

SB3632



97TH GENERAL ASSEMBLY

State of Illinois

2011 and 2012

SB3632

Introduced 2/10/2012, by Sen. Kwame Raoul

SYNOPSIS AS INTRODUCED:

40 ILCS 5/17-129

from Ch. 108 1/2, par. 17-129

Amends the Chicago Teacher Article of the Illinois Pension Code. In a provision that reduces the required annual Board of Education contribution to the Fund by the amount of any State contribution, makes the reduction apply only if the Board has certified in the previous fiscal year that the total assets of the Fund are at least 90% of the total actuarial liabilities of the Fund. Effective immediately.

LRB097 19200 EFG 64442 b

FISCAL NOTE ACT
MAY APPLY

PENSION IMPACT
NOTE ACT MAY
APPLY

A BILL FOR

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 Section 17-129 as follows:

6 (40 ILCS 5/17-129) (from Ch. 108 1/2, par. 17-129)

7 Sec. 17-129. Employer contributions; deficiency in Fund.

8 (a) If in any fiscal year of the Board of Education ending
9 prior to 1997 the total amounts paid to the Fund from the Board
10 of Education (other than under this subsection, and other than
11 amounts used for making or "picking up" contributions on behalf
12 of teachers) and from the State do not equal the total
13 contributions made by or on behalf of the teachers for such
14 year, or if the total income of the Fund in any such fiscal
15 year of the Board of Education from all sources is less than
16 the total such expenditures by the Fund for such year, the
17 Board of Education shall, in the next succeeding year, in
18 addition to any other payment to the Fund set apart and
19 appropriate from moneys from its tax levy for educational
20 purposes, a sum sufficient to remove such deficiency or
21 deficiencies, and promptly pay such sum into the Fund in order
22 to restore any of the reserves of the Fund that may have been
23 so temporarily applied. Any amounts received by the Fund after

1 December 4, 1997 from State appropriations, including under
2 Section 17-127, shall be a credit against and shall fully
3 satisfy any obligation that may have arisen, or be claimed to
4 have arisen, under this subsection (a) as a result of any
5 deficiency or deficiencies in the fiscal year of the Board of
6 Education ending in calendar year 1997.

7 (b) (i) Notwithstanding any other provision of this
8 Section, and notwithstanding any prior certification by the
9 Board under subsection (c) for fiscal year 2011, the Board of
10 Education's total required contribution to the Fund for fiscal
11 year 2011 under this Section is \$187,000,000.

12 (ii) Notwithstanding any other provision of this Section,
13 the Board of Education's total required contribution to the
14 Fund for fiscal year 2012 under this Section is \$192,000,000.

15 (iii) Notwithstanding any other provision of this Section,
16 the Board of Education's total required contribution to the
17 Fund for fiscal year 2013 under this Section is \$196,000,000.

18 (iv) For fiscal years 2014 through 2059, the minimum
19 contribution to the Fund to be made by the Board of Education
20 in each fiscal year shall be an amount determined by the Fund
21 to be sufficient to bring the total assets of the Fund up to
22 90% of the total actuarial liabilities of the Fund by the end
23 of fiscal year 2059. In making these determinations, the
24 required Board of Education contribution shall be calculated
25 each year as a level percentage of the applicable employee
26 payrolls over the years remaining to and including fiscal year

1 2059 and shall be determined under the projected unit credit
2 actuarial cost method.

3 (v) Beginning in fiscal year 2060, the minimum Board of
4 Education contribution for each fiscal year shall be the amount
5 needed to maintain the total assets of the Fund at 90% of the
6 total actuarial liabilities of the Fund.

7 (vi) Notwithstanding any other provision of this
8 subsection (b), for any fiscal year, the contribution to the
9 Fund from the Board of Education shall not be required to be in
10 excess of the amount calculated as needed to maintain the
11 assets (or cause the assets to be) at the 90% level by the end
12 of the fiscal year.

13 (vii) Any contribution by the State to or for the benefit
14 of the Fund, including, without limitation, as referred to
15 under Section 17-127, shall be a credit against any
16 contribution required to be made by the Board of Education
17 under this subsection (b) if the Board has certified in the
18 previous fiscal year that the total assets of the Fund are at
19 least 90% of the total actuarial liabilities of the Fund.

20 (c) The Board shall determine the amount of Board of
21 Education contributions required for each fiscal year on the
22 basis of the actuarial tables and other assumptions adopted by
23 the Board and the recommendations of the actuary, in order to
24 meet the minimum contribution requirements of subsections (a)
25 and (b). Annually, on or before February 28, the Board shall
26 certify to the Board of Education the amount of the required

1 Board of Education contribution for the coming fiscal year. The
2 certification shall include a copy of the actuarial
3 recommendations upon which it is based.

4 (Source: P.A. 96-889, eff. 4-14-10.)

5 Section 99. Effective date. This Act takes effect upon
6 becoming law.