

# SB2437



## 99TH GENERAL ASSEMBLY

### State of Illinois

2015 and 2016

SB2437

Introduced 2/9/2016, by Sen. Martin A. Sandoval

#### SYNOPSIS AS INTRODUCED:

40 ILCS 5/17-132

from Ch. 108 1/2, par. 17-132

Amends the Chicago Teacher Article of the Illinois Pension Code. Provides that, in addition to certain listed items, reported payroll data must include any and all other data necessary for the Fund to calculate pension benefits. Provides that any necessary amendments or corrections to certified data provided by the employer must be made within one year after the certified data is received by the Fund. Effective immediately.

LRB099 17093 EFG 41451 b

PENSION IMPACT  
NOTE ACT MAY  
APPLY

A BILL FOR

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 17-132 as follows:

6 (40 ILCS 5/17-132) (from Ch. 108 1/2, par. 17-132)

7 Sec. 17-132. Payments and certification of salary  
8 deductions.

9 (a) An Employer shall cause the Fund to receive all  
10 members' payroll records and pension contributions within 30  
11 calendar days after each predesignated payday. For purposes of  
12 this Section, the predesignated payday shall be determined in  
13 accordance with each Employer's payroll schedule for  
14 contributions to the Fund.

15 (b) An Employer that fails to timely certify and submit  
16 payroll records to the Fund is subject to a statutory penalty  
17 in the amount of \$100 per day for each day that a required  
18 certification and submission is late.

19 Amounts not received by the 30th calendar day after the  
20 predesignated payday shall be deemed delinquent and subject to  
21 a penalty consisting of interest, which shall accrue on a  
22 monthly basis at the Fund's then effective actuarial rate of  
23 return, and liquidated damages in the amount of \$100 per day,

1 not to exceed 20% of the principal contributions due, which  
2 shall be mandatory except for good cause shown and in the  
3 discretion of the Board.

4 An Employer in possession of member contributions deducted  
5 from payroll checks is holding Fund assets, and thus becomes a  
6 fiduciary over those assets.

7 (c) The payroll records shall report (1) all pensionable  
8 salary earned in that pay period, exclusive of salaries for  
9 overtime, special services, or any employment on an optional  
10 basis, such as in summer school; (2) adjustments to pensionable  
11 salary, exclusive of salaries for overtime, special services,  
12 or any employment on an optional basis, such as in summer  
13 school, made in a pay period for any prior pay periods; (3)  
14 pension contributions attributable to pensionable salary  
15 earned in the reported pay period or the adjusted pay period as  
16 required by subsection (b) of Section 17-131; ~~and~~ (4) any  
17 salary paid by an Employer if that salary is compensation for  
18 validated service and is exclusive of salary for overtime,  
19 special services, or any employment on an optional basis, such  
20 as in summer school; and (5) any and all other data necessary  
21 for the Fund to calculate pension benefits. Payroll records  
22 required by item (4) of this paragraph shall identify the  
23 number of days of service rendered by the member and whether  
24 each day of service represents a partial or whole day of  
25 service.

26 Any necessary amendments or corrections to certified data

1 provided by the employer must be made within one year after the  
2 certified data is received by the Fund.

3 (d) The appropriate officers of the Employer shall certify  
4 and submit the payroll records no later than 30 calendar days  
5 after each predesignated payday. The certification shall  
6 constitute a confirmation of the accuracy of such deductions  
7 according to the provisions of this Article.

8 Each Charter School shall designate an administrator as a  
9 "Pension Officer". The Pension Officer shall be responsible for  
10 certifying all payroll information, including contributions  
11 due and certified sick days payable pursuant to Section 17-134,  
12 and assuring resolution of reported payroll and contribution  
13 deficiencies.

14 (e) The Board has the authority to conduct payroll audits  
15 of a charter school to determine the existence of any  
16 delinquencies in contributions to the Fund, and such charter  
17 school shall be required to provide such books and records and  
18 contribution information as the Board or its authorized  
19 representative may require. The Board is also authorized to  
20 collect delinquent contributions from charter schools and  
21 develop procedures for the collection of such delinquencies.  
22 Collection procedures may include legal proceedings in the  
23 courts of the State of Illinois. Expenses, including reasonable  
24 attorneys' fees, incurred in the collection of delinquent  
25 contributions may be assessed by the Board against the charter  
26 school.

1 (Source: P.A. 98-427, eff. 8-16-13; 99-176, eff. 7-29-15.)

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