



98TH GENERAL ASSEMBLY

State of Illinois

2013 and 2014

SB2368

Introduced 2/15/2013, by Sen. Kyle McCarter

SYNOPSIS AS INTRODUCED:

See Index

Amends the Illinois Pension Code. In the 5 State-funded retirement systems: (1) increases employee contributions; (2) decreases the annual increase in retirement annuities; (3) adds funding guarantee language and authorizes a mandamus action against the State; and (4) specifies that State pension funding is subordinate to certain debt service. In the Teachers' Retirement System, provides for the incremental shifting of responsibility for employer contributions from the State to the actual employers, contingent upon the State funding certain school programs. Amends the State Mandates Act to require implementation without reimbursement. Effective immediately.

LRB098 07118 EFG 37179 b

FISCAL NOTE ACT
MAY APPLY

PENSION IMPACT
NOTE ACT MAY
APPLY

STATE MANDATES
ACT MAY REQUIRE
REIMBURSEMENT

1 AN ACT concerning public employee benefits.

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

4 Section 5. The Illinois Pension Code is amended by changing
5 Sections 1-103.3, 2-119.1, 2-124, 2-126, 14-114, 14-131,
6 14-133, 15-136, 15-155, 15-157, 16-133.1, 16-152, 16-158,
7 18-125.1, 18-131, and 18-133 as follows:

8 (40 ILCS 5/1-103.3)

9 Sec. 1-103.3. Application of 1994 amendment; funding
10 standard.

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

17 (b) (Blank) ~~The General Assembly declares that a funding~~
18 ~~ratio (the ratio of a retirement system's total assets to its~~
19 ~~total actuarial liabilities) of 90% is an appropriate goal for~~
20 ~~State-funded retirement systems in Illinois, and it finds that~~
21 ~~a funding ratio of 90% is now the generally recognized norm~~
22 ~~throughout the nation for public employee retirement systems~~
23 ~~that are considered to be financially secure and funded in an~~

1 ~~appropriate and responsible manner.~~

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

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

13 (40 ILCS 5/2-119.1) (from Ch. 108 1/2, par. 2-119.1)

14 Sec. 2-119.1. Automatic increase in retirement annuity.

15 (a) Except as provided in subsection (a-5), a ~~A~~ participant
16 who retires after June 30, 1967, and who has not received an
17 initial increase under this Section before the effective date
18 of this amendatory Act of 1991, shall, in January or July next
19 following the first anniversary of retirement, whichever
20 occurs first, and in the same month of each year thereafter,
21 but in no event prior to age 60, have the amount of the
22 originally granted retirement annuity increased as follows:
23 for each year through 1971, 1 1/2%; for each year from 1972
24 through 1979, 2%; and for 1980 and each year thereafter, 3%.
25 Annuitants who have received an initial increase under this

1 subsection prior to the effective date of this amendatory Act
2 of 1991 shall continue to receive their annual increases in the
3 same month as the initial increase.

4 (a-5) Notwithstanding any other provision of this Article,
5 the amount of each automatic annual increase in retirement
6 annuity occurring on or after the effective date of this
7 amendatory Act of the 98th General Assembly shall be 3% or
8 one-half of the annual unadjusted percentage increase, if any,
9 in the Consumer Price Index-U for the 12 months ending with the
10 preceding September, whichever is less, of the first \$25,000 of
11 the retirement annuity. For the purposes of this Section,
12 "Consumer Price Index-U" means the index published by the
13 Bureau of Labor Statistics of the United States Department of
14 Labor that measures the average change in prices of goods and
15 services purchased by all urban consumers, United States city
16 average, all items, 1982-84 = 100. This limitation is
17 applicable without regard to whether the annuitant was in
18 service on or after that effective date.

19 (b) Beginning January 1, 1990, for eligible participants
20 who remain in service after attaining 20 years of creditable
21 service, the 3% increases provided under subsection (a) shall
22 begin to accrue on the January 1 next following the date upon
23 which the participant (1) attains age 55, or (2) attains 20
24 years of creditable service, whichever occurs later, and shall
25 continue to accrue while the participant remains in service;
26 such increases shall become payable on January 1 or July 1,

1 whichever occurs first, next following the first anniversary of
2 retirement. For any person who has service credit in the System
3 for the entire period from January 15, 1969 through December
4 31, 1992, regardless of the date of termination of service, the
5 reference to age 55 in clause (1) of this subsection (b) shall
6 be deemed to mean age 50.

7 This subsection (b) does not apply to any person who first
8 becomes a member of the System after the effective date of this
9 amendatory Act of the 93rd General Assembly.

10 (b-5) Subject to subsection (a-5), but notwithstanding
11 ~~Notwithstanding~~ any other provision of this Article, a
12 participant who first becomes a participant on or after January
13 1, 2011 (the effective date of Public Act 96-889) shall, in
14 January or July next following the first anniversary of
15 retirement, whichever occurs first, and in the same month of
16 each year thereafter, but in no event prior to age 67, have the
17 amount of the retirement annuity then being paid increased by
18 3% or the annual unadjusted percentage increase in the Consumer
19 Price Index for All Urban Consumers as determined by the Public
20 Pension Division of the Department of Insurance under
21 subsection (a) of Section 2-108.1, whichever is less.

22 (c) The foregoing provisions relating to automatic
23 increases are not applicable to a participant who retires
24 before having made contributions (at the rate prescribed in
25 Section 2-126) for automatic increases for less than the
26 equivalent of one full year. However, in order to be eligible

1 for the automatic increases, such a participant may make
2 arrangements to pay to the system the amount required to bring
3 the total contributions for the automatic increase to the
4 equivalent of one year's contributions based upon his or her
5 last salary.

6 (d) A participant who terminated service prior to July 1,
7 1967, with at least 14 years of service is entitled to an
8 increase in retirement annuity beginning January, 1976, and to
9 additional increases in January of each year thereafter.

10 The initial increase shall be 1 1/2% of the originally
11 granted retirement annuity multiplied by the number of full
12 years that the annuitant was in receipt of such annuity prior
13 to January 1, 1972, plus 2% of the originally granted
14 retirement annuity for each year after that date. The
15 subsequent annual increases shall be at the rate of 2% of the
16 originally granted retirement annuity for each year through
17 1979 and at the rate of 3% for 1980 and thereafter.

18 (e) Beginning January 1, 1990, all automatic annual
19 increases payable under this Section shall be calculated as a
20 percentage of the total annuity payable at the time of the
21 increase, including previous increases granted under this
22 Article.

23 (Source: P.A. 96-889, eff. 1-1-11; 96-1490, eff. 1-1-11.)

24 (40 ILCS 5/2-124) (from Ch. 108 1/2, par. 2-124)

25 Sec. 2-124. Contributions by State.

1 (a) The State shall make contributions to the System by
2 appropriations of amounts which, together with the
3 contributions of participants, interest earned on investments,
4 and other income will meet the cost of maintaining and
5 administering the System on a 100% ~~90%~~ funded basis in
6 accordance with actuarial recommendations.

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

12 (c) For State fiscal years 2012 through 2045, the minimum
13 contribution to the System to be made by the State for each
14 fiscal year shall be an amount determined by the System to be
15 sufficient to bring the total assets of the System up to 100%
16 ~~90%~~ of the total actuarial liabilities of the System by the end
17 of State fiscal year 2045. ~~In making these determinations, the~~
18 ~~required State contribution shall be calculated each year as a~~
19 ~~level percentage of payroll over the years remaining to and~~
20 ~~including fiscal year 2045 and shall be determined under the~~
21 ~~projected unit credit actuarial cost method.~~

22 Pursuant to Article XIII of the 1970 Constitution of the
23 State of Illinois, beginning on July 1, 2013, the State shall,
24 as a retirement benefit to each participant and annuitant of
25 the System be contractually obligated to the System (as a
26 fiduciary and trustee of the participants and annuitants) to

1 pay the Annual Required State Contribution, as determined by
2 the Board of the System using generally accepted actuarial
3 principles, as is necessary to bring the total assets of the
4 System up to 100% of the total actuarial liabilities of the
5 System by fiscal year 2045. As a further retirement benefit and
6 contractual obligation, each fiscal year, the State shall pay
7 to each designated retirement system the Annual Required State
8 Contribution certified by the Board for that fiscal year.
9 Payments of the Annual Required State Contribution for each
10 fiscal year shall be made in equal monthly installments. This
11 Section, and the security it provides to participants and
12 annuitants is intended to be, and is, a contractual right that
13 is part of the pension benefits provided to the participants
14 and annuitants. Notwithstanding anything to the contrary in the
15 Court of Claims Act or any other law, a designated retirement
16 system has the exclusive right to and shall bring a Mandamus
17 action in the Circuit Court of Champaign County against the
18 State to compel the State to make any installment of the Annual
19 Required State Contribution required by this Section,
20 irrespective of other remedies that may be available to the
21 System. Each member or annuitant of the System has the right to
22 bring a Mandamus action against the System in the Circuit Court
23 in any judicial district in which the System maintains an
24 office if the System fails to bring an action specified in this
25 Section, irrespective of other remedies that may be available
26 to the member or annuitant.

1 Any payments required to be made by the State pursuant to
2 this subsection (c) are expressly subordinated to the payment
3 of the principal, interest, and premium, if any, on any bonded
4 debt obligation of the State or any other State-created entity,
5 either currently outstanding or to be issued, for which the
6 source of repayment or security thereon is derived directly or
7 indirectly from tax revenues collected by the State or any
8 other State-created entity. Payments on such bonded
9 obligations include any statutory fund transfers or other
10 prefunding mechanisms or formulas set forth, now or hereafter,
11 in State law or bond indentures, into debt service funds or
12 accounts of the State related to such bonded obligations,
13 consistent with the payment schedules associated with such
14 obligations.

15 For State fiscal years 1996 through 2005, the State
16 contribution to the System, as a percentage of the applicable
17 employee payroll, shall be increased in equal annual increments
18 so that by State fiscal year 2011, the State is contributing at
19 the rate required under this Section.

20 Notwithstanding any other provision of this Article, the
21 total required State contribution for State fiscal year 2006 is
22 \$4,157,000.

23 Notwithstanding any other provision of this Article, the
24 total required State contribution for State fiscal year 2007 is
25 \$5,220,300.

26 For each of State fiscal years 2008 through 2009, the State

1 contribution to the System, as a percentage of the applicable
2 employee payroll, shall be increased in equal annual increments
3 from the required State contribution for State fiscal year
4 2007, so that by State fiscal year 2011, the State is
5 contributing at the rate otherwise required under this Section.

6 Notwithstanding any other provision of this Article, the
7 total required State contribution for State fiscal year 2010 is
8 \$10,454,000 and shall be made from the proceeds of bonds sold
9 in fiscal year 2010 pursuant to Section 7.2 of the General
10 Obligation Bond Act, less (i) the pro rata share of bond sale
11 expenses determined by the System's share of total bond
12 proceeds, (ii) any amounts received from the General Revenue
13 Fund in fiscal year 2010, and (iii) any reduction in bond
14 proceeds due to the issuance of discounted bonds, if
15 applicable.

16 Notwithstanding any other provision of this Article, the
17 total required State contribution for State fiscal year 2011 is
18 the amount recertified by the System on or before April 1, 2011
19 pursuant to Section 2-134 and shall be made from the proceeds
20 of bonds sold in fiscal year 2011 pursuant to Section 7.2 of
21 the General Obligation Bond Act, less (i) the pro rata share of
22 bond sale expenses determined by the System's share of total
23 bond proceeds, (ii) any amounts received from the General
24 Revenue Fund in fiscal year 2011, and (iii) any reduction in
25 bond proceeds due to the issuance of discounted bonds, if
26 applicable.

1 Beginning in State fiscal year 2046, the minimum State
2 contribution for each fiscal year shall be the amount needed to
3 maintain the total assets of the System at 100% ~~90%~~ of the
4 total actuarial liabilities of the System.

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

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

1 issued in fiscal year 2003 for the purposes of that Section
2 7.2, as determined and certified by the Comptroller, that is
3 the same as the System's portion of the total moneys
4 distributed under subsection (d) of Section 7.2 of the General
5 Obligation Bond Act. In determining this maximum for State
6 fiscal years 2008 through 2010, however, the amount referred to
7 in item (i) shall be increased, as a percentage of the
8 applicable employee payroll, in equal increments calculated
9 from the sum of the required State contribution for State
10 fiscal year 2007 plus the applicable portion of the State's
11 total debt service payments for fiscal year 2007 on the bonds
12 issued in fiscal year 2003 for the purposes of Section 7.2 of
13 the General Obligation Bond Act, so that, by State fiscal year
14 2011, the State is contributing at the rate otherwise required
15 under this Section.

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

20 As of June 30, 2008, the actuarial value of the System's
21 assets shall be equal to the market value of the assets as of
22 that date. In determining the actuarial value of the System's
23 assets for fiscal years after June 30, 2008, any actuarial
24 gains or losses from investment return incurred in a fiscal
25 year shall be recognized in equal annual amounts over the
26 5-year period following that fiscal year.

