

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 3-125, 4-118, 5-168, 6-165, 7-172.1, 7-195.1, 7-210,
6 7-214, 8-173, and 11-169 and by adding Sections 9-184.5,
7 10-107.5, 12-149.5, 13-503.5, 17-127.5, and 22-104 as follows:

8 (40 ILCS 5/3-125) (from Ch. 108 1/2, par. 3-125)

9 Sec. 3-125. Financing.

10 (a) The city council or the board of trustees of the
11 municipality shall annually levy a tax upon all the taxable
12 property of the municipality at the rate on the dollar which
13 will produce an amount which, when added to the deductions from
14 the salaries or wages of police officers, and revenues
15 available from other sources, will equal a sum sufficient to
16 meet the annual requirements of the police pension fund. The
17 annual requirements to be provided by such tax levy are equal
18 to (1) the normal cost of the pension fund for the year
19 involved, plus (2) an amount sufficient to bring the total
20 assets of the pension fund up to 90% of the total actuarial
21 liabilities of the pension fund by the end of municipal fiscal
22 year 2040, as annually updated and determined by an enrolled
23 actuary employed by the Illinois Department of Insurance or by

1 an enrolled actuary retained by the pension fund or the
2 municipality. In making these determinations, the required
3 minimum employer contribution shall be calculated each year as
4 a level percentage of payroll over the years remaining up to
5 and including fiscal year 2040 and shall be determined under
6 the projected unit credit actuarial cost method. The tax shall
7 be levied and collected in the same manner as the general taxes
8 of the municipality, and in addition to all other taxes now or
9 hereafter authorized to be levied upon all property within the
10 municipality, and shall be in addition to the amount authorized
11 to be levied for general purposes as provided by Section 8-3-1
12 of the Illinois Municipal Code, approved May 29, 1961, as
13 amended. The tax shall be forwarded directly to the treasurer
14 of the board within 30 business days after receipt by the
15 county.

16 (b) For purposes of determining the required employer
17 contribution to a pension fund, the value of the pension fund's
18 assets shall be equal to the actuarial value of the pension
19 fund's assets, which shall be calculated as follows:

20 (1) On March 30, 2011, the actuarial value of a pension
21 fund's assets shall be equal to the market value of the
22 assets as of that date.

23 (2) In determining the actuarial value of the System's
24 assets for fiscal years after March 30, 2011, any actuarial
25 gains or losses from investment return incurred in a fiscal
26 year shall be recognized in equal annual amounts over the

1 5-year period following that fiscal year.

2 (c) If a participating municipality fails to transmit to
3 the fund contributions required of it under this Article for
4 more than 90 days after the payment of those contributions is
5 due, the fund may, after giving notice to the municipality,
6 certify to the State Comptroller the amounts of the delinquent
7 payments in accordance with any applicable rules of the
8 Comptroller, and the Comptroller must, beginning in fiscal year
9 2016, deduct and remit to ~~deposit into~~ the fund the certified
10 amounts or a portion of those amounts from the following
11 proportions of payments ~~grants~~ of State funds to the
12 municipality:

13 (1) in fiscal year 2016, one-third of the total amount
14 of any payments ~~grants~~ of State funds to the municipality;

15 (2) in fiscal year 2017, two-thirds of the total amount
16 of any payments ~~grants~~ of State funds to the municipality;
17 and

18 (3) in fiscal year 2018 and each fiscal year
19 thereafter, the total amount of any payments ~~grants~~ of
20 State funds to the municipality.

21 The State Comptroller may not deduct from any payments
22 ~~grants~~ of State funds to the municipality more than the amount
23 of delinquent payments certified to the State Comptroller by
24 the fund.

25 (d) The police pension fund shall consist of the following
26 moneys which shall be set apart by the treasurer of the

1 municipality:

2 (1) All moneys derived from the taxes levied hereunder;

3 (2) Contributions by police officers under Section
4 3-125.1;

5 (3) All moneys accumulated by the municipality under
6 any previous legislation establishing a fund for the
7 benefit of disabled or retired police officers;

8 (4) Donations, gifts or other transfers authorized by
9 this Article.

10 (e) The Commission on Government Forecasting and
11 Accountability shall conduct a study of all funds established
12 under this Article and shall report its findings to the General
13 Assembly on or before January 1, 2013. To the fullest extent
14 possible, the study shall include, but not be limited to, the
15 following:

16 (1) fund balances;

17 (2) historical employer contribution rates for each
18 fund;

19 (3) the actuarial formulas used as a basis for employer
20 contributions, including the actual assumed rate of return
21 for each year, for each fund;

22 (4) available contribution funding sources;

23 (5) the impact of any revenue limitations caused by
24 PTELL and employer home rule or non-home rule status; and

25 (6) existing statutory funding compliance procedures
26 and funding enforcement mechanisms for all municipal

1 pension funds.

2 (Source: P.A. 95-530, eff. 8-28-07; 96-1495, eff. 1-1-11.)

3 (40 ILCS 5/4-118) (from Ch. 108 1/2, par. 4-118)

4 Sec. 4-118. Financing.

5 (a) The city council or the board of trustees of the
6 municipality shall annually levy a tax upon all the taxable
7 property of the municipality at the rate on the dollar which
8 will produce an amount which, when added to the deductions from
9 the salaries or wages of firefighters and revenues available
10 from other sources, will equal a sum sufficient to meet the
11 annual actuarial requirements of the pension fund, as
12 determined by an enrolled actuary employed by the Illinois
13 Department of Insurance or by an enrolled actuary retained by
14 the pension fund or municipality. For the purposes of this
15 Section, the annual actuarial requirements of the pension fund
16 are equal to (1) the normal cost of the pension fund, or 17.5%
17 of the salaries and wages to be paid to firefighters for the
18 year involved, whichever is greater, plus (2) an annual amount
19 sufficient to bring the total assets of the pension fund up to
20 90% of the total actuarial liabilities of the pension fund by
21 the end of municipal fiscal year 2040, as annually updated and
22 determined by an enrolled actuary employed by the Illinois
23 Department of Insurance or by an enrolled actuary retained by
24 the pension fund or the municipality. In making these
25 determinations, the required minimum employer contribution

1 shall be calculated each year as a level percentage of payroll
2 over the years remaining up to and including fiscal year 2040
3 and shall be determined under the projected unit credit
4 actuarial cost method. The amount to be applied towards the
5 amortization of the unfunded accrued liability in any year
6 shall not be less than the annual amount required to amortize
7 the unfunded accrued liability, including interest, as a level
8 percentage of payroll over the number of years remaining in the
9 40 year amortization period.

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

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

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

22 (b) The tax shall be levied and collected in the same
23 manner as the general taxes of the municipality, and shall be
24 in addition to all other taxes now or hereafter authorized to
25 be levied upon all property within the municipality, and in
26 addition to the amount authorized to be levied for general

1 purposes, under Section 8-3-1 of the Illinois Municipal Code or
2 under Section 14 of the Fire Protection District Act. The tax
3 shall be forwarded directly to the treasurer of the board
4 within 30 business days of receipt by the county (or, in the
5 case of amounts added to the tax levy under subsection (f),
6 used by the municipality to pay the employer contributions
7 required under subsection (b-1) of Section 15-155 of this
8 Code).

