



Rep. Elaine Nekritz

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1 AMENDMENT TO SENATE BILL 1687

2 AMENDMENT NO. _____. Amend Senate Bill 1687, AS AMENDED,
3 by replacing everything after the enacting clause with the
4 following:

5 "Section 5. The Illinois Procurement Code is amended by
6 changing Section 1-13 as follows:

7 (30 ILCS 500/1-13)

8 (Section scheduled to be repealed on December 31, 2014)

9 Sec. 1-13. Applicability to public institutions of higher
10 education.

11 (a) This Code shall apply to public institutions of higher
12 education, regardless of the source of the funds with which
13 contracts are paid, except as provided in this Section.

14 (b) Except as provided in this Section, this Code shall not
15 apply to procurements made by or on behalf of public
16 institutions of higher education for any of the following:

1 (1) Memberships in professional, academic, research,
2 or athletic organizations on behalf of a public institution
3 of higher education, an employee of a public institution of
4 higher education, or a student at a public institution of
5 higher education.

6 (2) Procurement expenditures for specific individual
7 events or activities paid for exclusively by revenues
8 generated by the event or activity, gifts or donations for
9 the event or activity, private grants, or any combination
10 thereof.

11 (3) Procurement expenditures for events or activities
12 for which the use of specific vendors is mandated or
13 identified by the sponsor of the event or activity,
14 provided that the sponsor is providing a majority of the
15 funding for the event or activity.

16 (4) Procurement expenditures necessary to provide for
17 specific athletic, artistic, or musical services,
18 performances, events, or productions ~~held at a venue~~
19 ~~operated~~ by or for a public institution of higher
20 education.

21 (5) Procurement expenditures for periodicals,
22 subscriptions, database licenses, books and other
23 publications, ~~and books~~ procured for use by a university
24 library or academic department, except for expenditures
25 related to procuring textbooks for student use or materials
26 for resale or rental.

1 (6) Procurement expenditures for placement of students
2 in externships, field experiences, and rotations.

3 (7) Contracts with a foreign entity necessary for
4 research or educational activities, provided that the
5 foreign entity either does not maintain an office in the
6 United States or is the sole source of the service or
7 product.

8 (8) Procurements of FDA-regulated goods, products, and
9 services necessary for the delivery of care and treatment
10 at medical, dental, or veterinary teaching facilities
11 utilized by the University of Illinois or Southern Illinois
12 University.

13 (9) Contracts for programming and broadcast license
14 rights for university-operated radio and television
15 stations.

16 (10) Procurement expenditures designated in a grant
17 budget approved by the grantor.

18 Notice of each contract entered into by a public institution of
19 higher education that is related to the procurement of goods
20 and services identified in items (1) through (10) ~~(5)~~ of this
21 subsection shall be published in the Procurement Bulletin
22 within 14 days after contract execution. The Chief Procurement
23 Officer shall prescribe the form and content of the notice.
24 Each public institution of higher education shall provide the
25 Chief Procurement Officer, on a monthly basis, in the form and
26 content prescribed by the Chief Procurement Officer, a report

1 of contracts that are related to the procurement of goods and
2 services identified in this subsection. At a minimum, this
3 report shall include the name of the contractor, a description
4 of the supply or service provided, the total amount of the
5 contract, the term of the contract, and the exception to the
6 Code utilized. A copy of any or all of these contracts shall be
7 made available to the Chief Procurement Officer immediately
8 upon request. The Chief Procurement Officer shall submit a
9 report to the Governor and General Assembly no later than
10 November 1 of each year that shall include, at a minimum, an
11 annual summary of the monthly information reported to the Chief
12 Procurement Officer.

13 ~~(c) Procurements made by or on behalf of public~~
14 ~~institutions of higher education for any of the following shall~~
15 ~~be made in accordance with the requirements of this Code to the~~
16 ~~extent practical as provided in this subsection.~~

17 ~~(1) Contracts with a foreign entity necessary for~~
18 ~~research or educational activities, provided that the~~
19 ~~foreign entity either does not maintain an office in the~~
20 ~~United States or is the sole source of the service or~~
21 ~~product.~~

22 ~~(2) Procurements of FDA-regulated goods, products, and~~
23 ~~services necessary for the delivery of care and treatment~~
24 ~~at medical, dental, or veterinary teaching facilities~~
25 ~~utilized by the University of Illinois or Southern Illinois~~
26 ~~University.~~

1 ~~(3) Contracts for programming and broadcast license~~
2 ~~rights for university operated radio and television~~
3 ~~stations.~~

4 ~~(4) Procurements required for fulfillment of a grant.~~

5 Upon the written request of a public institution of higher
6 education, the Chief Procurement Officer may waive contract
7 requirements, including registration, certification, and
8 hearing requirements of this Code if, based on the item to be
9 procured or the terms of a grant, compliance is impractical.
10 The public institution of higher education shall provide the
11 Chief Procurement Officer with specific reasons for the waiver,
12 including the necessity of contracting with a particular
13 vendor, and shall certify that an effort was made in good faith
14 to comply with the provisions of this Code. The Chief
15 Procurement Officer shall provide written justification for
16 any waivers. By November 1 of each year, the Chief Procurement
17 Officer shall file a report with the General Assembly
18 identifying each contract approved with waivers and providing
19 the justification given for any waivers for each of those
20 contracts. Notice of each waiver made under this subsection
21 shall be published in the Procurement Bulletin within 14 days
22 after contract execution. The Chief Procurement Officer shall
23 prescribe the form and content of the notice.

24 (d) Notwithstanding this Section, a waiver of the
25 registration requirements of Section 20-160 does not permit a
26 business entity and any affiliated entities or affiliated

1 persons to make campaign contributions if otherwise prohibited
2 by Section 50-37. The total amount of contracts awarded in
3 accordance with this Section shall be included in determining
4 the aggregate amount of contracts or pending bids of a business
5 entity and any affiliated entities or affiliated persons.

6 (e) Notwithstanding subsection (e) of Section 50-10.5 of
7 this Code, the Chief Procurement Officer, with the approval of
8 the Executive Ethics Commission, may permit a public
9 institution of higher education to accept a bid or enter into a
10 contract with a business that assisted the public institution
11 of higher education in determining whether there is a need for
12 a contract or assisted in reviewing, drafting, or preparing
13 documents related to a bid or contract, provided that the bid
14 or contract is essential to research administered by the public
15 institution of higher education and it is in the best interest
16 of the public institution of higher education to accept the bid
17 or contract. For purposes of this subsection, "business"
18 includes all individuals with whom a business is affiliated,
19 including, but not limited to, any officer, agent, employee,
20 consultant, independent contractor, director, partner,
21 manager, or shareholder of a business. The Executive Ethics
22 Commission may promulgate rules and regulations for the
23 implementation and administration of the provisions of this
24 subsection (e).

25 (f) As used in this Section:

26 "Grant" means non-appropriated funding provided by a

1 federal or private entity to support a project or program
2 administered by a public institution of higher education and
3 any non-appropriated funding provided to a sub-recipient of the
4 grant.

5 "Public institution of higher education" means Chicago
6 State University, Eastern Illinois University, Governors State
7 University, Illinois State University, Northeastern Illinois
8 University, Northern Illinois University, Southern Illinois
9 University, University of Illinois, Western Illinois
10 University, and, for purposes of this Code only, the Illinois
11 Mathematics and Science Academy.

12 (g) For any individual procurement of supplies or services
13 (other than professional or artistic services) paid for
14 exclusively by non-appropriated funds, the small purchase
15 maximum in Section 20-20 of this Code shall be \$100,000. For
16 any procurement of professional and artistic services paid for
17 exclusively by non-appropriated funds, the small purchase
18 maximum in subsection (f) of Section 35-30 of this Code and
19 subsection (a) of Section 35-35 of this Code shall be \$100,000.
20 The chief procurement officer may establish policies and
21 procedures regarding the use of the small purchase method of
22 source selection to ensure compliance with policies, including
23 promotion of small business, diversity, and transparency.

24 (h) Exceptions to Section 35-30 of this Code are allowed
25 for sole source procurements, emergency procurements, and at
26 the discretion of the chief procurement officer or the State

1 purchasing officer, but not their designees, for professional
2 and artistic contracts entered into under Article 35 that are
3 nonrenewable, one year or less in duration, and have a value of
4 less than \$100,000. Each July 1, the value established in this
5 subsection shall be adjusted for inflation as determined by the
6 Consumer Price Index for All Urban Consumers for all items
7 published by the United States Department of Labor and rounded
8 to the nearest \$100. All exceptions granted under this
9 subsection (h) for professional and artistic contracts must
10 still be submitted to the chief procurement officer for higher
11 education and published as provided for in subsection (f) of
12 Section 35-30 of this Code, shall name the authorizing chief
13 procurement officer or State purchasing officer, and shall
14 include a brief explanation of the reason for the exception.

15 (i) Nothing in this Section shall be construed to waive any
16 requirements for procurements related to construction or
17 construction-related services.

18 (j) ~~(g)~~ This Section is repealed on December 31, 2014.
19 (Source: P.A. 97-643, eff. 12-20-11; 97-895, eff. 8-3-12.)

20 Section 10. The State Property Control Act is amended by
21 changing Section 6.04 as follows:

22 (30 ILCS 605/6.04) (from Ch. 127, par. 133b9.4)

23 Sec. 6.04. (a) Annually, and upon at least 30 days notice,
24 the administrator may require each responsible officer to make,

1 or cause to be made, an actual physical inventory check of all
2 items of property under his jurisdiction and control and said
3 inventory shall be certified to the administrator with a full
4 accounting of all errors or exceptions reported therein.

5 (b) Notwithstanding any other provision of law, with
6 respect to all responsible officers of public universities and
7 colleges, the administrator shall require a listing of only
8 those equipment items valued in excess of \$2,500, except that
9 (A) the administrator shall require reporting of high theft
10 equipment regardless of the value of that equipment, and (B)
11 furniture with more than 10 years in service shall not be
12 subject to reporting.