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

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

8 (40 ILCS 5/2-126) (from Ch. 108 1/2, par. 2-126)

9 Sec. 2-126. Contributions by participants.

10 (a) Each participant shall contribute toward the cost of
11 his or her retirement annuity a percentage of each payment of
12 salary received by him or her for service as a member as
13 follows: for service between October 31, 1947 and January 1,
14 1959, 5%; for service between January 1, 1959 and June 30,
15 1969, 6%; for service between July 1, 1969 and January 10,
16 1973, 6 1/2%; for service after January 10, 1973, 7%; for
17 service after December 31, 1981, 8 1/2%.

18 (a-5) In addition to the contributions otherwise required
19 under this Article, each participant shall also make the
20 following contributions toward the cost of his or her
21 retirement annuity from each payment of salary received by him
22 or her for service as a member:

23 (1) beginning July 1, 2013 and through June 30, 2014,
24 1% of salary; and

25 (2) beginning on July 1, 2014, 2% of salary.

1 (b) Beginning August 2, 1949, each male participant, and
2 from July 1, 1971, each female participant shall contribute
3 towards the cost of the survivor's annuity 2% of salary.

4 A participant who has no eligible survivor's annuity
5 beneficiary may elect to cease making contributions for
6 survivor's annuity under this subsection. A survivor's annuity
7 shall not be payable upon the death of a person who has made
8 this election, unless prior to that death the election has been
9 revoked and the amount of the contributions that would have
10 been paid under this subsection in the absence of the election
11 is paid to the System, together with interest at the rate of 4%
12 per year from the date the contributions would have been made
13 to the date of payment.

14 (c) Beginning July 1, 1967, each participant shall
15 contribute 1% of salary towards the cost of automatic increase
16 in annuity provided in Section 2-119.1. These contributions
17 shall be made concurrently with contributions for retirement
18 annuity purposes.

19 (d) In addition, each participant serving as an officer of
20 the General Assembly shall contribute, for the same purposes
21 and at the same rates as are required of a regular participant,
22 on each additional payment received as an officer. If the
23 participant serves as an officer for at least 2 but less than 4
24 years, he or she shall contribute an amount equal to the amount
25 that would have been contributed had the participant served as
26 an officer for 4 years. Persons who serve as officers in the

1 87th General Assembly but cannot receive the additional payment
2 to officers because of the ban on increases in salary during
3 their terms may nonetheless make contributions based on those
4 additional payments for the purpose of having the additional
5 payments included in their highest salary for annuity purposes;
6 however, persons electing to make these additional
7 contributions must also pay an amount representing the
8 corresponding employer contributions, as calculated by the
9 System.

10 (e) Notwithstanding any other provision of this Article,
11 the required contribution of a participant who first becomes a
12 participant on or after January 1, 2011 shall not exceed the
13 contribution that would be due under this Article if that
14 participant's highest salary for annuity purposes were
15 \$106,800, plus any increases in that amount under Section
16 2-108.1.

17 (Source: P.A. 96-1490, eff. 1-1-11.)

18 (40 ILCS 5/14-114) (from Ch. 108 1/2, par. 14-114)

19 Sec. 14-114. Automatic increase in retirement annuity.

20 (a) Subject to the provisions of subsection (a-5):

21 Any person receiving a retirement annuity under this
22 Article who retires having attained age 60, or who retires
23 before age 60 having at least 35 years of creditable service,
24 or who retires on or after January 1, 2001 at an age which,
25 when added to the number of years of his or her creditable

1 service, equals at least 85, shall, on January 1 next following
2 the first full year of retirement, have the amount of the then
3 fixed and payable monthly retirement annuity increased 3%. Any
4 person receiving a retirement annuity under this Article who
5 retires before attainment of age 60 and with less than (i) 35
6 years of creditable service if retirement is before January 1,
7 2001, or (ii) the number of years of creditable service which,
8 when added to the member's age, would equal 85, if retirement
9 is on or after January 1, 2001, shall have the amount of the
10 fixed and payable retirement annuity increased by 3% on the
11 January 1 occurring on or next following (1) attainment of age
12 60, or (2) the first anniversary of retirement, whichever
13 occurs later. However, for persons who receive the alternative
14 retirement annuity under Section 14-110, references in this
15 subsection (a) to attainment of age 60 shall be deemed to refer
16 to attainment of age 55. For a person receiving early
17 retirement incentives under Section 14-108.3 whose retirement
18 annuity began after January 1, 1992 pursuant to an extension
19 granted under subsection (e) of that Section, the first
20 anniversary of retirement shall be deemed to be January 1,
21 1993. For a person who retires on or after June 28, 2001 and on
22 or before October 1, 2001, and whose retirement annuity is
23 calculated, in whole or in part, under Section 14-110 or
24 subsection (g) or (h) of Section 14-108, the first anniversary
25 of retirement shall be deemed to be January 1, 2002.

26 On each January 1 following the date of the initial

1 increase under this subsection, the employee's monthly
2 retirement annuity shall be increased by an additional 3%.

3 Beginning January 1, 1990 and until the effective date of
4 this amendatory Act of the 98th General Assembly, all automatic
5 annual increases payable under this Section shall be calculated
6 as a percentage of the total annuity payable at the time of the
7 increase, including previous increases granted under this
8 Article.

9 (a-5) Notwithstanding any other provision of this Article,
10 the amount of each automatic annual increase in retirement
11 annuity occurring on or after the effective date of this
12 amendatory Act of the 98th General Assembly shall be 3% or
13 one-half of the annual unadjusted percentage increase, if any,
14 in the Consumer Price Index-U for the 12 months ending with the
15 preceding September, whichever is less, of the first \$25,000 of
16 the retirement annuity. For the purposes of this Section,
17 "Consumer Price Index-U" means the index published by the
18 Bureau of Labor Statistics of the United States Department of
19 Labor that measures the average change in prices of goods and
20 services purchased by all urban consumers, United States city
21 average, all items, 1982-84 = 100. This limitation is
22 applicable without regard to whether the annuitant was in
23 service on or after that effective date.

24 (b) The provisions of subsection (a) of this Section shall
25 be applicable to an employee only if the employee makes the
26 additional contributions required after December 31, 1969 for

1 the purpose of the automatic increases for not less than the
2 equivalent of one full year. If an employee becomes an
3 annuitant before his additional contributions equal one full
4 year's contributions based on his salary at the date of
5 retirement, the employee may pay the necessary balance of the
6 contributions to the system, without interest, and be eligible
7 for the increasing annuity authorized by this Section.

8 (c) The provisions of subsection (a) of this Section shall
9 not be applicable to any annuitant who is on retirement on
10 December 31, 1969, and thereafter returns to State service,
11 unless the member has established at least one year of
12 additional creditable service following reentry into service.

13 (d) In addition to other increases which may be provided by
14 this Section, on January 1, 1981 any annuitant who was
15 receiving a retirement annuity on or before January 1, 1971
16 shall have his retirement annuity then being paid increased \$1
17 per month for each year of creditable service. On January 1,
18 1982, any annuitant who began receiving a retirement annuity on
19 or before January 1, 1977, shall have his retirement annuity
20 then being paid increased \$1 per month for each year of
21 creditable service.

22 On January 1, 1987, any annuitant who began receiving a
23 retirement annuity on or before January 1, 1977, shall have the
24 monthly retirement annuity increased by an amount equal to 8¢
25 per year of creditable service times the number of years that
26 have elapsed since the annuity began.

1 (e) Every person who receives the alternative retirement
2 annuity under Section 14-110 and who is eligible to receive the
3 3% increase under subsection (a) on January 1, 1986, shall also
4 receive on that date a one-time increase in retirement annuity
5 equal to the difference between (1) his actual retirement
6 annuity on that date, including any increases received under
7 subsection (a), and (2) the amount of retirement annuity he
8 would have received on that date if the amendments to
9 subsection (a) made by Public Act 84-162 had been in effect
10 since the date of his retirement.

11 (Source: P.A. 91-927, eff. 12-14-00; 92-14, eff. 6-28-01;
12 92-651, eff. 7-11-02.)

13 (40 ILCS 5/14-131)

14 Sec. 14-131. Contributions by State.

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

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

1 behalf of the employee.

2 (b) The Board shall determine the total amount of State
3 contributions required for each fiscal year on the basis of the
4 actuarial tables and other assumptions adopted by the Board,
5 using the formula in subsection (e).

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

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

24 (c) Contributions shall be made by the several departments
25 for each pay period by warrants drawn by the State Comptroller
26 against their respective funds or appropriations based upon

1 vouchers stating the amount to be so contributed. These amounts
2 shall be based on the full rate certified by the Board under
3 Section 14-135.08 for that fiscal year. From the effective date
4 of this amendatory Act of the 93rd General Assembly through the
5 payment of the final payroll from fiscal year 2004
6 appropriations, the several departments shall not make
7 contributions for the remainder of fiscal year 2004 but shall
8 instead make payments as required under subsection (a-1) of
9 Section 14.1 of the State Finance Act. The several departments
10 shall resume those contributions at the commencement of fiscal
11 year 2005.

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

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

26 (d) If an employee is paid from trust funds or federal

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

14 (e) For State fiscal years 2012 through 2045, the minimum
15 contribution to the System to be made by the State for each
16 fiscal year shall be an amount determined by the System to be
17 sufficient to bring the total assets of the System up to 100%
18 ~~90%~~ of the total actuarial liabilities of the System by the end
19 of State fiscal year 2045. ~~In making these determinations, the~~
20 ~~required State contribution shall be calculated each year as a~~
21 ~~level percentage of payroll over the years remaining to and~~
22 ~~including fiscal year 2045 and shall be determined under the~~
23 ~~projected unit credit actuarial cost method.~~

24 Pursuant to Article XIII of the 1970 Constitution of the
25 State of Illinois, beginning on July 1, 2013, the State shall,
26 as a retirement benefit to each participant and annuitant of

1 the System be contractually obligated to the System (as a
2 fiduciary and trustee of the participants and annuitants) to
3 pay the Annual Required State Contribution, as determined by
4 the Board of the System using generally accepted actuarial
5 principles, as is necessary to bring the total assets of the
6 System up to 100% of the total actuarial liabilities of the
7 System by the end of State fiscal year 2045. As a further
8 retirement benefit and contractual obligation, each fiscal
9 year, the State shall pay to each designated retirement system
10 the Annual Required State Contribution certified by the Board
11 for that fiscal year. Payments of the Annual Required State
12 Contribution for each fiscal year shall be made in equal
13 monthly installments. This Section, and the security it
14 provides to participants and annuitants is intended to be, and
15 is, a contractual right that is part of the pension benefits
16 provided to the participants and annuitants. Notwithstanding
17 anything to the contrary in the Court of Claims Act or any
18 other law, a designated retirement system has the exclusive
19 right to and shall bring a Mandamus action in the Circuit Court
20 of Champaign County against the State to compel the State to
21 make any installment of the Annual Required State Contribution
22 required by this Section, irrespective of other remedies that
23 may be available to the System. Each member or annuitant of the
24 System has the right to bring a Mandamus action against the
25 System in the Circuit Court in any judicial district in which
26 the System maintains an office if the System fails to bring an

1 action specified in this Section, irrespective of other
2 remedies that may be available to the member or annuitant.

3 Any payments required to be made by the State pursuant to
4 this subsection (e) are expressly subordinated to the payment
5 of the principal, interest, and premium, if any, on any bonded
6 debt obligation of the State or any other State-created entity,
7 either currently outstanding or to be issued, for which the
8 source of repayment or security thereon is derived directly or
9 indirectly from tax revenues collected by the State or any
10 other State-created entity. Payments on such bonded
11 obligations include any statutory fund transfers or other
12 prefunding mechanisms or formulas set forth, now or hereafter,
13 in State law or bond indentures, into debt service funds or
14 accounts of the State related to such bonded obligations,
15 consistent with the payment schedules associated with such
16 obligations.

17 For State fiscal years 1996 through 2005, the State
18 contribution to the System, as a percentage of the applicable
19 employee payroll, shall be increased in equal annual increments
20 so that by State fiscal year 2011, the State is contributing at
21 the rate required under this Section; except that (i) for State
22 fiscal year 1998, for all purposes of this Code and any other
23 law of this State, the certified percentage of the applicable
24 employee payroll shall be 5.052% for employees earning eligible
25 creditable service under Section 14-110 and 6.500% for all
26 other employees, notwithstanding any contrary certification

1 made under Section 14-135.08 before the effective date of this
2 amendatory Act of 1997, and (ii) in the following specified
3 State fiscal years, the State contribution to the System shall
4 not be less than the following indicated percentages of the
5 applicable employee payroll, even if the indicated percentage
6 will produce a State contribution in excess of the amount
7 otherwise required under this subsection and subsection (a):
8 9.8% in FY 1999; 10.0% in FY 2000; 10.2% in FY 2001; 10.4% in FY
9 2002; 10.6% in FY 2003; and 10.8% in FY 2004.

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

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

16 For each of State fiscal years 2008 through 2009, the State
17 contribution to the System, as a percentage of the applicable
18 employee payroll, shall be increased in equal annual increments
19 from the required State contribution for State fiscal year
20 2007, so that by State fiscal year 2011, the State is
21 contributing at the rate otherwise required under this Section.

22 Notwithstanding any other provision of this Article, the
23 total required State General Revenue Fund contribution for
24 State fiscal year 2010 is \$723,703,100 and shall be made from
25 the proceeds of bonds sold in fiscal year 2010 pursuant to
26 Section 7.2 of the General Obligation Bond Act, less (i) the

1 pro rata share of bond sale expenses determined by the System's
2 share of total bond proceeds, (ii) any amounts received from
3 the General Revenue Fund in fiscal year 2010, and (iii) any
4 reduction in bond proceeds due to the issuance of discounted
5 bonds, if applicable.

