



Rep. Jay Hoffman

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LRB098 08482 EFG 41969 a

1 AMENDMENT TO HOUSE BILL 1154

2 AMENDMENT NO. _____. Amend House Bill 1154, AS AMENDED, by
3 replacing everything after the enacting clause with the
4 following:

5 "Section 5. The Budget Stabilization Act is amended by
6 changing Sections 20 and 25 as follows:

7 (30 ILCS 122/20)

8 Sec. 20. Pension Stabilization Fund.

9 (a) The Pension Stabilization Fund is hereby created as a
10 special fund in the State treasury. Moneys in the fund shall be
11 used for the sole purpose of making payments to the designated
12 retirement systems as provided in Section 25.

13 (b) For each fiscal year when the General Assembly's
14 appropriations and transfers or diversions as required by law
15 from general funds do not exceed 99% of the estimated general
16 funds revenues pursuant to subsection (a) of Section 10, the

1 Comptroller shall transfer from the General Revenue Fund as
2 provided by this Section a total amount equal to 0.5% of the
3 estimated general funds revenues to the Pension Stabilization
4 Fund.

5 (c) For each fiscal year through Fiscal Year 2013 when the
6 General Assembly's appropriations and transfers or diversions
7 as required by law from general funds do not exceed 98% of the
8 estimated general funds revenues pursuant to subsection (b) of
9 Section 10, the Comptroller shall transfer from the General
10 Revenue Fund as provided by this Section a total amount equal
11 to 1.0% of the estimated general funds revenues to the Pension
12 Stabilization Fund.

13 (c-5) In Fiscal Year 2016 and each fiscal year thereafter,
14 the State Comptroller shall order transferred and the State
15 Treasurer shall transfer the following amounts from the General
16 Revenue Fund to the Pension Stabilization Fund:

17 in Fiscal Year 2016, \$441,429,372;

18 in Fiscal Year 2017, \$150,545,372;

19 in Fiscal Year 2018, \$179,267,872;

20 in Fiscal Year 2019, \$211,777,872;

21 in Fiscal Year 2020, \$1,123,333,372;

22 in Fiscal Year 2021, \$1,084,470,872;

23 in Fiscal Year 2022, \$1,048,083,372;

24 in Fiscal Year 2023, \$1,014,170,872;

25 in Fiscal Year 2024, \$957,733,372;

26 in Fiscal Year 2025, \$905,683,372;

1 in Fiscal Year 2026, \$882,458,372;
2 in Fiscal Year 2027, \$861,783,372;
3 in Fiscal Year 2028, \$818,658,372;
4 in Fiscal Year 2029, \$779,358,372;
5 in Fiscal Year 2030, \$718,883,372;
6 in Fiscal Year 2031, \$663,508,372;
7 in Fiscal Year 2032, \$638,233,372;
8 in Fiscal Year 2033, \$641,783,372;
9 in Fiscal Year 2034, \$1,797,883,372;
10 in Fiscal Year 2035, \$1,797,883,372;
11 in Fiscal Year 2036, \$1,797,883,372;
12 in Fiscal Year 2037, \$1,797,883,372;
13 in Fiscal Year 2038, \$1,797,883,372;
14 in Fiscal Year 2039, \$1,797,883,372;
15 in Fiscal Year 2040, \$1,797,883,372;
16 in Fiscal Year 2041, \$1,797,883,372;
17 in Fiscal Year 2042, \$1,797,883,372;
18 in Fiscal Year 2043, \$1,797,883,372;
19 in Fiscal Year 2044, \$1,797,883,372; and
20 in Fiscal Year 2045, \$1,797,883,372.

21 (c-10) The transfers made pursuant to subsection (c-5) of
22 this Section shall continue until Fiscal Year 2045 or until
23 each of the designated retirement systems, as defined in
24 Section 25, has achieved a funding ratio of at least 100%,
25 whichever occurs first.

26 (d) The Comptroller shall transfer 1/12 of the total amount

1 to be transferred each fiscal year under this Section into the
2 Pension Stabilization Fund on the first day of each month of
3 that fiscal year or as soon thereafter as possible; except that
4 the final transfer of the fiscal year shall be made as soon as
5 practical after the August 31 following the end of the fiscal
6 year.

7 Until Fiscal Year 2014, before ~~Before~~ the final transfer
8 for a fiscal year is made, the Comptroller shall reconcile the
9 estimated general funds revenues used in calculating the other
10 transfers under this Section for that fiscal year with the
11 actual general funds revenues for that fiscal year. The final
12 transfer for the fiscal year shall be adjusted so that the
13 total amount transferred under this Section for that fiscal
14 year is equal to the percentage specified in subsection (b) or
15 (c) of this Section, whichever is applicable, of the actual
16 general funds revenues for that fiscal year. The actual general
17 funds revenues for the fiscal year shall be calculated in a
18 manner consistent with subsection (c) of Section 10 of this
19 Act.

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

21 (30 ILCS 122/25)

22 Sec. 25. Transfers from the Pension Stabilization Fund.

23 (a) As used in this Section, "designated retirement
24 systems" means:

25 (1) the State Employees' Retirement System of

1 Illinois;

2 (2) the Teachers' Retirement System of the State of
3 Illinois;

4 (3) the State Universities Retirement System;

5 (4) the Judges Retirement System of Illinois; and

6 (5) the General Assembly Retirement System.

7 (b) As soon as may be practical after any money is
8 deposited into the Pension Stabilization Fund, the State
9 Comptroller shall apportion the deposited amount among the
10 designated retirement systems and the State Comptroller and
11 State Treasurer shall pay the apportioned amounts to the
12 designated retirement systems. The amount deposited shall be
13 apportioned among the designated retirement systems in
14 proportion to their respective certified State contributions
15 for the State fiscal year in which the payment is made to those
16 systems ~~in the same proportion as their respective portions of~~
17 ~~the total actuarial reserve deficiency of the designated~~
18 ~~retirement systems, as most recently determined by the~~
19 ~~Governor's Office of Management and Budget.~~ Amounts received by
20 a designated retirement system under this Section shall be used
21 for funding the unfunded liabilities of the retirement system.
22 Payments under this Section are authorized by the continuing
23 appropriation under Section 1.7 of the State Pension Funds
24 Continuing Appropriation Act.

