



Personnel and Pensions Committee

**Filed: 5/28/2009**

09600SB1858ham001

LRB096 06188 AMC 27650 a

1 AMENDMENT TO SENATE BILL 1858

2 AMENDMENT NO. \_\_\_\_\_. Amend Senate Bill 1858 by replacing  
3 everything after the enacting clause with the following:

4 "Section 5. The Illinois Pension Code is amended by  
5 changing Section 17-129 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

1 Board of Education shall, in the next succeeding year, in  
2 addition to any other payment to the Fund set apart and  
3 appropriate from moneys from its tax levy for educational  
4 purposes, a sum sufficient to remove such deficiency or  
5 deficiencies, and promptly pay such sum into the Fund in order  
6 to restore any of the reserves of the Fund that may have been  
7 so temporarily applied. Any amounts received by the Fund after  
8 December 4, 1997 from State appropriations, including under  
9 Section 17-127, shall be a credit against and shall fully  
10 satisfy any obligation that may have arisen, or be claimed to  
11 have arisen, under this subsection (a) as a result of any  
12 deficiency or deficiencies in the fiscal year of the Board of  
13 Education ending in calendar year 1997.

14 (b) (i) Notwithstanding any other provision of this  
15 Section, the Board of Education's total required contribution  
16 to the Fund for fiscal year 2010 under this Section is  
17 208,000,000. ~~For fiscal years 2011 through 2045, the minimum~~  
18 ~~contribution to the Fund to be made by the Board of Education~~  
19 ~~in each fiscal year shall be an amount determined by the Fund~~  
20 ~~to be sufficient to bring the total assets of the Fund up to~~  
21 ~~90% of the total actuarial liabilities of the Fund by the end~~  
22 ~~of fiscal year 2045. In making these determinations, the~~  
23 ~~required Board of Education contribution shall be calculated~~  
24 ~~each year as a level percentage of the applicable employee~~  
25 ~~payrolls over the years remaining to and including fiscal year~~  
26 ~~2045 and shall be determined under the projected unit credit~~

1 ~~actuarial cost method.~~

2       (ii) Notwithstanding any other provision of this Section,  
3 the Board of Education's total required contribution to the  
4 Fund for fiscal year 2011 under this Section is \$227,000,000.  
5 ~~For fiscal years 1999 through 2010, the Board of Education's~~  
6 ~~contribution to the Fund, as a percentage of the applicable~~  
7 ~~employee payroll, shall be increased in equal annual increments~~  
8 ~~so that by fiscal year 2011, the Board of Education is~~  
9 ~~contributing at the rate required under this subsection.~~

10       (iii) Notwithstanding any other provision of this Section,  
11 the Board of Education's total required contribution to the  
12 Fund for fiscal year 2012 under this Section is \$247,000,000.  
13 ~~Beginning in fiscal year 2046, the minimum Board of Education~~  
14 ~~contribution for each fiscal year shall be the amount needed to~~  
15 ~~maintain the total assets of the Fund at 90% of the total~~  
16 ~~actuarial liabilities of the Fund.~~

17       (iv) For fiscal years 2013 through 2045, the minimum  
18 contribution to the Fund to be made by the Board of Education  
19 in each fiscal year shall be an amount determined by the Fund  
20 to be sufficient to bring the total assets of the Fund up to  
21 90% of the total actuarial liabilities of the Fund by the end  
22 of fiscal year 2045. In making these determinations, the  
23 required Board of Education contribution shall be calculated  
24 each year as a level percentage of the applicable employee  
25 payrolls over the years remaining to and including fiscal year  
26 2045 and shall be determined under the projected unit credit

1 actuarial cost method. Except as provided in subsection (c) of  
2 this Section, the Board of Education's required contribution to  
3 the Fund under this Section in any fiscal year after 2012 shall  
4 not increase by more than 9% over the Board of Education's  
5 required contribution in the preceding fiscal year.  
6 ~~Notwithstanding the provisions of paragraphs (i), (ii), and~~  
7 ~~(iii) of this subsection (b), for any fiscal year the~~  
8 ~~contribution to the Fund from the Board of Education shall not~~  
9 ~~be required to be in excess of the amount calculated as needed~~  
10 ~~to maintain the assets (or cause the assets to be) at the 90%~~  
11 ~~level by the end of the fiscal year.~~

12 (v) Beginning in fiscal year 2046, the minimum Board of  
13 Education contribution for each fiscal year shall be the amount  
14 needed to maintain the total assets of the Fund at 90% of the  
15 total actuarial liabilities of the Fund. ~~Any contribution by~~  
16 ~~the State to or for the benefit of the Fund, including, without~~  
17 ~~limitation, as referred to under Section 17-127, shall be a~~  
18 ~~credit against any contribution required to be made by the~~  
19 ~~Board of Education under this subsection (b).~~

20 (vi) Notwithstanding the provisions of this subsection  
21 (b), for any fiscal year the contribution to the Fund from the  
22 Board of Education shall not be required to be in excess of the  
23 amount calculated as needed to maintain the assets (or cause  
24 the assets to be) at the 90% level by the end of the fiscal  
25 year.

26 (vii) Any contribution by the State to or for the benefit

1 of the Fund, including, without limitation as referred to under  
2 Section 17-127, shall be a credit against any contribution  
3 required to be made by the Board of Education under this  
4 subsection (b).

5 (c) (i) The Board shall determine the amount of Board of  
6 Education contributions required for each fiscal year on the  
7 basis of the actuarial tables and other assumptions adopted by  
8 the Board and the recommendations of the actuary, in order to  
9 meet the minimum contribution requirements of subsections (a)  
10 and (b). Annually, on or before February 28, the Board shall  
11 certify to the Board of Education the amount of the required  
12 Board of Education contribution for the coming fiscal year. The  
13 certification shall include a copy of the actuarial  
14 recommendations upon which it is based.

15 (ii) If the funded ratio is projected to decline below 50%  
16 in any year before 2045, then the Board shall also determine  
17 the increased contribution required each year as a level  
18 percentage of payroll over the years remaining until 2045 using  
19 the projected unit credit actuarial cost method so the funded  
20 ratio does not decline below 50% and include that determination  
21 in its annual certification. If the actual funded ratio  
22 declines below 50% in any year prior to 2045, the Board shall  
23 also determine the increased contribution required each year as  
24 a level percentage of payroll during the years after the then  
25 current year using the projected unit credit actuarial cost  
26 method so the funded ratio is projected to reach at least 50%

1 no later than 10 years after the then current year and include  
2 that determination in its annual certification.

3 (Source: P.A. 89-15, eff. 5-30-95; 90-548, eff. 12-4-97;  
4 90-566, eff. 1-2-98; 90-655, eff. 7-30-98.)

5 Section 90. The State Mandates Act is amended by adding  
6 Section 8.33 as follows:

7 (30 ILCS 805/8.33 new)

8 Sec. 8.33. Exempt mandate. Notwithstanding Sections 6 and 8  
9 of this Act, no reimbursement by the State is required for the  
10 implementation of any mandate created by this amendatory Act of  
11 the 96th General Assembly.

12 Section 99. Effective date. This Act takes effect upon  
13 becoming law."