9 (b-5) If a participating municipality fails to transmit to
10 the fund contributions required of it under this Article for
11 more than 90 days after the payment of those contributions is
12 due, the fund may, after giving notice to the municipality,
13 certify to the State Comptroller the amounts of the delinquent
14 payments in accordance with any applicable rules of the
15 Comptroller, and the Comptroller must, beginning in fiscal year
16 2016, deduct and remit to ~~deposit into~~ the fund the certified
17 amounts or a portion of those amounts from the following
18 proportions of payments ~~grants~~ of State funds to the
19 municipality:

20 (1) in fiscal year 2016, one-third of the total amount
21 of any payments ~~grants~~ of State funds to the municipality;

22 (2) in fiscal year 2017, two-thirds of the total amount
23 of any payments ~~grants~~ of State funds to the municipality;
24 and

25 (3) in fiscal year 2018 and each fiscal year
26 thereafter, the total amount of any payments ~~grants~~ of

1 State funds to the municipality.

2 The State Comptroller may not deduct from any payments
3 ~~grants~~ of State funds to the municipality more than the amount
4 of delinquent payments certified to the State Comptroller by
5 the fund.

6 (c) The board shall make available to the membership and
7 the general public for inspection and copying at reasonable
8 times the most recent Actuarial Valuation Balance Sheet and Tax
9 Levy Requirement issued to the fund by the Department of
10 Insurance.

11 (d) The firefighters' pension fund shall consist of the
12 following moneys which shall be set apart by the treasurer of
13 the municipality: (1) all moneys derived from the taxes levied
14 hereunder; (2) contributions by firefighters as provided under
15 Section 4-118.1; (3) all rewards in money, fees, gifts, and
16 emoluments that may be paid or given for or on account of
17 extraordinary service by the fire department or any member
18 thereof, except when allowed to be retained by competitive
19 awards; and (4) any money, real estate or personal property
20 received by the board.

21 (e) For the purposes of this Section, "enrolled actuary"
22 means an actuary: (1) who is a member of the Society of
23 Actuaries or the American Academy of Actuaries; and (2) who is
24 enrolled under Subtitle C of Title III of the Employee
25 Retirement Income Security Act of 1974, or who has been engaged
26 in providing actuarial services to one or more public

1 retirement systems for a period of at least 3 years as of July
2 1, 1983.

3 (f) The corporate authorities of a municipality that
4 employs a person who is described in subdivision (d) of Section
5 4-106 may add to the tax levy otherwise provided for in this
6 Section an amount equal to the projected cost of the employer
7 contributions required to be paid by the municipality to the
8 State Universities Retirement System under subsection (b-1) of
9 Section 15-155 of this Code.

10 (g) The Commission on Government Forecasting and
11 Accountability shall conduct a study of all funds established
12 under this Article and shall report its findings to the General
13 Assembly on or before January 1, 2013. To the fullest extent
14 possible, the study shall include, but not be limited to, the
15 following:

16 (1) fund balances;

17 (2) historical employer contribution rates for each
18 fund;

19 (3) the actuarial formulas used as a basis for employer
20 contributions, including the actual assumed rate of return
21 for each year, for each fund;

22 (4) available contribution funding sources;

23 (5) the impact of any revenue limitations caused by
24 PTELL and employer home rule or non-home rule status; and

25 (6) existing statutory funding compliance procedures
26 and funding enforcement mechanisms for all municipal

1 pension funds.

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

3 (40 ILCS 5/5-168) (from Ch. 108 1/2, par. 5-168)

4 Sec. 5-168. Financing.

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

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

12 For the years 1968 and 1969, the city council shall levy a
13 tax annually at a rate on the dollar of the assessed valuation
14 of all taxable property that will produce, when extended, not
15 to exceed \$9,700,000. Beginning with the year 1970 and through
16 2014, the city council shall levy a tax annually at a rate on
17 the dollar of the assessed valuation of all taxable property
18 that will produce when extended an amount not to exceed the
19 total amount of contributions by the policemen to the Fund made
20 in the calendar year 2 years before the year for which the
21 applicable annual tax is levied, multiplied by 1.40 for the tax
22 levy year 1970; by 1.50 for the year 1971; by 1.65 for 1972; by
23 1.85 for 1973; by 1.90 for 1974; by 1.97 for 1975 through 1981;
24 by 2.00 for 1982 and for each year through 2014. Beginning in
25 2015, the city council shall levy a tax annually at a rate on

1 the dollar of the assessed valuation of all taxable property
2 that will produce when extended an annual amount that is equal
3 to (1) the normal cost to the Fund, plus (2) an annual amount
4 sufficient to bring the total assets of the Fund up to 90% of
5 the total actuarial liabilities of the Fund by the end of
6 fiscal year 2040, as annually updated and determined by an
7 enrolled actuary employed by the Illinois Department of
8 Insurance or by an enrolled actuary retained by the Fund or the
9 city. In making these determinations, the required minimum
10 employer contribution shall be calculated each year as a level
11 percentage of payroll over the years remaining up to and
12 including fiscal year 2040 and shall be determined under the
13 projected unit credit actuarial cost method. For the purposes
14 of this subsection (a), contributions by the policeman to the
15 Fund shall not include payments made by a policeman to
16 establish credit under Section 5-214.2 of this Code.

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

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

24 (2) In determining the actuarial value of the Fund's
25 assets for fiscal years after March 30, 2011, any actuarial
26 gains or losses from investment return incurred in a fiscal

1 year shall be recognized in equal annual amounts over the
2 5-year period following that fiscal year.

3 (a-7) If the city fails to transmit to the Fund
4 contributions required of it under this Article for more than
5 90 days after the payment of those contributions is due, the
6 Fund may, after giving notice to the city, certify to the State
7 Comptroller the amounts of the delinquent payments in
8 accordance with any applicable rules of the Comptroller, and
9 the Comptroller must, beginning in fiscal year 2016, deduct and
10 remit to ~~deposit into~~ the Fund the certified amounts or a
11 portion of those amounts from the following proportions of
12 payments ~~grants~~ of State funds to the city:

13 (1) in fiscal year 2016, one-third of the total amount
14 of any payments ~~grants~~ of State funds to the city;

15 (2) in fiscal year 2017, two-thirds of the total amount
16 of any payments ~~grants~~ of State funds to the city; and

17 (3) in fiscal year 2018 and each fiscal year
18 thereafter, the total amount of any payments ~~grants~~ of
19 State funds to the city.

20 The State Comptroller may not deduct from any payments
21 ~~grants~~ of State funds to the city more than the amount of
22 delinquent payments certified to the State Comptroller by the
23 Fund.

24 (b) The tax shall be levied and collected in like manner
25 with the general taxes of the city, and is in addition to all
26 other taxes which the city is now or may hereafter be

1 authorized to levy upon all taxable property therein, and is
2 exclusive of and in addition to the amount of tax the city is
3 now or may hereafter be authorized to levy for general purposes
4 under any law which may limit the amount of tax which the city
5 may levy for general purposes. The county clerk of the county
6 in which the city is located, in reducing tax levies under
7 Section 8-3-1 of the Illinois Municipal Code, shall not
8 consider the tax herein authorized as a part of the general tax
9 levy for city purposes, and shall not include the tax in any
10 limitation of the percent of the assessed valuation upon which
11 taxes are required to be extended for the city.

12 (c) On or before January 10 of each year, the board shall
13 notify the city council of the requirement that the tax herein
14 authorized be levied by the city council for that current year.
15 The board shall compute the amounts necessary for the purposes
16 of this fund to be credited to the reserves established and
17 maintained within the fund; shall make an annual determination
18 of the amount of the required city contributions; and shall
19 certify the results thereof to the city council.