25 (c) At the request of the State Comptroller, the Governor's
26 Office of Management and Budget shall determine the individual

1 and total actuarial reserve deficiencies of the designated
2 retirement systems. For this purpose, the Governor's Office of
3 Management and Budget shall consider the latest available audit
4 and actuarial reports of each of the retirement systems and the
5 relevant reports and statistics of the Public Pension Division
6 of the Department of Financial and Professional Regulation.

7 (d) Payments to the designated retirement systems under
8 this Section shall be in addition to, and not in lieu of, any
9 State contributions required under Section 2-124, 14-131,
10 15-155, 16-158, or 18-131 of the Illinois Pension Code.

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

12 Section 15. The Illinois Pension Code is amended by
13 changing Sections 1-103.3, 2-124, 2-125, 14-131, 14-132,
14 15-155, 15-156, and 16-158 and adding Section 16-158.2 as
15 follows:

16 (40 ILCS 5/1-103.3)

17 Sec. 1-103.3. Application of 1994 amendment; funding
18 standard.

19 (a) The provisions of Public Act 88-593 ~~this amendatory Act~~
20 ~~of 1994~~ that change the method of calculating, certifying, and
21 paying the required State contributions to the retirement
22 systems established under Articles 2, 14, 15, 16, and 18 shall
23 first apply to the State contributions required for State
24 fiscal year 1996.

1 (b) (Blank) ~~The General Assembly declares that a funding~~
2 ~~ratio (the ratio of a retirement system's total assets to its~~
3 ~~total actuarial liabilities) of 90% is an appropriate goal for~~
4 ~~State-funded retirement systems in Illinois, and it finds that~~
5 ~~a funding ratio of 90% is now the generally recognized norm~~
6 ~~throughout the nation for public employee retirement systems~~
7 ~~that are considered to be financially secure and funded in an~~
8 ~~appropriate and responsible manner.~~

9 (c) Every 5 years, beginning in 1999, the Commission on
10 Government Forecasting and Accountability, in consultation
11 with the affected retirement systems and the Governor's Office
12 of Management and Budget (formerly Bureau of the Budget), shall
13 consider and determine whether the funding goals ~~90% funding~~
14 ~~ratio~~ adopted in Articles 2, 14, 15, 16, and 18 of this Code
15 continue ~~subsection (b) continues~~ to represent ~~an~~ appropriate
16 funding goals ~~goal~~ for those ~~State-funded~~ retirement systems ~~in~~
17 ~~Illinois~~, and it shall report its findings and recommendations
18 on this subject to the Governor and the General Assembly.

19 (Source: P.A. 93-1067, eff. 1-15-05.)

20 (40 ILCS 5/2-124) (from Ch. 108 1/2, par. 2-124)

21 Sec. 2-124. Contributions by State.

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

1 administering the System on a 100% ~~90%~~ funded basis in
2 accordance with actuarial recommendations.

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

8 (c) For State fiscal years 2015 through 2045, the minimum
9 contribution to the System to be made by the State for each
10 fiscal year shall be an amount determined by the System to be
11 sufficient to bring the total assets of the System up to 100%
12 of the total actuarial liabilities of the System by the end of
13 State fiscal year 2045. In making these determinations, the
14 required State contribution shall be calculated each year as a
15 level percentage of payroll over the years remaining to and
16 including fiscal year 2045 and shall be determined under the
17 projected unit credit actuarial cost method.

18 For State fiscal years 2012 through 2014 ~~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.

7 Notwithstanding any other provision of this Article, the
8 total required State contribution for State fiscal year 2006 is
9 \$4,157,000.

10 Notwithstanding any other provision of this Article, the
11 total required State contribution for State fiscal year 2007 is
12 \$5,220,300.

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

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

1 proceeds due to the issuance of discounted bonds, if
2 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 on or before April 1, 2011
6 pursuant to Section 2-134 and shall be made from the proceeds
7 of bonds sold in fiscal year 2011 pursuant to Section 7.2 of
8 the General Obligation Bond Act, less (i) the pro rata share of
9 bond sale expenses determined by the System's share of total
10 bond proceeds, (ii) any amounts received from the General
11 Revenue Fund in fiscal year 2011, and (iii) any reduction in
12 bond proceeds due to the issuance of discounted bonds, if
13 applicable.

14 Beginning in State fiscal year 2046, the minimum State
15 contribution for each fiscal year shall be the amount needed to
16 maintain the total assets of the System at 100% ~~90%~~ of the
17 total actuarial liabilities of the System.

18 Amounts received by the System pursuant to Section 25 of
19 the Budget Stabilization Act or Section 8.12 of the State
20 Finance Act in any fiscal year do not reduce and do not
21 constitute payment of any portion of the minimum State
22 contribution required under this Article in that fiscal year.
23 Such amounts shall not reduce, and shall not be included in the
24 calculation of, the required State contributions under this
25 Article in any future year until the System has reached a
26 funding ratio of at least 80% ~~90%~~. A reference in this Article

1 to the "required State contribution" or any substantially
2 similar term does not include or apply to any amounts payable
3 to the System under Section 25 of the Budget Stabilization Act.

4 Notwithstanding any other provision of this Code or the
5 Budget Stabilization Act, amounts transferred to the System
6 pursuant to the Budget Stabilization Act after the effective
7 date of this amendatory Act of the 98th General Assembly do not
8 reduce and do not constitute payment of any portion of the
9 required State contribution under this Article in that fiscal
10 year. Such amounts shall not reduce, and shall not be included
11 in the calculation of, the required State contributions under
12 this Article in any future year until the System has received
13 payment of contributions pursuant to the Budget Stabilization
14 Act.

15 Notwithstanding any other provision of this Section, the
16 required State contribution for State fiscal year 2005 and for
17 fiscal year 2008 and each fiscal year thereafter through State
18 fiscal year 2014, as calculated under this Section and
19 certified under Section 2-134, shall not exceed an amount equal
20 to (i) the amount of the required State contribution that would
21 have been calculated under this Section for that fiscal year if
22 the System had not received any payments under subsection (d)
23 of Section 7.2 of the General Obligation Bond Act, minus (ii)
24 the portion of the State's total debt service payments for that
25 fiscal year on the bonds issued in fiscal year 2003 for the
26 purposes of that Section 7.2, as determined and certified by

1 the Comptroller, that is the same as the System's portion of
2 the total moneys distributed under subsection (d) of Section
3 7.2 of the General Obligation Bond Act. In determining this
4 maximum for State fiscal years 2008 through 2010, however, the
5 amount referred to in item (i) shall be increased, as a
6 percentage of the applicable employee payroll, in equal
7 increments calculated from the sum of the required State
8 contribution for State fiscal year 2007 plus the applicable
9 portion of the State's total debt service payments for fiscal
10 year 2007 on the bonds issued in fiscal year 2003 for the
11 purposes of Section 7.2 of the General Obligation Bond Act, so
12 that, by State fiscal year 2011, the State is contributing at
13 the rate otherwise required under this Section.

