



98TH GENERAL ASSEMBLY

State of Illinois

2013 and 2014

SB3282

Introduced 2/14/2014, by Sen. Donne E. Trotter

SYNOPSIS AS INTRODUCED:

40 ILCS 5/17-129

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

40 ILCS 5/17-129.1 new

Amends the Chicago Teacher Article of the Illinois Pension Code. Provides that beginning in FY2015, the Board of Trustees of the Chicago Teachers' Pension Fund shall submit vouchers for payment of Board of Education contributions on or as soon as possible after the 15th day of each month. Provides that if the Board of Education fails to transmit to the Fund the contributions required of it or the contributions collected by it from its participating employees for more than 90 days, the Fund may certify to the State Comptroller the amounts of the delinquent payments and the Comptroller shall deduct the certified amounts or any part of the certified amounts from any grants of State funds to the Board of Education and shall pay the deducted amount to the Fund. If State funds from which the deductions may be made are not available, permits the Fund to certify to the City Treasurer of Chicago the amounts of delinquent payments and requires the City Treasurer of Chicago to deduct the certified amounts or any part of the certified amounts from the tax levied by the Board of Education to pay the deducted amount to the Fund. Effective immediately.

LRB098 17088 RPM 52175 b

FISCAL NOTE ACT
MAY APPLY

PENSION IMPACT
NOTE ACT MAY
APPLY

1 AN ACT concerning public employee benefits.

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

4 Section 5. The Illinois Pension Code is amended by changing
5 Section 17-129 and by adding Section 17-129.1 as follows:

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

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

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

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

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

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

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

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

1 2059 and shall be determined under the projected unit credit
2 actuarial cost method.

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

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

13 (vii) Any contribution by the State to or for the benefit
14 of the Fund, including, without limitation, as referred to
15 under Section 17-127, shall be a credit against any
16 contribution required to be made by the Board of Education
17 under this subsection (b).

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

1 recommendations upon which it is based. Beginning in fiscal
2 year 2015, the Board shall submit vouchers for payment of Board
3 of Education contributions on or as soon as possible after the
4 15th day of each month, in a total monthly amount of
5 one-twelfth of the Board of Education's required annual
6 contribution certified under this subsection.

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

8 (40 ILCS 5/17-129.1 new)

9 Sec. 17-129.1. Actions to enforce Board of Education
10 contributions. If the Board of Education fails to transmit to
11 the Fund contributions required of it under this Article or
12 contributions collected by it from its participating employees
13 for the purposes of this Article for more than 90 days after
14 receipt of voucher, the Fund, after giving notice to the Board
15 of Education, may certify to the State Comptroller the amounts
16 of such delinquent payments and the Comptroller shall deduct
17 the amounts so certified or any part thereof from any grants of
18 State funds to the Board of Education and shall pay the amount
19 so deducted to the Fund. If State funds from which such
20 deductions may be made are not available, the Fund may certify
21 to the City Treasurer of Chicago the amounts of such delinquent
22 payments and the City Treasurer of Chicago shall deduct the
23 amounts so certified or any part thereof from the tax levied by
24 the Board of Education under Section 34-53 of the School Code
25 and shall pay the amount so deducted directly to the Fund.

1 Section 99. Effective date. This Act takes effect upon
2 becoming law.