



Sen. John G. Mulroe

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LRB098 04665 RPM 56156 a

1 AMENDMENT TO SENATE BILL 451

2 AMENDMENT NO. _____. Amend Senate Bill 451 by replacing
3 everything after the enacting clause with the following:

4 "Section 5. The Illinois Pension Code is amended by
5 changing Sections 5-168, 6-165, and 17-129 as follows:

6 (40 ILCS 5/5-168) (from Ch. 108 1/2, par. 5-168)

7 Sec. 5-168. Financing.

8 (a) Except as expressly provided in this Section, the city
9 shall levy a tax annually upon all taxable property therein for
10 the purpose of providing revenue for the fund.

11 The tax shall be at a rate that will produce a sum which,
12 when added to the amounts deducted from the policemen's
13 salaries and the amounts deposited in accordance with
14 subsection (g), is sufficient for the purposes of the fund.

15 For the years 1968 and 1969, the city council shall levy a
16 tax annually at a rate on the dollar of the assessed valuation

1 of all taxable property that will produce, when extended, not
2 to exceed \$9,700,000. Beginning with the year 1970 and through
3 2014, the city council shall levy a tax annually at a rate on
4 the dollar of the assessed valuation of all taxable property
5 that will produce when extended an amount not to exceed the
6 total amount of contributions by the policemen to the Fund made
7 in the calendar year 2 years before the year for which the
8 applicable annual tax is levied, multiplied by 1.40 for the tax
9 levy year 1970; by 1.50 for the year 1971; by 1.65 for 1972; by
10 1.85 for 1973; by 1.90 for 1974; by 1.97 for 1975 through 1981;
11 by 2.00 for 1982 and for each year through 2014. Beginning in
12 2015, the city council shall levy a tax annually at a rate on
13 the dollar of the assessed valuation of all taxable property
14 that will produce when extended an annual amount that is equal
15 to (1) the normal cost to the Fund, plus (2) an annual amount
16 sufficient to bring the total assets of the Fund up to 90% of
17 the total actuarial liabilities of the Fund by the end of
18 fiscal year 2040, as annually updated and determined by an
19 enrolled actuary employed by the Illinois Department of
20 Insurance or by an enrolled actuary retained by the Fund or the
21 city. In making these determinations, the required minimum
22 employer contribution shall be calculated each year as a level
23 percentage of payroll over the years remaining up to and
24 including fiscal year 2040 and shall be determined under the
25 projected unit credit actuarial cost method. For the purposes
26 of this subsection (a), contributions by the policeman to the

1 Fund shall not include payments made by a policeman to
2 establish credit under Section 5-214.2 of this Code.

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

7 (1) On March 30, 2011, the actuarial value of the
8 Fund's assets shall be equal to the market value of the
9 assets as of that date.

10 (2) In determining the actuarial value of the Fund's
11 assets for fiscal years after March 30, 2011, any actuarial
12 gains or losses from investment return incurred in a fiscal
13 year shall be recognized in equal annual amounts over the
14 5-year period following that fiscal year.

15 (a-7) If the city fails to transmit to the Fund
16 contributions required of it under this Article for more than
17 90 days after the payment of those contributions is due, the
18 Fund may, after giving notice to the city, certify to the State
19 Comptroller the amounts of the delinquent payments, and the
20 Comptroller must, beginning in fiscal year 2016, deduct and
21 deposit into the Fund the certified amounts or a portion of
22 those amounts from the following proportions of grants of State
23 funds to the city:

24 (1) in fiscal year 2016, one-third of the total amount
25 of any grants of State funds to the city;

26 (2) in fiscal year 2017, two-thirds of the total amount

1 of any grants of State funds to the city; and

2 (3) in fiscal year 2018 and each fiscal year
3 thereafter, the total amount of any grants of State funds
4 to the city.

5 The State Comptroller may not deduct from any grants of
6 State funds to the city more than the amount of delinquent
7 payments certified to the State Comptroller by the Fund.

