

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 Illinois Pension Code is amended by changing
5 Sections 13-502 and 13-503 as follows:

6 (40 ILCS 5/13-502) (from Ch. 108 1/2, par. 13-502)

7 Sec. 13-502. Employee contributions; deductions from
8 salary.

9 (a) Retirement annuity and child's annuity. Except as
10 otherwise provided in this Section, there ~~There~~ shall be
11 deducted from each payment of salary an amount equal to 7% of
12 salary as the employee's contribution for the retirement
13 annuity, including child's annuity, and 0.5% of salary as the
14 employee's contribution for annual increases to the retirement
15 annuity.

16 (a-1) For employees who first became a member or
17 participant before January 1, 2011 under any reciprocal
18 retirement system or pension fund established under this Code
19 other than a retirement system or pension fund established
20 under Article 2, 3, 4, 5, 6, or 18 of this Code:

21 (1) beginning with the first pay period paid on or
22 after January 1, 2013 and ending with the last pay period
23 paid on or before December 31, 2013, employee contributions

1 shall be 7.5% for the retirement annuity and 1.0% for
2 annual increases for a total of 8.5%;

3 (2) beginning with the first pay period paid on or
4 after January 1, 2014 and ending with the last pay period
5 paid on or before December 31, 2014, employee contributions
6 shall be 8.0% for the retirement annuity and 1.5% for
7 annual increases for a total of 9.5%;

8 (3) beginning with the first pay period paid on or
9 after January 1, 2015 and ending with the last pay period
10 paid on or before the date when the funded ratio of the
11 Fund is first determined to have reached the 90% funding
12 goal, employee contributions shall be 8.5% for the
13 retirement annuity and 1.5% for annual increases for a
14 total of 10.0%; and

15 (4) beginning with the first pay period paid on or
16 after the date when the funded ratio of the Fund is first
17 determined to have reached the 90% funding goal, and each
18 pay period paid thereafter, employee contributions shall
19 be 7.0% for the retirement annuity and 0.5% for annual
20 increases for a total of 7.5%.

21 (b) Surviving spouse's annuity. There shall be deducted
22 from each payment of salary an amount equal to 1 1/2% of salary
23 as the employee's contribution for the surviving spouse's
24 annuity and annual increases therefor. For employees that first
25 became a member or a participant before January 1, 2011 under
26 any reciprocal retirement system or pension fund established

1 under this Code other than a retirement system or pension fund
2 established under Article 2, 3, 4, 5, 6, or 18 of this Code,
3 beginning with the first pay period paid on or after January 1,
4 2015 and ending with the last pay period paid on or before the
5 date when the funded ratio of the Fund is first determined to
6 have reached the 90% funding goal, there shall be deducted an
7 additional 0.5% of salary for a total of 2.0% for the surviving
8 spouse's annuity and annual increases.

9 (c) Pickup of employee contributions. The Employer may pick
10 up employee contributions required under subsections (a) and
11 (b) of this Section. If contributions are picked up they shall
12 be treated as Employer contributions in determining tax
13 treatment under the United States Internal Revenue Code, and
14 shall not be included as gross income of the employee until
15 such time as they are distributed. The Employer shall pay these
16 employee contributions from the same source of funds used in
17 paying salary to the employee. The Employer may pick up these
18 contributions by a reduction in the cash salary of the employee
19 or by an offset against a future salary increase or by a
20 combination of a reduction in salary and offset against a
21 future salary increase. If employee contributions are picked up
22 they shall be treated for all purposes of this Article 13,
23 including Sections 13-503 and 13-601, in the same manner and to
24 the same extent as employee contributions made prior to the
25 date picked up.

26 (d) Subject to the requirements of federal law, the

1 Employer shall pick up optional contributions that the employee
2 has elected to pay to the Fund under Section 13-304.1, and the
3 contributions so picked up shall be treated as employer
4 contributions for the purposes of determining federal tax
5 treatment. The Employer shall pick up the contributions by a
6 reduction in the cash salary of the employee and shall pay the
7 contributions from the same fund that is used to pay earnings
8 to the employee. The Employer shall, however, continue to
9 withhold federal and State income taxes based upon
10 contributions made under Section 13-304.1 until the Internal
11 Revenue Service or the federal courts rule that pursuant to
12 Section 414(h) of the U.S. Internal Revenue Code of 1986, as
13 amended, these contributions shall not be included as gross
14 income of the employee until such time as they are distributed
15 or made available.

