



Rep. Barbara Flynn Currie

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LRB096 18423 AMC 41288 a

1 AMENDMENT TO SENATE BILL 3514

2 AMENDMENT NO. _____. Amend Senate Bill 3514, AS AMENDED,
3 by replacing everything after the enacting clause with the
4 following:

5 "Section 3. The State Finance Act is amended by changing
6 Section 14.1 as follows:

7 (30 ILCS 105/14.1) (from Ch. 127, par. 150.1)

8 Sec. 14.1. Appropriations for State contributions to the
9 State Employees' Retirement System; payroll requirements.

10 (a) Appropriations for State contributions to the State
11 Employees' Retirement System of Illinois shall be expended in
12 the manner provided in this Section. Except as otherwise
13 provided in subsections (a-1) and (a-2), at the time of each
14 payment of salary to an employee under the personal services
15 line item, payment shall be made to the State Employees'
16 Retirement System, from the amount appropriated for State

1 contributions to the State Employees' Retirement System, of an
2 amount calculated at the rate certified for the applicable
3 fiscal year by the Board of Trustees of the State Employees'
4 Retirement System under Section 14-135.08 of the Illinois
5 Pension Code. If a line item appropriation to an employer for
6 this purpose is exhausted or is unavailable due to any
7 limitation on appropriations that may apply, (including, but
8 not limited to, limitations on appropriations from the Road
9 Fund under Section 8.3 of the State Finance Act), the amounts
10 shall be paid under the continuing appropriation for this
11 purpose contained in the State Pension Funds Continuing
12 Appropriation Act.

13 (a-1) Beginning on the effective date of this amendatory
14 Act of the 93rd General Assembly through the payment of the
15 final payroll from fiscal year 2004 appropriations,
16 appropriations for State contributions to the State Employees'
17 Retirement System of Illinois shall be expended in the manner
18 provided in this subsection (a-1). At the time of each payment
19 of salary to an employee under the personal services line item
20 from a fund other than the General Revenue Fund, payment shall
21 be made for deposit into the General Revenue Fund from the
22 amount appropriated for State contributions to the State
23 Employees' Retirement System of an amount calculated at the
24 rate certified for fiscal year 2004 by the Board of Trustees of
25 the State Employees' Retirement System under Section 14-135.08
26 of the Illinois Pension Code. This payment shall be made to the

1 extent that a line item appropriation to an employer for this
2 purpose is available or unexhausted. No payment from
3 appropriations for State contributions shall be made in
4 conjunction with payment of salary to an employee under the
5 personal services line item from the General Revenue Fund.

6 (a-2) For fiscal year 2010 only, at the time of each
7 payment of salary to an employee under the personal services
8 line item from a fund other than the General Revenue Fund,
9 payment shall be made for deposit into the State Employees'
10 Retirement System of Illinois from the amount appropriated for
11 State contributions to the State Employees' Retirement System
12 of Illinois of an amount calculated at the rate certified for
13 fiscal year 2010 by the Board of Trustees of the State
14 Employees' Retirement System of Illinois under Section
15 14-135.08 of the Illinois Pension Code. This payment shall be
16 made to the extent that a line item appropriation to an
17 employer for this purpose is available or unexhausted. For
18 fiscal year 2010 only, no payment from appropriations for State
19 contributions shall be made in conjunction with payment of
20 salary to an employee under the personal services line item
21 from the General Revenue Fund.

22 (a-3) For fiscal year 2011 only, at the time of each
23 payment of salary to an employee under the personal services
24 line item from a fund other than the General Revenue Fund,
25 payment shall be made for deposit into the State Employees'
26 Retirement System of Illinois from the amount appropriated for

1 State contributions to the State Employees' Retirement System
2 of Illinois of an amount calculated at the rate certified for
3 fiscal year 2011 by the Board of Trustees of the State
4 Employees' Retirement System of Illinois under Section
5 14-135.08 of the Illinois Pension Code. This payment shall be
6 made to the extent that a line item appropriation to an
7 employer for this purpose is available or unexhausted. For
8 fiscal year 2011 only, no payment from appropriations for State
9 contributions shall be made in conjunction with payment of
10 salary to an employee under the personal services line item
11 from the General Revenue Fund.