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

24 (d) If the funds available are insufficient during any year
25 to meet the requirements of this Article, the city may issue
26 tax anticipation warrants against the tax levy for the current

1 fiscal year.

2 (e) The various sums, including interest, to be contributed
3 by the city, shall be taken from the revenue derived from such
4 tax or otherwise as expressly provided in this Section. Any
5 moneys of the city derived from any source other than the tax
6 herein authorized shall not be used for any purpose of the fund
7 nor the cost of administration thereof, unless applied to make
8 the deposit expressly authorized in this Section or the
9 additional city contributions required under subsection (h).

10 (f) If it is not possible or practicable for the city to
11 make its contributions at the time that salary deductions are
12 made, the city shall make such contributions as soon as
13 possible thereafter, with interest thereon to the time it is
14 made.

15 (g) In lieu of levying all or a portion of the tax required
16 under this Section in any year, the city may deposit with the
17 city treasurer no later than March 1 of that year for the
18 benefit of the fund, to be held in accordance with this
19 Article, an amount that, together with the taxes levied under
20 this Section for that year, is not less than the amount of the
21 city contributions for that year as certified by the board to
22 the city council. The deposit may be derived from any source
23 legally available for that purpose, including, but not limited
24 to, the proceeds of city borrowings. The making of a deposit
25 shall satisfy fully the requirements of this Section for that
26 year to the extent of the amounts so deposited. Amounts

1 deposited under this subsection may be used by the fund for any
2 of the purposes for which the proceeds of the tax levied under
3 this Section may be used, including the payment of any amount
4 that is otherwise required by this Article to be paid from the
5 proceeds of that tax.

6 (h) In addition to the contributions required under the
7 other provisions of this Article, by November 1 of the
8 following specified years, the city shall deposit with the city
9 treasurer for the benefit of the fund, to be held and used in
10 accordance with this Article, the following specified amounts:
11 \$6,300,000 in 1999; \$5,880,000 in 2000; \$5,460,000 in 2001;
12 \$5,040,000 in 2002; and \$4,620,000 in 2003.

13 The additional city contributions required under this
14 subsection are intended to decrease the unfunded liability of
15 the fund and shall not decrease the amount of the city
16 contributions required under the other provisions of this
17 Article. The additional city contributions made under this
18 subsection may be used by the fund for any of its lawful
19 purposes.

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

21 (40 ILCS 5/6-165) (from Ch. 108 1/2, par. 6-165)

22 Sec. 6-165. Financing; tax.

23 (a) Except as expressly provided in this Section, each city
24 shall levy a tax annually upon all taxable property therein for
25 the purpose of providing revenue for the fund. For the years

1 prior to the year 1960, the tax rate shall be as provided for
2 in the "Firemen's Annuity and Benefit Fund of the Illinois
3 Municipal Code". The tax, from and after January 1, 1968 to and
4 including the year 1971, shall not exceed .0863% of the value,
5 as equalized or assessed by the Department of Revenue, of all
6 taxable property in the city. Beginning with the year 1972 and
7 through 2014, the city shall levy a tax annually at a rate on
8 the dollar of the value, as equalized or assessed by the
9 Department of Revenue of all taxable property within such city
10 that will produce, when extended, not to exceed an amount equal
11 to the total amount of contributions by the employees to the
12 fund made in the calendar year 2 years prior to the year for
13 which the annual applicable tax is levied, multiplied by 2.23
14 through the calendar year 1981, and by 2.26 for the year 1982
15 and for each year through 2014. Beginning in 2015, the city
16 council shall levy a tax annually at a rate on the dollar of
17 the assessed valuation of all taxable property that will
18 produce when extended an annual amount that is equal to (1) the
19 normal cost to the Fund, plus (2) an annual amount sufficient
20 to bring the total assets of the Fund up to 90% of the total
21 actuarial liabilities of the Fund by the end of fiscal year
22 2040, as annually updated and determined by an enrolled actuary
23 employed by the Illinois Department of Insurance or by an
24 enrolled actuary retained by the Fund or the city. In making
25 these determinations, the required minimum employer
26 contribution shall be calculated each year as a level

1 percentage of payroll over the years remaining up to and
2 including fiscal year 2040 and shall be determined under the
3 projected unit credit actuarial cost method.

4 To provide revenue for the ordinary death benefit
5 established by Section 6-150 of this Article, in addition to
6 the contributions by the firemen for this purpose, the city
7 council shall for the year 1962 and each year thereafter
8 annually levy a tax, which shall be in addition to and
9 exclusive of the taxes authorized to be levied under the
10 foregoing provisions of this Section, upon all taxable property
11 in the city, as equalized or assessed by the Department of
12 Revenue, at such rate per cent of the value of such property as
13 shall be sufficient to produce for each year the sum of
14 \$142,000.

15 The amounts produced by the taxes levied annually, together
16 with the deposit expressly authorized in this Section, shall be
17 sufficient, when added to the amounts deducted from the
18 salaries of firemen and applied to the fund, to provide for the
19 purposes of the fund.

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

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

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

6 (a-7) If the city fails to transmit to the Fund
7 contributions required of it under this Article for more than
8 90 days after the payment of those contributions is due, the
9 Fund may, after giving notice to the city, certify to the State
10 Comptroller the amounts of the delinquent payments in
11 accordance with any applicable rules of the Comptroller, and
12 the Comptroller must, beginning in fiscal year 2016, deduct and
13 remit to ~~deposit into~~ the Fund the certified amounts or a
14 portion of those amounts from the following proportions of
15 payments ~~grants~~ of State funds to the city:

16 (1) in fiscal year 2016, one-third of the total amount
17 of any payments ~~grants~~ of State funds to the city;

18 (2) in fiscal year 2017, two-thirds of the total amount
19 of any payments ~~grants~~ of State funds to the city; and

20 (3) in fiscal year 2018 and each fiscal year
21 thereafter, the total amount of any payments ~~grants~~ of
22 State funds to the city.

23 The State Comptroller may not deduct from any payments
24 ~~grants~~ of State funds to the city more than the amount of
25 delinquent payments certified to the State Comptroller by the
26 Fund.

1 (b) The taxes shall be levied and collected in like manner
2 with the general taxes of the city, and shall be in addition to
3 all other taxes which the city may levy upon all taxable
4 property therein and shall be exclusive of and in addition to
5 the amount of tax the city may levy for general purposes under
6 Section 8-3-1 of the Illinois Municipal Code, approved May 29,
7 1961, as amended, or under any other law or laws which may
8 limit the amount of tax which the city may levy for general
9 purposes.

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

12 (d) As soon as any revenue derived from such taxes is
13 collected, it shall be paid to the city treasurer and held for
14 the benefit of the fund, and all such revenue shall be paid
15 into the fund in accordance with the provisions of this
16 Article.

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

21 (f) The various sums, hereinafter stated, including
22 interest, to be contributed by the city, shall be taken from
23 the revenue derived from the taxes or otherwise as expressly
24 provided in this Section. Except for defraying the cost of
25 administration of the fund during the calendar year in which a
26 city first attains a population of 500,000 and comes under the

1 provisions of this Article and the first calendar year
2 thereafter, any money of the city derived from any source other
3 than these taxes or the sale of tax anticipation warrants shall
4 not be used to provide revenue for the fund, nor to pay any
5 part of the cost of administration thereof, unless applied to
6 make the deposit expressly authorized in this Section or the
7 additional city contributions required under subsection (h).