8 (b) The tax shall be levied and collected in like manner
9 with the general taxes of the city, and is in addition to all
10 other taxes which the city is now or may hereafter be
11 authorized to levy upon all taxable property therein, and is
12 exclusive of and in addition to the amount of tax the city is
13 now or may hereafter be authorized to levy for general purposes
14 under any law which may limit the amount of tax which the city
15 may levy for general purposes. The county clerk of the county
16 in which the city is located, in reducing tax levies under
17 Section 8-3-1 of the Illinois Municipal Code, shall not
18 consider the tax herein authorized as a part of the general tax
19 levy for city purposes, and shall not include the tax in any
20 limitation of the percent of the assessed valuation upon which
21 taxes are required to be extended for the city.

22 (c) On or before January 10 of each year, the board shall
23 notify the city council of the requirement that the tax herein
24 authorized be levied by the city council for that current year.
25 The board shall compute the amounts necessary for the purposes
26 of this fund to be credited to the reserves established and

1 maintained within the fund; shall make an annual determination
2 of the amount of the required city contributions; and shall
3 certify the results thereof to the city council.

4 As soon as any revenue derived from the tax is collected it
5 shall be paid to the city treasurer of the city and shall be
6 held by him for the benefit of the fund in accordance with this
7 Article.

8 (d) If the funds available are insufficient during any year
9 to meet the requirements of this Article, the city may issue
10 tax anticipation warrants against the tax levy for the current
11 fiscal year.

12 (e) The various sums, including interest, to be contributed
13 by the city, shall be taken from the revenue derived from such
14 tax or otherwise as expressly provided in this Section. Any
15 moneys of the city derived from any source other than the tax
16 herein authorized shall not be used for any purpose of the fund
17 nor the cost of administration thereof, unless applied to make
18 the deposit expressly authorized in this Section or the
19 additional city contributions required under subsection (h).

20 (f) If it is not possible or practicable for the city to
21 make its contributions at the time that salary deductions are
22 made, the city shall make such contributions as soon as
23 possible thereafter, with interest thereon to the time it is
24 made.

25 (g) In lieu of levying all or a portion of the tax required
26 under this Section in any year, the city may deposit with the

1 city treasurer no later than March 1 of that year for the
2 benefit of the fund, to be held in accordance with this
3 Article, an amount that, together with the taxes levied under
4 this Section for that year, is not less than the amount of the
5 city contributions for that year as certified by the board to
6 the city council. The deposit may be derived from any source
7 legally available for that purpose, including, but not limited
8 to, the proceeds of city borrowings. The making of a deposit
9 shall satisfy fully the requirements of this Section for that
10 year to the extent of the amounts so deposited. Amounts
11 deposited under this subsection may be used by the fund for any
12 of the purposes for which the proceeds of the tax levied under
13 this Section may be used, including the payment of any amount
14 that is otherwise required by this Article to be paid from the
15 proceeds of that tax.

16 (h) In addition to the contributions required under the
17 other provisions of this Article, by November 1 of the
18 following specified years, the city shall deposit with the city
19 treasurer for the benefit of the fund, to be held and used in
20 accordance with this Article, the following specified amounts:
21 \$6,300,000 in 1999; \$5,880,000 in 2000; \$5,460,000 in 2001;
22 \$5,040,000 in 2002; and \$4,620,000 in 2003.

23 The additional city contributions required under this
24 subsection are intended to decrease the unfunded liability of
25 the fund and shall not decrease the amount of the city
26 contributions required under the other provisions of this

1 Article. The additional city contributions made under this
2 subsection may be used by the fund for any of its lawful
3 purposes.

4 (i) In addition to the contributions required under the
5 other provisions of this Article, the city shall deposit with
6 the city treasurer for the benefit of the fund, to be held and
7 used in accordance with this Article, 20% of any savings
8 resulting from reductions in the number of police officers
9 compared to the number of police officers on January 1, 2014.

10 (Source: P.A. 95-1036, eff. 2-17-09; 96-1495, eff. 1-1-11.)