6 Notwithstanding any other provision of this Article, the
7 total required State General Revenue Fund contribution for
8 State fiscal year 2011 is the amount recertified by the System
9 on or before April 1, 2011 pursuant to Section 14-135.08 and
10 shall be made from the proceeds of bonds sold in fiscal year
11 2011 pursuant to Section 7.2 of the General Obligation Bond
12 Act, less (i) the pro rata share of bond sale expenses
13 determined by the System's share of total bond proceeds, (ii)
14 any amounts received from the General Revenue Fund in fiscal
15 year 2011, and (iii) any reduction in bond proceeds due to the
16 issuance of discounted bonds, if applicable.

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

21 Amounts received by the System pursuant to Section 25 of
22 the Budget Stabilization Act or Section 8.12 of the State
23 Finance Act in any fiscal year do not reduce and do not
24 constitute payment of any portion of the minimum State
25 contribution required under this Article in that fiscal year.
26 Such amounts shall not reduce, and shall not be included in the

1 calculation of, the required State contributions under this
2 Article in any future year until the System has reached a
3 funding ratio of at least 90%. A reference in this Article to
4 the "required State contribution" or any substantially similar
5 term does not include or apply to any amounts payable to the
6 System under Section 25 of the Budget Stabilization Act.

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

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

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

1 Fiscal Year 2004 Overpayment shall be repaid by the System to
2 the Pension Contribution Fund as soon as practicable after the
3 certification.

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

8 As of June 30, 2008, the actuarial value of the System's
9 assets shall be equal to the market value of the assets as of
10 that date. In determining the actuarial value of the System's
11 assets for fiscal years after June 30, 2008, any actuarial
12 gains or losses from investment return incurred in a fiscal
13 year shall be recognized in equal annual amounts over the
14 5-year period following that fiscal year.

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

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

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

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

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

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

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

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

12 (40 ILCS 5/14-133) (from Ch. 108 1/2, par. 14-133)

13 Sec. 14-133. Contributions on behalf of members.

14 (a) Each participating employee shall make contributions
15 to the System, based on the employee's compensation, as
16 follows:

17 (1) Covered employees, except as indicated below, 3.5%
18 for retirement annuity, and 0.5% for a widow or survivors
19 annuity;

20 (2) Noncovered employees, except as indicated below,
21 7% for retirement annuity and 1% for a widow or survivors
22 annuity;

23 (3) Noncovered employees serving in a position in which
24 "eligible creditable service" as defined in Section 14-110
25 may be earned, 1% for a widow or survivors annuity plus the

1 following amount for retirement annuity: 8.5% through
2 December 31, 2001; 9.5% in 2002; 10.5% in 2003; and 11.5%
3 in 2004 and thereafter;

4 (4) Covered employees serving in a position in which
5 "eligible creditable service" as defined in Section 14-110
6 may be earned, 0.5% for a widow or survivors annuity plus
7 the following amount for retirement annuity: 5% through
8 December 31, 2001; 6% in 2002; 7% in 2003; and 8% in 2004
9 and thereafter;

10 (5) Each security employee of the Department of
11 Corrections or of the Department of Human Services who is a
12 covered employee, 0.5% for a widow or survivors annuity
13 plus the following amount for retirement annuity: 5%
14 through December 31, 2001; 6% in 2002; 7% in 2003; and 8%
15 in 2004 and thereafter;

16 (6) Each security employee of the Department of
17 Corrections or of the Department of Human Services who is
18 not a covered employee, 1% for a widow or survivors annuity
19 plus the following amount for retirement annuity: 8.5%
20 through December 31, 2001; 9.5% in 2002; 10.5% in 2003; and
21 11.5% in 2004 and thereafter.

22 (a-5) In addition to the contributions otherwise required
23 under this Article, each member shall also make the following
24 contributions for retirement annuity from each payment of
25 compensation:

26 (1) beginning July 1, 2013 and through June 30, 2014,

1 1% of compensation; and

2 (2) beginning on July 1, 2014, 2% of compensation.

3 (b) Contributions shall be in the form of a deduction from
4 compensation and shall be made notwithstanding that the
5 compensation paid in cash to the employee shall be reduced
6 thereby below the minimum prescribed by law or regulation. Each
7 member is deemed to consent and agree to the deductions from
8 compensation provided for in this Article, and shall receipt in
9 full for salary or compensation.

10 (Source: P.A. 92-14, eff. 6-28-01.)

11 (40 ILCS 5/15-136) (from Ch. 108 1/2, par. 15-136)

12 Sec. 15-136. Retirement annuities - Amount. The provisions
13 of this Section 15-136 apply only to those participants who are
14 participating in the traditional benefit package or the
15 portable benefit package and do not apply to participants who
16 are participating in the self-managed plan.

17 (a) The amount of a participant's retirement annuity,
18 expressed in the form of a single-life annuity, shall be
19 determined by whichever of the following rules is applicable
20 and provides the largest annuity:

21 Rule 1: The retirement annuity shall be 1.67% of final rate
22 of earnings for each of the first 10 years of service, 1.90%
23 for each of the next 10 years of service, 2.10% for each year
24 of service in excess of 20 but not exceeding 30, and 2.30% for
25 each year in excess of 30; or for persons who retire on or

1 after January 1, 1998, 2.2% of the final rate of earnings for
2 each year of service.

3 Rule 2: The retirement annuity shall be the sum of the
4 following, determined from amounts credited to the participant
5 in accordance with the actuarial tables and the effective rate
6 of interest in effect at the time the retirement annuity
7 begins:

8 (i) the normal annuity which can be provided on an
9 actuarially equivalent basis, by the accumulated normal
10 contributions as of the date the annuity begins;

11 (ii) an annuity from employer contributions of an
12 amount equal to that which can be provided on an
13 actuarially equivalent basis from the accumulated normal
14 contributions made by the participant under Section
15 15-113.6 and Section 15-113.7 plus 1.4 times all other
16 accumulated normal contributions made by the participant;
17 and

18 (iii) the annuity that can be provided on an
19 actuarially equivalent basis from the entire contribution
20 made by the participant under Section 15-113.3.

21 With respect to a police officer or firefighter who retires
22 on or after August 14, 1998, the accumulated normal
23 contributions taken into account under clauses (i) and (ii) of
24 this Rule 2 shall include the additional normal contributions
25 made by the police officer or firefighter under Section
26 15-157(a).

1 The amount of a retirement annuity calculated under this
2 Rule 2 shall be computed solely on the basis of the
3 participant's accumulated normal contributions, as specified
4 in this Rule and defined in Section 15-116. Neither an employee
5 or employer contribution for early retirement under Section
6 15-136.2 nor any other employer contribution shall be used in
7 the calculation of the amount of a retirement annuity under
8 this Rule 2.

9 This amendatory Act of the 91st General Assembly is a
10 clarification of existing law and applies to every participant
11 and annuitant without regard to whether status as an employee
12 terminates before the effective date of this amendatory Act.

13 This Rule 2 does not apply to a person who first becomes an
14 employee under this Article on or after July 1, 2005.

15 Rule 3: The retirement annuity of a participant who is
16 employed at least one-half time during the period on which his
17 or her final rate of earnings is based, shall be equal to the
18 participant's years of service not to exceed 30, multiplied by
19 (1) \$96 if the participant's final rate of earnings is less
20 than \$3,500, (2) \$108 if the final rate of earnings is at least
21 \$3,500 but less than \$4,500, (3) \$120 if the final rate of
22 earnings is at least \$4,500 but less than \$5,500, (4) \$132 if
23 the final rate of earnings is at least \$5,500 but less than
24 \$6,500, (5) \$144 if the final rate of earnings is at least
25 \$6,500 but less than \$7,500, (6) \$156 if the final rate of
26 earnings is at least \$7,500 but less than \$8,500, (7) \$168 if

1 the final rate of earnings is at least \$8,500 but less than
2 \$9,500, and (8) \$180 if the final rate of earnings is \$9,500 or
3 more, except that the annuity for those persons having made an
4 election under Section 15-154(a-1) shall be calculated and
5 payable under the portable retirement benefit program pursuant
6 to the provisions of Section 15-136.4.

7 Rule 4: A participant who is at least age 50 and has 25 or
8 more years of service as a police officer or firefighter, and a
9 participant who is age 55 or over and has at least 20 but less
10 than 25 years of service as a police officer or firefighter,
11 shall be entitled to a retirement annuity of 2 1/4% of the
12 final rate of earnings for each of the first 10 years of
13 service as a police officer or firefighter, 2 1/2% for each of
14 the next 10 years of service as a police officer or
15 firefighter, and 2 3/4% for each year of service as a police
16 officer or firefighter in excess of 20. The retirement annuity
17 for all other service shall be computed under Rule 1.

18 For purposes of this Rule 4, a participant's service as a
19 firefighter shall also include the following:

20 (i) service that is performed while the person is an
21 employee under subsection (h) of Section 15-107; and

22 (ii) in the case of an individual who was a
23 participating employee employed in the fire department of
24 the University of Illinois's Champaign-Urbana campus
25 immediately prior to the elimination of that fire
26 department and who immediately after the elimination of

1 that fire department transferred to another job with the
2 University of Illinois, service performed as an employee of
3 the University of Illinois in a position other than police
4 officer or firefighter, from the date of that transfer
5 until the employee's next termination of service with the
6 University of Illinois.

7 Rule 5: The retirement annuity of a participant who elected
8 early retirement under the provisions of Section 15-136.2 and
9 who, on or before February 16, 1995, brought administrative
10 proceedings pursuant to the administrative rules adopted by the
11 System to challenge the calculation of his or her retirement
12 annuity shall be the sum of the following, determined from
13 amounts credited to the participant in accordance with the
14 actuarial tables and the prescribed rate of interest in effect
15 at the time the retirement annuity begins:

16 (i) the normal annuity which can be provided on an
17 actuarially equivalent basis, by the accumulated normal
18 contributions as of the date the annuity begins; and

19 (ii) an annuity from employer contributions of an
20 amount equal to that which can be provided on an
21 actuarially equivalent basis from the accumulated normal
22 contributions made by the participant under Section
23 15-113.6 and Section 15-113.7 plus 1.4 times all other
24 accumulated normal contributions made by the participant;
25 and

26 (iii) an annuity which can be provided on an

1 actuarially equivalent basis from the employee
2 contribution for early retirement under Section 15-136.2,
3 and an annuity from employer contributions of an amount
4 equal to that which can be provided on an actuarially
5 equivalent basis from the employee contribution for early
6 retirement under Section 15-136.2.

7 In no event shall a retirement annuity under this Rule 5 be
8 lower than the amount obtained by adding (1) the monthly amount
9 obtained by dividing the combined employee and employer
10 contributions made under Section 15-136.2 by the System's
11 annuity factor for the age of the participant at the beginning
12 of the annuity payment period and (2) the amount equal to the
13 participant's annuity if calculated under Rule 1, reduced under
14 Section 15-136(b) as if no contributions had been made under
15 Section 15-136.2.

16 With respect to a participant who is qualified for a
17 retirement annuity under this Rule 5 whose retirement annuity
18 began before the effective date of this amendatory Act of the
19 91st General Assembly, and for whom an employee contribution
20 was made under Section 15-136.2, the System shall recalculate
21 the retirement annuity under this Rule 5 and shall pay any
22 additional amounts due in the manner provided in Section
23 15-186.1 for benefits mistakenly set too low.

24 The amount of a retirement annuity calculated under this
25 Rule 5 shall be computed solely on the basis of those
26 contributions specifically set forth in this Rule 5. Except as

1 provided in clause (iii) of this Rule 5, neither an employee
2 nor employer contribution for early retirement under Section
3 15-136.2, nor any other employer contribution, shall be used in
4 the calculation of the amount of a retirement annuity under
5 this Rule 5.

6 The General Assembly has adopted the changes set forth in
7 Section 25 of this amendatory Act of the 91st General Assembly
8 in recognition that the decision of the Appellate Court for the
9 Fourth District in *Mattis v. State Universities Retirement*
10 *System et al.* might be deemed to give some right to the
11 plaintiff in that case. The changes made by Section 25 of this
12 amendatory Act of the 91st General Assembly are a legislative
13 implementation of the decision of the Appellate Court for the
14 Fourth District in *Mattis v. State Universities Retirement*
15 *System et al.* with respect to that plaintiff.

16 The changes made by Section 25 of this amendatory Act of
17 the 91st General Assembly apply without regard to whether the
18 person is in service as an employee on or after its effective
19 date.

20 (b) The retirement annuity provided under Rules 1 and 3
21 above shall be reduced by 1/2 of 1% for each month the
22 participant is under age 60 at the time of retirement. However,
23 this reduction shall not apply in the following cases:

24 (1) For a disabled participant whose disability
25 benefits have been discontinued because he or she has
26 exhausted eligibility for disability benefits under clause

1 (6) of Section 15-152;

2 (2) For a participant who has at least the number of
3 years of service required to retire at any age under
4 subsection (a) of Section 15-135; or

5 (3) For that portion of a retirement annuity which has
6 been provided on account of service of the participant
7 during periods when he or she performed the duties of a
8 police officer or firefighter, if these duties were
9 performed for at least 5 years immediately preceding the
10 date the retirement annuity is to begin.