13 For the purposes of this Section, "high theft equipment"
14 includes, but is not limited to, the following items:

15 (1) desktop and laptop computers, servers, and
16 portable data storage devices valued at more than \$250;

17 (2) flat screen, LCD, high definition, and plasma
18 televisions and monitors valued at more than \$250;

19 (3) wireless devices, including portable digital
20 assistants (PDAs), iPads, iPods, tablets, and cellular
21 telephones valued at more than \$250;

22 (4) digital recording devices and video equipment
23 valued at more than \$250;

24 (5) tools and machine shop equipment valued at more
25 than \$250;

26 (6) all State-owned firearms and rifles regardless of

1 value;

2 (7) all electric or gasoline-powered recreational
3 vehicles or maintenance vehicles regardless of value;

4 (8) other items deemed susceptible to theft or loss, as
5 determined by the administrator and the responsible
6 officer.

7 (Source: Laws 1955, p. 34.)

8 Section 15. The Illinois Pension Code is amended by
9 changing Sections 1-103.3, 15-106, 15-107, 15-113.2, 15-126.1,
10 15-139, 15-139.5, 15-155, 15-159, 15-168.2, and 15-198, and by
11 adding Sections 1-103.4, 15-155.1, and 15-155.2 as follows:

12 (40 ILCS 5/1-103.3)

13 Sec. 1-103.3. Application of 1994 amendment; funding
14 standard.

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

21 (b) (Blank) ~~The General Assembly declares that a funding~~
22 ~~ratio (the ratio of a retirement system's total assets to its~~
23 ~~total actuarial liabilities) of 90% is an appropriate goal for~~
24 ~~State funded retirement systems in Illinois, and it finds that~~

1 ~~a funding ratio of 90% is now the generally recognized norm~~
2 ~~throughout the nation for public employee retirement systems~~
3 ~~that are considered to be financially secure and funded in an~~
4 ~~appropriate and responsible manner.~~

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

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

16 (40 ILCS 5/1-103.4 new)

17 Sec. 1-103.4. Benefit increases; third reading
18 requirement. A bill containing a benefit increase under this
19 Code may be moved from second to third reading in either house
20 of the General Assembly only with the concurrence of 3/4 of the
21 members elected to that house by record vote.

22 (40 ILCS 5/15-106) (from Ch. 108 1/2, par. 15-106)

23 Sec. 15-106. Employer. "Employer": The University of
24 Illinois, Southern Illinois University, Chicago State

1 University, Eastern Illinois University, Governors State
2 University, Illinois State University, Northeastern Illinois
3 University, Northern Illinois University, Western Illinois
4 University, the State Board of Higher Education, the Illinois
5 Mathematics and Science Academy, the University Civil Service
6 Merit Board, the Board of Trustees of the State Universities
7 Retirement System, the Illinois Community College Board,
8 community college boards, any association of community college
9 boards organized under Section 3-55 of the Public Community
10 College Act, the Board of Examiners established under the
11 Illinois Public Accounting Act, and, only during the period for
12 which employer contributions required under Section 15-155 are
13 paid, the following organizations: the alumni associations,
14 the foundations and the athletic associations which are
15 affiliated with the universities and colleges included in this
16 Section as employers.

17 A department as defined in Section 14-103.04 is an employer
18 for any person appointed by the Governor under the Civil
19 Administrative Code of Illinois who is a participating employee
20 as defined in Section 15-109. The Department of Central
21 Management Services is an employer with respect to persons
22 employed by the State Board of Higher Education in positions
23 with the Illinois Century Network as of June 30, 2004 who
24 remain continuously employed after that date by the Department
25 of Central Management Services in positions with the Illinois
26 Century Network, the Bureau of Communication and Computer

1 Services, or, if applicable, any successor bureau.

2 Prior to July 1, 2014, the ~~The~~ cities of Champaign and
3 Urbana shall be considered employers, but only during the
4 period for which contributions are required to be made under
5 subsection (b-1) of Section 15-155 and only with respect to
6 individuals described in subsection (h) of Section 15-107.
7 Beginning July 1, 2014, the cities of Champaign and Urbana
8 shall be considered employers but only with respect to
9 individuals described in subsection (h) of Section 15-107.

10 Beginning July 1, 2014, a teacher organization that serves
11 System participants shall be considered an employer but only
12 with respect to (1) individuals described in subsection (i) of
13 Section 15-107 and (2) individuals in its service who are
14 entitled to accrue service credit under Section 15-113.2 during
15 a special leave of absence with that organization.

16 (Source: P.A. 95-369, eff. 8-23-07; 95-728, eff. 7-1-08 - See
17 Sec. 999.)

18 (40 ILCS 5/15-107) (from Ch. 108 1/2, par. 15-107)

19 Sec. 15-107. Employee.

20 (a) "Employee" means any member of the educational,
21 administrative, secretarial, clerical, mechanical, labor or
22 other staff of an employer whose employment is permanent and
23 continuous or who is employed in a position in which services
24 are expected to be rendered on a continuous basis for at least
25 4 months or one academic term, whichever is less, who (A)

1 receives payment for personal services on a warrant issued
2 pursuant to a payroll voucher certified by an employer and
3 drawn by the State Comptroller upon the State Treasurer or by
4 an employer upon trust, federal or other funds, or (B) is on a
5 leave of absence without pay. Employment which is irregular,
6 intermittent or temporary shall not be considered continuous
7 for purposes of this paragraph.

8 However, a person is not an "employee" if he or she:

9 (1) is a student enrolled in and regularly attending
10 classes in a college or university which is an employer,
11 and is employed on a temporary basis at less than full
12 time;

13 (2) is currently receiving a retirement annuity or a
14 disability retirement annuity under Section 15-153.2 from
15 this System;

16 (3) is on a military leave of absence;

17 (4) is eligible to participate in the Federal Civil
18 Service Retirement System and is currently making
19 contributions to that system based upon earnings paid by an
20 employer;

21 (5) is on leave of absence without pay for more than 60
22 days immediately following termination of disability
23 benefits under this Article;

24 (6) is hired after June 30, 1979 as a public service
25 employment program participant under the Federal
26 Comprehensive Employment and Training Act and receives

1 earnings in whole or in part from funds provided under that
2 Act; or

3 (7) is employed on or after July 1, 1991 to perform
4 services that are excluded by subdivision (a)(7)(f) or
5 (a)(19) of Section 210 of the federal Social Security Act
6 from the definition of employment given in that Section (42
7 U.S.C. 410).

8 (b) Any employer may, by filing a written notice with the
9 board, exclude from the definition of "employee" all persons
10 employed pursuant to a federally funded contract entered into
11 after July 1, 1982 with a federal military department in a
12 program providing training in military courses to federal
13 military personnel on a military site owned by the United
14 States Government, if this exclusion is not prohibited by the
15 federally funded contract or federal laws or rules governing
16 the administration of the contract.

17 (c) Any person appointed by the Governor under the Civil
18 Administrative Code of the State is an employee, if he or she
19 is a participant in this system on the effective date of the
20 appointment.

21 (d) A participant on lay-off status under civil service
22 rules is considered an employee for not more than 120 days from
23 the date of the lay-off.

24 (e) A participant is considered an employee during (1) the
25 first 60 days of disability leave, (2) the period, not to
26 exceed one year, in which his or her eligibility for disability

1 benefits is being considered by the board or reviewed by the
2 courts, and (3) the period he or she receives disability
3 benefits under the provisions of Section 15-152, workers'
4 compensation or occupational disease benefits, or disability
5 income under an insurance contract financed wholly or partially
6 by the employer.

7 (f) Absences without pay, other than formal leaves of
8 absence, of less than 30 calendar days, are not considered as
9 an interruption of a person's status as an employee. If such
10 absences during any period of 12 months exceed 30 work days,
11 the employee status of the person is considered as interrupted
12 as of the 31st work day.

13 (g) A staff member whose employment contract requires
14 services during an academic term is to be considered an
15 employee during the summer and other vacation periods, unless
16 he or she declines an employment contract for the succeeding
17 academic term or his or her employment status is otherwise
18 terminated, and he or she receives no earnings during these
19 periods.

20 (h) An individual who was a participating employee employed
21 in the fire department of the University of Illinois's
22 Champaign-Urbana campus immediately prior to the elimination
23 of that fire department and who immediately after the
24 elimination of that fire department became employed by the fire
25 department of the City of Urbana or the City of Champaign shall
26 continue to be considered as an employee for purposes of this

1 Article for so long as the individual remains employed as a
2 firefighter by the City of Urbana or the City of Champaign. The
3 individual shall cease to be considered an employee under this
4 subsection (h) upon the first termination of the individual's
5 employment as a firefighter by the City of Urbana or the City
6 of Champaign.

7 (i) An individual who is employed on a full-time basis as
8 an officer or employee of a statewide teacher organization that
9 serves System participants or an officer of a national teacher
10 organization that serves System participants may participate
11 in the System and shall be deemed an employee, provided that
12 (1) the individual has previously earned creditable service
13 under this Article, (2) the individual files with the System an
14 irrevocable election to become a participant before January 5,
15 2012 (the effective date of Public Act 97-651) ~~this amendatory~~
16 ~~Act of the 97th General Assembly~~, (3) the individual does not
17 receive credit for that employment under any other Article of
18 this Code, and (4) the individual first became a full-time
19 employee of the teacher organization and becomes a participant
20 before January 5, 2012 ~~the effective date of this amendatory~~
21 ~~Act of the 97th General Assembly~~. An employee under this
22 subsection (i) is responsible for paying to the System ~~both~~ (A)
23 employee contributions based on the actual compensation
24 received for service with the teacher organization and (B)
25 until July 1, 2014, employer contributions equal to the normal
26 costs (as defined in Section 15-155) resulting from that

1 service; all or any part of these contributions may be paid on
2 the employee's behalf or picked up for tax purposes (if
3 authorized under federal law) by the teacher organization.
4 Beginning July 1, 2014, the employer of that employee is
5 responsible for paying the employer contributions resulting
6 from that service, as provided in Section 15-155.