8 (g) In lieu of levying all or a portion of the tax required
9 under this Section in any year, the city may deposit with the
10 city treasurer no later than March 1 of that year for the
11 benefit of the fund, to be held in accordance with this
12 Article, an amount that, together with the taxes levied under
13 this Section for that year, is not less than the amount of the
14 city contributions for that year as certified by the board to
15 the city council. The deposit may be derived from any source
16 legally available for that purpose, including, but not limited
17 to, the proceeds of city borrowings. The making of a deposit
18 shall satisfy fully the requirements of this Section for that
19 year to the extent of the amounts so deposited. Amounts
20 deposited under this subsection may be used by the fund for any
21 of the purposes for which the proceeds of the taxes levied
22 under this Section may be used, including the payment of any
23 amount that is otherwise required by this Article to be paid
24 from the proceeds of those taxes.

25 (h) In addition to the contributions required under the
26 other provisions of this Article, by November 1 of the

1 following specified years, the city shall deposit with the city
2 treasurer for the benefit of the fund, to be held and used in
3 accordance with this Article, the following specified amounts:
4 \$6,300,000 in 1999; \$5,880,000 in 2000; \$5,460,000 in 2001;
5 \$5,040,000 in 2002; and \$4,620,000 in 2003.

6 The additional city contributions required under this
7 subsection are intended to decrease the unfunded liability of
8 the fund and shall not decrease the amount of the city
9 contributions required under the other provisions of this
10 Article. The additional city contributions made under this
11 subsection may be used by the fund for any of its lawful
12 purposes.

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

14 (40 ILCS 5/7-172.1) (from Ch. 108 1/2, par. 7-172.1)

15 Sec. 7-172.1. Actions to enforce payments by
16 municipalities and instrumentalities.

17 (a) If any participating municipality or participating
18 instrumentality fails to transmit to the Fund contributions
19 required of it under this Article or contributions collected by
20 it from its participating employees for the purposes of this
21 Article for more than 90 days after the payment of such
22 contributions is due, the Fund, after giving notice to such
23 municipality or instrumentality, may certify to the State
24 Comptroller the amounts of such delinquent payments in
25 accordance with any applicable rules of the Comptroller, and

1 the Comptroller shall deduct the amounts so certified or any
2 part thereof from any payments ~~grants~~ of State funds to the
3 municipality or instrumentality involved and shall remit ~~pay~~
4 the amount so deducted to the Fund. If State funds from which
5 such deductions may be made are not available, the Fund may
6 proceed against the municipality or instrumentality to recover
7 the amounts of such delinquent payments in the appropriate
8 circuit court.

9 (b) If any participating municipality fails to transmit to
10 the Fund contributions required of it under this Article or
11 contributions collected by it from its participating employees
12 for the purposes of this Article for more than 90 days after
13 the payment of such contributions is due, the Fund, after
14 giving notice to such municipality, may certify the fact of
15 such delinquent payment to the county treasurer of the county
16 in which such municipality is located, who shall thereafter
17 remit the amounts collected from the tax levied by the
18 municipality under Section 7-171 directly to the Fund.

19 (c) If reports furnished to the Fund by the municipality or
20 instrumentality involved are inadequate for the computation of
21 the amounts of such delinquent payments, the Fund may provide
22 for such audit of the records of the municipality or
23 instrumentality as may be required to establish the amounts of
24 such delinquent payments. The municipality or instrumentality
25 shall make its records available to the Fund for the purpose of
26 such audit. The cost of such audit shall be added to the amount

1 of the delinquent payments and shall be recovered by the Fund
2 from the municipality or instrumentality at the same time and
3 in the same manner as the delinquent payments are recovered.

4 (Source: P.A. 86-273.)

5 (40 ILCS 5/7-195.1) (from Ch. 108 1/2, par. 7-195.1)

6 Sec. 7-195.1. To establish and maintain a revolving
7 account. To establish and maintain a revolving account in a
8 bank or savings and loan association, approved by the State
9 Treasurer as a State depository and having capital funds,
10 represented by capital, surplus, and undivided profits, of at
11 least 5 million dollars, for the purpose of making payments of
12 annuities, benefits, and administrative expenses and payments
13 to the State Agency provided in Section 7-170. All funds
14 deposited in such account shall be placed in the name of the
15 Fund fund and shall be withdrawn only by a check or draft upon
16 the bank or savings and loan association signed by the
17 president of the board or the executive director, as the board
18 may direct. In case the president or executive director, whose
19 signature appears upon any check or draft, after attaching his
20 signature ceases to hold office before the delivery thereof to
21 the payee, his signature nevertheless shall be valid and
22 sufficient for all purposes with the same effect as if he had
23 remained in office until delivery thereof. The revolving
24 account shall be created by resolution of the board. ~~The State~~
25 ~~Comptroller, upon receipt of a copy of such resolution and a~~

1 ~~voucher designating the payment of \$300,000 into the revolving~~
2 ~~account, shall draw his warrant on the State Treasurer for~~
3 ~~payment of same to the Fund for deposit in the revolving~~
4 ~~account.~~ The monies in the revolving account shall be held and
5 expenditures shall be made by the Fund for the purposes herein
6 set forth. The Fund shall reimburse the revolving account for
7 expenditures for such purposes ~~and the Comptroller, upon~~
8 ~~receipt of vouchers signed as provided in Section 7-210 and~~
9 ~~including a statement of expenditures made from the revolving~~
10 ~~account, shall draw his warrant on the State Treasurer for the~~
11 ~~payment of the amount of such expenditures to the Fund for~~
12 ~~deposit in the revolving account.~~

13 No bank or savings and loan association shall receive
14 investment funds as permitted by this Section, unless it has
15 complied with the requirements established pursuant to Section
16 6 of the Public Funds Investment Act ~~"An Act relating to~~
17 ~~certain investments of public funds by public agencies",~~
18 ~~approved July 23, 1943,~~ as now or hereafter amended. The
19 limitations set forth in such Section 6 shall be applicable
20 only at the time of investment and shall not require the
21 liquidation of any investment at any time.

22 (Source: P.A. 83-541.)

23 (40 ILCS 5/7-210) (from Ch. 108 1/2, par. 7-210)

24 Sec. 7-210. Funds.

25 (a) All money received by the board shall immediately be

1 deposited with the custodian ~~State Treasurer~~ for the account of
2 the Fund fund, or in the case of funds received under Section
3 7-199.1, in a separate account maintained for that purpose. All
4 payments from the accounts of the Fund shall be made by the
5 custodian only, and only by a check or draft signed by the
6 president of the board or the executive director, as the board
7 may direct. Such checks and drafts ~~All disbursements of funds~~
8 ~~held by the State Treasurer shall be made only upon warrants of~~
9 ~~the State Comptroller drawn upon the Treasurer as custodian of~~
10 ~~this fund upon vouchers signed by the person or persons~~
11 ~~designated for such purpose by resolution of the board. The~~
12 ~~Comptroller is authorized to draw such warrants upon vouchers~~
13 ~~so signed, including warrants payable to the Fund for deposit~~
14 ~~in a revolving account authorized by Section 7-195.1. The~~
15 ~~Treasurer shall accept all warrants so signed and shall be~~
16 ~~released from liability for all payments made thereon. Vouchers~~
17 shall be drawn only upon proper authorization by the board as
18 properly recorded in the official minute books of the meetings
19 of the board.

20 (b) (Blank). ~~All securities of the fund when received shall~~
21 ~~be deposited with the State Treasurer who shall provide~~
22 ~~adequate safe deposit facilities for their preservation and~~
23 ~~have custody of them.~~

24 (c) The assets of the Fund fund shall be invested as one
25 fund, and no particular person, municipality, or
26 instrumentality thereof or participating instrumentality shall

1 have any right in any specific security or in any item of cash
2 other than an undivided interest in the whole.