11 (c) The maximum retirement annuity provided under Rules 1,
12 2, 4, and 5 shall be the lesser of (1) the annual limit of
13 benefits as specified in Section 415 of the Internal Revenue
14 Code of 1986, as such Section may be amended from time to time
15 and as such benefit limits shall be adjusted by the
16 Commissioner of Internal Revenue, and (2) 80% of final rate of
17 earnings.

18 (d) Subject to the provisions of subsection (d-5):

19 An annuitant whose status as an employee terminates after
20 August 14, 1969 shall receive automatic increases in his or her
21 retirement annuity as follows:

22 Effective January 1 immediately following the date the
23 retirement annuity begins, the annuitant shall receive an
24 increase in his or her monthly retirement annuity of 0.125% of
25 the monthly retirement annuity provided under Rule 1, Rule 2,
26 Rule 3, Rule 4, or Rule 5, contained in this Section,

1 multiplied by the number of full months which elapsed from the
2 date the retirement annuity payments began to January 1, 1972,
3 plus 0.1667% of such annuity, multiplied by the number of full
4 months which elapsed from January 1, 1972, or the date the
5 retirement annuity payments began, whichever is later, to
6 January 1, 1978, plus 0.25% of such annuity multiplied by the
7 number of full months which elapsed from January 1, 1978, or
8 the date the retirement annuity payments began, whichever is
9 later, to the effective date of the increase.

10 The annuitant shall receive an increase in his or her
11 monthly retirement annuity on each January 1 thereafter during
12 the annuitant's life of 3% of the monthly annuity provided
13 under Rule 1, Rule 2, Rule 3, Rule 4, or Rule 5 contained in
14 this Section. The change made under this subsection by P.A.
15 81-970 is effective January 1, 1980 and applies to each
16 annuitant whose status as an employee terminates before or
17 after that date.

18 Beginning January 1, 1990 and until the effective date of
19 this amendatory Act of the 98th General Assembly, all automatic
20 annual increases payable under this Section shall be calculated
21 as a percentage of the total annuity payable at the time of the
22 increase, including all increases previously granted under
23 this Article.

24 The change made in this subsection by P.A. 85-1008 is
25 effective January 26, 1988, and is applicable without regard to
26 whether status as an employee terminated before that date.

1 (d-5) Notwithstanding any other provision of this Article,
2 the amount of each automatic annual increase in retirement
3 annuity occurring on or after the effective date of this
4 amendatory Act of the 98th General Assembly shall be 3% or
5 one-half of the annual unadjusted percentage increase, if any,
6 in the Consumer Price Index-U for the 12 months ending with the
7 preceding September, whichever is less, of the first \$25,000 of
8 the retirement annuity. For the purposes of this Section,
9 "Consumer Price Index-U" means the index published by the
10 Bureau of Labor Statistics of the United States Department of
11 Labor that measures the average change in prices of goods and
12 services purchased by all urban consumers, United States city
13 average, all items, 1982-84 = 100. This limitation is
14 applicable without regard to whether the annuitant was in
15 service on or after that effective date.

16 (e) If, on January 1, 1987, or the date the retirement
17 annuity payment period begins, whichever is later, the sum of
18 the retirement annuity provided under Rule 1 or Rule 2 of this
19 Section and the automatic annual increases provided under the
20 preceding subsection or Section 15-136.1, amounts to less than
21 the retirement annuity which would be provided by Rule 3, the
22 retirement annuity shall be increased as of January 1, 1987, or
23 the date the retirement annuity payment period begins,
24 whichever is later, to the amount which would be provided by
25 Rule 3 of this Section. Such increased amount shall be
26 considered as the retirement annuity in determining benefits

1 provided under other Sections of this Article. This paragraph
2 applies without regard to whether status as an employee
3 terminated before the effective date of this amendatory Act of
4 1987, provided that the annuitant was employed at least
5 one-half time during the period on which the final rate of
6 earnings was based.

7 (f) A participant is entitled to such additional annuity as
8 may be provided on an actuarially equivalent basis, by any
9 accumulated additional contributions to his or her credit.
10 However, the additional contributions made by the participant
11 toward the automatic increases in annuity provided under this
12 Section shall not be taken into account in determining the
13 amount of such additional annuity.

14 (g) If, (1) by law, a function of a governmental unit, as
15 defined by Section 20-107 of this Code, is transferred in whole
16 or in part to an employer, and (2) a participant transfers
17 employment from such governmental unit to such employer within
18 6 months after the transfer of the function, and (3) the sum of
19 (A) the annuity payable to the participant under Rule 1, 2, or
20 3 of this Section (B) all proportional annuities payable to the
21 participant by all other retirement systems covered by Article
22 20, and (C) the initial primary insurance amount to which the
23 participant is entitled under the Social Security Act, is less
24 than the retirement annuity which would have been payable if
25 all of the participant's pension credits validated under
26 Section 20-109 had been validated under this system, a

1 supplemental annuity equal to the difference in such amounts
2 shall be payable to the participant.

3 (h) On January 1, 1981, an annuitant who was receiving a
4 retirement annuity on or before January 1, 1971 shall have his
5 or her retirement annuity then being paid increased \$1 per
6 month for each year of creditable service. On January 1, 1982,
7 an annuitant whose retirement annuity began on or before
8 January 1, 1977, shall have his or her retirement annuity then
9 being paid increased \$1 per month for each year of creditable
10 service.

11 (i) On January 1, 1987, any annuitant whose retirement
12 annuity began on or before January 1, 1977, shall have the
13 monthly retirement annuity increased by an amount equal to 8¢
14 per year of creditable service times the number of years that
15 have elapsed since the annuity began.

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

17 (40 ILCS 5/15-155) (from Ch. 108 1/2, par. 15-155)

18 Sec. 15-155. Employer contributions.

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

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

6 (a-1) For State fiscal years 2012 through 2045, the minimum
7 contribution to the System to be made by the State for each
8 fiscal year shall be an amount determined by the System to be
9 sufficient to bring the total assets of the System up to 100%
10 ~~90%~~ of the total actuarial liabilities of the System by the end
11 of State fiscal year 2045. ~~In making these determinations, the~~
12 ~~required State contribution shall be calculated each year as a~~
13 ~~level percentage of payroll over the years remaining to and~~
14 ~~including fiscal year 2045 and shall be determined under the~~
15 ~~projected unit credit actuarial cost method.~~

16 Pursuant to Article XIII of the 1970 Constitution of the
17 State of Illinois, beginning on July 1, 2013, the State shall,
18 as a retirement benefit to each participant and annuitant of
19 the System be contractually obligated to the System (as a
20 fiduciary and trustee of the participants and annuitants) to
21 pay the Annual Required State Contribution, as determined by
22 the Board of the System using generally accepted actuarial
23 principles, as is necessary to bring the total assets of the
24 System up to 100% of the total actuarial liabilities of the
25 System by the end of State fiscal year 2045. As a further
26 retirement benefit and contractual obligation, each fiscal

1 year, the State shall pay to each designated retirement system
2 the Annual Required State Contribution certified by the Board
3 for that fiscal year. Payments of the Annual Required State
4 Contribution for each fiscal year shall be made in equal
5 monthly installments. This Section, and the security it
6 provides to participants and annuitants is intended to be, and
7 is, a contractual right that is part of the pension benefits
8 provided to the participants and annuitants. Notwithstanding
9 anything to the contrary in the Court of Claims Act or any
10 other law, a designated retirement system has the exclusive
11 right to and shall bring a Mandamus action in the Circuit Court
12 of Champaign County against the State to compel the State to
13 make any installment of the Annual Required State Contribution
14 required by this Section, irrespective of other remedies that
15 may be available to the System. Each member or annuitant of the
16 System has the right to bring a Mandamus action against the
17 System in the Circuit Court in any judicial district in which
18 the System maintains an office if the System fails to bring an
19 action specified in this Section, irrespective of other
20 remedies that may be available to the member or annuitant.

21 Any payments required to be made by the State pursuant to
22 this subsection (a-1) are expressly subordinated to the payment
23 of the principal, interest, and premium, if any, on any bonded
24 debt obligation of the State or any other State-created entity,
25 either currently outstanding or to be issued, for which the
26 source of repayment or security thereon is derived directly or

1 indirectly from tax revenues collected by the State or any
2 other State-created entity. Payments on such bonded
3 obligations include any statutory fund transfers or other
4 prefunding mechanisms or formulas set forth, now or hereafter,
5 in State law or bond indentures, into debt service funds or
6 accounts of the State related to such bonded obligations,
7 consistent with the payment schedules associated with such
8 obligations.

9 For State fiscal years 1996 through 2005, the State
10 contribution to the System, as a percentage of the applicable
11 employee payroll, shall be increased in equal annual increments
12 so that by State fiscal year 2011, the State is contributing at
13 the rate required under this Section.

14 Notwithstanding any other provision of this Article, the
15 total required State contribution for State fiscal year 2006 is
16 \$166,641,900.

17 Notwithstanding any other provision of this Article, the
18 total required State contribution for State fiscal year 2007 is
19 \$252,064,100.

20 For each of State fiscal years 2008 through 2009, the State
21 contribution to the System, as a percentage of the applicable
22 employee payroll, shall be increased in equal annual increments
23 from the required State contribution for State fiscal year
24 2007, so that by State fiscal year 2011, the State is
25 contributing at the rate otherwise required under this Section.

26 Notwithstanding any other provision of this Article, the

1 total required State contribution for State fiscal year 2010 is
2 \$702,514,000 and shall be made from the State Pensions Fund and
3 proceeds of bonds sold in fiscal year 2010 pursuant to Section
4 7.2 of the General Obligation Bond Act, less (i) the pro rata
5 share of bond sale expenses determined by the System's share of
6 total bond proceeds, (ii) any amounts received from the General
7 Revenue Fund in fiscal year 2010, (iii) any reduction in bond
8 proceeds due to the issuance of discounted bonds, if
9 applicable.

10 Notwithstanding any other provision of this Article, the
11 total required State contribution for State fiscal year 2011 is
12 the amount recertified by the System on or before April 1, 2011
13 pursuant to Section 15-165 and shall be made from the State
14 Pensions Fund and proceeds of bonds sold in fiscal year 2011
15 pursuant to Section 7.2 of the General Obligation Bond Act,
16 less (i) the pro rata share of bond sale expenses determined by
17 the System's share of total bond proceeds, (ii) any amounts
18 received from the General Revenue Fund in fiscal year 2011, and
19 (iii) any reduction in bond proceeds due to the issuance of
20 discounted bonds, if applicable.

21 Beginning in State fiscal year 2046, the minimum State
22 contribution for each fiscal year shall be the amount needed to
23 maintain the total assets of the System at 100% ~~90%~~ of the
24 total actuarial liabilities of the System.

25 Amounts received by the System pursuant to Section 25 of
26 the Budget Stabilization Act or Section 8.12 of the State

1 Finance Act in any fiscal year do not reduce and do not
2 constitute payment of any portion of the minimum State
3 contribution required under this Article in that fiscal year.
4 Such amounts shall not reduce, and shall not be included in the
5 calculation of, the required State contributions under this
6 Article in any future year until the System has reached a
7 funding ratio of at least 90%. A reference in this Article to
8 the "required State contribution" or any substantially similar
9 term does not include or apply to any amounts payable to the
10 System under Section 25 of the Budget Stabilization Act.

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

1 in item (i) shall be increased, as a percentage of the
2 applicable employee payroll, in equal increments calculated
3 from the sum of the required State contribution for State
4 fiscal year 2007 plus the applicable portion of the State's
5 total debt service payments for fiscal year 2007 on the bonds
6 issued in fiscal year 2003 for the purposes of Section 7.2 of
7 the General Obligation Bond Act, so that, by State fiscal year
8 2011, the State is contributing at the rate otherwise required
9 under this Section.

10 (b) If an employee is paid from trust or federal funds, the
11 employer shall pay to the Board contributions from those funds
12 which are sufficient to cover the accruing normal costs on
13 behalf of the employee. However, universities having employees
14 who are compensated out of local auxiliary funds, income funds,
15 or service enterprise funds are not required to pay such
16 contributions on behalf of those employees. The local auxiliary
17 funds, income funds, and service enterprise funds of
18 universities shall not be considered trust funds for the
19 purpose of this Article, but funds of alumni associations,
20 foundations, and athletic associations which are affiliated
21 with the universities included as employers under this Article
22 and other employers which do not receive State appropriations
23 are considered to be trust funds for the purpose of this
24 Article.

25 (b-1) The City of Urbana and the City of Champaign shall
26 each make employer contributions to this System for their

1 respective firefighter employees who participate in this
2 System pursuant to subsection (h) of Section 15-107. The rate
3 of contributions to be made by those municipalities shall be
4 determined annually by the Board on the basis of the actuarial
5 assumptions adopted by the Board and the recommendations of the
6 actuary, and shall be expressed as a percentage of salary for
7 each such employee. The Board shall certify the rate to the
8 affected municipalities as soon as may be practical. The
9 employer contributions required under this subsection shall be
10 remitted by the municipality to the System at the same time and
11 in the same manner as employee contributions.