16 (e) Each employee is deemed to consent and agree to the
17 deductions from compensation provided for in this Article.

18 (f) Subject to the requirements of federal law, the
19 Employer shall pick up contributions that a commissioner has
20 elected to pay to the Fund under Section 13-314, and the
21 contributions so picked up shall be treated as Employer
22 contributions for the purposes of determining federal tax
23 treatment. The Employer shall pick up the contributions by a
24 reduction in the cash salary of the commissioner and shall pay
25 the contributions from the same fund as is used to pay earnings
26 to the commissioner. The Employer shall, however, continue to

1 withhold federal and State income taxes based upon
2 contributions made under Section 13-314 until the U.S. Internal
3 Revenue Service or the federal courts rule that pursuant to
4 Section 414(h) of the Internal Revenue Code of 1986, as
5 amended, these contributions shall not be included as gross
6 income of the employee until such time as they are distributed
7 or made available.

8 (Source: P.A. 94-621, eff. 8-18-05; 95-586, eff. 8-31-07.)

9 (40 ILCS 5/13-503) (from Ch. 108 1/2, par. 13-503)

10 Sec. 13-503. Tax levy. Until fiscal year 2013, the ~~The~~
11 Water Reclamation District shall annually levy a tax upon all
12 the taxable real property within the District at a rate which,
13 when extended, will produce a sum that (i) when added to the
14 amounts deducted from the salaries of employees, interest
15 income on investments, and other income, will be sufficient to
16 meet the requirements of the Fund on an actuarially funded
17 basis, but (ii) shall not exceed an amount equal to the total
18 amount of contributions by the employees to the Fund made in
19 the calendar year 2 years prior to the year for which the tax
20 is levied, multiplied by 2.19, except that the amount of
21 employee contributions made on or after January 1, 2003 towards
22 the purchase of additional optional benefits under Section
23 13-304.1 shall only be multiplied by 1.00.

24 Beginning in fiscal year 2013, the District shall annually
25 levy a tax upon all the taxable real property within the

1 District at a rate which, when extended, will produce a sum
2 that (i) will be sufficient to meet the Fund's actuarially
3 determined contribution requirement, but (ii) shall not exceed
4 an amount equal to the total employee contributions 2 years
5 prior multiplied by 4.19. The actuarially determined
6 contribution requirement is equal to the employer's normal cost
7 plus the annual amount needed to amortize the unfunded
8 liability by the year 2050 as a level percent of payroll. The
9 funding goal is to attain a funded ratio of at least 90% by the
10 year 2050, with the funded ratio being the ratio of the
11 actuarial value of assets to the total actuarial liability.

12 The tax shall be levied and collected in the same manner as
13 the general taxes of the District.

14 The tax shall be exclusive of and in addition to the amount
15 of tax the District is now or may hereafter be authorized to
16 levy for general purposes under the Metropolitan Water
17 Reclamation District Act or under any other laws which may
18 limit the amount of tax for general purposes. The county clerk
19 of any county, in reducing tax levies as may be authorized by
20 law, shall not consider any such tax as a part of the general
21 tax levy for District purposes, and shall not include the same
22 in any limitation of the percent of the assessed valuation upon
23 which taxes are required to be extended.

24 Revenues derived from the tax shall be paid to the Fund for
25 the benefit of the Fund.

26 If the funds available for the purposes of this Article are

1 insufficient during any year to meet the requirements of this
2 Article, the District may issue tax anticipation warrants or
3 notes, as provided by law, against the current tax levy.

4 The Board shall submit annually to the Board of
5 Commissioners of the District an estimate of the amount
6 required to be raised by taxation for the purposes of the Fund.
7 The Board of Commissioners shall review the estimate and
8 determine the tax to be levied for such purposes.

9 (Source: P.A. 92-599, eff. 6-28-02.)

10 Section 90. The State Mandates Act is amended by adding
11 Section 8.36 as follows:

12 (30 ILCS 805/8.36 new)

13 Sec. 8.36. Exempt mandate. Notwithstanding Sections 6 and 8
14 of this Act, no reimbursement by the State is required for the
15 implementation of any mandate created by this amendatory Act of
16 the 97th General Assembly.

17 Section 99. Effective date. This Act takes effect upon
18 becoming law.