



98TH GENERAL ASSEMBLY

State of Illinois

2013 and 2014

HB2751

Introduced 2/21/2013, by Rep. Arthur Turner

SYNOPSIS AS INTRODUCED:

40 ILCS 5/17-129

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

30 ILCS 805/8.37 new

Amends the Chicago Teacher Article of the Illinois Pension Code. In a provision that reduces the required annual Board of Education contribution to the Fund by the amount of any State contribution, makes the reduction apply only if the Board of the Fund certifies that the total assets of the Fund are at least 90% of the total actuarial liabilities of the Fund as of June 30 of the previous fiscal year. Amends the State Mandates Act to require implementation without reimbursement. Effective immediately.

LRB098 08606 EFG 38724 b

FISCAL NOTE ACT
MAY APPLY

PENSION IMPACT
NOTE ACT MAY
APPLY

STATE MANDATES
ACT MAY REQUIRE
REIMBURSEMENT

1 AN ACT concerning public employee benefits.

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

4 Section 5. The Illinois Pension Code is amended by changing
5 Section 17-129 as follows:

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

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

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

1 December 4, 1997 and before July 1, 2010 from State
2 appropriations, including under Section 17-127, shall be a
3 credit against and shall fully satisfy any obligation that may
4 have arisen, or be claimed to have arisen, under this
5 subsection (a) as a result of any deficiency or deficiencies in
6 the fiscal year of the Board of Education ending in calendar
7 year 1997.

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

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

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

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

1 payrolls over the years remaining to and including fiscal year
2 2059 and shall be determined under the projected unit credit
3 actuarial cost method.

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

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

14 (vii) Any contribution by the State to or for the benefit
15 of the Fund, including, without limitation, as referred to
16 under Section 17-127, shall be a credit against any
17 contribution required to be made by the Board of Education
18 under this subsection (b) if the Board certifies that the total
19 assets of the Fund are at least 90% of the total actuarial
20 liabilities of the Fund as of June 30 of the previous fiscal
21 year.

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

1 and (b). Annually, on or before February 28, the Board shall
2 certify to the Board of Education the amount of the required
3 Board of Education contribution for the coming fiscal year. The
4 certification shall include a copy of the actuarial
5 recommendations upon which it is based.

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

7 Section 90. The State Mandates Act is amended by adding
8 Section 8.37 as follows:

9 (30 ILCS 805/8.37 new)

10 Sec. 8.37. Exempt mandate. Notwithstanding Sections 6 and 8
11 of this Act, no reimbursement by the State is required for the
12 implementation of any mandate created by this amendatory Act of
13 the 98th General Assembly.

14 Section 99. Effective date. This Act takes effect upon
15 becoming law.