12 (c) Through State fiscal year 1995: The total employer
13 contribution shall be apportioned among the various funds of
14 the State and other employers, whether trust, federal, or other
15 funds, in accordance with actuarial procedures approved by the
16 Board. State of Illinois contributions for employers receiving
17 State appropriations for personal services shall be payable
18 from appropriations made to the employers or to the System. The
19 contributions for Class I community colleges covering earnings
20 other than those paid from trust and federal funds, shall be
21 payable solely from appropriations to the Illinois Community
22 College Board or the System for employer contributions.

23 (d) Beginning in State fiscal year 1996, the required State
24 contributions to the System shall be appropriated directly to
25 the System and shall be payable through vouchers issued in
26 accordance with subsection (c) of Section 15-165, except as

1 provided in subsection (g).

2 (e) The State Comptroller shall draw warrants payable to
3 the System upon proper certification by the System or by the
4 employer in accordance with the appropriation laws and this
5 Code.

6 (f) Normal costs under this Section means liability for
7 pensions and other benefits which accrues to the System because
8 of the credits earned for service rendered by the participants
9 during the fiscal year and expenses of administering the
10 System, but shall not include the principal of or any
11 redemption premium or interest on any bonds issued by the Board
12 or any expenses incurred or deposits required in connection
13 therewith.

14 (g) If the amount of a participant's earnings for any
15 academic year used to determine the final rate of earnings,
16 determined on a full-time equivalent basis, exceeds the amount
17 of his or her earnings with the same employer for the previous
18 academic year, determined on a full-time equivalent basis, by
19 more than 6%, the participant's employer shall pay to the
20 System, in addition to all other payments required under this
21 Section and in accordance with guidelines established by the
22 System, the present value of the increase in benefits resulting
23 from the portion of the increase in earnings that is in excess
24 of 6%. This present value shall be computed by the System on
25 the basis of the actuarial assumptions and tables used in the
26 most recent actuarial valuation of the System that is available

1 at the time of the computation. The System may require the
2 employer to provide any pertinent information or
3 documentation.

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

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

1 of the bill.

2 (h) This subsection (h) applies only to payments made or
3 salary increases given on or after June 1, 2005 but before July
4 1, 2011. The changes made by Public Act 94-1057 shall not
5 require the System to refund any payments received before July
6 31, 2006 (the effective date of Public Act 94-1057).

7 When assessing payment for any amount due under subsection
8 (g), the System shall exclude earnings increases paid to
9 participants under contracts or collective bargaining
10 agreements entered into, amended, or renewed before June 1,
11 2005.

12 When assessing payment for any amount due under subsection
13 (g), the System shall exclude earnings increases paid to a
14 participant at a time when the participant is 10 or more years
15 from retirement eligibility under Section 15-135.

16 When assessing payment for any amount due under subsection
17 (g), the System shall exclude earnings increases resulting from
18 overload work, including a contract for summer teaching, or
19 overtime when the employer has certified to the System, and the
20 System has approved the certification, that: (i) in the case of
21 overloads (A) the overload work is for the sole purpose of
22 academic instruction in excess of the standard number of
23 instruction hours for a full-time employee occurring during the
24 academic year that the overload is paid and (B) the earnings
25 increases are equal to or less than the rate of pay for
26 academic instruction computed using the participant's current

1 salary rate and work schedule; and (ii) in the case of
2 overtime, the overtime was necessary for the educational
3 mission.

4 When assessing payment for any amount due under subsection
5 (g), the System shall exclude any earnings increase resulting
6 from (i) a promotion for which the employee moves from one
7 classification to a higher classification under the State
8 Universities Civil Service System, (ii) a promotion in academic
9 rank for a tenured or tenure-track faculty position, or (iii) a
10 promotion that the Illinois Community College Board has
11 recommended in accordance with subsection (k) of this Section.
12 These earnings increases shall be excluded only if the
13 promotion is to a position that has existed and been filled by
14 a member for no less than one complete academic year and the
15 earnings increase as a result of the promotion is an increase
16 that results in an amount no greater than the average salary
17 paid for other similar positions.

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

1 subsection (g) of this Section.

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

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

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

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

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

17 (k) The Illinois Community College Board shall adopt rules
18 for recommending lists of promotional positions submitted to
19 the Board by community colleges and for reviewing the
20 promotional lists on an annual basis. When recommending
21 promotional lists, the Board shall consider the similarity of
22 the positions submitted to those positions recognized for State
23 universities by the State Universities Civil Service System.
24 The Illinois Community College Board shall file a copy of its
25 findings with the System. The System shall consider the
26 findings of the Illinois Community College Board when making

1 determinations under this Section. The System shall not exclude
2 any earnings increases resulting from a promotion when the
3 promotion was not submitted by a community college. Nothing in
4 this subsection (k) shall require any community college to
5 submit any information to the Community College Board.

6 (l) For purposes of determining the required State
7 contribution to the System, the value of the System's assets
8 shall be equal to the actuarial value of the System's assets,
9 which shall be calculated as follows:

10 As of June 30, 2008, the actuarial value of the System's
11 assets shall be equal to the market value of the assets as of
12 that date. In determining the actuarial value of the System's
13 assets for fiscal years after June 30, 2008, any actuarial
14 gains or losses from investment return incurred in a fiscal
15 year shall be recognized in equal annual amounts over the
16 5-year period following that fiscal year.

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

21 (Source: P.A. 96-43, eff. 7-15-09; 96-1497, eff. 1-14-11;
22 96-1511, eff. 1-27-11; 96-1554, eff. 3-18-11; 97-813, eff.
23 7-13-12; revised 10-17-12.)

24 (40 ILCS 5/15-157) (from Ch. 108 1/2, par. 15-157)

25 Sec. 15-157. Employee Contributions.

1 (a) Each participating employee shall make contributions
2 towards the retirement benefits payable under the retirement
3 program applicable to the employee from each payment of
4 earnings applicable to employment under this system on and
5 after the date of becoming a participant as follows: Prior to
6 September 1, 1949, 3 1/2% of earnings; from September 1, 1949
7 to August 31, 1955, 5%; from September 1, 1955 to August 31,
8 1969, 6%; from September 1, 1969, 6 1/2%. These contributions
9 are to be considered as normal contributions for purposes of
10 this Article.

11 Each participant who is a police officer or firefighter
12 shall make normal contributions of 8% of each payment of
13 earnings applicable to employment as a police officer or
14 firefighter under this system on or after September 1, 1981,
15 unless he or she files with the board within 60 days after the
16 effective date of this amendatory Act of 1991 or 60 days after
17 the board receives notice that he or she is employed as a
18 police officer or firefighter, whichever is later, a written
19 notice waiving the retirement formula provided by Rule 4 of
20 Section 15-136. This waiver shall be irrevocable. If a
21 participant had met the conditions set forth in Section
22 15-132.1 prior to the effective date of this amendatory Act of
23 1991 but failed to make the additional normal contributions
24 required by this paragraph, he or she may elect to pay the
25 additional contributions plus compound interest at the
26 effective rate. If such payment is received by the board, the

1 service shall be considered as police officer service in
2 calculating the retirement annuity under Rule 4 of Section
3 15-136. While performing service described in clause (i) or
4 (ii) of Rule 4 of Section 15-136, a participating employee
5 shall be deemed to be employed as a firefighter for the purpose
6 of determining the rate of employee contributions under this
7 Section.

8 (b) Starting September 1, 1969, each participating
9 employee shall make additional contributions of 1/2 of 1% of
10 earnings to finance a portion of the cost of the annual
11 increases in retirement annuity provided under Section 15-136,
12 except that with respect to participants in the self-managed
13 plan this additional contribution shall be used to finance the
14 benefits obtained under that retirement program.

15 (c) In addition to the amounts described in subsections (a)
16 and (b) of this Section, each participating employee shall make
17 contributions of 1% of earnings applicable under this system on
18 and after August 1, 1959. The contributions made under this
19 subsection (c) shall be considered as survivor's insurance
20 contributions for purposes of this Article if the employee is
21 covered under the traditional benefit package, and such
22 contributions shall be considered as additional contributions
23 for purposes of this Article if the employee is participating
24 in the self-managed plan or has elected to participate in the
25 portable benefit package and has completed the applicable
26 one-year waiting period. Contributions in excess of \$80 during

1 any fiscal year beginning before August 31, 1969 and in excess
2 of \$120 during any fiscal year thereafter until September 1,
3 1971 shall be considered as additional contributions for
4 purposes of this Article.

5 (c-5) In addition to the contributions otherwise required
6 under this Article, each participant shall also make the
7 following contributions toward the retirement benefits payable
8 under the retirement program applicable to the employee from
9 each payment of earnings applicable to employment under this
10 system:

11 (1) beginning July 1, 2013 and through June 30, 2014,
12 1% of earnings; and

13 (2) beginning on July 1, 2014, 2% of earnings.

14 Except as otherwise specified, these contributions are to
15 be considered as normal contributions for purposes of this
16 Article.

17 (d) If the board by board rule so permits and subject to
18 such conditions and limitations as may be specified in its
19 rules, a participant may make other additional contributions of
20 such percentage of earnings or amounts as the participant shall
21 elect in a written notice thereof received by the board.

22 (e) That fraction of a participant's total accumulated
23 normal contributions, the numerator of which is equal to the
24 number of years of service in excess of that which is required
25 to qualify for the maximum retirement annuity, and the
26 denominator of which is equal to the total service of the

1 participant, shall be considered as accumulated additional
2 contributions. The determination of the applicable maximum
3 annuity and the adjustment in contributions required by this
4 provision shall be made as of the date of the participant's
5 retirement.

6 (f) Notwithstanding the foregoing, a participating
7 employee shall not be required to make contributions under this
8 Section after the date upon which continuance of such
9 contributions would otherwise cause his or her retirement
10 annuity to exceed the maximum retirement annuity as specified
11 in clause (1) of subsection (c) of Section 15-136.

12 (g) A participating employee may make contributions for the
13 purchase of service credit under this Article.

14 (Source: P.A. 90-32, eff. 6-27-97; 90-65, eff. 7-7-97; 90-448,
15 eff. 8-16-97; 90-511, eff. 8-22-97; 90-576, eff. 3-31-98;
16 90-655, eff. 7-30-98; 90-766, eff. 8-14-98.)

17 (40 ILCS 5/16-133.1) (from Ch. 108 1/2, par. 16-133.1)

18 Sec. 16-133.1. Automatic annual increase in annuity.

19 (a) Each member with creditable service and retiring on or
20 after August 26, 1969 is entitled to the automatic annual
21 increases in annuity provided under this Section while
22 receiving a retirement annuity or disability retirement
23 annuity from the system.

24 An annuitant shall first be entitled to an initial increase
25 under this Section on the January 1 next following the first

1 anniversary of retirement, or January 1 of the year next
2 following attainment of age 61, whichever is later. At such
3 time, the system shall pay an initial increase determined as
4 follows but subject to subsection (a-5):

5 (1) 1.5% of the originally granted retirement annuity
6 or disability retirement annuity multiplied by the number
7 of years elapsed, if any, from the date of retirement until
8 January 1, 1972, plus

9 (2) 2% of the originally granted annuity multiplied by
10 the number of years elapsed, if any, from the date of
11 retirement or January 1, 1972, whichever is later, until
12 January 1, 1978, plus

13 (3) 3% of the originally granted annuity multiplied by
14 the number of years elapsed from the date of retirement or
15 January 1, 1978, whichever is later, until the effective
16 date of the initial increase.

17 However, the initial annual increase calculated under this
18 Section for the recipient of a disability retirement annuity
19 granted under Section 16-149.2 shall be reduced by an amount
20 equal to the total of all increases in that annuity received
21 under Section 16-149.5 (but not exceeding 100% of the amount of
22 the initial increase otherwise provided under this Section).

23 Following the initial increase, automatic annual increases
24 in annuity shall be payable on each January 1 thereafter during
25 the lifetime of the annuitant, determined as a percentage of
26 the originally granted retirement annuity or disability

1 retirement annuity for increases granted prior to January 1,
2 1990, and calculated as a percentage of the total amount of
3 annuity, including previous increases under this Section, for
4 increases granted on or after January 1, 1990, as follows: 1.5%
5 for periods prior to January 1, 1972, 2% for periods after
6 December 31, 1971 and prior to January 1, 1978, and 3% for
7 periods after December 31, 1977.

8 (a-5) Notwithstanding any other provision of this Article,
9 the amount of each automatic annual increase in retirement
10 annuity occurring on or after the effective date of this
11 amendatory Act of the 98th General Assembly shall be 3% or
12 one-half of the annual unadjusted percentage increase, if any,
13 in the Consumer Price Index-U for the 12 months ending with the
14 preceding September, whichever is less, of the first \$25,000 of
15 the retirement annuity. For the purposes of this Section,
16 "Consumer Price Index-U" means the index published by the
17 Bureau of Labor Statistics of the United States Department of
18 Labor that measures the average change in prices of goods and
19 services purchased by all urban consumers, United States city
20 average, all items, 1982-84 = 100. This limitation is
21 applicable without regard to whether the annuitant was in
22 service on or after that effective date.

23 (b) The automatic annual increases in annuity provided
24 under this Section shall not be applicable unless a member has
25 made contributions toward such increases for a period
26 equivalent to one full year of creditable service. If a member

1 contributes for service performed after August 26, 1969 but the
2 member becomes an annuitant before such contributions amount to
3 one full year's contributions based on the salary at the date
4 of retirement, he or she may pay the necessary balance of the
5 contributions to the system and be eligible for the automatic
6 annual increases in annuity provided under this Section.