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

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

25 (e) For purposes of determining the required State
26 contribution to the system for a particular year, the actuarial

1 value of assets shall be assumed to earn a rate of return equal
2 to the system's actuarially assumed rate of return.

3 (Source: P.A. 96-43, eff. 7-15-09; 96-1497, eff. 1-14-11;
4 96-1511, eff. 1-27-11; 96-1554, eff. 3-18-11; 97-813, eff.
5 7-13-12.)

6 (40 ILCS 5/2-125) (from Ch. 108 1/2, par. 2-125)

7 Sec. 2-125. Obligations of State; funding guarantee.

8 (a) The payment of (1) the required State contributions,
9 (2) all benefits granted under this system and (3) all expenses
10 of administration and operation are obligations of the State to
11 the extent specified in this Article.

12 (b) All income, interest and dividends derived from
13 deposits and investments shall be credited to the account of
14 the system in the State Treasury and used to pay benefits under
15 this Article.

16 (c) Pursuant to Article XIII, Section 5 of the 1970
17 Constitution of the State of Illinois, beginning on July 1,
18 2013, the State shall, as a retirement benefit to each
19 participant and annuitant of the System be contractually
20 obligated to the System (as a fiduciary and trustee of the
21 participants and annuitants) to pay the annual required State
22 contribution, as determined by the Board of the System using
23 generally accepted actuarial principles, as is necessary to
24 bring the total assets of the System up to 100% of the total
25 actuarial liabilities of the System by the end of State fiscal

1 year 2045. As a further retirement benefit and contractual
2 obligation, each fiscal year, the State shall pay to each
3 designated retirement system the annual required State
4 contribution certified by the Board for that fiscal year.
5 Payments of the annual required State contribution for each
6 fiscal year shall be made in equal monthly installments.
7 Additionally, beginning in fiscal year 2014, State transfers to
8 the Pension Stabilization Fund pursuant to Section 20 of the
9 Budget Stabilization Act and payments to the System pursuant to
10 Section 25 of the Budget Stabilization Act shall be further
11 retirement benefits and contractual obligations. The transfers
12 and payments prescribed in Sections 20 and 25 of the Budget
13 Stabilization Act shall not be used by the retirement system
14 when calculation any pension payment until the System has
15 reached a funded level of 100%. This Section and the security
16 it provides to participants and annuitants is intended to be,
17 and is, a contractual right that is part of the pension
18 benefits provided to the participants and annuitants.
19 Notwithstanding anything to the contrary in the Court of Claims
20 Act or any other law, a designated retirement system has the
21 exclusive right to and shall bring a mandamus action in the
22 Circuit Court of Sangamon County against the State to compel
23 the State to make any installment of the annual required State
24 contribution required by this Section, irrespective of other
25 remedies that may be available to the System. Each member or
26 annuitant of the System has the right to in any judicial

1 district in which the System maintains an office if the System
2 fails to bring an action specified in this Section,
3 irrespective of other remedies that may be available to the
4 member or annuitant. In making these determinations, the
5 required State contribution shall be calculated each year as a
6 level percentage of payroll over the years remaining to and
7 including fiscal year 2045 and shall be determined under the
8 projected unit credit actuarial cost method.

9 (Source: P.A. 83-1440.)

10 (40 ILCS 5/14-131)

11 Sec. 14-131. Contributions by State.

12 (a) The State shall make contributions to the System by
13 appropriations of amounts which, together with other employer
14 contributions from trust, federal, and other funds, employee
15 contributions, investment income, and other income, will be
16 sufficient to meet the cost of maintaining and administering
17 the System on a 100% ~~90%~~ funded basis in accordance with
18 actuarial recommendations.

19 For the purposes of this Section and Section 14-135.08,
20 references to State contributions refer only to employer
21 contributions and do not include employee contributions that
22 are picked up or otherwise paid by the State or a department on
23 behalf of the employee.

24 (b) The Board shall determine the total amount of State
25 contributions required for each fiscal year on the basis of the

1 actuarial tables and other assumptions adopted by the Board,
2 using the formula in subsection (e).

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

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

21 (c) Contributions shall be made by the several departments
22 for each pay period by warrants drawn by the State Comptroller
23 against their respective funds or appropriations based upon
24 vouchers stating the amount to be so contributed. These amounts
25 shall be based on the full rate certified by the Board under
26 Section 14-135.08 for that fiscal year. From the effective date

1 of this amendatory Act of the 93rd General Assembly through the
2 payment of the final payroll from fiscal year 2004
3 appropriations, the several departments shall not make
4 contributions for the remainder of fiscal year 2004 but shall
5 instead make payments as required under subsection (a-1) of
6 Section 14.1 of the State Finance Act. The several departments
7 shall resume those contributions at the commencement of fiscal
8 year 2005.

9 (c-1) Notwithstanding subsection (c) of this Section, for
10 fiscal years 2010, 2012, and 2013 only, contributions by the
11 several departments are not required to be made for General
12 Revenue Funds payrolls processed by the Comptroller. Payrolls
13 paid by the several departments from all other State funds must
14 continue to be processed pursuant to subsection (c) of this
15 Section.

16 (c-2) For State fiscal years 2010, 2012, and 2013 only, on
17 or as soon as possible after the 15th day of each month, the
18 Board shall submit vouchers for payment of State contributions
19 to the System, in a total monthly amount of one-twelfth of the
20 fiscal year General Revenue Fund contribution as certified by
21 the System pursuant to Section 14-135.08 of the Illinois
22 Pension Code.

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

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

11 (e) For State fiscal years 2015 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 100%
15 of 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 2012 through 2014 ~~2045~~, the minimum
22 contribution to the System to be made by the State for each
23 fiscal year shall be an amount determined by the System to be
24 sufficient to bring the total assets of the System up to 90% of
25 the total actuarial liabilities of the System by the end of
26 State fiscal year 2045. In making these determinations, the

1 required State contribution shall be calculated each year as a
2 level percentage of payroll over the years remaining to and
3 including fiscal year 2045 and shall be determined under the
4 projected unit credit actuarial cost method.