7 A person who is an employee as defined in this subsection
8 (i) may establish service credit for similar employment prior
9 to becoming an employee under this subsection by paying to the
10 System for that employment the contributions specified in this
11 subsection, plus interest at the effective rate from the date
12 of service to the date of payment. However, credit shall not be
13 granted under this subsection for any such prior employment for
14 which the applicant received credit under any other provision
15 of this Code, or during which the applicant was on a leave of
16 absence under Section 15-113.2.

17 (j) A person employed by the State Board of Higher
18 Education in a position with the Illinois Century Network as of
19 June 30, 2004 shall be considered to be an employee for so long
20 as he or she remains continuously employed after that date by
21 the Department of Central Management Services in a position
22 with the Illinois Century Network, the Bureau of Communication
23 and Computer Services, or, if applicable, any successor bureau
24 and meets the requirements of subsection (a).

25 (Source: P.A. 97-651, eff. 1-5-12.)

1 (40 ILCS 5/15-113.2) (from Ch. 108 1/2, par. 15-113.2)

2 Sec. 15-113.2. Service for leaves of absence. "Service for
3 leaves of absence" includes those periods of leaves of absence
4 at less than 50% pay, except military leave and periods of
5 disability leave in excess of 60 days, for which the employee
6 pays the contributions required under Section 15-157 in
7 accordance with rules prescribed by the board based upon the
8 employee's basic compensation on the date the leave begins, or
9 in the case of leave for service with a teacher organization,
10 based upon the actual compensation received by the employee for
11 such service after January 26, 1988, if the employee so elects
12 within 30 days of that date or the date the leave for service
13 with a teacher organization begins, whichever is later;
14 provided that the employee (1) returns to employment covered by
15 this system at the expiration of the leave, or within 30 days
16 after the termination of a disability which occurs during the
17 leave and continues this employment at a percentage of time
18 equal to or greater than the percentage of time immediately
19 preceding the leave of absence for at least 8 consecutive
20 months or a period equal to the period of the leave, whichever
21 is less, or (2) is precluded from meeting the foregoing
22 conditions because of disability or death. If service credit is
23 denied because the employee fails to meet these conditions, the
24 contributions covering the leave of absence shall be refunded
25 without interest. The return to employment condition does not
26 apply if the leave of absence is for service with a teacher

1 organization.

2 Service credit provided under this Section shall not exceed
3 3 years in any period of 10 years, unless the employee is on
4 special leave granted by the employer for service with a
5 teacher organization. Until July 1, 2014, commencing
6 ~~Commencing~~ with the fourth year in any period of 10 years, a
7 participant on such special leave is also required to pay
8 employer contributions equal to the normal cost as defined in
9 Section 15-155, based upon the employee's basic compensation on
10 the date the leave begins, or based upon the actual
11 compensation received by the employee for service with a
12 teacher organization if the employee has so elected. Beginning
13 July 1, 2014, the employer of a participant on such special
14 leave shall pay the employer contributions attributable to the
15 resulting service credit, as provided in Section 15-155.

16 (Source: P.A. 90-65, eff. 7-7-97; 90-511, eff. 8-22-97.)

17 (40 ILCS 5/15-126.1) (from Ch. 108 1/2, par. 15-126.1)

18 Sec. 15-126.1. Academic year. "Academic year": The
19 12-month period beginning on the first day of the fall term as
20 determined by each employer, or if the employer does not have
21 an academic program divided into terms, then beginning
22 September 1. For the purposes of Section 15-139.5 and
23 subsection (b) of Section 15-139, however, "academic year"
24 means the 12-month period beginning September 1.

25 (Source: P.A. 84-1472.)

1 (40 ILCS 5/15-139) (from Ch. 108 1/2, par. 15-139)

2 Sec. 15-139. Retirement annuities; cancellation; suspended
3 during employment.

4 (a) If an annuitant returns to employment for an employer
5 within 60 days after the beginning of the retirement annuity
6 payment period, the retirement annuity shall be cancelled, and
7 the annuitant shall refund to the System the total amount of
8 the retirement annuity payments which he or she received. If
9 the retirement annuity is cancelled, the participant shall
10 continue to participate in the System.

11 (b) If an annuitant retires prior to age 60 and receives or
12 becomes entitled to receive during any month compensation in
13 excess of the monthly retirement annuity (including any
14 automatic annual increases) for services performed after the
15 date of retirement for any employer under this System, that
16 portion of the monthly retirement annuity provided by employer
17 contributions shall not be payable.

18 If an annuitant retires at age 60 or over and receives or
19 becomes entitled to receive during any academic year
20 compensation in excess of the difference between his or her
21 highest annual earnings prior to retirement and his or her
22 annual retirement annuity computed under Rule 1, Rule 2, Rule
23 3, Rule 4, or Rule 5 of Section 15-136, or under Section
24 15-136.4, for services performed after the date of retirement
25 for any employer under this System, that portion of the monthly

1 retirement annuity provided by employer contributions shall be
2 reduced by an amount equal to the compensation that exceeds
3 such difference.

4 However, any remuneration received for serving as a member
5 of the Illinois Educational Labor Relations Board shall be
6 excluded from "compensation" for the purposes of this
7 subsection (b), and serving as a member of the Illinois
8 Educational Labor Relations Board shall not be deemed to be a
9 return to employment for the purposes of this Section. This
10 provision applies without regard to whether service was
11 terminated prior to the effective date of this amendatory Act
12 of 1991.

13 "Academic year", as used in this subsection (b), means the
14 12-month period beginning September 1.

15 (c) If an employer certifies that an annuitant has been
16 reemployed on a permanent and continuous basis or in a position
17 in which the annuitant is expected to serve for at least 9
18 months, the annuitant shall resume his or her status as a
19 participating employee and shall be entitled to all rights
20 applicable to participating employees upon filing with the
21 board an election to forgo all annuity payments during the
22 period of reemployment. Upon subsequent retirement, the
23 retirement annuity shall consist of the annuity which was
24 terminated by the reemployment, plus the additional retirement
25 annuity based upon service granted during the period of
26 reemployment, but the combined retirement annuity shall not

1 exceed the maximum annuity applicable on the date of the last
2 retirement.

3 The total service and earnings credited before and after
4 the initial date of retirement shall be considered in
5 determining eligibility of the employee or the employee's
6 beneficiary to benefits under this Article, and in calculating
7 final rate of earnings.

8 In determining the death benefit payable to a beneficiary
9 of an annuitant who again becomes a participating employee
10 under this Section, accumulated normal and additional
11 contributions shall be considered as the sum of the accumulated
12 normal and additional contributions at the date of initial
13 retirement and the accumulated normal and additional
14 contributions credited after that date, less the sum of the
15 annuity payments received by the annuitant.

16 The survivors insurance benefits provided under Section
17 15-145 shall not be applicable to an annuitant who resumes his
18 or her status as a participating employee, unless the
19 annuitant, at the time of initial retirement, has a survivors
20 insurance beneficiary who could qualify for such benefits.

21 If the participant's employment is terminated because of
22 circumstances other than death before 9 months from the date of
23 reemployment, the provisions of this Section regarding
24 resumption of status as a participating employee shall not
25 apply. The normal and survivors insurance contributions which
26 are deducted during this period shall be refunded to the

1 annuitant without interest, and subsequent benefits under this
2 Article shall be the same as those which were applicable prior
3 to the date the annuitant resumed employment.

4 The amendments made to this Section by this amendatory Act
5 of the 91st General Assembly apply without regard to whether
6 the annuitant was in service on or after the effective date of
7 this amendatory Act.

8 (Source: P.A. 97-933, eff. 8-10-12; 97-968, eff. 8-16-12.)

9 (40 ILCS 5/15-139.5)

10 Sec. 15-139.5. Return to work by affected annuitant; notice
11 and contribution by employer.

12 (a) An employer who employs or re-employs a person
13 receiving a retirement annuity from the System in an academic
14 year beginning on or after August 1, 2014 ~~2013~~ must notify the
15 System of that employment within 60 days after employing the
16 annuitant. The notice must include a summary ~~copy~~ of the
17 contract of employment ~~or, if no written contract of employment~~
18 ~~exists, then the notice must~~ specify the rate of compensation
19 and the anticipated length of employment of that annuitant. The
20 notice must specify whether the annuitant will be compensated
21 from federal, corporate, foundation, or trust funds or grants
22 of State funds that identify the principal investigator by
23 name. The notice must include the employer's determination of
24 whether or not the annuitant is an "affected annuitant" as
25 defined in subsection (b).

1 The employer must also record, document, and certify to the
2 System (i) ~~the number of paid days and paid weeks worked by the~~
3 ~~annuitant in the academic year,~~ (ii) the amount of compensation
4 paid to the annuitant for employment during the academic year,
5 and (ii) ~~(iii)~~ the amount of that compensation, if any, that
6 comes from either federal, corporate, foundation, or trust
7 funds or grants of State funds that identify the principal
8 investigator by name.

9 As used in this Section, "academic year" means the 12-month
10 period beginning September 1. ~~has the meaning ascribed to that~~
11 ~~term in Section 15-126.1; "paid day" means a day on which a~~
12 ~~person performs personal services for an employer and for which~~
13 ~~the person is compensated by the employer; and "paid week"~~
14 ~~means a calendar week in which a person has at least one paid~~
15 ~~day.~~

16 For the purposes of this Section, an annuitant whose
17 employment by an employer extends over more than one academic
18 year shall be deemed to be re-employed by that employer in each
19 of those academic years.

20 The System may specify the time, form, and manner of
21 providing the determinations, notifications, certifications,
22 and documentation required under this Section.