3 (d) Except as provided in subsection (d-5), whenever any
4 employees of a municipality or participating instrumentality
5 have been or shall be excluded from participation in this Fund
6 ~~fund~~ by virtue of the application of paragraph b of Section
7 7-109 (2), the board shall issue a check or draft ~~voucher~~
8 ~~authorizing the Comptroller to draw his warrant upon the~~
9 ~~Treasurer as custodian of this fund~~ in an amount equal to the
10 accumulated contributions of such employees. Such check or
11 draft ~~warrant~~ shall be drawn in favor of ~~the appropriate fund~~
12 ~~of~~ the pension or retirement fund in which such employees have
13 or shall become participants. Such transfer shall terminate any
14 further rights of such employees under this Fund ~~fund~~.

15 (d-5) Upon creation of a newly established Article 3 police
16 pension fund by referendum under Section 3-145 or by census
17 under Section 3-105, the following amounts shall be transferred
18 from this Fund to the new police pension fund, within 30 days
19 after an application therefor is received from the new pension
20 fund:

21 (1) the amounts actually contributed to this Fund as
22 employee contributions by or on behalf of the police
23 officers transferring to the new pension fund for their
24 service as police officers of the municipality that is
25 establishing the new pension fund, plus interest on those
26 amounts at the rate of 6% per year, compounded annually,

1 from the date of contribution to the date of transfer to
2 the new pension fund, and

3 (2) an amount representing employer contributions,
4 equal to the total amount determined under item (1).

5 This transfer terminates any further rights of such police
6 officers in this Fund arising out of their service as police
7 officers of the municipality that is establishing the new
8 pension fund.

9 (e) If a participating instrumentality terminates
10 participation because it fails to meet the requirements of
11 Section 7-108, it shall pay to the Fund ~~fund~~ the amount equal
12 to any net debit balance in its municipality reserve account
13 and account receivable. Its successors, and assigns and
14 transferees of its assets shall be obligated to make this
15 payment to the extent of the value of assets transferred to
16 them. The Fund ~~fund~~ shall pay an amount equal to any net credit
17 balance to the participating instrumentality, its successors
18 or assigns. Any remaining net debit or credit balance not
19 collectible or payable shall be transferred to the terminated
20 municipality reserve account. The Fund ~~fund~~ shall pay to each
21 employee of the participating instrumentality an amount equal
22 to his credits in the employee reserves. The employees shall
23 have no further rights to any benefits from the Fund ~~fund~~,
24 except that annuities awarded prior to the date of termination
25 shall continue to be paid.

26 (Source: P.A. 98-729, eff. 7-26-14.)

1 (40 ILCS 5/7-214) (from Ch. 108 1/2, par. 7-214)

2 Sec. 7-214. Custodian State treasurer. The Board shall
3 appoint one or more custodians to receive and hold the assets
4 of the Fund on such terms as the Board may agree. The State
5 Treasurer shall be the treasurer of the fund and shall be
6 responsible for the proper handling of all the assets of the
7 fund in accordance with this Article. He shall furnish a
8 corporate surety bond of such amount as the board designates,
9 which bond shall indemnify the board against any loss which may
10 result from any action or failure to act by the treasurer or
11 any of his agents. All charges incidental to the procuring and
12 giving of such bond shall be paid by the board.

13 (Source: Laws 1963, p. 161.)

14 (40 ILCS 5/8-173) (from Ch. 108 1/2, par. 8-173)

15 Sec. 8-173. Financing; tax levy.

16 (a) Except as provided in subsection (f) of this Section,
17 the city council of the city shall levy a tax annually upon all
18 taxable property in the city at a rate that will produce a sum
19 which, when added to the amounts deducted from the salaries of
20 the employees or otherwise contributed by them and the amounts
21 deposited under subsection (f), will be sufficient for the
22 requirements of this Article, but which when extended will
23 produce an amount not to exceed the greater of the following:

24 (a) the sum obtained by the levy of a tax of .1093% of the

1 value, as equalized or assessed by the Department of Revenue,
2 of all taxable property within such city, or (b) the sum of
3 \$12,000,000. However any city in which a Fund has been
4 established and in operation under this Article for more than 3
5 years prior to 1970 shall levy for the year 1970 a tax at a rate
6 on the dollar of assessed valuation of all taxable property
7 that will produce, when extended, an amount not to exceed 1.2
8 times the total amount of contributions made by employees to
9 the Fund for annuity purposes in the calendar year 1968, and,
10 for the year 1971 and 1972 such levy that will produce, when
11 extended, an amount not to exceed 1.3 times the total amount of
12 contributions made by employees to the Fund for annuity
13 purposes in the calendar years 1969 and 1970, respectively; and
14 for the year 1973 an amount not to exceed 1.365 times such
15 total amount of contributions made by employees for annuity
16 purposes in the calendar year 1971; and for the year 1974 an
17 amount not to exceed 1.430 times such total amount of
18 contributions made by employees for annuity purposes in the
19 calendar year 1972; and for the year 1975 an amount not to
20 exceed 1.495 times such total amount of contributions made by
21 employees for annuity purposes in the calendar year 1973; and
22 for the year 1976 an amount not to exceed 1.560 times such
23 total amount of contributions made by employees for annuity
24 purposes in the calendar year 1974; and for the year 1977 an
25 amount not to exceed 1.625 times such total amount of
26 contributions made by employees for annuity purposes in the

1 calendar year 1975; and for the year 1978 and each year
2 thereafter through levy year 2014, such levy as will produce,
3 when extended, an amount not to exceed the total amount of
4 contributions made by or on behalf of employees to the Fund for
5 annuity purposes in the calendar year 2 years prior to the year
6 for which the annual applicable tax is levied, multiplied by
7 1.690 for the years 1978 through 1998 and by 1.250 for the year
8 1999 and for each year thereafter through levy year 2014.
9 Beginning in levy year 2015, and in each year thereafter, the
10 levy shall not exceed the amount of the city's total required
11 contribution to the Fund for the next payment year, as
12 determined under subsection (a-5). For the purposes of this
13 Section, the payment year is the year immediately following the
14 levy year.

15 The tax shall be levied and collected in like manner with
16 the general taxes of the city, and shall be exclusive of and in
17 addition to the amount of tax the city is now or may hereafter
18 be authorized to levy for general purposes under any laws which
19 may limit the amount of tax which the city may levy for general
20 purposes. The county clerk of the county in which the city is
21 located, in reducing tax levies under the provisions of any Act
22 concerning the levy and extension of taxes, shall not consider
23 the tax herein provided for as a part of the general tax levy
24 for city purposes, and shall not include the same within any
25 limitation of the percent of the assessed valuation upon which
26 taxes are required to be extended for such city.

1 Revenues derived from such tax shall be paid to the city
2 treasurer of the city as collected and held by the city
3 treasurer for the benefit of the fund.

4 If the payments on account of taxes are insufficient during
5 any year to meet the requirements of this Article, the city may
6 issue tax anticipation warrants against the current tax levy.

7 The city may continue to use other lawfully available funds
8 in lieu of all or part of the levy, as provided under
9 subsection (f) of this Section.