5 For State fiscal years 1996 through 2005, the State
6 contribution to the System, as a percentage of the applicable
7 employee payroll, shall be increased in equal annual increments
8 so that by State fiscal year 2011, the State is contributing at
9 the rate required under this Section; except that (i) for State
10 fiscal year 1998, for all purposes of this Code and any other
11 law of this State, the certified percentage of the applicable
12 employee payroll shall be 5.052% for employees earning eligible
13 creditable service under Section 14-110 and 6.500% for all
14 other employees, notwithstanding any contrary certification
15 made under Section 14-135.08 before the effective date of this
16 amendatory Act of 1997, and (ii) in the following specified
17 State fiscal years, the State contribution to the System shall
18 not be less than the following indicated percentages of the
19 applicable employee payroll, even if the indicated percentage
20 will produce a State contribution in excess of the amount
21 otherwise required under this subsection and subsection (a):
22 9.8% in FY 1999; 10.0% in FY 2000; 10.2% in FY 2001; 10.4% in FY
23 2002; 10.6% in FY 2003; and 10.8% in FY 2004.

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

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

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

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

20 Notwithstanding any other provision of this Article, the
21 total required State General Revenue Fund contribution for
22 State fiscal year 2011 is the amount recertified by the System
23 on or before April 1, 2011 pursuant to Section 14-135.08 and
24 shall be made from the proceeds of bonds sold in fiscal year
25 2011 pursuant to Section 7.2 of the General Obligation Bond
26 Act, less (i) the pro rata share of bond sale expenses

1 determined by the System's share of total bond proceeds, (ii)
2 any amounts received from the General Revenue Fund in fiscal
3 year 2011, and (iii) any reduction in bond proceeds due to the
4 issuance of discounted bonds, if applicable.

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

9 Amounts received by the System pursuant to Section 25 of
10 the Budget Stabilization Act or Section 8.12 of the State
11 Finance Act in any fiscal year do not reduce and do not
12 constitute payment of any portion of the minimum State
13 contribution required under this Article in that fiscal year.
14 Such amounts shall not reduce, and shall not be included in the
15 calculation of, the required State contributions under this
16 Article in any future year until the System has reached a
17 funding ratio of at least 100% ~~90%~~. A reference in this Article
18 to the "required State contribution" or any substantially
19 similar term does not include or apply to any amounts payable
20 to the System under Section 25 of the Budget Stabilization Act.

21 Notwithstanding any other provision of this Code or the
22 Budget Stabilization Act, amounts transferred to the System
23 pursuant to the Budget Stabilization Act after the effective
24 date of this amendatory Act of the 98th General Assembly do not
25 reduce and do not constitute payment of any portion of the
26 required State contribution under this Article in that fiscal

1 year. Such amounts shall not reduce, and shall not be included
2 in the calculation of, the required State contributions under
3 this Article in any future year until the System has received
4 payment of contributions pursuant to the Budget Stabilization
5 Act.

6 Notwithstanding any other provision of this Section, the
7 required State contribution for State fiscal year 2005 and for
8 fiscal year 2008 and each fiscal year thereafter through State
9 fiscal year 2014, as calculated under this Section and
10 certified under Section 14-135.08, shall not exceed an amount
11 equal to (i) the amount of the required State contribution that
12 would have been calculated under this Section for that fiscal
13 year if the System had not received any payments under
14 subsection (d) of Section 7.2 of the General Obligation Bond
15 Act, minus (ii) the portion of the State's total debt service
16 payments for that fiscal year on the bonds issued in fiscal
17 year 2003 for the purposes of that Section 7.2, as determined
18 and certified by the Comptroller, that is the same as the
19 System's portion of the total moneys distributed under
20 subsection (d) of Section 7.2 of the General Obligation Bond
21 Act. In determining this maximum for State fiscal years 2008
22 through 2010, however, the amount referred to in item (i) shall
23 be increased, as a percentage of the applicable employee
24 payroll, in equal increments calculated from the sum of the
25 required State contribution for State fiscal year 2007 plus the
26 applicable portion of the State's total debt service payments

1 for fiscal year 2007 on the bonds issued in fiscal year 2003
2 for the purposes of Section 7.2 of the General Obligation Bond
3 Act, so that, by State fiscal year 2011, the State is
4 contributing at the rate otherwise required under this Section.

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

1 the Pension Contribution Fund as soon as practicable after the
2 certification.

3 (g) For purposes of determining the required State
4 contribution to the System, the value of the System's assets
5 shall be equal to the actuarial value of the System's assets,
6 which shall be calculated as follows:

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

14 (h) For purposes of determining the required State
15 contribution to the System for a particular year, the actuarial
16 value of assets shall be assumed to earn a rate of return equal
17 to the System's actuarially assumed rate of return.

18 (i) After the submission of all payments for eligible
19 employees from personal services line items paid from the
20 General Revenue Fund in fiscal year 2010 have been made, the
21 Comptroller shall provide to the System a certification of the
22 sum of all fiscal year 2010 expenditures for personal services
23 that would have been covered by payments to the System under
24 this Section if the provisions of this amendatory Act of the
25 96th General Assembly had not been enacted. Upon receipt of the
26 certification, the System shall determine the amount due to the

1 System based on the full rate certified by the Board under
2 Section 14-135.08 for fiscal year 2010 in order to meet the
3 State's obligation under this Section. The System shall compare
4 this amount due to the amount received by the System in fiscal
5 year 2010 through payments under this Section. If the amount
6 due is more than the amount received, the difference shall be
7 termed the "Fiscal Year 2010 Shortfall" for purposes of this
8 Section, and the Fiscal Year 2010 Shortfall shall be satisfied
9 under Section 1.2 of the State Pension Funds Continuing
10 Appropriation Act. If the amount due is less than the amount
11 received, the difference shall be termed the "Fiscal Year 2010
12 Overpayment" for purposes of this Section, and the Fiscal Year
13 2010 Overpayment shall be repaid by the System to the General
14 Revenue Fund as soon as practicable after the certification.