7 (c) Each member shall make contributions toward the cost of
8 the automatic annual increases in annuity as provided under
9 Section 16-152.

10 (d) An annuitant receiving a retirement annuity or
11 disability retirement annuity on July 1, 1969, who subsequently
12 re-enters service as a teacher is eligible for the automatic
13 annual increases in annuity provided under this Section if he
14 or she renders at least one year of creditable service
15 following the latest re-entry.

16 (e) In addition to the automatic annual increases in
17 annuity provided under this Section, an annuitant who meets the
18 service requirements of this Section and whose retirement
19 annuity or disability retirement annuity began on or before
20 January 1, 1971 shall receive, on January 1, 1981, an increase
21 in the annuity then being paid of one dollar per month for each
22 year of creditable service. On January 1, 1982, an annuitant
23 whose retirement annuity or disability retirement annuity
24 began on or before January 1, 1977 shall receive an increase in
25 the annuity then being paid of one dollar per month for each
26 year of creditable service.

1 On January 1, 1987, any annuitant whose retirement annuity
2 began on or before January 1, 1977, shall receive an increase
3 in the monthly retirement annuity equal to 8¢ per year of
4 creditable service times the number of years that have elapsed
5 since the annuity began.

6 (Source: P.A. 91-927, eff. 12-14-00.)

7 (40 ILCS 5/16-152) (from Ch. 108 1/2, par. 16-152)

8 Sec. 16-152. Contributions by members.

9 (a) Each member shall make contributions for membership
10 service to this System as follows:

11 (1) Effective July 1, 1998, contributions of 7.50% of
12 salary towards the cost of the retirement annuity. Such
13 contributions shall be deemed "normal contributions".

14 (2) Effective July 1, 1969, contributions of 1/2 of 1%
15 of salary toward the cost of the automatic annual increase
16 in retirement annuity provided under Section 16-133.1.

17 (3) Effective July 24, 1959, contributions of 1% of
18 salary towards the cost of survivor benefits. Such
19 contributions shall not be credited to the individual
20 account of the member and shall not be subject to refund
21 except as provided under Section 16-143.2.

22 (4) Effective July 1, 2005, contributions of 0.40% of
23 salary toward the cost of the early retirement without
24 discount option provided under Section 16-133.2. This
25 contribution shall cease upon termination of the early

1 retirement without discount option as provided in Section
2 16-176.

3 (a-5) In addition to the contributions otherwise required
4 under this Article, each member shall also make the following
5 contributions toward the cost of the retirement annuity from
6 each payment of salary:

7 (1) beginning July 1, 2013 and through June 30, 2014,
8 1% of salary; and

9 (2) beginning on July 1, 2014, 2% of salary.

10 Except as otherwise specified, these contributions are to
11 be considered as normal contributions for purposes of this
12 Article.

13 (b) The minimum required contribution for any year of
14 full-time teaching service shall be \$192.

15 (c) Contributions shall not be required of any annuitant
16 receiving a retirement annuity who is given employment as
17 permitted under Section 16-118 or 16-150.1.

18 (d) A person who (i) was a member before July 1, 1998, (ii)
19 retires with more than 34 years of creditable service, and
20 (iii) does not elect to qualify for the augmented rate under
21 Section 16-129.1 shall be entitled, at the time of retirement,
22 to receive a partial refund of contributions made under this
23 Section for service occurring after the later of June 30, 1998
24 or attainment of 34 years of creditable service, in an amount
25 equal to 1.00% of the salary upon which those contributions
26 were based.

1 (e) A member's contributions toward the cost of early
2 retirement without discount made under item (a)(4) of this
3 Section shall not be refunded if the member has elected early
4 retirement without discount under Section 16-133.2 and has
5 begun to receive a retirement annuity under this Article
6 calculated in accordance with that election. Otherwise, a
7 member's contributions toward the cost of early retirement
8 without discount made under item (a)(4) of this Section shall
9 be refunded according to whichever one of the following
10 circumstances occurs first:

11 (1) The contributions shall be refunded to the member,
12 without interest, within 120 days after the member's
13 retirement annuity commences, if the member does not elect
14 early retirement without discount under Section 16-133.2.

15 (2) The contributions shall be included, without
16 interest, in any refund claimed by the member under Section
17 16-151.

18 (3) The contributions shall be refunded to the member's
19 designated beneficiary (or if there is no beneficiary, to
20 the member's estate), without interest, if the member dies
21 without having begun to receive a retirement annuity under
22 this Article.

23 (4) The contributions shall be refunded to the member,
24 without interest, within 120 days after the early
25 retirement without discount option provided under Section
26 16-133.2 is terminated under Section 16-176.

1 (Source: P.A. 93-320, eff. 7-23-03; 94-4, eff. 6-1-05.)

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

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

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

12 Subject to the conditions set forth in subsection (b-4),
13 the employers under this Article shall be responsible for
14 paying a portion of the normal costs of the System beginning in
15 State fiscal year 2014 and all of the normal costs of the
16 System beginning in State fiscal year 2023.

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

22 (a-1) Annually, on or before November 15 until November 15,
23 2011, the Board shall certify to the Governor the amount of the
24 required State contribution for the coming fiscal year. The
25 certification under this subsection (a-1) shall include a copy

1 of the actuarial recommendations upon which it is based and
2 shall specifically identify the System's projected State
3 normal cost for that fiscal year.

4 On or before May 1, 2004, the Board shall recalculate and
5 recertify to the Governor the amount of the required State
6 contribution to the System for State fiscal year 2005, taking
7 into account the amounts appropriated to and received by the
8 System under subsection (d) of Section 7.2 of the General
9 Obligation Bond Act.

10 On or before July 1, 2005, the Board shall recalculate and
11 recertify to the Governor the amount of the required State
12 contribution to the System for State fiscal year 2006, taking
13 into account the changes in required State contributions made
14 by this amendatory Act of the 94th General Assembly.

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

21 (a-5) On or before November 1 of each year, beginning
22 November 1, 2012, the Board shall submit to the State Actuary,
23 the Governor, and the General Assembly a proposed certification
24 of the amount of the required State contribution to the System
25 for the next fiscal year, along with all of the actuarial
26 assumptions, calculations, and data upon which that proposed

1 certification is based. On or before January 1 of each year,
2 beginning January 1, 2013, the State Actuary shall issue a
3 preliminary report concerning the proposed certification and
4 identifying, if necessary, recommended changes in actuarial
5 assumptions that the Board must consider before finalizing its
6 certification of the required State contributions. On or before
7 January 15, 2013 and each January 15 thereafter, the Board
8 shall certify to the Governor and the General Assembly the
9 amount of the required State contribution for the next fiscal
10 year. The Board's certification must note any deviations from
11 the State Actuary's recommended changes, the reason or reasons
12 for not following the State Actuary's recommended changes, and
13 the fiscal impact of not following the State Actuary's
14 recommended changes on the required State contribution.

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

18 (b-1) Beginning in State fiscal year 1996, on the 15th day
19 of each month, or as soon thereafter as may be practicable, the
20 Board shall submit vouchers for payment of State contributions
21 to the System, in a total monthly amount of one-twelfth of the
22 required annual State contribution certified under subsection
23 (a-1). From the effective date of this amendatory Act of the
24 93rd General Assembly through June 30, 2004, the Board shall
25 not submit vouchers for the remainder of fiscal year 2004 in
26 excess of the fiscal year 2004 certified contribution amount

1 determined under this Section after taking into consideration
2 the transfer to the System under subsection (a) of Section
3 6z-61 of the State Finance Act. These vouchers shall be paid by
4 the State Comptroller and Treasurer by warrants drawn on the
5 funds appropriated to the System for that fiscal year.

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

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

18 (b-3) For State fiscal years 2012 through 2045, the minimum
19 contribution to the System to be made by the State for each
20 fiscal year shall be an amount determined by the System to be
21 sufficient to bring the total assets of the System up to 100%
22 ~~90%~~ of the total actuarial liabilities of the System by the end
23 of State fiscal year 2045. ~~In making these determinations, the~~
24 ~~required State contribution shall be calculated each year as a~~
25 ~~level percentage of payroll over the years remaining to and~~
26 ~~including fiscal year 2045 and shall be determined under the~~

1 ~~projected unit credit actuarial cost method.~~

2 Pursuant to Article XIII of the 1970 Constitution of the
3 State of Illinois, beginning on July 1, 2013, the State shall,
4 as a retirement benefit to each participant and annuitant of
5 the System be contractually obligated to the System (as a
6 fiduciary and trustee of the participants and annuitants) to
7 pay the Annual Required State Contribution, as determined by
8 the Board of the System using generally accepted actuarial
9 principles, as is necessary to bring the total assets of the
10 System up to 100% of the total actuarial liabilities of the
11 System by the end of State fiscal year 2045. As a further
12 retirement benefit and contractual obligation, each fiscal
13 year, the State shall pay to each designated retirement system
14 the Annual Required State Contribution certified by the Board
15 for that fiscal year. Payments of the Annual Required State
16 Contribution for each fiscal year shall be made in equal
17 monthly installments. This Section, and the security it
18 provides to participants and annuitants is intended to be, and
19 is, a contractual right that is part of the pension benefits
20 provided to the participants and annuitants. Notwithstanding
21 anything to the contrary in the Court of Claims Act or any
22 other law, a designated retirement system has the exclusive
23 right to and shall bring a Mandamus action in the Circuit Court
24 of Champaign County against the State to compel the State to
25 make any installment of the Annual Required State Contribution
26 required by this Section, irrespective of other remedies that

1 may be available to the System. Each member or annuitant of the
2 System has the right to bring a Mandamus action against the
3 System in the Circuit Court in any judicial district in which
4 the System maintains an office if the System fails to bring an
5 action specified in this Section, irrespective of other
6 remedies that may be available to the member or annuitant.

7 Any payments required to be made by the State pursuant to
8 this subsection (b-3) are expressly subordinated to the payment
9 of the principal, interest, and premium, if any, on any bonded
10 debt obligation of the State or any other State-created entity,
11 either currently outstanding or to be issued, for which the
12 source of repayment or security thereon is derived directly or
13 indirectly from tax revenues collected by the State or any
14 other State-created entity. Payments on such bonded
15 obligations include any statutory fund transfers or other
16 prefunding mechanisms or formulas set forth, now or hereafter,
17 in State law or bond indentures, into debt service funds or
18 accounts of the State related to such bonded obligations,
19 consistent with the payment schedules associated with such
20 obligations.

21 For State fiscal years 1996 through 2005, the State
22 contribution to the System, as a percentage of the applicable
23 employee payroll, shall be increased in equal annual increments
24 so that by State fiscal year 2011, the State is contributing at
25 the rate required under this Section; except that in the
26 following specified State fiscal years, the State contribution

1 to the System shall not be less than the following indicated
2 percentages of the applicable employee payroll, even if the
3 indicated percentage will produce a State contribution in
4 excess of the amount otherwise required under this subsection
5 and subsection (a), and notwithstanding any contrary
6 certification made under subsection (a-1) before the effective
7 date of this amendatory Act of 1998: 10.02% in FY 1999; 10.77%
8 in FY 2000; 11.47% in FY 2001; 12.16% in FY 2002; 12.86% in FY
9 2003; and 13.56% in FY 2004.

10 Notwithstanding any other provision of this Article, the
11 total required State contribution for State fiscal year 2006 is
12 \$534,627,700.

13 Notwithstanding any other provision of this Article, the
14 total required State contribution for State fiscal year 2007 is
15 \$738,014,500.

16 For each of State fiscal years 2008 through 2009, the State
17 contribution to the System, as a percentage of the applicable
18 employee payroll, shall be increased in equal annual increments
19 from the required State contribution for State fiscal year
20 2007, so that by State fiscal year 2011, the State is
21 contributing at the rate otherwise required under this Section.

22 Notwithstanding any other provision of this Article, the
23 total required State contribution for State fiscal year 2010 is
24 \$2,089,268,000 and shall be made from the proceeds of bonds
25 sold in fiscal year 2010 pursuant to Section 7.2 of the General
26 Obligation Bond Act, less (i) the pro rata share of bond sale

1 expenses determined by the System's share of total bond
2 proceeds, (ii) any amounts received from the Common School Fund
3 in fiscal year 2010, and (iii) any reduction in bond proceeds
4 due to the issuance of discounted bonds, if applicable.

5 Notwithstanding any other provision of this Article, the
6 total required State contribution for State fiscal year 2011 is
7 the amount recertified by the System on or before April 1, 2011
8 pursuant to subsection (a-1) of this Section and shall be made
9 from the proceeds of bonds sold in fiscal year 2011 pursuant to
10 Section 7.2 of the General Obligation Bond Act, less (i) the
11 pro rata share of bond sale expenses determined by the System's
12 share of total bond proceeds, (ii) any amounts received from
13 the Common School Fund in fiscal year 2011, and (iii) any
14 reduction in bond proceeds due to the issuance of discounted
15 bonds, if applicable. This amount shall include, in addition to
16 the amount certified by the System, an amount necessary to meet
17 employer contributions required by the State as an employer
18 under paragraph (e) of this Section, which may also be used by
19 the System for contributions required by paragraph (a) of
20 Section 16-127.

21 Beginning in State fiscal year 2046, the minimum State
22 contribution for each fiscal year shall be the amount needed to
23 maintain the total assets of the System at 100% ~~90%~~ of the
24 total actuarial liabilities of the System.