10 (a-5) Beginning in payment year 2016, the city's required
11 annual contribution to the Fund shall be the lesser of:

12 (i) (I) for payment years 2016 through 2055, the annual
13 amount determined by the Fund to be equal to the greater of
14 \$0, or the sum of (1) the city's portion of the projected
15 normal cost for that fiscal year, plus (2) an amount
16 determined on a level percentage of applicable employee
17 payroll basis (reflecting any limits on individual
18 participants' pay that apply for benefit and contribution
19 purposes under this plan) that is sufficient to bring the
20 total actuarial assets of the Fund up to 90% of the total
21 actuarial liabilities of the Fund by the end of 2055. (II)
22 For payment years after 2055, the annual amount determined
23 by the Fund to be equal to the amount, if any, needed to
24 bring the total actuarial assets of the Fund up to 90% of
25 the total actuarial liabilities of the Fund as of the end
26 of the year. In making the determinations under both (I)

1 and (II), the actuarial calculations shall be determined
2 under the entry age normal actuarial cost method, and any
3 actuarial gains or losses from investment return incurred
4 in a fiscal year shall be recognized in equal annual
5 amounts over the 5-year period following the fiscal year;
6 or

7 (ii) for payment year 2016, 1.85 times the total amount
8 of contributions made by or on behalf of employees to the
9 Fund for annuity purposes in the calendar year 2013; for
10 payment year 2017, 2.15 times the total amount of
11 contributions made by or on behalf of employees to the Fund
12 for annuity purposes in the calendar year 2014; for payment
13 year 2018, 2.45 times the total amount of contributions
14 made by or on behalf of employees to the Fund for annuity
15 purposes in the calendar year 2015; for payment year 2019,
16 2.75 times the total amount of contributions made by or on
17 behalf of employees to the Fund for annuity purposes in the
18 calendar year 2016; for payment year 2020, 3.05 times the
19 total amount of contributions made by or on behalf of
20 employees to the Fund for annuity purposes in the calendar
21 year 2017.

22 However, beginning in the earlier of payment year 2021 or the
23 first payment year in which the annual contribution amount
24 calculated under subdivision (i) is less than the contribution
25 amount calculated under subdivision (ii), and in each year
26 thereafter, the city's required annual contribution to the Fund

1 shall be determined under subdivision (i).

2 The city's required annual contribution to the Fund may be
3 paid with any available funds and shall be paid by the city to
4 the city treasurer. The city treasurer shall collect and hold
5 those funds for the benefit of the Fund.

6 (a-10) If the city fails to transmit to the Fund
7 contributions required of it under this Article by December
8 31st of the year in which such contributions are due, the Fund
9 may, after giving notice to the city, certify to the State
10 Comptroller the amounts of the delinquent payments in
11 accordance with any applicable rules of the Comptroller, and
12 the Comptroller must, beginning in payment year 2016, deduct
13 and remit to ~~deposit into~~ the Fund the certified amounts or a
14 portion of those amounts from the following proportions of
15 payments ~~grants~~ of State funds to the city:

16 (1) in payment year 2016, one-third of the total amount
17 of any payments ~~grants~~ of State funds to the city;

18 (2) in payment year 2017, two-thirds of the total
19 amount of any payments ~~grants~~ of State funds to the city;

20 and

21 (3) in payment year 2018 and each payment year
22 thereafter, the total amount of any payments ~~grants~~ of
23 State funds to the city.

24 The State Comptroller may not deduct from any payments
25 ~~grants~~ of State funds to the city more than the amount of
26 delinquent payments certified to the State Comptroller by the

1 Fund.

2 (b) On or before July 1, annually, the board shall certify
3 to the city council the annual amounts required under this
4 Article, for which the tax herein provided may be levied for
5 the following year. The board shall compute the amounts
6 necessary to be credited to the reserves established and
7 maintained as herein provided, and shall make an annual
8 determination of the amount of the required city contributions,
9 and certify the results thereof to the city council.

10 (c) In respect to employees of the city who are transferred
11 to the employment of a park district by virtue of the "Exchange
12 of Functions Act of 1957", the corporate authorities of the
13 park district shall annually levy a tax upon all the taxable
14 property in the park district at such rate per cent of the
15 value of such property, as equalized or assessed by the
16 Department of Revenue, as shall be sufficient, when added to
17 the amounts deducted from their salaries and otherwise
18 contributed by them to provide the benefits to which they and
19 their dependents and beneficiaries are entitled under this
20 Article. The city shall not levy a tax hereunder in respect to
21 such employees.

22 The tax so levied by the park district shall be in addition
23 to and exclusive of all other taxes authorized to be levied by
24 the park district for corporate, annuity fund, or other
25 purposes. The county clerk of the county in which the park
26 district is located, in reducing any tax levied under the

1 provisions of any act concerning the levy and extension of
2 taxes shall not consider such tax as part of the general tax
3 levy for park purposes, and shall not include the same in any
4 limitation of the per cent of the assessed valuation upon which
5 taxes are required to be extended for the park district. The
6 proceeds of the tax levied by the park district, upon receipt
7 by the district, shall be immediately paid over to the city
8 treasurer of the city for the uses and purposes of the fund.

9 The various sums to be contributed by the city and park
10 district and allocated for the purposes of this Article, and
11 any interest to be contributed by the city, shall be derived
12 from the revenue from the taxes authorized in this Section or
13 otherwise as expressly provided in this Section.

14 If it is not possible or practicable for the city to make
15 contributions for age and service annuity and widow's annuity
16 at the same time that employee contributions are made for such
17 purposes, such city contributions shall be construed to be due
18 and payable as of the end of the fiscal year for which the tax
19 is levied and shall accrue thereafter with interest at the
20 effective rate until paid.

21 (d) With respect to employees whose wages are funded as
22 participants under the Comprehensive Employment and Training
23 Act of 1973, as amended (P.L. 93-203, 87 Stat. 839, P.L.
24 93-567, 88 Stat. 1845), hereinafter referred to as CETA,
25 subsequent to October 1, 1978, and in instances where the board
26 has elected to establish a manpower program reserve, the board

1 shall compute the amounts necessary to be credited to the
2 manpower program reserves established and maintained as herein
3 provided, and shall make a periodic determination of the amount
4 of required contributions from the City to the reserve to be
5 reimbursed by the federal government in accordance with rules
6 and regulations established by the Secretary of the United
7 States Department of Labor or his designee, and certify the
8 results thereof to the City Council. Any such amounts shall
9 become a credit to the City and will be used to reduce the
10 amount which the City would otherwise contribute during
11 succeeding years for all employees.

12 (e) In lieu of establishing a manpower program reserve with
13 respect to employees whose wages are funded as participants
14 under the Comprehensive Employment and Training Act of 1973, as
15 authorized by subsection (d), the board may elect to establish
16 a special municipality contribution rate for all such
17 employees. If this option is elected, the City shall contribute
18 to the Fund from federal funds provided under the Comprehensive
19 Employment and Training Act program at the special rate so
20 established and such contributions shall become a credit to the
21 City and be used to reduce the amount which the City would
22 otherwise contribute during succeeding years for all
23 employees.

24 (f) In lieu of levying all or a portion of the tax required
25 under this Section in any year, the city may deposit with the
26 city treasurer no later than March 1 of that year for the

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

15 (Source: P.A. 98-641, eff. 6-9-14.)

16 (40 ILCS 5/9-184.5 new)

17 Sec. 9-184.5. Delinquent contributions; deduction from
18 payments of State funds to the county. If the county fails to
19 transmit to the Fund contributions required of it under this
20 Article by December 31st of the year in which such
21 contributions are due, the Fund may, after giving notice to the
22 county, certify to the State Comptroller the amounts of the
23 delinquent payments in accordance with any applicable rules of
24 the Comptroller, and the Comptroller must, beginning in payment
25 year 2016, deduct and remit to the Fund the certified amounts

1 from payments of State funds to the county.