15 (j) After the submission of all payments for eligible
16 employees from personal services line items paid from the
17 General Revenue Fund in fiscal year 2011 have been made, the
18 Comptroller shall provide to the System a certification of the
19 sum of all fiscal year 2011 expenditures for personal services
20 that would have been covered by payments to the System under
21 this Section if the provisions of this amendatory Act of the
22 96th General Assembly had not been enacted. Upon receipt of the
23 certification, the System shall determine the amount due to the
24 System based on the full rate certified by the Board under
25 Section 14-135.08 for fiscal year 2011 in order to meet the
26 State's obligation under this Section. The System shall compare

1 this amount due to the amount received by the System in fiscal
2 year 2011 through payments under this Section. If the amount
3 due is more than the amount received, the difference shall be
4 termed the "Fiscal Year 2011 Shortfall" for purposes of this
5 Section, and the Fiscal Year 2011 Shortfall shall be satisfied
6 under Section 1.2 of the State Pension Funds Continuing
7 Appropriation Act. If the amount due is less than the amount
8 received, the difference shall be termed the "Fiscal Year 2011
9 Overpayment" for purposes of this Section, and the Fiscal Year
10 2011 Overpayment shall be repaid by the System to the General
11 Revenue Fund as soon as practicable after the certification.

12 (k) For fiscal years 2012 and 2013 only, after the
13 submission of all payments for eligible employees from personal
14 services line items paid from the General Revenue Fund in the
15 fiscal year have been made, the Comptroller shall provide to
16 the System a certification of the sum of all expenditures in
17 the fiscal year for personal services. Upon receipt of the
18 certification, the System shall determine the amount due to the
19 System based on the full rate certified by the Board under
20 Section 14-135.08 for the fiscal year in order to meet the
21 State's obligation under this Section. The System shall compare
22 this amount due to the amount received by the System for the
23 fiscal year. If the amount due is more than the amount
24 received, the difference shall be termed the "Prior Fiscal Year
25 Shortfall" for purposes of this Section, and the Prior Fiscal
26 Year Shortfall shall be satisfied under Section 1.2 of the

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

7 (Source: P.A. 96-43, eff. 7-15-09; 96-45, eff. 7-15-09;
8 96-1000, eff. 7-2-10; 96-1497, eff. 1-14-11; 96-1511, eff.
9 1-27-11; 96-1554, eff. 3-18-11; 97-72, eff. 7-1-11; 97-732,
10 eff. 6-30-12.)

11 (40 ILCS 5/14-132) (from Ch. 108 1/2, par. 14-132)

12 Sec. 14-132. Obligations of State; funding guarantee.

13 (a) The payment of the required department contributions,
14 all allowances, annuities, benefits granted under this
15 Article, and all expenses of administration of the system are
16 obligations of the State of Illinois to the extent specified in
17 this Article.

18 (b) All income of the system shall be credited to a
19 separate account for this system in the State treasury and
20 shall be used to pay allowances, annuities, benefits and
21 administration expense.

22 (c) Pursuant to Article XIII, Section 5 of the 1970
23 Constitution of the State of Illinois, beginning on July 1,
24 2013, the State shall, as a retirement benefit to each
25 participant and annuitant of the System be contractually

1 obligated to the System (as a fiduciary and trustee of the
2 participants and annuitants) to pay the annual required State
3 contribution, as determined by the Board of the System using
4 generally accepted actuarial principles, as is necessary to
5 bring the total assets of the System up to 100% of the total
6 actuarial liabilities of the System by the end of State fiscal
7 year 2045. As a further retirement benefit and contractual
8 obligation, each fiscal year, the State shall pay to each
9 designated retirement system the annual required State
10 contribution certified by the Board for that fiscal year.
11 Payments of the annual required State contribution for each
12 fiscal year shall be made in equal monthly installments.
13 Additionally, beginning in fiscal year 2014, State transfers to
14 the Pension Stabilization Fund pursuant to Section 20 of the
15 Budget Stabilization Act and payments to the System pursuant to
16 Section 25 of the Budget Stabilization Act shall be further
17 retirement benefits and contractual obligations. The transfers
18 and payments prescribed in Sections 20 and 25 of the Budget
19 Stabilization Act shall not be used by the retirement system
20 when calculation any pension payment until the System has
21 reached a funded level of 100%. This Section and the security
22 it provides to participants and annuitants is intended to be,
23 and is, a contractual right that is part of the pension
24 benefits provided to the participants and annuitants.
25 Notwithstanding anything to the contrary in the Court of Claims
26 Act or any other law, a designated retirement system has the

1 exclusive right to and shall bring a mandamus action in the
2 Circuit Court of Sangamon County against the State to compel
3 the State to make any installment of the annual required State
4 contribution required by this Section, irrespective of other
5 remedies that may be available to the System. Each member or
6 annuitant of the System has the right to in any judicial
7 district in which the System maintains an office if the System
8 fails to bring an action specified in this Section,
9 irrespective of other remedies that may be available to the
10 member or annuitant. In making these determinations, the
11 required State contribution shall be calculated each year as a
12 level percentage of payroll over the years remaining to and
13 including fiscal year 2045 and shall be determined under the
14 projected unit credit actuarial cost method.

15 (Source: P.A. 80-841.)

16 (40 ILCS 5/15-155) (from Ch. 108 1/2, par. 15-155)

17 Sec. 15-155. Employer contributions.

18 (a) The State of Illinois shall make contributions by
19 appropriations of amounts which, together with the other
20 employer contributions from trust, federal, and other funds,
21 employee contributions, income from investments, and other
22 income of this System, will be sufficient to meet the cost of
23 maintaining and administering the System on a 100% ~~90%~~ funded
24 basis in accordance with actuarial recommendations.

25 The Board shall determine the amount of State contributions

1 required for each fiscal year on the basis of the actuarial
2 tables and other assumptions adopted by the Board and the
3 recommendations of the actuary, using the formula in subsection
4 (a-1).

5 (a-1) For State fiscal years 2015 through 2045, the minimum
6 contribution to the System to be made by the State for each
7 fiscal year shall be an amount determined by the System to be
8 sufficient to bring the total assets of the System up to 100%
9 of the total actuarial liabilities of the System by the end of
10 State fiscal year 2045. In making these determinations, the
11 required State contribution shall be calculated each year as a
12 level percentage of payroll over the years remaining to and
13 including fiscal year 2045 and shall be determined under the
14 projected unit credit actuarial cost method.