11 (40 ILCS 5/6-165) (from Ch. 108 1/2, par. 6-165)

12 Sec. 6-165. Financing; tax.

13 (a) Except as expressly provided in this Section, each city
14 shall levy a tax annually upon all taxable property therein for
15 the purpose of providing revenue for the fund. For the years
16 prior to the year 1960, the tax rate shall be as provided for
17 in the "Firemen's Annuity and Benefit Fund of the Illinois
18 Municipal Code". The tax, from and after January 1, 1968 to and
19 including the year 1971, shall not exceed .0863% of the value,
20 as equalized or assessed by the Department of Revenue, of all
21 taxable property in the city. Beginning with the year 1972 and
22 through 2014, the city shall levy a tax annually at a rate on
23 the dollar of the value, as equalized or assessed by the
24 Department of Revenue of all taxable property within such city
25 that will produce, when extended, not to exceed an amount equal

1 to the total amount of contributions by the employees to the
2 fund made in the calendar year 2 years prior to the year for
3 which the annual applicable tax is levied, multiplied by 2.23
4 through the calendar year 1981, and by 2.26 for the year 1982
5 and for each year through 2014. Beginning in 2015, the city
6 council shall levy a tax annually at a rate on the dollar of
7 the assessed valuation of all taxable property that will
8 produce when extended an annual amount that is equal to (1) the
9 normal cost to the Fund, plus (2) an annual amount sufficient
10 to bring the total assets of the Fund up to 90% of the total
11 actuarial liabilities of the Fund by the end of fiscal year
12 2040, as annually updated and determined by an enrolled actuary
13 employed by the Illinois Department of Insurance or by an
14 enrolled actuary retained by the Fund or the city. In making
15 these determinations, the required minimum employer
16 contribution shall be calculated each year as a level
17 percentage of payroll over the years remaining up to and
18 including fiscal year 2040 and shall be determined under the
19 projected unit credit actuarial cost method.

20 To provide revenue for the ordinary death benefit
21 established by Section 6-150 of this Article, in addition to
22 the contributions by the firemen for this purpose, the city
23 council shall for the year 1962 and each year thereafter
24 annually levy a tax, which shall be in addition to and
25 exclusive of the taxes authorized to be levied under the
26 foregoing provisions of this Section, upon all taxable property

1 in the city, as equalized or assessed by the Department of
2 Revenue, at such rate per cent of the value of such property as
3 shall be sufficient to produce for each year the sum of
4 \$142,000.

5 The amounts produced by the taxes levied annually, together
6 with the deposit expressly authorized in this Section, shall be
7 sufficient, when added to the amounts deducted from the
8 salaries of firemen and applied to the fund, to provide for the
9 purposes of the fund.

10 (a-5) For purposes of determining the required employer
11 contribution to the Fund, the value of the Fund's assets shall
12 be equal to the actuarial value of the Fund's assets, which
13 shall be calculated as follows:

14 (1) On March 30, 2011, the actuarial value of the
15 Fund's assets shall be equal to the market value of the
16 assets as of that date.

17 (2) In determining the actuarial value of the Fund's
18 assets for fiscal years after March 30, 2011, any actuarial
19 gains or losses from investment return incurred in a fiscal
20 year shall be recognized in equal annual amounts over the
21 5-year period following that fiscal year.

22 (a-7) If the city fails to transmit to the Fund
23 contributions required of it under this Article for more than
24 90 days after the payment of those contributions is due, the
25 Fund may, after giving notice to the city, certify to the State
26 Comptroller the amounts of the delinquent payments, and the

1 Comptroller must, beginning in fiscal year 2016, deduct and
2 deposit into the Fund the certified amounts or a portion of
3 those amounts from the following proportions of grants of State
4 funds to the city:

5 (1) in fiscal year 2016, one-third of the total amount
6 of any grants of State funds to the city;

7 (2) in fiscal year 2017, two-thirds of the total amount
8 of any grants of State funds to the city; and

9 (3) in fiscal year 2018 and each fiscal year
10 thereafter, the total amount of any grants of State funds
11 to the city.

12 The State Comptroller may not deduct from any grants of
13 State funds to the city more than the amount of delinquent
14 payments certified to the State Comptroller by the Fund.

15 (b) The taxes shall be levied and collected in like manner
16 with the general taxes of the city, and shall be in addition to
17 all other taxes which the city may levy upon all taxable
18 property therein and shall be exclusive of and in addition to
19 the amount of tax the city may levy for general purposes under
20 Section 8-3-1 of the Illinois Municipal Code, approved May 29,
21 1961, as amended, or under any other law or laws which may
22 limit the amount of tax which the city may levy for general
23 purposes.