23 (b) A person receiving a retirement annuity from the System
24 becomes an "affected annuitant" on the first day of the
25 academic year following the academic year in which the
26 annuitant first meets ~~both of~~ the following condition

1 ~~conditions:~~

2 (1) (Blank). ~~While receiving a retirement annuity~~
3 ~~under this Article, the annuitant has been employed on or~~
4 ~~after August 1, 2013 by one or more employers under this~~
5 ~~Article for a total of more than 18 paid weeks (which need~~
6 ~~not have been with the same employer or in the same~~
7 ~~academic year); except that any periods of employment for~~
8 ~~which the annuitant was compensated solely from federal,~~
9 ~~corporate, foundation, or trust funds or grants of State~~
10 ~~funds that identify the principal investigator by name are~~
11 ~~excluded.~~

12 (2) While receiving a retirement annuity under this
13 Article, the annuitant was employed on or after August 1,
14 2014 ~~2013~~ by one or more employers under this Article and
15 received or became entitled to receive during an academic
16 year compensation for that employment in excess of 40% of
17 his or her highest annual earnings prior to retirement;
18 except that compensation paid from federal, corporate,
19 foundation, or trust funds or grants of State funds that
20 identify the principal investigator by name is excluded.

21 A person who becomes an affected annuitant remains an
22 affected annuitant, except for any period during which the
23 person returns to active service and does not receive a
24 retirement annuity from the System.

25 (c) It is the obligation of the employer to determine
26 whether an annuitant is an affected annuitant before employing

1 the annuitant. For that purpose the employer may require the
2 annuitant to disclose and document his or her relevant prior
3 employment and earnings history. Failure of the employer to
4 make this determination correctly and in a timely manner or to
5 include this determination with the notification required
6 under subsection (a) does not excuse the employer from making
7 the contribution required under subsection (e).

8 The System may assist the employer in determining whether a
9 person is an affected annuitant. The System shall inform the
10 employer if it discovers that the employer's determination is
11 inconsistent with the employment and earnings information in
12 the System's records.

13 (d) Upon the request of an annuitant, the System shall
14 certify to the annuitant or the employer the following
15 information as reported by the employers, as that information
16 is indicated in the records of the System: (i) the annuitant's
17 highest annual earnings prior to retirement, (ii) ~~the number of~~
18 ~~paid weeks worked by the annuitant for an employer on or after~~
19 ~~August 1, 2013,~~ (iii) the compensation paid for that employment
20 in each academic year, and (iii) ~~(iv)~~ whether any of that
21 employment or compensation has been certified to the System as
22 being paid from federal, corporate, foundation, or trust funds
23 or grants of State funds that identify the principal
24 investigator by name. The System shall only be required to
25 certify information that is received from the employers.

26 (e) In addition to the requirements of subsection (a), an

1 employer who employs an affected annuitant must pay to the
2 System an employer contribution in the amount and manner
3 provided in this Section, unless the annuitant is compensated
4 by that employer solely from federal, corporate, foundation, or
5 trust funds or grants of State funds that identify the
6 principal investigator by name.

7 The employer contribution required under this Section for
8 employment of an affected annuitant in an academic year shall
9 be equal to 12 times the amount of the gross monthly retirement
10 annuity payable to the annuitant for the month in which the
11 first paid day of that employment in that academic year occurs,
12 after any reduction in that annuity that may be imposed under
13 subsection (b) of Section 15-139.

14 If an affected annuitant is employed by more than one
15 employer in an academic year, the employer contribution
16 required under this Section shall be divided among those
17 employers in proportion to their respective portions of the
18 total compensation paid to the affected annuitant for that
19 employment during that academic year.

20 If the System determines that an employer, without
21 reasonable justification, has failed to make the determination
22 of affected annuitant status correctly and in a timely manner,
23 or has failed to notify the System or to correctly document or
24 certify to the System any of the information required by this
25 Section, and that failure results in a delayed determination by
26 the System that a contribution is payable under this Section,

1 then the amount of that employer's contribution otherwise
2 determined under this Section shall be doubled.

3 The System shall deem a failure to correctly determine the
4 annuitant's status to be justified if the employer establishes
5 to the System's satisfaction that the employer, after due
6 diligence, made an erroneous determination that the annuitant
7 was not an affected annuitant due to reasonable reliance on
8 false or misleading information provided by the annuitant or
9 another employer, or an error in the annuitant's official
10 employment or earnings records.

11 (f) Whenever the System determines that an employer is
12 liable for a contribution under this Section, it shall so
13 notify the employer and certify the amount of the contribution.
14 The employer may pay the required contribution without interest
15 at any time within one year after receipt of the certification.
16 If the employer fails to pay within that year, then interest
17 shall be charged at a rate equal to the System's prescribed
18 rate of interest, compounded annually from the 366th day after
19 receipt of the certification from the System. Payment must be
20 concluded within 2 years after receipt of the certification by
21 the employer. If the employer fails to make complete payment,
22 including applicable interest, within 2 years, then the System
23 may, after giving notice to the employer, certify the
24 delinquent amount to the State Comptroller, and the Comptroller
25 shall thereupon deduct the certified delinquent amount from
26 State funds payable to the employer and pay them instead to the

1 System.

2 (g) If an employer is required to make a contribution to
3 the System as a result of employing an affected annuitant and
4 the annuitant later elects to forgo his or her annuity in that
5 same academic year pursuant to subsection (c) of Section
6 15-139, then the required contribution by the employer shall be
7 waived, and if the contribution has already been paid, it shall
8 be refunded to the employer without interest.

9 (h) Notwithstanding any other provision of this Article,
10 the employer contribution required under this Section shall not
11 be included in the determination of any benefit under this
12 Article or any other Article of this Code, regardless of
13 whether the annuitant returns to active service, and is in
14 addition to any other State or employer contribution required
15 under this Article.

16 (i) Notwithstanding any other provision of this Section to
17 the contrary, if an employer employs an affected annuitant in
18 order to continue critical operations in the event of either an
19 employee's unforeseen illness, accident, or death or a
20 catastrophic incident or disaster, then, for one and only one
21 academic year, the employer is not required to pay the
22 contribution set forth in this Section for that annuitant. The
23 employer shall, however, immediately notify the System upon
24 employing a person subject to this subsection (i). For the
25 purposes of this subsection (i), "critical operations" means
26 teaching services, medical services, student welfare services,

1 and any other services that are critical to the mission of the
2 employer.

3 (j) This Section shall be applied and coordinated with the
4 regulatory obligations contained in the State Universities
5 Civil Service Act. This Section shall not apply to an annuitant
6 if the employer of that annuitant provides documentation to the
7 System that (1) the annuitant is employed in a status
8 appointment position, as that term is defined in 80 Ill. Adm.
9 Code 250.80, and (2) due to obligations contained under the
10 State Universities Civil Service Act, the employer does not
11 have the ability to limit the earnings or duration of
12 employment for the annuitant while employed in the status
13 appointment position.

14 (Source: P.A. 97-968, eff. 8-16-12.)

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

16 Sec. 15-155. State and employer ~~Employer~~ contributions.

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

25 The Board shall determine the amount of State and employer

1 contributions required for each fiscal year on the basis of the
2 actuarial tables and other assumptions adopted by the Board and
3 the recommendations of the System's actuary, using the formulas
4 provided in this Section ~~formula in subsection (a-1)~~.

5 The System shall make all necessary assumptions to
6 determine and allocate total demographic gains and losses for
7 the purpose of determining State and employer contributions
8 under this Section. Such assumptions shall include but not be
9 limited to the rates of retirement, termination, disability,
10 and mortality.

11 (a-1) For State fiscal years 2012 through 2014 ~~through~~
12 ~~2045~~, the minimum contribution to the System to be made by the
13 State for each fiscal year shall be an amount determined by the
14 System to be sufficient to bring the total assets of the System
15 up to 90% of the total actuarial liabilities of the System by
16 the end of State fiscal year 2045. In making these
17 determinations, the required State contribution shall be
18 calculated each year as a level percentage of payroll over the
19 years remaining to and including fiscal year 2045 and shall be
20 determined under the projected unit credit actuarial cost
21 method.

22 For State fiscal years 2015 through 2044, the minimum
23 contribution to the System to be made by the State for each
24 fiscal year shall be an amount determined by the System to be
25 sufficient to bring the total actuarial assets of the System
26 attributable to the State up to 100% of the total actuarial

1 liabilities of the System attributable to the State by the end
2 of State fiscal year 2044. In making these determinations, the
3 required State contribution shall be calculated each year as a
4 level percentage of payroll over the years remaining to and
5 including fiscal year 2044 and shall be determined under the
6 entry age normal actuarial cost method.

7 If at the end of State fiscal year 2044 the total actuarial
8 assets of the System attributable to the State are less than
9 100% of the total actuarial liabilities of the System
10 attributable to the State, the System shall determine the
11 amount necessary to bring that those assets up to 100% of those
12 liabilities and shall certify that amount as a required State
13 contribution for State fiscal year 2046, and the State shall
14 pay that amount to the System in State fiscal year 2046.

15 Beginning when the State has paid the contribution required
16 under this subsection (a-1) for fiscal year 2046, or in State
17 fiscal year 2045 if no such contribution for fiscal year 2046
18 is required, the State has no further obligation to make
19 contributions to the System under this subsection (a-1).

20 For the purposes of this Article, "total actuarial
21 liabilities of the System attributable to the State" means the
22 total liabilities of the System less any notional liabilities
23 assigned to employer accounts under Section 15-155.2.

24 For the purposes of this Article, "total actuarial assets
25 of the System attributable to the State" means the total assets
26 of the System less any notional assets assigned to employer

1 accounts under Section 15-155.2.

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 \$166,641,900.

10 Notwithstanding any other provision of this Article, the
11 total required State contribution for State fiscal year 2007 is
12 \$252,064,100.