25 Amounts received by the System pursuant to Section 25 of
26 the Budget Stabilization Act or Section 8.12 of the State

1 Finance Act in any fiscal year do not reduce and do not
2 constitute payment of any portion of the minimum State
3 contribution required under this Article in that fiscal year.
4 Such amounts shall not reduce, and shall not be included in the
5 calculation of, the required State contributions under this
6 Article in any future year until the System has reached a
7 funding ratio of at least 90%. A reference in this Article to
8 the "required State contribution" or any substantially similar
9 term does not include or apply to any amounts payable to the
10 System under Section 25 of the Budget Stabilization Act.

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

1 in item (i) shall be increased, as a percentage of the
2 applicable employee payroll, in equal increments calculated
3 from the sum of the required State contribution for State
4 fiscal year 2007 plus the applicable portion of the State's
5 total debt service payments for fiscal year 2007 on the bonds
6 issued in fiscal year 2003 for the purposes of Section 7.2 of
7 the General Obligation Bond Act, so that, by State fiscal year
8 2011, the State is contributing at the rate otherwise required
9 under this Section.

10 (b-4) Beginning in State fiscal year 2014, the minimum
11 required contribution of employers under this Article shall be
12 the following percentages of payroll, but only if, for the
13 specified State fiscal year, the State provides full funding at
14 the State fiscal year 2010 level for the mandates set forth in
15 the School Breakfast and Lunch Program Act and Article 14 and
16 Sections 18-3, 18-4.3, and 29-5 of the School Code:

17 (i) for State fiscal year 2014, 0.5% of the- employer's
18 payroll for that fiscal year;

19 (ii) for State fiscal year 2015, 1.0% of the employer's
20 payroll for that fiscal year; and

21 (iii) for State fiscal year 2016, 2.0% of the
22 employer's payroll for that fiscal year;

23 (iv) for State fiscal year 2017, 3.0% of the employer's
24 payroll for that fiscal year;

25 (v) for State fiscal year 2018, 4.0% of the employer's
26 payroll for that fiscal year;

1 (vi) for State fiscal year 2019, 5.0% of the employer's
2 payroll for that fiscal year;

3 (vii) for State fiscal year 2020, 6.0% of the
4 employer's payroll for that fiscal year;

5 (viii) for State fiscal year 2021, 7.0% of the
6 employer's payroll for that fiscal year;

7 (ix) for State fiscal year 2022, 8.0% of the employer's
8 payroll for that fiscal year; and

9 (x) for State fiscal year 2023 and each State fiscal
10 year thereafter, 9.0% of the employer's payroll for that
11 fiscal year.

12 If the State does not provide, for a State fiscal year,
13 full funding at the State fiscal year 2010 level for the
14 mandates set forth in the School Breakfast and Lunch Program
15 Act and Article 14 and Sections 18-3, 18-4.3, and 29-5 of the
16 School Code, then the employers shall not be required to make a
17 contribution under this subsection (b-4) for that State fiscal
18 year.

19 Notwithstanding any other provision of this subsection
20 (b-4), the minimum required contribution under this Section for
21 a fiscal year shall not exceed the System's normal costs for
22 that year.

23 Whenever it determines that a payment is or may be required
24 under this subsection (b-4), the System shall calculate the
25 amount of the payment and bill the employer for that amount.
26 The bill shall specify the calculations used to determine the

1 amount due. If the employer disputes the amount of the bill, it
2 may, within 30 days after receipt of the bill, apply to the
3 System in writing for a recalculation. The application must
4 specify in detail the grounds of the dispute. Upon receiving a
5 timely application for recalculation, the System shall review
6 the application and, if appropriate, recalculate the amount
7 due.

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

17 The purpose of this subsection (b-4) is to shift certain
18 pension-related costs to employers while lessening the effects
19 of unfunded State mandates in order to ensure the financial
20 stability of affected employers.

21 (c) Payment of the required State contributions and of all
22 pensions, retirement annuities, death benefits, refunds, and
23 other benefits granted under or assumed by this System, and all
24 expenses in connection with the administration and operation
25 thereof, are obligations of the State.

26 If members are paid from special trust or federal funds

1 which are administered by the employing unit, whether school
2 district or other unit, the employing unit shall pay to the
3 System from such funds the full accruing retirement costs based
4 upon that service, as determined by the System. Employer
5 contributions, based on salary paid to members from federal
6 funds, may be forwarded by the distributing agency of the State
7 of Illinois to the System prior to allocation, in an amount
8 determined in accordance with guidelines established by such
9 agency and the System.

10 (d) Effective July 1, 1986, any employer of a teacher as
11 defined in paragraph (8) of Section 16-106 shall pay the
12 employer's normal cost of benefits based upon the teacher's
13 service, in addition to employee contributions, as determined
14 by the System. Such employer contributions shall be forwarded
15 monthly in accordance with guidelines established by the
16 System.

17 However, with respect to benefits granted under Section
18 16-133.4 or 16-133.5 to a teacher as defined in paragraph (8)
19 of Section 16-106, the employer's contribution shall be 12%
20 (rather than 20%) of the member's highest annual salary rate
21 for each year of creditable service granted, and the employer
22 shall also pay the required employee contribution on behalf of
23 the teacher. For the purposes of Sections 16-133.4 and
24 16-133.5, a teacher as defined in paragraph (8) of Section
25 16-106 who is serving in that capacity while on leave of
26 absence from another employer under this Article shall not be

1 considered an employee of the employer from which the teacher
2 is on leave.

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

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

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

12 The school district or other employing unit may pay these
13 employer contributions out of any source of funding available
14 for that purpose and shall forward the contributions to the
15 System on the schedule established for the payment of member
16 contributions.

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

20 Each employer of teachers is entitled to a credit against
21 the contributions required under this subsection (e) with
22 respect to salaries paid to teachers for the period January 1,
23 2002 through June 30, 2003, equal to the amount paid by that
24 employer under subsection (a-5) of Section 6.6 of the State
25 Employees Group Insurance Act of 1971 with respect to salaries
26 paid to teachers for that period.

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

6 If an employer is required by a contract in effect on May
7 1, 1998 between the employer and an employee organization to
8 pay, on behalf of all its full-time employees covered by this
9 Article, all mandatory employee contributions required under
10 this Article, then the employer shall be excused from paying
11 the employer contribution required under this subsection (e)
12 for the balance of the term of that contract. The employer and
13 the employee organization shall jointly certify to the System
14 the existence of the contractual requirement, in such form as
15 the System may prescribe. This exclusion shall cease upon the
16 termination, extension, or renewal of the contract at any time
17 after May 1, 1998.

18 (f) If the amount of a teacher's salary for any school year
19 used to determine final average salary exceeds the member's
20 annual full-time salary rate with the same employer for the
21 previous school year by more than 6%, the teacher's employer
22 shall pay to the System, in addition to all other payments
23 required under this Section and in accordance with guidelines
24 established by the System, the present value of the increase in
25 benefits resulting from the portion of the increase in salary
26 that is in excess of 6%. This present value shall be computed

1 by the System on the basis of the actuarial assumptions and
2 tables used in the most recent actuarial valuation of the
3 System that is available at the time of the computation. If a
4 teacher's salary for the 2005-2006 school year is used to
5 determine final average salary under this subsection (f), then
6 the changes made to this subsection (f) by Public Act 94-1057
7 shall apply in calculating whether the increase in his or her
8 salary is in excess of 6%. For the purposes of this Section,
9 change in employment under Section 10-21.12 of the School Code
10 on or after June 1, 2005 shall constitute a change in employer.
11 The System may require the employer to provide any pertinent
12 information or documentation. The changes made to this
13 subsection (f) by this amendatory Act of the 94th General
14 Assembly apply without regard to whether the teacher was in
15 service on or after its effective date.

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

1 pertinent to the applicability of that subsection. Upon
2 receiving a timely application for recalculation, the System
3 shall review the application and, if appropriate, recalculate
4 the amount due.

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

14 (g) This subsection (g) applies only to payments made or
15 salary increases given on or after June 1, 2005 but before July
16 1, 2011. The changes made by Public Act 94-1057 shall not
17 require the System to refund any payments received before July
18 31, 2006 (the effective date of Public Act 94-1057).

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

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

1 When assessing payment for any amount due under subsection
2 (f), the System shall exclude salary increases resulting from
3 overload work, including summer school, when the school
4 district has certified to the System, and the System has
5 approved the certification, that (i) the overload work is for
6 the sole purpose of classroom instruction in excess of the
7 standard number of classes for a full-time teacher in a school
8 district during a school year and (ii) the salary increases are
9 equal to or less than the rate of pay for classroom instruction
10 computed on the teacher's current salary and work schedule.

11 When assessing payment for any amount due under subsection
12 (f), the System shall exclude a salary increase resulting from
13 a promotion (i) for which the employee is required to hold a
14 certificate or supervisory endorsement issued by the State
15 Teacher Certification Board that is a different certification
16 or supervisory endorsement than is required for the teacher's
17 previous position and (ii) to a position that has existed and
18 been filled by a member for no less than one complete academic
19 year and the salary increase from the promotion is an increase
20 that results in an amount no greater than the lesser of the
21 average salary paid for other similar positions in the district
22 requiring the same certification or the amount stipulated in
23 the collective bargaining agreement for a similar position
24 requiring the same certification.

25 When assessing payment for any amount due under subsection
26 (f), the System shall exclude any payment to the teacher from

1 the State of Illinois or the State Board of Education over
2 which the employer does not have discretion, notwithstanding
3 that the payment is included in the computation of final
4 average salary.

5 (h) When assessing payment for any amount due under
6 subsection (f), the System shall exclude any salary increase
7 described in subsection (g) 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 (f) of this Section.

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

8 As of June 30, 2008, the actuarial value of the System's
9 assets shall be equal to the market value of the assets as of
10 that date. In determining the actuarial value of the System's
11 assets for fiscal years after June 30, 2008, any actuarial
12 gains or losses from investment return incurred in a fiscal
13 year shall be recognized in equal annual amounts over the
14 5-year period following that fiscal year.

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

19 (Source: P.A. 96-43, eff. 7-15-09; 96-1497, eff. 1-14-11;
20 96-1511, eff. 1-27-11; 96-1554, eff. 3-18-11; 97-694, eff.
21 6-18-12; 97-813, eff. 7-13-12.)

22 (40 ILCS 5/18-125.1) (from Ch. 108 1/2, par. 18-125.1)

23 Sec. 18-125.1. Automatic increase in retirement annuity.

24 (a) A participant who retires from service after June 30, 1969,
25 shall, in January of the year next following the year in which

1 the first anniversary of retirement occurs, and in January of
2 each year thereafter, have the amount of his or her originally
3 granted retirement annuity increased as follows, but subject to
4 subsection (a-5): for each year up to and including 1971, 1
5 1/2%; for each year from 1972 through 1979 inclusive, 2%; and
6 for 1980 and each year thereafter, 3%.

7 (a-5) Notwithstanding any other provision of this Article,
8 the amount of each automatic annual increase in retirement
9 annuity occurring on or after the effective date of this
10 amendatory Act of the 98th General Assembly shall be 3% or
11 one-half of the annual unadjusted percentage increase, if any,
12 in the Consumer Price Index-U for the 12 months ending with the
13 preceding September, whichever is less, of the first \$25,000 of
14 the retirement annuity. For the purposes of this Section,
15 "Consumer Price Index-U" means the index published by the
16 Bureau of Labor Statistics of the United States Department of
17 Labor that measures the average change in prices of goods and
18 services purchased by all urban consumers, United States city
19 average, all items, 1982-84 = 100. This limitation is
20 applicable without regard to whether the annuitant was in
21 service on or after that effective date.

22 (b) Subject to subsection (a-5), but notwithstanding
23 ~~Notwithstanding~~ any other provision of this Article, a
24 retirement annuity for a participant who first serves as a
25 judge on or after January 1, 2011 (the effective date of Public
26 Act 96-889) shall be increased in January of the year next

1 following the year in which the first anniversary of retirement
2 occurs, but in no event prior to age 67, and in January of each
3 year thereafter, by an amount equal to 3% or the annual
4 percentage increase in the consumer price index-u as determined
5 by the Public Pension Division of the Department of Insurance
6 under subsection (b-5) of Section 18-125, whichever is less, of
7 the retirement annuity then being paid.

8 (c) This Section is not applicable to a participant who
9 retires before he or she has made contributions at the rate
10 prescribed in Section 18-133 for automatic increases for not
11 less than the equivalent of one full year, unless such a
12 participant arranges to pay the system the amount required to
13 bring the total contributions for the automatic increase to the
14 equivalent of one year's contribution based upon his or her
15 last year's salary.

16 (d) This Section is applicable to all participants in
17 service after June 30, 1969 unless a participant has elected,
18 prior to September 1, 1969, in a written direction filed with
19 the board not to be subject to the provisions of this Section.
20 Any participant in service on or after July 1, 1992 shall have
21 the option of electing prior to April 1, 1993, in a written
22 direction filed with the board, to be covered by the provisions
23 of the 1969 amendatory Act. Such participant shall be required
24 to make the aforesaid additional contributions with compound
25 interest at 4% per annum.