15 For State fiscal years 2012 through 2014 ~~2045~~, the minimum
16 contribution to the System to be made by the State for each
17 fiscal year shall be an amount determined by the System to be
18 sufficient to bring the total assets of the System up to 90% of
19 the total actuarial liabilities of the System by the end of
20 State fiscal year 2045. In making these determinations, the
21 required State contribution shall be calculated each year as a
22 level percentage of payroll over the years remaining to and
23 including fiscal year 2045 and shall be determined under the
24 projected unit credit actuarial cost method.

25 For State fiscal years 1996 through 2005, the State
26 contribution to the System, as a percentage of the applicable

1 employee payroll, shall be increased in equal annual increments
2 so that by State fiscal year 2011, the State is contributing at
3 the rate required under this Section.

4 Notwithstanding any other provision of this Article, the
5 total required State contribution for State fiscal year 2006 is
6 \$166,641,900.

7 Notwithstanding any other provision of this Article, the
8 total required State contribution for State fiscal year 2007 is
9 \$252,064,100.

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

16 Notwithstanding any other provision of this Article, the
17 total required State contribution for State fiscal year 2010 is
18 \$702,514,000 and shall be made from the State Pensions Fund and
19 proceeds of bonds sold in fiscal year 2010 pursuant to Section
20 7.2 of the General Obligation Bond Act, less (i) the pro rata
21 share of bond sale expenses determined by the System's share of
22 total bond proceeds, (ii) any amounts received from the General
23 Revenue Fund in fiscal year 2010, (iii) any reduction in bond
24 proceeds due to the issuance of discounted bonds, if
25 applicable.

26 Notwithstanding any other provision of this Article, the

1 total required State contribution for State fiscal year 2011 is
2 the amount recertified by the System on or before April 1, 2011
3 pursuant to Section 15-165 and shall be made from the State
4 Pensions Fund and proceeds of bonds sold in fiscal year 2011
5 pursuant to Section 7.2 of the General Obligation Bond Act,
6 less (i) the pro rata share of bond sale expenses determined by
7 the System's share of total bond proceeds, (ii) any amounts
8 received from the General Revenue Fund in fiscal year 2011, and
9 (iii) any reduction in bond proceeds due to the issuance of
10 discounted bonds, if applicable.

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

15 Amounts received by the System pursuant to Section 25 of
16 the Budget Stabilization Act or Section 8.12 of the State
17 Finance Act in any fiscal year do not reduce and do not
18 constitute payment of any portion of the minimum State
19 contribution required under this Article in that fiscal year.
20 Such amounts shall not reduce, and shall not be included in the
21 calculation of, the required State contributions under this
22 Article in any future year until the System has reached a
23 funding ratio of at least 100% ~~90%~~. A reference in this Article
24 to the "required State contribution" or any substantially
25 similar term does not include or apply to any amounts payable
26 to the System under Section 25 of the Budget Stabilization Act.

1 Notwithstanding any other provision of this Code or the
2 Budget Stabilization Act, amounts transferred to the System
3 pursuant to the Budget Stabilization Act after the effective
4 date of this amendatory Act of the 98th General Assembly do not
5 reduce and do not constitute payment of any portion of the
6 required State contribution under this Article in that fiscal
7 year. Such amounts shall not reduce, and shall not be included
8 in the calculation of, the required State contributions under
9 this Article in any future year until the System has received
10 payment of contributions pursuant to the Budget Stabilization
11 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 through State
15 fiscal year 2014, as calculated under this Section and
16 certified under Section 15-165, shall not exceed an amount
17 equal to (i) the amount of the required State contribution that
18 would have been calculated under this Section for that fiscal
19 year if the System had not received any payments under
20 subsection (d) of Section 7.2 of the General Obligation Bond
21 Act, minus (ii) the portion of the State's total debt service
22 payments for that fiscal year on the bonds issued in fiscal
23 year 2003 for the purposes of that Section 7.2, as determined
24 and certified by the Comptroller, that is the same as the
25 System's portion of the total moneys distributed under
26 subsection (d) of Section 7.2 of the General Obligation Bond

1 Act. In determining this maximum for State fiscal years 2008
2 through 2010, however, the amount referred to in item (i) shall
3 be increased, as a percentage of the applicable employee
4 payroll, in equal increments calculated from the sum of the
5 required State contribution for State fiscal year 2007 plus the
6 applicable portion of the State's total debt service payments
7 for fiscal year 2007 on the bonds issued in fiscal year 2003
8 for the purposes of Section 7.2 of the General Obligation Bond
9 Act, so that, by State fiscal year 2011, the State is
10 contributing at the rate otherwise 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 (g) ~~(f)~~ may be paid in the form of a lump sum within 90 days
22 after receipt of the bill. If the employer contributions are
23 not paid within 90 days after receipt of the bill, then
24 interest will be charged at a rate equal to the System's annual
25 actuarially assumed rate of return on investment compounded
26 annually from the 91st day after receipt of the bill. Payments

1 must be concluded within 3 years after the employer's receipt
2 of the 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. 96-43, eff. 7-15-09; 96-1497, eff. 1-14-11;
23 96-1511, eff. 1-27-11; 96-1554, eff. 3-18-11; 97-813, eff.
24 7-13-12; revised 10-17-12.)

1 Sec. 15-156. Obligations of State; funding guarantees.

2 (a) The payment of (1) the required State contributions,
3 (2) all benefits granted under this system and (3) all expenses
4 in connection with the administration and operation thereof are
5 obligations of the State of Illinois to the extent specified in
6 this Article. The accumulated employee normal, additional and
7 survivors insurance contributions credited to the accounts of
8 active and inactive participants shall not be used to pay the
9 State's share of the obligations.