2 The State Comptroller may not deduct from any payments of
3 State funds to the county more than the amount of delinquent
4 payments certified to the State Comptroller by the Fund.

5 (40 ILCS 5/10-107.5 new)

6 Sec. 10-107.5. Delinquent contributions; deduction from
7 payments of State funds to the district. If the district fails
8 to transmit to the Fund contributions required of it under this
9 Article by December 31st of the year in which such
10 contributions are due, the Fund may, after giving notice to the
11 district, certify to the State Comptroller the amounts of the
12 delinquent payments in accordance with any applicable rules of
13 the Comptroller, and the Comptroller must, beginning in payment
14 year 2016, deduct and remit to the Fund the certified amounts
15 from payments of State funds to the district.

16 The State Comptroller may not deduct from any payments of
17 State funds to the district more than the amount of delinquent
18 payments certified to the State Comptroller by the Fund.

19 (40 ILCS 5/11-169) (from Ch. 108 1/2, par. 11-169)

20 Sec. 11-169. Financing; tax levy.

21 (a) Except as provided in subsection (f) of this Section,
22 the city council of the city shall levy a tax annually upon all
23 taxable property in the city at the rate that will produce a
24 sum which, when added to the amounts deducted from the salaries

1 of the employees or otherwise contributed by them and the
2 amounts deposited under subsection (f), will be sufficient for
3 the requirements of this Article. For the years prior to the
4 year 1950 the tax rate shall be as provided for under "The 1935
5 Act". Beginning with the year 1950 to and including the year
6 1969 such tax shall be not more than .036% annually of the
7 value, as equalized or assessed by the Department of Revenue,
8 of all taxable property within such city. Beginning with the
9 year 1970 and each year thereafter through levy year 2014, the
10 city shall levy a tax annually at a rate on the dollar of the
11 value, as equalized or assessed by the Department of Revenue of
12 all taxable property within such city that will produce, when
13 extended, not to exceed an amount equal to the total amount of
14 contributions by the employees to the fund made in the calendar
15 year 2 years prior to the year for which the annual applicable
16 tax is levied, multiplied by 1.1 for the years 1970, 1971 and
17 1972; 1.145 for the year 1973; 1.19 for the year 1974; 1.235
18 for the year 1975; 1.280 for the year 1976; 1.325 for the year
19 1977; 1.370 for the years 1978 through 1998; and 1.000 for the
20 year 1999 and for each year thereafter through levy year 2014.
21 Beginning in levy year 2015, and in each year thereafter, the
22 levy shall not exceed the amount of the city's total required
23 contribution to the Fund for the next payment year, as
24 determined under subsection (a-5). For the purposes of this
25 Section, the payment year is the year immediately following the
26 levy year.

1 The tax shall be levied and collected in like manner with
2 the general taxes of the city, and shall be exclusive of and in
3 addition to the amount of tax the city is now or may hereafter
4 be authorized to levy for general purposes under any laws which
5 may limit the amount of tax which the city may levy for general
6 purposes. The county clerk of the county in which the city is
7 located, in reducing tax levies under the provisions of any Act
8 concerning the levy and extension of taxes, shall not consider
9 the tax herein provided for as a part of the general tax levy
10 for city purposes, and shall not include the same within any
11 limitation of the per cent of the assessed valuation upon which
12 taxes are required to be extended for such city.

13 Revenues derived from such tax shall be paid to the city
14 treasurer of the city as collected and held by the city
15 treasurer for the benefit of the fund.

16 If the payments on account of taxes are insufficient during
17 any year to meet the requirements of this Article, the city may
18 issue tax anticipation warrants against the current tax levy.

19 The city may continue to use other lawfully available funds
20 in lieu of all or part of the levy, as provided under
21 subsection (f) of this Section.

22 (a-5) Beginning in payment year 2016, the city's required
23 annual contribution to the Fund shall be the lesser of:

24 (i) (I) for payment years 2016 through 2055, the annual
25 amount determined by the Fund to be equal to the greater of
26 \$0, or the sum of (1) the City's portion of the projected

1 normal cost for that fiscal year, plus (2) an amount
2 determined on a level percentage of applicable employee
3 payroll basis (reflecting any limits on individual
4 participants' pay that apply for benefit and contribution
5 purposes under this plan) that is sufficient to bring the
6 total actuarial assets of the Fund up to 90% of the total
7 actuarial liabilities of the Fund by the end of 2055. (II)
8 For payment years after 2055, the annual amount determined
9 by the Fund to be equal to the amount, if any, needed to
10 bring the total actuarial assets of the Fund up to 90% of
11 the total actuarial liabilities of the Fund as of the end
12 of the year. In making the determinations under both (I)
13 and (II), the actuarial calculations shall be determined
14 under the entry age normal actuarial cost method, and any
15 actuarial gains or losses from investment return incurred
16 in a fiscal year shall be recognized in equal annual
17 amounts over the 5-year period following the fiscal year;
18 or

19 (ii) for payment year 2016, 1.60 times the total amount
20 of contributions made by or on behalf of employees to the
21 Fund for annuity purposes in the calendar year 2013; for
22 payment year 2017, 1.90 times the total amount of
23 contributions made by or on behalf of employees to the Fund
24 for annuity purposes in the calendar year 2014; for payment
25 year 2018, 2.20 times the total amount of contributions
26 made by or on behalf of employees to the Fund for annuity

1 purposes in the calendar year 2015; for payment year 2019,
2 2.50 times the total amount of contributions made by or on
3 behalf of employees to the Fund for annuity purposes in the
4 calendar year 2016; for payment year 2020, 2.80 times the
5 total amount of contributions made by or on behalf of
6 employees to the Fund for annuity purposes in the calendar
7 year 2017.

8 However, beginning in the earlier of payment year 2021 or the
9 first payment year in which the annual contribution amount
10 calculated under subdivision (i) is less than the contribution
11 amount calculated under subdivision (ii), and in each year
12 thereafter, the city's required annual contribution to the Fund
13 shall be determined under subdivision (i).

14 The city's required annual contribution to the Fund may be
15 paid with any available funds and shall be paid by the city to
16 the city treasurer. The city treasurer shall collect and hold
17 those funds for the benefit of the Fund.

18 (a-10) If the city fails to transmit to the Fund
19 contributions required of it under this Article by December
20 31st of the year in which such contributions are due, the Fund
21 may, after giving notice to the city, certify to the State
22 Comptroller the amounts of the delinquent payments in
23 accordance with any applicable rules of the Comptroller, and
24 the Comptroller must, beginning in payment year 2016, deduct
25 and remit to ~~deposit into~~ the Fund the certified amounts or a
26 portion of those amounts from the following proportions of

1 payments ~~grants~~ of State funds to the city:

2 (1) in payment year 2016, one-third of the total amount
3 of any payments ~~grants~~ of State funds to the city;

4 (2) in payment year 2017, two-thirds of the total
5 amount of any payments ~~grants~~ of State funds to the city;
6 and

7 (3) in payment year 2018 and each payment year
8 thereafter, the total amount of any payments ~~grants~~ of
9 State funds to the city.

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

14 (b) On or before July 1, annually, the board shall certify
15 to the city council the annual amounts required under this
16 Article, for which the tax herein provided may be levied for
17 the following year. The board shall compute the amounts
18 necessary for the purposes of this fund to be credited to the
19 reserves established and maintained as herein provided, and
20 shall make an annual determination of the amount of the
21 required city contributions; and certify the results thereof to
22 the city council.