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 \$702,514,000 and shall be made from the State Pensions Fund and
22 proceeds of bonds sold in fiscal year 2010 pursuant to Section
23 7.2 of the General Obligation Bond Act, less (i) the pro rata
24 share of bond sale expenses determined by the System's share of
25 total bond proceeds, (ii) any amounts received from the General
26 Revenue Fund in fiscal year 2010, (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 15-165 and shall be made from the State
7 Pensions Fund and proceeds of bonds sold in fiscal year 2011
8 pursuant to Section 7.2 of the General Obligation Bond Act,
9 less (i) the pro rata share of bond sale expenses determined by
10 the System's share of total bond proceeds, (ii) any amounts
11 received from the General Revenue Fund in fiscal year 2011, and
12 (iii) any reduction in bond proceeds due to the issuance of
13 discounted bonds, if 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 90% of the total~~
17 ~~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 90%. A reference in this Article to

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

4 Notwithstanding any other provision of this Section, the
5 required State contribution for State fiscal year 2005 and for
6 fiscal year 2008 through ~~and each~~ fiscal year 2014 ~~thereafter~~,
7 as calculated under this Section and certified under Section
8 15-165, shall not exceed an amount equal to (i) the amount of
9 the required State contribution that would have been calculated
10 under this Section for that fiscal year if the System had not
11 received any payments under subsection (d) of Section 7.2 of
12 the General Obligation Bond Act, minus (ii) the portion of the
13 State's total debt service payments for that fiscal year on the
14 bonds issued in fiscal year 2003 for the purposes of that
15 Section 7.2, as determined and certified by the Comptroller,
16 that is the same as the System's portion of the total moneys
17 distributed under subsection (d) of Section 7.2 of the General
18 Obligation Bond Act. In determining this maximum for State
19 fiscal years 2008 through 2010, however, the amount referred to
20 in item (i) shall be increased, as a percentage of the
21 applicable employee payroll, in equal increments calculated
22 from the sum of the required State contribution for State
23 fiscal year 2007 plus the applicable portion of the State's
24 total debt service payments for fiscal year 2007 on the bonds
25 issued in fiscal year 2003 for the purposes of Section 7.2 of
26 the General Obligation Bond Act, so that, by State fiscal year

1 2011, the State is contributing at the rate otherwise required
2 under this Section.

3 (a-5) In addition to the contributions that the State is
4 otherwise required to make under this Article, beginning in
5 fiscal year 2015 and in each fiscal year thereafter until the
6 State has no further obligation to make contributions to the
7 System under subsection (a-1), the State shall be required to
8 make an additional contribution to the System equal to the
9 projected dollar amount of contributions to be made by
10 employers pursuant to items (i) and (vi) of subsection (a-10)
11 for that fiscal year. Contributions required to be made
12 pursuant to this subsection do not reduce and do not constitute
13 payment of any portion of the required State contribution made
14 to the System pursuant to subsection (a-1) in that fiscal year.
15 A contribution required to be made pursuant to this subsection
16 shall not reduce, and shall not be included in the calculation
17 of, the required contribution to be made by the State pursuant
18 to subsection (a-1) in any future year, until the System has
19 received the contribution pursuant to this subsection.

20 (a-10) Subject to the limitations provided in subsection
21 (a-15) of this Section, beginning with State fiscal year 2015,
22 each employer under this Article shall pay to the System a
23 required contribution determined as a percentage of projected
24 payroll and sufficient to produce an annual amount equal to:

25 (i) the employer normal cost for that fiscal year for
26 participating employees of that employer (excluding costs

1 attributable to any new benefit increases approved by that
2 employer pursuant to Section 15-198), determined as a
3 percentage of applicable payroll; plus

4 (ii) the amount required for that fiscal year to
5 amortize any unfunded actuarial accrued liability
6 associated with the present value of liabilities
7 attributable to the employer's account under Section
8 15-155.2 (excluding costs attributable to any new benefit
9 increases approved by that employer pursuant to Section
10 15-198), determined as a level percentage of payroll over a
11 30-year rolling amortization period; plus

12 (iii) that employer's normal cost for that fiscal year
13 attributable to all new benefit increases approved by that
14 employer pursuant to Section 15-198; plus

15 (iv) the amounts required for that fiscal year to
16 amortize any unfunded actuarial accrued liability
17 associated with the present value of each new benefit
18 increase approved by that employer pursuant to Section
19 15-198, determined as a level percentage of payroll over a
20 fixed 10-year amortization period; plus

21 (v) beginning when the State has no further obligation
22 to make contributions to the System under subsection (a-1),
23 the amount required for that fiscal year to amortize any
24 unfunded actuarial accrued liability of the System not
25 attributable to any employer's account under Section
26 15-155.2, determined as a level percentage of payroll over

1 a 30-year rolling amortization period; plus

2 (vi) the amount of employer contributions for that
3 fiscal year required for employees of that employer who
4 participate in the self-managed plan under Section
5 15-158.2.

6 In determining contributions required under item (i) of
7 this subsection, the System shall determine an aggregate rate
8 for all employers, expressed as a percentage of projected
9 payroll, exclusive of costs attributable to any new benefit
10 increase approved pursuant to Section 15-198 and exclusive of
11 employer contributions required for participating employees of
12 the self-managed plan under Section 15-158.2.

13 In determining contributions required under item (ii) of
14 this subsection, the System shall determine an individual rate
15 determined as a percentage of projected payroll applicable to
16 each employer based on that employer's individual account under
17 Section 15-155.2, exclusive of (i) any liabilities
18 attributable to the System as a whole rather than to the
19 employer's account and (ii) costs attributable to any new
20 benefit increase approved pursuant to Section 15-198.

21 In determining contributions required under items (iii)
22 and (iv) of this subsection, the System shall determine an
23 individual rate determined as a percentage of projected payroll
24 applicable to each employer that approves a new benefit
25 increase pursuant to Section 15-198.

26 In determining contributions required under item (v) of

1 this subsection, the System shall determine an aggregate rate
2 determined as a percentage of projected payroll applicable to
3 all employers under the System.

4 The contributions required under this subsection (a-10)
5 shall be paid by an employer concurrently with that employer's
6 payroll payment period.

7 (a-15) For State fiscal year 2015, the required
8 contribution of employers under item (i) of subsection (a-10)
9 shall be reduced to an amount equal to 0.5% of applicable
10 payroll. For each fiscal year thereafter, the required
11 contribution of employers under item (i) of subsection (a-10)
12 shall be the percentage of projected payroll required under
13 this subsection (a-15) for the previous fiscal year, increased
14 by 0.5% of payroll, except that when the percentage of
15 projected payroll required under this subsection (a-15) first
16 reaches the percentage of payroll required under item (i) of
17 subsection (a-10), this subsection (a-15) shall cease to apply.

18 For State fiscal year 2015, the required contribution of
19 employers under item (vi) of subsection (a-10) shall be reduced
20 to an amount equal to 0.5% of applicable payroll. For each
21 fiscal year thereafter, the required contribution of employers
22 under item (vi) of subsection (a-10) shall be the percentage of
23 projected payroll required under this subsection (a-15) for the
24 previous fiscal year, increased by 0.5% of payroll, except that
25 when the percentage of payroll required under this subsection
26 (a-15) first reaches the percentage of payroll required under

1 item (vi) of subsection (a-10), this subsection (a-15) shall
2 cease to apply.

3 The limitations in this subsection (a-15) do not apply to
4 (i) employer contributions required to be made under subsection
5 (b) of this Section for employees who are compensated out of
6 trust or federal funds, (ii) contributions required to be made
7 by the City of Champaign or the City of Urbana for individuals
8 described under subsection (h) of Section 15-107, (iii)
9 contributions required to be made by a teacher organization for
10 individuals described under subsection (i) of Section 15-107,
11 or (iv) contributions required to be made by a teacher
12 organization for individuals on special leave of absence under
13 Section 15-113.2.

14 (b) If an employee is paid from trust or federal funds, the
15 employer shall pay to the Board contributions from those funds
16 which are sufficient to cover the accruing normal costs on
17 behalf of the employee. However, universities having employees
18 who are compensated out of local auxiliary funds, income funds,
19 or service enterprise funds are not required to pay such
20 contributions on behalf of those employees prior to July 1,
21 2014. Beginning July 1, 2014, universities having employees who
22 are compensated out of local auxiliary funds, income funds, or
23 service enterprise funds shall pay to the Board contributions
24 from those funds that are sufficient to cover the accruing
25 normal costs on behalf of those employees. The local auxiliary
26 funds, income funds, and service enterprise funds of

1 universities shall not be considered trust funds for the
2 purpose of this Article, but funds of alumni associations,
3 foundations, and athletic associations which are affiliated
4 with the universities included as employers under this Article
5 and other employers which do not receive State appropriations
6 are considered to be trust funds for the purpose of this
7 Article.

8 (b-1) The City of Urbana and the City of Champaign shall
9 each make employer contributions to this System for their
10 respective firefighter employees who participate in this
11 System pursuant to subsection (h) of Section 15-107. The rate
12 of contributions to be made by those municipalities shall be
13 determined annually by the Board on the basis of the actuarial
14 assumptions adopted by the Board and the recommendations of the
15 actuary, and shall be expressed as a percentage of salary for
16 each such employee. The Board shall certify the rate to the
17 affected municipalities as soon as may be practical. The
18 employer contributions required under this subsection shall be
19 remitted by the municipality to the System at the same time and
20 in the same manner as employee contributions.

21 (c) Through State fiscal year 1995: The total employer
22 contribution shall be apportioned among the various funds of
23 the State and other employers, whether trust, federal, or other
24 funds, in accordance with actuarial procedures approved by the
25 Board. State of Illinois contributions for employers receiving
26 State appropriations for personal services shall be payable

1 from appropriations made to the employers or to the System. The
2 contributions for Class I community colleges covering earnings
3 other than those paid from trust and federal funds, shall be
4 payable solely from appropriations to the Illinois Community
5 College Board or the System for employer contributions.

6 (d) Beginning in State fiscal year 1996, the required State
7 contributions to the System shall be appropriated directly to
8 the System and shall be payable through vouchers issued in
9 accordance with subsection (c) of Section 15-165, except as
10 provided in subsection (g).

11 (e) The State Comptroller shall draw warrants payable to
12 the System upon proper certification by the System or by the
13 employer in accordance with the appropriation laws and this
14 Code.