10 (c) Pursuant to Article XIII, Section 5 of the 1970
11 Constitution of the State of Illinois, beginning on July 1,
12 2013, the State shall, as a retirement benefit to each
13 participant and annuitant of the System be contractually
14 obligated to the System (as a fiduciary and trustee of the
15 participants and annuitants) to pay the annual required State
16 contribution, as determined by the Board of the System using
17 generally accepted actuarial principles, as is necessary to
18 bring the total assets of the System up to 100% of the total
19 actuarial liabilities of the System by the end of State fiscal
20 year 2045. As a further retirement benefit and contractual
21 obligation, each fiscal year, the State shall pay to each
22 designated retirement system the annual required State
23 contribution certified by the Board for that fiscal year.
24 Payments of the annual required State contribution for each
25 fiscal year shall be made in equal monthly installments.
26 Additionally, beginning in fiscal year 2014, State transfers to

1 the Pension Stabilization Fund pursuant to Section 20 of the
2 Budget Stabilization Act and payments to the System pursuant to
3 Section 25 of the Budget Stabilization Act shall be further
4 retirement benefits and contractual obligations. The transfers
5 and payments prescribed in Sections 20 and 25 of the Budget
6 Stabilization Act shall not be used by the retirement system
7 when calculation any pension payment until the System has
8 reached a funded level of 100%. This Section and the security
9 it provides to participants and annuitants is intended to be,
10 and is, a contractual right that is part of the pension
11 benefits provided to the participants and annuitants.
12 Notwithstanding anything to the contrary in the Court of Claims
13 Act or any other law, a designated retirement system has the
14 exclusive right to and shall bring a mandamus action in the
15 Circuit Court of Champaign County against the State to compel
16 the State to make any installment of the annual required State
17 contribution required by this Section, irrespective of other
18 remedies that may be available to the System. Each member or
19 annuitant of the System has the right to in any judicial
20 district in which the System maintains an office if the System
21 fails to bring an action specified in this Section,
22 irrespective of other remedies that may be available to the
23 member or annuitant. 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 (Source: P.A. 83-1440.)

3 (40 ILCS 5/16-158) (from Ch. 108 1/2, par. 16-158)

4 Sec. 16-158. Contributions by State and other employing
5 units.

6 (a) The State shall make contributions to the System by
7 means of appropriations from the Common School Fund and other
8 State funds of amounts which, together with other employer
9 contributions, employee contributions, investment income, and
10 other income, will be sufficient to meet the cost of
11 maintaining and administering the System on a 100% ~~90%~~ funded
12 basis in accordance with actuarial recommendations.

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

18 (a-1) Annually, on or before November 15 until November 15,
19 2011, the Board shall certify to the Governor the amount of the
20 required State contribution for the coming fiscal year. The
21 certification under this subsection (a-1) shall include a copy
22 of the actuarial recommendations upon which it is based and
23 shall specifically identify the System's projected State
24 normal cost for that fiscal year.

25 On or before May 1, 2004, 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 2005, taking
3 into account the amounts appropriated to and received by the
4 System under subsection (d) of Section 7.2 of the General
5 Obligation Bond Act.

6 On or before July 1, 2005, 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 2006, taking
9 into account the changes in required State contributions made
10 by this amendatory Act of the 94th General Assembly.

11 On or before April 1, 2011, the Board shall recalculate and
12 recertify to the Governor the amount of the required State
13 contribution to the System for State fiscal year 2011, applying
14 the changes made by Public Act 96-889 to the System's assets
15 and liabilities as of June 30, 2009 as though Public Act 96-889
16 was approved on that date.

17 (a-5) On or before November 1 of each year, beginning
18 November 1, 2012, the Board shall submit to the State Actuary,
19 the Governor, and the General Assembly a proposed certification
20 of the amount of the required State contribution to the System
21 for the next fiscal year, along with all of the actuarial
22 assumptions, calculations, and data upon which that proposed
23 certification is based. On or before January 1 of each year,
24 beginning January 1, 2013, the State Actuary shall issue a
25 preliminary report concerning the proposed certification and
26 identifying, if necessary, recommended changes in actuarial

1 assumptions that the Board must consider before finalizing its
2 certification of the required State contributions. On or before
3 January 15, 2013 and each January 15 thereafter, the Board
4 shall certify to the Governor and the General Assembly the
5 amount of the required State contribution for the next fiscal
6 year. The Board's certification must note any deviations from
7 the State Actuary's recommended changes, the reason or reasons
8 for not following the State Actuary's recommended changes, and
9 the fiscal impact of not following the State Actuary's
10 recommended changes on the required State contribution.

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

14 (b-1) Beginning in State fiscal year 1996, on the 15th day
15 of each month, or as soon thereafter as may be practicable, the
16 Board shall submit vouchers for payment of State contributions
17 to the System, in a total monthly amount of one-twelfth of the
18 required annual State contribution certified under subsection
19 (a-1). From the effective date of this amendatory Act of the
20 93rd General Assembly through June 30, 2004, the Board shall
21 not submit vouchers for the remainder of fiscal year 2004 in
22 excess of the fiscal year 2004 certified contribution amount
23 determined under this Section after taking into consideration
24 the transfer to the System under subsection (a) of Section
25 6z-61 of the State Finance Act. These vouchers shall be paid by
26 the State Comptroller and Treasurer by warrants drawn on the

1 funds appropriated to the System for that fiscal year.

2 If in any month the amount remaining unexpended from all
3 other appropriations to the System for the applicable fiscal
4 year (including the appropriations to the System under Section
5 8.12 of the State Finance Act and Section 1 of the State
6 Pension Funds Continuing Appropriation Act) is less than the
7 amount lawfully vouchered under this subsection, the
8 difference shall be paid from the Common School Fund under the
9 continuing appropriation authority provided in Section 1.1 of
10 the State Pension Funds Continuing Appropriation Act.

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

14 (b-3) For State fiscal years 2015 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 100%
18 of 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 2012 through 2014 ~~2045~~, the minimum
25 contribution to the System to be made by the State for each
26 fiscal year shall be an amount determined by the System to be

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

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

23 Notwithstanding any other provision of this Article, the
24 total required State contribution for State fiscal year 2006 is
25 \$534,627,700.

26 Notwithstanding any other provision of this Article, the

1 total required State contribution for State fiscal year 2007 is
2 \$738,014,500.

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

9 Notwithstanding any other provision of this Article, the
10 total required State contribution for State fiscal year 2010 is
11 \$2,089,268,000 and shall be made from the proceeds of bonds
12 sold in fiscal year 2010 pursuant to Section 7.2 of the General
13 Obligation Bond Act, less (i) the pro rata share of bond sale
14 expenses determined by the System's share of total bond
15 proceeds, (ii) any amounts received from the Common School Fund
16 in fiscal year 2010, and (iii) any reduction in bond proceeds
17 due to the issuance of discounted bonds, if 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 on or before April 1, 2011
21 pursuant to subsection (a-1) of this Section and shall be made
22 from the proceeds of bonds sold in fiscal year 2011 pursuant to
23 Section 7.2 of the General Obligation Bond Act, less (i) the
24 pro rata share of bond sale expenses determined by the System's
25 share of total bond proceeds, (ii) any amounts received from
26 the Common School Fund in fiscal year 2011, and (iii) any

1 reduction in bond proceeds due to the issuance of discounted
2 bonds, if applicable. This amount shall include, in addition to
3 the amount certified by the System, an amount necessary to meet
4 employer contributions required by the State as an employer
5 under paragraph (e) of this Section, which may also be used by
6 the System for contributions required by paragraph (a) of
7 Section 16-127.