24 (c) The amounts of the taxes to be levied in each year
25 shall be certified to the city council by the board.

26 (d) As soon as any revenue derived from such taxes is

1 collected, it shall be paid to the city treasurer and held for
2 the benefit of the fund, and all such revenue shall be paid
3 into the fund in accordance with the provisions of this
4 Article.

5 (e) If the funds available are insufficient during any year
6 to meet the requirements of this Article, the city may issue
7 tax anticipation warrants, against the tax levies herein
8 authorized for the current fiscal year.

9 (f) The various sums, hereinafter stated, including
10 interest, to be contributed by the city, shall be taken from
11 the revenue derived from the taxes or otherwise as expressly
12 provided in this Section. Except for defraying the cost of
13 administration of the fund during the calendar year in which a
14 city first attains a population of 500,000 and comes under the
15 provisions of this Article and the first calendar year
16 thereafter, any money of the city derived from any source other
17 than these taxes or the sale of tax anticipation warrants shall
18 not be used to provide revenue for the fund, nor to pay any
19 part of the cost of administration thereof, unless applied to
20 make the deposit expressly authorized in this Section or the
21 additional city contributions required under subsection (h).

22 (g) In lieu of levying all or a portion of the tax required
23 under this Section in any year, the city may deposit with the
24 city treasurer no later than March 1 of that year for the
25 benefit of the fund, to be held in accordance with this
26 Article, an amount that, together with the taxes levied under

1 this Section for that year, is not less than the amount of the
2 city contributions for that year as certified by the board to
3 the city council. The deposit may be derived from any source
4 legally available for that purpose, including, but not limited
5 to, the proceeds of city borrowings. The making of a deposit
6 shall satisfy fully the requirements of this Section for that
7 year to the extent of the amounts so deposited. Amounts
8 deposited under this subsection may be used by the fund for any
9 of the purposes for which the proceeds of the taxes levied
10 under this Section may be used, including the payment of any
11 amount that is otherwise required by this Article to be paid
12 from the proceeds of those taxes.

13 (h) In addition to the contributions required under the
14 other provisions of this Article, by November 1 of the
15 following specified years, the city shall deposit with the city
16 treasurer for the benefit of the fund, to be held and used in
17 accordance with this Article, the following specified amounts:
18 \$6,300,000 in 1999; \$5,880,000 in 2000; \$5,460,000 in 2001;
19 \$5,040,000 in 2002; and \$4,620,000 in 2003.

20 The additional city contributions required under this
21 subsection are intended to decrease the unfunded liability of
22 the fund and shall not decrease the amount of the city
23 contributions required under the other provisions of this
24 Article. The additional city contributions made under this
25 subsection may be used by the fund for any of its lawful
26 purposes.

1 (i) In addition to the contributions required under the
2 other provisions of this Article, the city shall deposit with
3 the city treasurer for the benefit of the fund, to be held and
4 used in accordance with this Article, 20% of any savings
5 resulting from reductions in the number of firemen compared to
6 the number of firemen on January 1, 2014.

7
8 (Source: P.A. 96-1495, eff. 1-1-11.)

9 (40 ILCS 5/17-129) (from Ch. 108 1/2, par. 17-129)

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

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

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

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

1 certification shall include a copy of the actuarial
2 recommendations upon which it is based.

3 (d) In addition to the contributions required under the
4 other provisions of this Article, the city shall deposit with
5 the city treasurer for the benefit of the fund, to be held and
6 used in accordance with this Article, 20% of any savings
7 resulting from reductions in the number of teachers compared to
8 the number of teachers on January 1, 2014.

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

10 Section 90. The State Mandates Act is amended by adding
11 Section 8.38 as follows:

12 (30 ILCS 805/8.38 new)

13 Sec. 8.38. Exempt mandate. Notwithstanding Sections 6 and 8
14 of this Act, no reimbursement by the State is required for the
15 implementation of any mandate created by this amendatory Act of
16 the 98th General Assembly.

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