15 (f) Normal costs under this Section means liability for
16 pensions and other benefits which accrues to the System because
17 of the credits earned for service rendered by the participants
18 during the fiscal year and expenses of administering the
19 System, but shall not include the principal of or any
20 redemption premium or interest on any bonds issued by the Board
21 or any expenses incurred or deposits required in connection
22 therewith.

23 (g) If the amount of a participant's earnings for any
24 academic year used to determine the final rate of earnings,
25 determined on a full-time equivalent basis, exceeds the amount
26 of his or her earnings with the same employer for the previous

1 academic year, determined on a full-time equivalent basis, by
2 more than 6%, the participant's employer shall pay to the
3 System, in addition to all other payments required under this
4 Section and in accordance with guidelines established by the
5 System, the present value of the increase in benefits resulting
6 from the portion of the increase in earnings that is in excess
7 of 6%. This present value shall be computed by the System on
8 the basis of the actuarial assumptions and tables used in the
9 most recent actuarial valuation of the System that is available
10 at the time of the computation. The System may require the
11 employer to provide any pertinent information or
12 documentation.

13 Whenever it determines that a payment is or may be required
14 under this subsection (g), the System shall calculate the
15 amount of the payment and bill the employer for that amount.
16 The bill shall specify the calculations used to determine the
17 amount due. If the employer disputes the amount of the bill, it
18 may, within 30 days after receipt of the bill, apply to the
19 System in writing for a recalculation. The application must
20 specify in detail the grounds of the dispute and, if the
21 employer asserts that the calculation is subject to subsection
22 (h) or (i) of this Section, must include an affidavit setting
23 forth and attesting to all facts within the employer's
24 knowledge that are pertinent to the applicability of subsection
25 (h) or (i). Upon receiving a timely application for
26 recalculation, the System shall review the application and, if

1 appropriate, recalculate the amount due.

2 The employer contributions required under this subsection
3 (g) ~~(f)~~ may be paid in the form of a lump sum within 90 days
4 after receipt of the bill. If the employer contributions are
5 not paid within 90 days after receipt of the bill, then
6 interest will be charged at a rate equal to the System's annual
7 actuarially assumed rate of return on investment compounded
8 annually from the 91st day after receipt of the bill. Payments
9 must be concluded within 3 years after the employer's receipt
10 of the bill.

11 (h) This subsection (h) applies only to (1) payments made
12 or salary increases given on or after June 1, 2005 but before
13 July 1, 2011 and (2) payments made or salary increases given
14 after the limitation on employer contributions under
15 subsection (a-15) of Section 15-155 ceases to apply to
16 contributions under item (i) of subsection (a-10) of that
17 Section. The changes made by Public Act 94-1057 shall not
18 require the System to refund any payments received before July
19 31, 2006 (the effective date of Public Act 94-1057).

20 When assessing payment for any amount due under subsection
21 (g), the System shall exclude earnings increases paid to
22 participants under contracts or collective bargaining
23 agreements entered into, amended, or renewed before June 1,
24 2005.

25 When assessing payment for any amount due under subsection
26 (g), the System shall exclude earnings increases paid to a

1 participant at a time when the participant is 10 or more years
2 from retirement eligibility under Section 15-135.

3 When assessing payment for any amount due under subsection
4 (g), the System shall exclude earnings increases resulting from
5 overload work, including a contract for summer teaching, or
6 overtime when the employer has certified to the System, and the
7 System has approved the certification, that: (i) in the case of
8 overloads (A) the overload work is for the sole purpose of
9 academic instruction in excess of the standard number of
10 instruction hours for a full-time employee occurring during the
11 academic year that the overload is paid and (B) the earnings
12 increases are equal to or less than the rate of pay for
13 academic instruction computed using the participant's current
14 salary rate and work schedule; and (ii) in the case of
15 overtime, the overtime was necessary for the educational
16 mission.

17 When assessing payment for any amount due under subsection
18 (g), the System shall exclude any earnings increase resulting
19 from (i) a promotion for which the employee moves from one
20 classification to a higher classification under the State
21 Universities Civil Service System, (ii) a promotion in academic
22 rank for a tenured or tenure-track faculty position, or (iii) a
23 promotion that the Illinois Community College Board has
24 recommended in accordance with subsection (k) of this Section.
25 These earnings increases shall be excluded only if the
26 promotion is to a position that has existed and been filled by

1 a member for no less than one complete academic year and the
2 earnings increase as a result of the promotion is an increase
3 that results in an amount no greater than the average salary
4 paid for other similar positions.

5 (i) When assessing payment for any amount due under
6 subsection (g), the System shall exclude any salary increase
7 described in subsection (h) of this Section given on or after
8 July 1, 2011 but before July 1, 2014 under a contract or
9 collective bargaining agreement entered into, amended, or
10 renewed on or after June 1, 2005 but before July 1, 2011.
11 ~~Notwithstanding any other provision of this Section, any~~
12 ~~payments made or salary increases given after June 30, 2014~~
13 ~~shall be used in assessing payment for any amount due under~~
14 ~~subsection (g) of this Section.~~

15 (j) The System shall prepare a report and file copies of
16 the report with the Governor and the General Assembly by
17 January 1, 2007 that contains all of the following information:

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

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

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

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

4 (k) The Illinois Community College Board shall adopt rules
5 for recommending lists of promotional positions submitted to
6 the Board by community colleges and for reviewing the
7 promotional lists on an annual basis. When recommending
8 promotional lists, the Board shall consider the similarity of
9 the positions submitted to those positions recognized for State
10 universities by the State Universities Civil Service System.
11 The Illinois Community College Board shall file a copy of its
12 findings with the System. The System shall consider the
13 findings of the Illinois Community College Board when making
14 determinations under this Section. The System shall not exclude
15 any earnings increases resulting from a promotion when the
16 promotion was not submitted by a community college. Nothing in
17 this subsection (k) shall require any community college to
18 submit any information to the Community College Board.

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

23 As of June 30, 2008, the actuarial value of the System's
24 assets shall be equal to the market value of the assets as of
25 that date. In determining the actuarial value of the System's
26 assets for fiscal years after June 30, 2008, any actuarial

1 gains or losses from investment return incurred in a fiscal
2 year shall be recognized in equal annual amounts over the
3 5-year period following that fiscal year.

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

8 (Source: P.A. 96-43, eff. 7-15-09; 96-1497, eff. 1-14-11;
9 96-1511, eff. 1-27-11; 96-1554, eff. 3-18-11; 97-813, eff.
10 7-13-12; revised 10-17-12.)

11 (40 ILCS 5/15-155.1 new)

12 Sec. 15-155.1. Actions to enforce payment by employers.

13 (a) If any employer fails to transmit to the System
14 contributions required of it under this Article in the manner
15 prescribed under subsection (a-10) of Section 15-155 or
16 contributions collected by it from its participating employees
17 for the purposes of this Article for more than 90 days after
18 the payment of such contributions is due, then the System,
19 after giving notice to that employer, may certify to the State
20 Comptroller the amounts of the delinquent payments, and the
21 Comptroller shall deduct the amounts so certified or any part
22 thereof from any payments or grants of State funds to the
23 employer and shall pay the amounts so deducted to the System.
24 If State funds from which such deductions may be made are not
25 available, the System may proceed against the employer to

1 recover the amounts of the delinquent payments in the circuit
2 court of Champaign County.

3 (b) If any employer fails to transmit to the System
4 contributions required of it under this Article or
5 contributions collected by it from its participating employees
6 for the purposes of this Article for more than 90 days after
7 the payment of the contributions is due, the System, after
8 giving notice to the employer, may certify the amounts of the
9 delinquent payments to the county treasurer of any county in
10 which the employer is located, who shall deduct the amounts so
11 certified or any part thereof from the amounts collected from
12 any tax levied by the employer and shall pay the amount so
13 deducted to the System.

14 (c) If reports furnished to the System by the employer
15 involved are inadequate for the computation of the amounts of
16 any payments, the System may provide for such audit of the
17 records of the employer as may be required to establish the
18 amounts of the delinquent payments. The employer shall make its
19 records available to the System for the purpose of the audit.
20 The cost of the audit shall be added to the amount of the
21 payments and shall be recovered by the System from the employer
22 at the same time and in the same manner as the payments are
23 recovered.

24 (d) This Section does not apply to the State as an employer
25 under this Article.

1 (40 ILCS 5/15-155.2 new)

2 Sec. 15-155.2. Individual employer accounts.

3 (a) The System shall create and maintain an individual
4 account for each employer for the purposes of determining
5 employer contributions under subsection (a-10) of Section
6 15-155. Each employer's account shall be notionally charged
7 with the liabilities attributable to that employer and credited
8 with the assets attributable to that employer.

9 (b) Beginning in fiscal year 2015, the System shall assign
10 notional liabilities to each employer's account, equal to:

11 (1) an amount equal to employer contributions required
12 to be made by the employer pursuant to:

13 (i) items (i) and (iii) of subsection (a-10) of
14 Section 15-155;

15 (ii) any unfunded actuarial accrued liability
16 associated with each new benefit increase approved by
17 that employer pursuant to Section 15-198; and

18 (iii) subsection (g) of Section 15-155;

19 (2) the amount of employee contributions paid by
20 participating employees of the employer, except that
21 during any fiscal year in which the employer contribution
22 under item (i) of subsection (a-10) of Section 15-155 is
23 reduced under subsection (a-15) of that Section, the amount
24 of employee contributions credited under this subsection
25 (b) shall be reduced by the same proportion; plus

26 (3) any amounts representing employer or employee

1 contributions transferred or paid to the System in order to
2 transfer or establish service credit for a participating
3 employee of the employer as determined by the System.

4 The amount of any employer contributions required to be
5 made under Section 15-139.5 is not chargeable to the employer's
6 account.