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

12 Amounts received by the System pursuant to Section 25 of
13 the Budget Stabilization Act or Section 8.12 of the State
14 Finance Act in any fiscal year do not reduce and do not
15 constitute payment of any portion of the minimum State
16 contribution required under this Article in that fiscal year.
17 Such amounts shall not reduce, and shall not be included in the
18 calculation of, the required State contributions under this
19 Article in any future year until the System has reached a
20 funding ratio of at least 100% ~~90%~~. A reference in this Article
21 to the "required State contribution" or any substantially
22 similar term does not include or apply to any amounts payable
23 to the System under Section 25 of the Budget Stabilization Act.

24 Notwithstanding any other provision of this Code or the
25 Budget Stabilization Act, amounts transferred to the System
26 pursuant to the Budget Stabilization Act after the effective

1 date of this amendatory Act of the 98th General Assembly do not
2 reduce and do not constitute payment of any portion of the
3 required State contribution under this Article in that fiscal
4 year. Such amounts shall not reduce, and shall not be included
5 in the calculation of, the required State contributions under
6 this Article in any future year until the System has received
7 payment of contributions pursuant to the Budget Stabilization
8 Act.

9 Notwithstanding any other provision of this Section, the
10 required State contribution for State fiscal year 2005 and for
11 fiscal year 2008 and each fiscal year thereafter through State
12 fiscal year 2014, as calculated under this Section and
13 certified under subsection (a-1), shall not exceed an amount
14 equal to (i) the amount of the required State contribution that
15 would have been calculated under this Section for that fiscal
16 year if the System had not received any payments under
17 subsection (d) of Section 7.2 of the General Obligation Bond
18 Act, minus (ii) the portion of the State's total debt service
19 payments for that fiscal year on the bonds issued in fiscal
20 year 2003 for the purposes of that Section 7.2, as determined
21 and certified by the Comptroller, that is the same as the
22 System's portion of the total moneys distributed under
23 subsection (d) of Section 7.2 of the General Obligation Bond
24 Act. In determining this maximum for State fiscal years 2008
25 through 2010, however, the amount referred to in item (i) shall
26 be increased, as a percentage of the applicable employee

1 payroll, in equal increments calculated from the sum of the
2 required State contribution for State fiscal year 2007 plus the
3 applicable portion of the State's total debt service payments
4 for fiscal year 2007 on the bonds issued in fiscal year 2003
5 for the purposes of Section 7.2 of the General Obligation Bond
6 Act, so that, by State fiscal year 2011, the State is
7 contributing at the rate otherwise required under this Section.

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

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

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

1 by the System. Such employer contributions shall be forwarded
2 monthly in accordance with guidelines established by the
3 System.

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

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

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

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

25 The school district or other employing unit may pay these
26 employer contributions out of any source of funding available

1 for that purpose and shall forward the contributions to the
2 System on the schedule established for the payment of member
3 contributions.

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

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

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

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

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

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

1 Assembly apply without regard to whether the teacher was in
2 service on or after its effective date.

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

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

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

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

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

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

24 When assessing payment for any amount due under subsection
25 (f), the System shall exclude a salary increase resulting from
26 a promotion (i) for which the employee is required to hold a

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

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

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

1 subsection (f) of this Section.

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

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

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

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

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

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

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

1 5-year period following that fiscal year.

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

6 (Source: P.A. 96-43, eff. 7-15-09; 96-1497, eff. 1-14-11;
7 96-1511, eff. 1-27-11; 96-1554, eff. 3-18-11; 97-694, eff.
8 6-18-12; 97-813, eff. 7-13-12.)

9 (40 ILCS 5/16-158.2 new)

10 Sec. 16-158.2. Obligations of State; funding guarantee.
11 Pursuant to Article XIII, Section 5 of the 1970 Constitution of
12 the State of Illinois, beginning on July 1, 2013, the State
13 shall, as a retirement benefit to each participant and
14 annuitant of the System be contractually obligated to the
15 System (as a fiduciary and trustee of the participants and
16 annuitants) to pay the annual required State contribution, as
17 determined by the Board of the System using generally accepted
18 actuarial principles, as is necessary to bring the total assets
19 of the System up to 100% of the total actuarial liabilities of
20 the System by the end of State fiscal year 2045. As a further
21 retirement benefit and contractual obligation, each fiscal
22 year, the State shall pay to each designated retirement system
23 the annual required State contribution certified by the Board
24 for that fiscal year. Payments of the annual required State
25 contribution for each fiscal year shall be made in equal

1 monthly installments. Additionally, beginning in fiscal year
2 2014, State transfers to the Pension Stabilization Fund
3 pursuant to Section 20 of the Budget Stabilization Act and
4 payments to the System pursuant to Section 25 of the Budget
5 Stabilization Act shall be further retirement benefits and
6 contractual obligations. The transfers and payments prescribed
7 in Sections 20 and 25 of the Budget Stabilization Act shall not
8 be used by the retirement system when calculation any pension
9 payment until the System has reached a funded level of 100%.
10 This Section and the security it provides to participants and
11 annuitants is intended to be, and is, a contractual right that
12 is part of the pension benefits provided to the participants
13 and annuitants. Notwithstanding anything to the contrary in the
14 Court of Claims Act or any other law, a designated retirement
15 system has the exclusive right to and shall bring a mandamus
16 action in the Circuit Court of Sangamon County against the
17 State to compel the State to make any installment of the annual
18 required State contribution required by this Section,
19 irrespective of other remedies that may be available to the
20 System. Each member or annuitant of the System has the right to
21 in any judicial district in which the System maintains an
22 office if the System fails to bring an action specified in this
23 Section, irrespective of other remedies that may be available
24 to the member or annuitant. In making these determinations, the
25 required State contribution shall be calculated each year as a
26 level percentage of payroll over the years remaining to and

1 including fiscal year 2045 and shall be determined under the
2 projected unit credit actuarial cost method.

3 Section 99. Effective date. This Act takes effect July 1,
4 2013.".