23 (c) In respect to employees of the city who are transferred
24 to the employment of a park district by virtue of "Exchange of
25 Functions Act of 1957" the corporate authorities of the park
26 district shall annually levy a tax upon all the taxable

1 property in the park district at such rate per cent of the
2 value of such property, as equalized or assessed by the
3 Department of Revenue, as shall be sufficient, when added to
4 the amounts deducted from their salaries and otherwise
5 contributed by them, to provide the benefits to which they and
6 their dependents and beneficiaries are entitled under this
7 Article. The city shall not levy a tax hereunder in respect to
8 such employees.

9 The tax so levied by the park district shall be in addition
10 to and exclusive of all other taxes authorized to be levied by
11 the park district for corporate, annuity fund, or other
12 purposes. The county clerk of the county in which the park
13 district is located, in reducing any tax levied under the
14 provisions of any Act concerning the levy and extension of
15 taxes shall not consider such tax as part of the general tax
16 levy for park purposes, and shall not include the same in any
17 limitation of the per cent of the assessed valuation upon which
18 taxes are required to be extended for the park district. The
19 proceeds of the tax levied by the park district, upon receipt
20 by the district, shall be immediately paid over to the city
21 treasurer of the city for the uses and purposes of the fund.

22 The various sums to be contributed by the city and
23 allocated for the purposes of this Article, and any interest to
24 be contributed by the city, shall be taken from the revenue
25 derived from the taxes authorized in this Section, and no money
26 of such city derived from any source other than the levy and

1 collection of those taxes or the sale of tax anticipation
2 warrants in accordance with the provisions of this Article
3 shall be used to provide revenue for this Article, except as
4 expressly provided in this Section.

5 If it is not possible for the city to make contributions
6 for age and service annuity and widow's annuity concurrently
7 with the employee's contributions made for such purposes, such
8 city shall make such contributions as soon as possible and
9 practicable thereafter with interest thereon at the effective
10 rate to the time they shall be made.

11 (d) With respect to employees whose wages are funded as
12 participants under the Comprehensive Employment and Training
13 Act of 1973, as amended (P.L. 93-203, 87 Stat. 839, P.L.
14 93-567, 88 Stat. 1845), hereinafter referred to as CETA,
15 subsequent to October 1, 1978, and in instances where the board
16 has elected to establish a manpower program reserve, the board
17 shall compute the amounts necessary to be credited to the
18 manpower program reserves established and maintained as herein
19 provided, and shall make a periodic determination of the amount
20 of required contributions from the City to the reserve to be
21 reimbursed by the federal government in accordance with rules
22 and regulations established by the Secretary of the United
23 States Department of Labor or his designee, and certify the
24 results thereof to the City Council. Any such amounts shall
25 become a credit to the City and will be used to reduce the
26 amount which the City would otherwise contribute during

1 succeeding years for all employees.

2 (e) In lieu of establishing a manpower program reserve with
3 respect to employees whose wages are funded as participants
4 under the Comprehensive Employment and Training Act of 1973, as
5 authorized by subsection (d), the board may elect to establish
6 a special municipality contribution rate for all such
7 employees. If this option is elected, the City shall contribute
8 to the Fund from federal funds provided under the Comprehensive
9 Employment and Training Act program at the special rate so
10 established and such contributions shall become a credit to the
11 City and be used to reduce the amount which the City would
12 otherwise contribute during succeeding years for all
13 employees.

14 (f) In lieu of levying all or a portion of the tax required
15 under this Section in any year, the city may deposit with the
16 city treasurer no later than March 1 of that year for the
17 benefit of the fund, to be held in accordance with this
18 Article, an amount that, together with the taxes levied under
19 this Section for that year, is not less than the amount of the
20 city contributions for that year as certified by the board to
21 the city council. The deposit may be derived from any source
22 legally available for that purpose, including, but not limited
23 to, the proceeds of city borrowings. The making of a deposit
24 shall satisfy fully the requirements of this Section for that
25 year to the extent of the amounts so deposited. Amounts
26 deposited under this subsection may be used by the fund for any

1 of the purposes for which the proceeds of the tax levied by the
2 city under this Section may be used, including the payment of
3 any amount that is otherwise required by this Article to be
4 paid from the proceeds of that tax.

5 (Source: P.A. 98-641, eff. 6-9-14.)

6 (40 ILCS 5/12-149.5 new)

7 Sec. 12-149.5. Delinquent contributions; deduction from
8 payments of State funds to the employer. If the employer fails
9 to transmit to the Fund contributions required of it under this
10 Article by December 31st of the year in which such
11 contributions are due, the Fund may, after giving notice to the
12 employer, certify to the State Comptroller the amounts of the
13 delinquent payments in accordance with any applicable rules of
14 the Comptroller, and the Comptroller must, beginning in payment
15 year 2016, deduct and remit to the Fund the certified amounts
16 from payments of State funds to the employer.

17 The State Comptroller may not deduct from any payments of
18 State funds to the employer more than the amount of delinquent
19 payments certified to the State Comptroller by the Fund.

20 (40 ILCS 5/13-503.5 new)

21 Sec. 13-503.5. Delinquent contributions; deduction from
22 payments of State funds to the employer. If the employer fails
23 to transmit to the Fund contributions required of it under this
24 Article by December 31st of the year in which such

1 contributions are due, the Fund may, after giving notice to the
2 employer, certify to the State Comptroller the amounts of the
3 delinquent payments in accordance with any applicable rules of
4 the Comptroller, and the Comptroller must, beginning in payment
5 year 2016, deduct and remit to the Fund the certified amounts
6 from payments of State funds to the employer.

7 The State Comptroller may not deduct from any payments of
8 State funds to the employer more than the amount of delinquent
9 payments certified to the State Comptroller by the Fund.

10 (40 ILCS 5/17-127.5 new)

11 Sec. 17-127.5. Delinquent contributions; deduction from
12 payments of State funds to the employer. If the employer fails
13 to transmit to the Fund contributions required of it under this
14 Article by June 30th of the year in which such contributions
15 are due, the Fund may, after giving notice to the employer,
16 certify to the State Comptroller the amounts of the delinquent
17 payments in accordance with any applicable rules of the
18 Comptroller, and the Comptroller must, beginning in fiscal year
19 2016, deduct and remit to the Fund the certified amounts from
20 payments of State funds to the employer.

21 The State Comptroller may not deduct from any payments of
22 State funds to the employer more than the amount of delinquent
23 payments certified to the State Comptroller by the Fund.

24 (40 ILCS 5/22-104 new)

1 Sec. 22-104. Delinquent contributions; deduction from
2 payments of State funds to the employer. If an employer of
3 participants in a pension fund or retirement plan subject to
4 this Division fails to transmit contributions required of it by
5 that pension fund or retirement plan by December 31st of the
6 year in which such contributions are due, the pension fund or
7 retirement plan may, after giving notice to the employer,
8 certify to the State Comptroller the amounts of the delinquent
9 payments in accordance with any applicable rules of the
10 Comptroller, and the Comptroller must, beginning in payment
11 year 2016, deduct and remit to that pension fund or retirement
12 plan the certified amounts from payments of State funds to the
13 employer.

14 The State Comptroller may not deduct from any payments of
15 State funds to the employer more than the amount of delinquent
16 payments certified to the State Comptroller by the employer.

17 Section 99. Effective date. This Act takes effect July 1,
18 2015.