26 (e) Any participant who has become eligible to receive the

1 maximum rate of annuity and who resumes service as a judge
2 after receiving a retirement annuity under this Article shall
3 have the amount of his or her retirement annuity increased by
4 3% of the originally granted annuity amount for each year of
5 such resumed service, beginning in January of the year next
6 following the date of such resumed service, upon subsequent
7 termination of such resumed service.

8 (f) Beginning January 1, 1990 and until the effective date
9 of this amendatory Act of the 98th General Assembly, all
10 automatic annual increases payable under this Section shall be
11 calculated as a percentage of the total annuity payable at the
12 time of the increase, including previous increases granted
13 under this Article.

14 (Source: P.A. 96-889, eff. 1-1-11; 96-1490, eff. 1-1-11.)

15 (40 ILCS 5/18-131) (from Ch. 108 1/2, par. 18-131)

16 Sec. 18-131. Financing; employer contributions.

17 (a) The State of Illinois shall make contributions to this
18 System by appropriations of the amounts which, together with
19 the contributions of participants, net earnings on
20 investments, and other income, will meet the costs of
21 maintaining and administering this System on a 100% ~~90%~~ funded
22 basis in accordance with actuarial recommendations.

23 (b) The Board shall determine the amount of State
24 contributions required for each fiscal year on the basis of the
25 actuarial tables and other assumptions adopted by the Board and

1 the prescribed rate of interest, using the formula in
2 subsection (c).

3 (c) For State fiscal years 2012 through 2045, the minimum
4 contribution to the System to be made by the State for each
5 fiscal year shall be an amount determined by the System to be
6 sufficient to bring the total assets of the System up to 100%
7 ~~90%~~ of the total actuarial liabilities of the System by the end
8 of State fiscal year 2045. ~~In making these determinations, the~~
9 ~~required State contribution shall be calculated each year as a~~
10 ~~level percentage of payroll over the years remaining to and~~
11 ~~including fiscal year 2045 and shall be determined under the~~
12 ~~projected unit credit actuarial cost method.~~

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

1 Contribution for each fiscal year shall be made in equal
2 monthly installments. This Section, and the security it
3 provides to participants and annuitants is intended to be, and
4 is, a contractual right that is part of the pension benefits
5 provided to the participants and annuitants. Notwithstanding
6 anything to the contrary in the Court of Claims Act or any
7 other law, a designated retirement system has the exclusive
8 right to and shall bring a Mandamus action in the Circuit Court
9 of Champaign County against the State to compel the State to
10 make any installment of the Annual Required State Contribution
11 required by this Section, irrespective of other remedies that
12 may be available to the System. Each member or annuitant of the
13 System has the right to bring a Mandamus action against the
14 System in the Circuit Court in any judicial district in which
15 the System maintains an office if the System fails to bring an
16 action specified in this Section, irrespective of other
17 remedies that may be available to the member or annuitant.

18 Any payments required to be made by the State pursuant to
19 this subsection (c) are expressly subordinated to the payment
20 of the principal, interest, and premium, if any, on any bonded
21 debt obligation of the State or any other State-created entity,
22 either currently outstanding or to be issued, for which the
23 source of repayment or security thereon is derived directly or
24 indirectly from tax revenues collected by the State or any
25 other State-created entity. Payments on such bonded
26 obligations include any statutory fund transfers or other

1 prefunding mechanisms or formulas set forth, now or hereafter,
2 in State law or bond indentures, into debt service funds or
3 accounts of the State related to such bonded obligations,
4 consistent with the payment schedules associated with such
5 obligations.

6 For State fiscal years 1996 through 2005, the State
7 contribution to the System, as a percentage of the applicable
8 employee payroll, shall be increased in equal annual increments
9 so that by State fiscal year 2011, the State is contributing at
10 the rate required under this Section.

11 Notwithstanding any other provision of this Article, the
12 total required State contribution for State fiscal year 2006 is
13 \$29,189,400.

14 Notwithstanding any other provision of this Article, the
15 total required State contribution for State fiscal year 2007 is
16 \$35,236,800.

17 For each of State fiscal years 2008 through 2009, the State
18 contribution to the System, as a percentage of the applicable
19 employee payroll, shall be increased in equal annual increments
20 from the required State contribution for State fiscal year
21 2007, so that by State fiscal year 2011, the State is
22 contributing at the rate otherwise required under this Section.

23 Notwithstanding any other provision of this Article, the
24 total required State contribution for State fiscal year 2010 is
25 \$78,832,000 and shall be made from the proceeds of bonds sold
26 in fiscal year 2010 pursuant to Section 7.2 of the General

1 Obligation Bond Act, less (i) the pro rata share of bond sale
2 expenses determined by the System's share of total bond
3 proceeds, (ii) any amounts received from the General Revenue
4 Fund in fiscal year 2010, and (iii) any reduction in bond
5 proceeds due to the issuance of discounted bonds, if
6 applicable.

7 Notwithstanding any other provision of this Article, the
8 total required State contribution for State fiscal year 2011 is
9 the amount recertified by the System on or before April 1, 2011
10 pursuant to Section 18-140 and shall be made from the proceeds
11 of bonds sold in fiscal year 2011 pursuant to Section 7.2 of
12 the General Obligation Bond Act, less (i) the pro rata share of
13 bond sale expenses determined by the System's share of total
14 bond proceeds, (ii) any amounts received from the General
15 Revenue Fund in fiscal year 2011, and (iii) any reduction in
16 bond proceeds due to the issuance of discounted bonds, if
17 applicable.

18 Beginning in State fiscal year 2046, the minimum State
19 contribution for each fiscal year shall be the amount needed to
20 maintain the total assets of the System at 100% ~~90%~~ of the
21 total actuarial liabilities of the System.

22 Amounts received by the System pursuant to Section 25 of
23 the Budget Stabilization Act or Section 8.12 of the State
24 Finance Act in any fiscal year do not reduce and do not
25 constitute payment of any portion of the minimum State
26 contribution required under this Article in that fiscal year.

1 Such amounts shall not reduce, and shall not be included in the
2 calculation of, the required State contributions under this
3 Article in any future year until the System has reached a
4 funding ratio of at least 90%. A reference in this Article to
5 the "required State contribution" or any substantially similar
6 term does not include or apply to any amounts payable to the
7 System under Section 25 of the Budget Stabilization Act.

8 Notwithstanding any other provision of this Section, the
9 required State contribution for State fiscal year 2005 and for
10 fiscal year 2008 and each fiscal year thereafter, as calculated
11 under this Section and certified under Section 18-140, shall
12 not exceed an amount equal to (i) the amount of the required
13 State contribution that would have been calculated under this
14 Section for that fiscal year if the System had not received any
15 payments under subsection (d) of Section 7.2 of the General
16 Obligation Bond Act, minus (ii) the portion of the State's
17 total debt service payments for that fiscal year on the bonds
18 issued in fiscal year 2003 for the purposes of that Section
19 7.2, as determined and certified by the Comptroller, that is
20 the same as the System's portion of the total moneys
21 distributed under subsection (d) of Section 7.2 of the General
22 Obligation Bond Act. In determining this maximum for State
23 fiscal years 2008 through 2010, however, the amount referred to
24 in item (i) shall be increased, as a percentage of the
25 applicable employee payroll, in equal increments calculated
26 from the sum of the required State contribution for State

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

7 (d) For purposes of determining the required State
8 contribution to the System, the value of the System's assets
9 shall be equal to the actuarial value of the System's assets,
10 which shall be calculated as follows:

11 As of June 30, 2008, the actuarial value of the System's
12 assets shall be equal to the market value of the assets as of
13 that date. In determining the actuarial value of the System's
14 assets for fiscal years after June 30, 2008, any actuarial
15 gains or losses from investment return incurred in a fiscal
16 year shall be recognized in equal annual amounts over the
17 5-year period following that fiscal year.

18 (e) For purposes of determining the required State
19 contribution to the system for a particular year, the actuarial
20 value of assets shall be assumed to earn a rate of return equal
21 to the system's actuarially assumed rate of return.

22 (Source: P.A. 96-43, eff. 7-15-09; 96-1497, eff. 1-14-11;
23 96-1511, eff. 1-27-11; 96-1554, eff. 3-18-11; 97-813, eff.
24 7-13-12.)

25 (40 ILCS 5/18-133) (from Ch. 108 1/2, par. 18-133)

1 Sec. 18-133. Financing; employee contributions.

2 (a) Effective July 1, 1967, each participant is required to
3 contribute 7 1/2% of each payment of salary toward the
4 retirement annuity. Such contributions shall continue during
5 the entire time the participant is in service, with the
6 following exceptions:

7 (1) Contributions for the retirement annuity are not
8 required on salary received after 18 years of service by
9 persons who were participants before January 2, 1954.

10 (2) A participant who continues to serve as a judge
11 after becoming eligible to receive the maximum rate of
12 annuity may elect, through a written direction filed with
13 the Board, to discontinue contributing to the System. Any
14 such option elected by a judge shall be irrevocable unless
15 prior to January 1, 2000, and while continuing to serve as
16 judge, the judge (A) files with the Board a letter
17 cancelling the direction to discontinue contributing to
18 the System and requesting that such contributing resume,
19 and (B) pays into the System an amount equal to the total
20 of the discontinued contributions plus interest thereon at
21 5% per annum. Service credits earned in any other
22 "participating system" as defined in Article 20 of this
23 Code shall be considered for purposes of determining a
24 judge's eligibility to discontinue contributions under
25 this subdivision (a) (2).

26 (3) A participant who (i) has attained age 60, (ii)

1 continues to serve as a judge after becoming eligible to
2 receive the maximum rate of annuity, and (iii) has not
3 elected to discontinue contributing to the System under
4 subdivision (a)(2) of this Section (or has revoked any such
5 election) may elect, through a written direction filed with
6 the Board, to make contributions to the System based only
7 on the amount of the increases in salary received by the
8 judge on or after the date of the election, rather than the
9 total salary received. If a judge who is making
10 contributions to the System on the effective date of this
11 amendatory Act of the 91st General Assembly makes an
12 election to limit contributions under this subdivision
13 (a)(3) within 90 days after that effective date, the
14 election shall be deemed to become effective on that
15 effective date and the judge shall be entitled to receive a
16 refund of any excess contributions paid to the System
17 during that 90-day period; any other election under this
18 subdivision (a)(3) becomes effective on the first of the
19 month following the date of the election. An election to
20 limit contributions under this subdivision (a)(3) is
21 irrevocable. Service credits earned in any other
22 participating system as defined in Article 20 of this Code
23 shall be considered for purposes of determining a judge's
24 eligibility to make an election under this subdivision
25 (a)(3).

26 (a-5) In addition to the contributions otherwise required

1 under this Article, each participant shall also make the
2 following contributions toward the cost of his or her
3 retirement annuity from each payment of salary received by him
4 or her for service as a judge:

5 (1) beginning July 1, 2013 and through June 30, 2014,
6 1% of salary; and

7 (2) beginning on July 1, 2014, 2% of salary.

8 (b) Beginning July 1, 1969, each participant is required to
9 contribute 1% of each payment of salary towards the automatic
10 increase in annuity provided in Section 18-125.1. However, such
11 contributions need not be made by any participant who has
12 elected prior to September 15, 1969, not to be subject to the
13 automatic increase in annuity provisions.

14 (c) Effective July 13, 1953, each married participant
15 subject to the survivor's annuity provisions is required to
16 contribute 2 1/2% of each payment of salary, whether or not he
17 or she is required to make any other contributions under this
18 Section. Such contributions shall be made concurrently with the
19 contributions made for annuity purposes.

20 (d) Notwithstanding any other provision of this Article,
21 the required contributions for a participant who first becomes
22 a participant on or after January 1, 2011 shall not exceed the
23 contributions that would be due under this Article if that
24 participant's highest salary for annuity purposes were
25 \$106,800, plus any increase in that amount under Section
26 18-125.

1 (Source: P.A. 96-1490, eff. 1-1-11.)

2 Section 90. The State Mandates Act is amended by adding
3 Section 8.37 as follows:

4 (30 ILCS 805/8.37 new)

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

9 Section 99. Effective date. This Act takes effect upon
10 becoming law.

1

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2

Statutes amended in order of appearance

3 40 ILCS 5/1-103.3

4 40 ILCS 5/2-119.1 from Ch. 108 1/2, par. 2-119.1

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

6 40 ILCS 5/2-126 from Ch. 108 1/2, par. 2-126

7 40 ILCS 5/14-114 from Ch. 108 1/2, par. 14-114

8 40 ILCS 5/14-131

9 40 ILCS 5/14-133 from Ch. 108 1/2, par. 14-133

10 40 ILCS 5/15-136 from Ch. 108 1/2, par. 15-136

11 40 ILCS 5/15-155 from Ch. 108 1/2, par. 15-155

12 40 ILCS 5/15-157 from Ch. 108 1/2, par. 15-157

13 40 ILCS 5/16-133.1 from Ch. 108 1/2, par. 16-133.1

14 40 ILCS 5/16-152 from Ch. 108 1/2, par. 16-152

15 40 ILCS 5/16-158 from Ch. 108 1/2, par. 16-158

16 40 ILCS 5/18-125.1 from Ch. 108 1/2, par. 18-125.1

17 40 ILCS 5/18-131 from Ch. 108 1/2, par. 18-131

18 40 ILCS 5/18-133 from Ch. 108 1/2, par. 18-133

19 30 ILCS 805/8.37 new