7 (c) Beginning in fiscal year 2015, the System shall assign
8 notional assets to each employer's account equal to:

9 (1) the amounts of employer contributions made
10 pursuant to items (i), (ii), (iii), and (iv) of subsection
11 (a-10) of Section 15-155 and the amount of employer
12 contributions made pursuant to subsection (g) of Section
13 15-155; plus

14 (2) the amount of employee contributions paid by
15 participating employees of the employer, except that
16 during any fiscal year in which the employer contribution
17 under item (i) of subsection (a-10) of Section 15-155 is
18 reduced under subsection (a-15) of that Section, the amount
19 of employee contributions credited under this subsection
20 (c) shall be reduced by the same proportion; plus

21 (3) any amounts representing employer or employee
22 contributions transferred or paid to the System in order to
23 transfer or establish service credit for a participating
24 employee of the employer as determined by the System.

25 The amount of any employer contributions required to be
26 made under Section 15-139.5 is not creditable to the employer's

1 account.

2 (d) On an annual basis and calculated with assumptions and
3 tables developed by the System, the System shall deduct from
4 each employer's account an actuarially determined amount equal
5 to the employer's portion of the benefits paid to that
6 employer's annuitant population. The System shall make such
7 determinations based on the portion of benefit payments that
8 are attributed to the employer's liabilities assigned under
9 subsection (b) of this Section. The System shall make the
10 assumptions required to determine and allocate benefit
11 payments to the State's portion of total liabilities and to the
12 employer's portion of total liabilities.

13 (e) The System shall report to the General Assembly and the
14 Governor prior to January 1, 2014 any liability of an employer
15 anticipated to accrue after July 1, 2014 that is not assigned
16 to an employer account pursuant to this Section.

17 (40 ILCS 5/15-159) (from Ch. 108 1/2, par. 15-159)

18 Sec. 15-159. Board created.

19 (a) A board of trustees constituted as provided in this
20 Section shall administer this System. The board shall be known
21 as the Board of Trustees of the State Universities Retirement
22 System.

23 (b) When all of the changes to this Section made by this
24 amendatory Act of the 98th General Assembly have been
25 implemented, the Board will consist of 12 members as follows: 4

1 elected members who are active participants, 2 elected members
2 who are annuitants, 3 members elected by the trustees of
3 Illinois public universities, and 3 members elected by the
4 trustees of Illinois community colleges. The elected members
5 will be evenly split between persons representing public
6 universities and persons representing community colleges. The
7 Chairperson of the Board of Higher Education will no longer be
8 a member, and the Governor will no longer appoint any members.
9 The members of the Board will choose one of the members to
10 serve as chairperson. Until July 1, 1995, the Board of Trustees
11 shall be constituted as follows:

12 ~~Two trustees shall be members of the Board of Trustees of~~
13 ~~the University of Illinois, one shall be a member of the Board~~
14 ~~of Trustees of Southern Illinois University, one shall be a~~
15 ~~member of the Board of Trustees of Chicago State University,~~
16 ~~one shall be a member of the Board of Trustees of Eastern~~
17 ~~Illinois University, one shall be a member of the Board of~~
18 ~~Trustees of Governors State University, one shall be a member~~
19 ~~of the Board of Trustees of Illinois State University, one~~
20 ~~shall be a member of the Board of Trustees of Northeastern~~
21 ~~Illinois University, one shall be a member of the Board of~~
22 ~~Trustees of Northern Illinois University, one shall be a member~~
23 ~~of the Board of Trustees of Western Illinois University, and~~
24 ~~one shall be a member of the Illinois Community College Board,~~
25 ~~selected in each case by their respective boards, and 2 shall~~
26 ~~be participants of the system appointed by the Governor for a 6~~

1 ~~year term with the first appointment made pursuant to this~~
2 ~~amendatory Act of 1984 to be effective September 1, 1985, and~~
3 ~~one shall be a participant appointed by the Illinois Community~~
4 ~~College Board for a 6 year term, and one shall be a participant~~
5 ~~appointed by the Board of Trustees of the University of~~
6 ~~Illinois for a 6 year term, and one shall be a participant or~~
7 ~~annuitant of the system who is a senior citizen age 60 or older~~
8 ~~appointed by the Governor for a 6 year term with the first~~
9 ~~appointment to be effective September 1, 1985.~~

10 ~~The terms of all trustees holding office under this~~
11 ~~subsection (b) on June 30, 1995 shall terminate at the end of~~
12 ~~that day and the Board shall thereafter be constituted as~~
13 ~~provided in subsection (c).~~

14 (c) (Blank). ~~Beginning July 1, 1995, the Board of Trustees~~
15 ~~shall be constituted as follows:~~

16 ~~The Board shall consist of 9 trustees appointed by the~~
17 ~~Governor. Two of the trustees, designated at the time of~~
18 ~~appointment, shall be participants of the System. Two of the~~
19 ~~trustees, designated at the time of appointment, shall be~~
20 ~~annuitants of the System who are receiving retirement annuities~~
21 ~~under this Article. The 5 remaining trustees may, but need not,~~
22 ~~be participants or annuitants of the System.~~

23 ~~The term of office of trustees appointed under this~~
24 ~~subsection (c) shall be 6 years, beginning on July 1. However,~~
25 ~~of the initial trustees appointed under this subsection (c), 3~~
26 ~~shall be appointed for terms of 2 years, 3 shall be appointed~~

1 ~~for terms of 4 years, and 3 shall be appointed for terms of 6~~
2 ~~years, to be designated by the Governor at the time of~~
3 ~~appointment.~~

4 ~~The terms of all trustees holding office under this~~
5 ~~subsection (c) on the effective date of this amendatory Act of~~
6 ~~the 96th General Assembly shall terminate on that effective~~
7 ~~date. The Governor shall make nominations for appointment under~~
8 ~~this Section within 60 days after the effective date of this~~
9 ~~amendatory Act of the 96th General Assembly. A trustee sitting~~
10 ~~on the board on the effective date of this amendatory Act of~~
11 ~~the 96th General Assembly may not hold over in office for more~~
12 ~~than 90 days after the effective date of this amendatory Act of~~
13 ~~the 96th General Assembly. Nothing in this Section shall~~
14 ~~prevent the Governor from making a temporary appointment or~~
15 ~~nominating a trustee holding office on the day before the~~
16 ~~effective date of this amendatory Act of the 96th General~~
17 ~~Assembly.~~

18 (d) Beginning on the 90th day after April 3, 2009 (the
19 effective date of Public Act 96-6) ~~this amendatory Act of the~~
20 ~~96th General Assembly,~~ the Board of Trustees shall be
21 constituted as follows:

22 (1) The Chairperson of the Board of Higher Education,
23 who shall act as chairperson of this Board; except that the
24 Chairperson of the Board of Higher Education shall be a
25 member of the Board only through June 30, 2014.

26 (2) Four trustees appointed by the Governor with the

1 advice and consent of the Senate who may not be members of
2 the system or hold an elective State office and who shall
3 serve for a term of 6 years, except that the terms of the
4 initial appointees under this subsection (d) shall be as
5 follows: 2 for a term of 3 years and 2 for a term of 6
6 years. However, no additional appointment may be made by
7 the Governor under this item (2), and no vacancy may be
8 filled by the Governor, after the effective date of this
9 amendatory Act of the 98th General Assembly.

10 (3) Four active participants of the system to be
11 elected from the contributing membership of the system by
12 the contributing members, no more than 2 of which may be
13 from any of the University of Illinois campuses, who shall
14 serve for a term of 6 years, except that the terms of the
15 initial electees shall be as follows: 2 for a term of 3
16 years and 2 for a term of 6 years. However, beginning with
17 the election of active participants next occurring after
18 the effective date of this amendatory Act of the 98th
19 General Assembly, (i) 2 of these members shall be active
20 employees of a community college employer and (ii) 2 of
21 these members shall be active employees of a public
22 university employer, no more than one of whom may be from
23 any of the University of Illinois campuses.

24 (4) Two annuitants of the system who have been
25 annuitants for at least one full year, to be elected from
26 and by the annuitants of the system, no more than one of

1 which may be from any of the University of Illinois
2 campuses, who shall serve for a term of 6 years, except
3 that the terms of the initial electees shall be as follows:
4 one for a term of 3 years and one for a term of 6 years.
5 However, beginning with the election of annuitant members
6 next occurring after the effective date of this amendatory
7 Act of the 98th General Assembly, (i) one of the annuitant
8 members shall be a retired employee of a community college
9 employer and (ii) one of the annuitant members shall be a
10 retired employee of a public university employer.

11 ~~For the purposes of this Section, the Governor may make a~~
12 ~~nomination and the Senate may confirm the nominee in advance of~~
13 ~~the commencement of the nominee's term of office.~~

14 (d-5) Beginning July 1, 2014, there shall be one additional
15 member of the Board of Trustees, to be elected by the trustees
16 of Illinois public universities from a list of nominees
17 provided by the 14 presidents and chancellors of Illinois
18 public universities, acting jointly. The number of nominees
19 shall be at least twice the number of positions to be filled.
20 The System shall administer the election.

21 The member of the Board of Trustees elected under this
22 subsection (d-5) shall serve for a term of 4 years and may, but
23 need not, be a participant or annuitant of the System.

24 (d-10) Beginning July 1, 2014, there shall be one
25 additional member of the Board of Trustees, to be elected by
26 the trustees of Illinois community college districts from a

1 list of nominees provided by an association of community
2 college boards organized under Section 3-55 of the Public
3 Community College Act, in consultation with trustees serving
4 pursuant to Section 7-2 of that Act. The number of nominees
5 shall be at least twice the number of positions to be filled.
6 The System shall administer the election.

7 The member of the Board of Trustees elected under this
8 subsection (d-10) shall serve for a term of 4 years and may,
9 but need not, be a participant or annuitant of the System.

10 (d-15) Upon the expiration of the terms of the members of
11 the Board appointed by the Governor under subdivision (d) (2)
12 who are serving on the effective date of this amendatory Act of
13 the 98th General Assembly, or immediately in the case of a
14 vacancy in any of those positions on that effective date, 2 of
15 those seats shall instead be filled in the manner set forth in
16 subsection (d-5) and 2 of those seats shall instead be filled
17 in the manner set forth in subsection (d-10), as follows: (1)
18 whenever possible, positions available under this subsection
19 shall be filled in a manner that produces equal numbers of
20 positions filled in the manner provided under subsection (d-5)
21 and subsection (d-10); and (2) when that is not possible, a
22 position that becomes available under this subsection shall
23 first be filled in the manner set forth in subsection (d-5).

