistent with 49 U.S.C.  
13 5333(b) if and only if those amendments were agreed to between  
14 these authorized representatives prior to enactment.

15 (i) Early retirement incentive plan; funded ratio.

16 (1) Beginning on the effective date of this Section, no  
17 early retirement incentive shall be offered to  
18 participants of the Plan unless the Funded Ratio of the  
19 Plan is at least 80% or more.

20 (2) For the purposes of this Section, the Funded Ratio  
21 shall be the Adjusted Assets divided by the Actuarial  
22 Accrued Liability developed in accordance with Statement  
23 #25 promulgated by the Government Accounting Standards  
24 Board and the actuarial assumptions described in the Plan.  
25 The Adjusted Assets shall be calculated based on the  
26 methodology described in the Plan.

1 (j) Nothing in this amendatory Act of the 95th General  
2 Assembly shall impair the rights or privileges of Authority  
3 employees under any other law.

4 (Source: P.A. 94-839, eff. 6-6-06; 95-708, eff. 1-18-08.)

5 (40 ILCS 5/22-103)

6 Sec. 22-103. Regional Transportation Authority and related  
7 pension plans.

8 (a) As used in this Section:

9 "Affected pension plan" means a defined-benefit pension  
10 plan supported in whole or in part by employer contributions  
11 and maintained by the Regional Transportation Authority, the  
12 Suburban Bus Division, or the Commuter Rail Division, or any  
13 combination thereof, under the general authority of the  
14 Regional Transportation Authority Act, including but not  
15 limited to any such plan that has been established under or is  
16 subject to a collective bargaining agreement or is limited to  
17 employees covered by a collective bargaining agreement.

18 "Affected pension plan" does not include any pension fund or  
19 retirement system subject to Section 22-101 of this Section.

20 "Authority" means the Regional Transportation Authority  
21 created under the Regional Transportation Authority Act.

22 "Contributing employer" means an employer that is required  
23 to make contributions to an affected pension plan under the  
24 terms of that plan.

25 "Funding ratio" means the ratio of an affected pension

1 plan's assets to the present value of its actuarial  
2 liabilities, as determined at its latest actuarial valuation in  
3 accordance with applicable actuarial assumptions and  
4 recommendations.

5 "Under-funded pension plan" or "under-funded" means an  
6 affected pension plan that, at the time of its last actuarial  
7 valuation, has a funding ratio of less than 90%.

8 (b) The contributing employers of each affected pension  
9 plan have a general duty to make the required employer  
10 contributions to the affected pension plan in a timely manner  
11 in accordance with the terms of the plan. A contributing  
12 employer must make contributions to the affected pension plan  
13 as required under this subsection and, if applicable,  
14 subsection (c); a contributing employer may make any additional  
15 contributions provided for by the board of the employer or  
16 collective bargaining agreement.

17 (c) In the case of an affected pension plan that is  
18 under-funded on January 1, 2009 or becomes under-funded at any  
19 time after that date, the contributing employers shall  
20 contribute to the affected pension plan, in addition to all  
21 amounts otherwise required, amounts sufficient to bring the  
22 funding ratio of the affected pension plan up to 90% in  
23 accordance with an amortization schedule adopted jointly by the  
24 contributing employers and the trustee of the affected pension  
25 plan. The amortization schedule may extend for any period up to  
26 a maximum of 50 years and shall provide for additional employer

1 contributions in substantially equal annual amounts over the  
2 selected period. If the contributing employers and the trustee  
3 of the affected pension plan do not agree on an appropriate  
4 period for the amortization schedule within 6 months of the  
5 date of determination that the plan is under-funded, then the  
6 amortization schedule shall be based on a period of 50 years.

7 In the case of an affected pension plan that has more than  
8 one contributing employer, each contributing employer's share  
9 of the total additional employer contributions required under  
10 this subsection shall be determined: (i) in proportion to the  
11 amounts, if any, by which the respective contributing employers  
12 have failed to meet their contribution obligations under the  
13 terms of the affected pension plan; or (ii) if all of the  
14 contributing employers have met their contribution obligations  
15 under the terms of the affected pension plan, then in the same  
16 proportion as they are required to contribute under the terms  
17 of that plan. In the case of an affected pension plan that has  
18 only one contributing employer, that contributing employer is  
19 responsible for all of the additional employer contributions  
20 required under this subsection.

21 If an under-funded pension plan is determined to have  
22 achieved a funding ratio of at least 90% during the period when  
23 an amortization schedule is in force under this Section, the  
24 contributing employers and the trustee of the affected pension  
25 plan, acting jointly, may cancel the amortization schedule and  
26 the contributing employers may cease making additional



1 contributions under this subsection for as long as the affected  
2 pension plan retains a funding ratio of at least 90%.

3 (d) Beginning January 1, 2009, if the Authority fails to  
4 pay to an affected pension fund within 30 days after it is due

5 (i) any employer contribution that it is required to make as a  
6 contributing employer, (ii) any additional employer  
7 contribution that it is required to pay under subsection (c),  
8 or (iii) any payment that it is required to make under Section  
9 4.02a or 4.02b of the Regional Transportation Authority Act,  
10 the trustee of the affected pension fund shall promptly so  
11 notify the Commission on Government Forecasting and  
12 Accountability, the Mayor of Chicago, the Governor, and the  
13 General Assembly.

14 (e) For purposes of determining employer contributions,  
15 assets, and actuarial liabilities under this subsection,  
16 contributions, assets, and liabilities relating to health care  
17 benefits shall not be included.

18 (f) This amendatory Act of the 94th General Assembly does  
19 not affect or impair the right of any contributing employer or  
20 its employees to collectively bargain the amount or level of  
21 employee contributions to an affected pension plan, to the  
22 extent that the plan includes employees subject to collective  
23 bargaining.

24 (g) Notwithstanding any other provision of this Article or  
25 any law to the contrary, a person who, on or after the  
26 effective date of this amendatory Act of the 97th General

1 Assembly, first becomes a director on the Suburban Bus Board,  
2 the Commuter Rail Board, or the Board of Directors of the  
3 Regional Transportation Authority shall not be eligible to  
4 participate in an affected pension plan.

5 (Source: P.A. 94-839, eff. 6-6-06.)

6 Section 15. The State Mandates Act is amended by adding  
7 Section 8.35 as follows:

8 (30 ILCS 805/8.35 new)

9 Sec. 8.35. Exempt mandate. Notwithstanding Sections 6 and 8  
10 of this Act, no reimbursement by the State is required for the  
11 implementation of any mandate created by this amendatory Act of  
12 the 97th General Assembly.