24 A member of the Board of Trustees elected under this
25 subsection (d-15) shall serve for a term of 4 years and may,
26 but need not, be a participant or annuitant of the System.

1 (d-20) Before July 1 of each even-numbered year, the Board
2 shall elect one of its members to serve as Chairperson of the
3 Board for a term of 2 years beginning on that July 1.

4 (e) The 6 elected trustees under items (3) and (4) of
5 subsection (d) shall be elected within 90 days after April 3,
6 2009 (the effective date of Public Act 96-6) ~~this amendatory~~
7 ~~Act of the 96th General Assembly~~ for a term beginning on the
8 90th day after that ~~the~~ effective date ~~of this amendatory Act.~~
9 Trustees shall be elected thereafter as terms expire for a
10 6-year term beginning July 15 next following their election,
11 and such election shall be held on May 1, or on May 2 when May 1
12 falls on a Sunday. The board may establish rules for the
13 election of trustees to implement the provisions of Public Act
14 96-6 ~~this amendatory Act of the 96th General Assembly~~ and for
15 future elections. Candidates for the participating trustee
16 shall be nominated by petitions in writing, signed by not less
17 than 400 participants with their addresses shown opposite their
18 names. Candidates for the annuitant trustee shall be nominated
19 by petitions in writing, signed by not less than 100 annuitants
20 with their addresses shown opposite their names. If there is
21 more than one qualified nominee for each elected trustee, then
22 the board shall conduct a secret ballot election by mail for
23 that trustee, in accordance with rules as established by the
24 board. If there is only one qualified person nominated by
25 petition for each elected trustee, then the election as
26 required by this Section shall not be conducted for that

1 trustee and the board shall declare such nominee duly elected.
2 A vacancy occurring in the elective membership of the board
3 shall be filled for the unexpired term by the elected trustees
4 serving on the board for the remainder of the term.

5 The board may establish rules and procedures for the
6 nomination and election of trustees under subsections (d-5),
7 (d-10), and (d-15) of this Section.

8 (f) A vacancy on the board of trustees caused by
9 resignation, death, expiration of term of office, or other
10 reason shall be filled by a qualified person appointed by the
11 appointing authority or elected by the electing authority
12 ~~Governor~~ for the remainder of the unexpired term.

13 (g) Trustees (other than the trustees incumbent on June 30,
14 1995 or as provided in subsection (c) of this Section) shall
15 continue in office until their respective successors are
16 appointed and have qualified, except that a trustee appointed
17 to one of the participant positions shall be disqualified
18 immediately upon the termination of his or her status as a
19 participant and a trustee appointed to one of the annuitant
20 positions shall be disqualified immediately upon the
21 termination of his or her status as an annuitant receiving a
22 retirement annuity.

23 (h) Each trustee must take an oath of office before a
24 notary public of this State and shall qualify as a trustee upon
25 the presentation to the board of a certified copy of the oath.
26 The oath must state that the person will diligently and

1 honestly administer the affairs of the retirement system, and
2 will not knowingly violate or wilfully permit to be violated
3 any provisions of this Article.

4 Each trustee shall serve without compensation but shall be
5 reimbursed for expenses necessarily incurred in attending
6 board meetings and carrying out his or her duties as a trustee
7 or officer of the system.

8 (i) This amendatory Act of 1995 is intended to supersede
9 the changes made to this Section by Public Act 89-4.

10 (Source: P.A. 96-6, eff. 4-3-09; 96-1000, eff. 7-2-10.)

11 (40 ILCS 5/15-168.2)

12 Sec. 15-168.2. Audit of employers. Beginning August 1, 2014
13 ~~2013~~, the System may audit the employment records and payroll
14 records of all employers. When the System audits an employer,
15 it shall specify the exact information it requires, which may
16 include but need not be limited to the names, titles, and
17 earnings history of every individual receiving compensation
18 from the employer. If an employer is audited by the System,
19 then the employer must provide to the System all necessary
20 documents and records within 60 calendar days after receiving
21 notification from the System. When the System audits an
22 employer, it shall send related correspondence by certified
23 mail.

24 (Source: P.A. 97-968, eff. 8-16-12.)

1 (40 ILCS 5/15-198)

2 Sec. 15-198. Application and expiration of new benefit
3 increases.

4 (a) As used in this Section, "new benefit increase" means
5 an increase in the amount of either a retirement annuity
6 calculated under Rule 1 of Section 15-136 (or subsection (c) or
7 (d) of Section 1-160 with respect to a benefit payable under
8 this System) or an automatic annual increase provided under
9 subsection (d) of Section 15-136 (or subsection (e) of Section
10 1-160 with respect to a benefit payable under this System) ~~any~~
11 ~~benefit provided under this Article,~~ or an expansion of the
12 conditions of eligibility for any benefit under Section 15-135
13 (or subsection (c), (d), or (e) of Section 1-160 with respect
14 to a benefit payable under this System) ~~this Article,~~ that
15 results from an amendment to this Code that takes effect after
16 the effective date of this amendatory Act of the ~~94th~~ 98th
17 General Assembly.

18 (b) Notwithstanding any other provision of this Code or any
19 subsequent amendment to this Code, every new benefit increase
20 is subject to this Section and shall be deemed to be granted
21 only in conformance with and contingent upon compliance with
22 the provisions of this Section.

23 (c) Beginning July 1, 2014, the State Actuary shall, within
24 6 months after the effective date of an amendatory Act that
25 amends or affects benefits under this Article, certify to the
26 System whether or not the amendatory Act is a new benefit

1 increase under this Section. If the State Actuary certifies to
2 the System that an amendatory Act is a new benefit increase
3 under this Section, the System shall notify each employer and
4 the General Assembly of the certification.

5 (d) If the State Actuary certifies that an amendatory Act
6 is a new benefit increase under this Section, the Board shall
7 either approve or deny the new benefit increase by resolution.

8 (e) If the Board approves a new benefit increase by
9 resolution, the Board shall develop and submit administrative
10 rules necessary to implement the new benefit increase to the
11 Joint Committee on Administrative Rules in a manner consistent
12 with the Illinois Administrative Procedure Act.

13 (f) If the Joint Committee on Administrative Rules does not
14 object to a proposed rule necessary to implement a new benefit
15 increase or if the Committee objects to such a rule but the
16 System modifies the proposed rule to meet the Committee's
17 objections, an employer under this Article may make an
18 irrevocable election to approve the new benefit increase by
19 resolution of the governing body of the employer. If the
20 employer is the State, the new benefit increase shall be deemed
21 approved without resolution, unless the amendatory Act
22 provides otherwise.

23 (g) A new benefit increase shall not apply to service of an
24 employee with an employer unless that employer has approved the
25 new benefit increase with respect to the employee's service
26 accrued with that employer. The approval of an employer cannot

1 modify any of the terms of the new benefit increase, and the
2 employer's approval of or failure to approve the new benefit
3 increase applies to all participating employees of the
4 employer.

5 (h) No new benefit increase shall take effect for employees
6 of any employer unless the conditions of this Section are
7 satisfied. No new benefit increase shall take effect prior to
8 the July 1st at least 12 months following the conditions of
9 this Section being satisfied.

10 ~~(c) The Public Act enacting a new benefit increase must~~
11 ~~identify and provide for payment to the System of additional~~
12 ~~funding at least sufficient to fund the resulting annual~~
13 ~~increase in cost to the System as it accrues.~~

14 ~~Every new benefit increase is contingent upon the General~~
15 ~~Assembly providing the additional funding required under this~~
16 ~~subsection. The Commission on Government Forecasting and~~
17 ~~Accountability shall analyze whether adequate additional~~
18 ~~funding has been provided for the new benefit increase and~~
19 ~~shall report its analysis to the Public Pension Division of the~~
20 ~~Department of Financial and Professional Regulation. A new~~
21 ~~benefit increase created by a Public Act that does not include~~
22 ~~the additional funding required under this subsection is null~~
23 ~~and void. If the Public Pension Division determines that the~~
24 ~~additional funding provided for a new benefit increase under~~
25 ~~this subsection is or has become inadequate, it may so certify~~
26 ~~to the Governor and the State Comptroller and, in the absence~~

1 ~~of corrective action by the General Assembly, the new benefit~~
2 ~~increase shall expire at the end of the fiscal year in which~~
3 ~~the certification is made.~~

4 ~~(d) Every new benefit increase shall expire 5 years after~~
5 ~~its effective date or on such earlier date as may be specified~~
6 ~~in the language enacting the new benefit increase or provided~~
7 ~~under subsection (c). This does not prevent the General~~
8 ~~Assembly from extending or re creating a new benefit increase~~
9 ~~by law.~~

10 ~~(e) Except as otherwise provided in the language creating~~
11 ~~the new benefit increase, a new benefit increase that expires~~
12 ~~under this Section continues to apply to persons who applied~~
13 ~~and qualified for the affected benefit while the new benefit~~
14 ~~increase was in effect and to the affected beneficiaries and~~
15 ~~alternate payees of such persons, but does not apply to any~~
16 ~~other person, including without limitation a person who~~
17 ~~continues in service after the expiration date and did not~~
18 ~~apply and qualify for the affected benefit while the new~~
19 ~~benefit increase was in effect.~~

20 (Source: P.A. 94-4, eff. 6-1-05.)

21 Section 90. The State Mandates Act is amended by adding
22 Section 8.37 as follows:

23 (30 ILCS 805/8.37 new)

24 Sec. 8.37. Exempt mandate. Notwithstanding Sections 6 and 8

1 of this Act, no reimbursement by the State is required for the
2 implementation of any mandate created by this amendatory Act of
3 the 98th General Assembly.

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