12 (b) Except during the period beginning on the effective
13 date of this amendatory Act of the 93rd General Assembly and
14 ending at the time of the payment of the final payroll from
15 fiscal year 2004 appropriations, the State Comptroller shall
16 not approve for payment any payroll voucher that (1) includes
17 payments of salary to eligible employees in the State
18 Employees' Retirement System of Illinois and (2) does not
19 include the corresponding payment of State contributions to
20 that retirement system at the full rate certified under Section
21 14-135.08 for that fiscal year for eligible employees, unless
22 the balance in the fund on which the payroll voucher is drawn
23 is insufficient to pay the total payroll voucher, or
24 unavailable due to any limitation on appropriations that may
25 apply, including, but not limited to, limitations on
26 appropriations from the Road Fund under Section 8.3 of the

1 State Finance Act. If the State Comptroller approves a payroll
2 voucher under this Section for which the fund balance is
3 insufficient to pay the full amount of the required State
4 contribution to the State Employees' Retirement System, the
5 Comptroller shall promptly so notify the Retirement System.

6 (b-1) For fiscal year 2010 only, the State Comptroller
7 shall not approve for payment any non-General Revenue Fund
8 payroll voucher that (1) includes payments of salary to
9 eligible employees in the State Employees' Retirement System of
10 Illinois and (2) does not include the corresponding payment of
11 State contributions to that retirement system at the full rate
12 certified under Section 14-135.08 for that fiscal year for
13 eligible employees, unless the balance in the fund on which the
14 payroll voucher is drawn is insufficient to pay the total
15 payroll voucher, or unavailable due to any limitation on
16 appropriations that may apply, including, but not limited to,
17 limitations on appropriations from the Road Fund under Section
18 8.3 of the State Finance Act. If the State Comptroller approves
19 a payroll voucher under this Section for which the fund balance
20 is insufficient to pay the full amount of the required State
21 contribution to the State Employees' Retirement System of
22 Illinois, the Comptroller shall promptly so notify the
23 retirement system.

24 (c) Notwithstanding any other provisions of law, beginning
25 July 1, 2007, required State and employee contributions to the
26 State Employees' Retirement System of Illinois relating to

1 affected legislative staff employees shall be paid out of
2 moneys appropriated for that purpose to the Commission on
3 Government Forecasting and Accountability, rather than out of
4 the lump-sum appropriations otherwise made for the payroll and
5 other costs of those employees.

6 These payments must be made pursuant to payroll vouchers
7 submitted by the employing entity as part of the regular
8 payroll voucher process.

9 For the purpose of this subsection, "affected legislative
10 staff employees" means legislative staff employees paid out of
11 lump-sum appropriations made to the General Assembly, an
12 Officer of the General Assembly, or the Senate Operations
13 Commission, but does not include district-office staff or
14 employees of legislative support services agencies.

15 (Source: P.A. 95-707, eff. 1-11-08; 96-45, eff. 7-15-09.)

16 Section 5. The General Obligation Bond Act is amended by
17 changing Sections 2, 2.5, 7.2, 9, 11, and 15 as follows:

18 (30 ILCS 330/2) (from Ch. 127, par. 652)

19 Sec. 2. Authorization for Bonds. The State of Illinois is
20 authorized to issue, sell and provide for the retirement of
21 General Obligation Bonds of the State of Illinois for the
22 categories and specific purposes expressed in Sections 2
23 through 8 of this Act, in the total amount of \$41,314,125,743
24 ~~\$37,217,777,443~~.

1 The bonds authorized in this Section 2 and in Section 16 of
2 this Act are herein called "Bonds".

3 Of the total amount of Bonds authorized in this Act, up to
4 \$2,200,000,000 in aggregate original principal amount may be
5 issued and sold in accordance with the Baccalaureate Savings
6 Act in the form of General Obligation College Savings Bonds.

7 Of the total amount of Bonds authorized in this Act, up to
8 \$300,000,000 in aggregate original principal amount may be
9 issued and sold in accordance with the Retirement Savings Act
10 in the form of General Obligation Retirement Savings Bonds.

11 Of the total amount of Bonds authorized in this Act, the
12 additional \$10,000,000,000 authorized by Public Act 93-2, ~~and~~
13 the \$3,466,000,000 authorized by Public Act 96-43, and the
14 \$4,096,348,300 authorized by this amendatory Act of the 96th
15 General Assembly shall be used solely as provided in Section
16 7.2.

17 The issuance and sale of Bonds pursuant to the General
18 Obligation Bond Act is an economical and efficient method of
19 financing the long-term capital needs of the State. This Act
20 will permit the issuance of a multi-purpose General Obligation
21 Bond with uniform terms and features. This will not only lower
22 the cost of registration but also reduce the overall cost of
23 issuing debt by improving the marketability of Illinois General
24 Obligation Bonds.

25 (Source: P.A. 95-1026, eff. 1-12-09; 96-5, eff. 4-3-09; 96-36,
26 eff. 7-13-09; 96-43, eff. 7-15-09; 96-885, eff. 3-11-10.)

1 (30 ILCS 330/2.5)

2 Sec. 2.5. Limitation on issuance of Bonds.

3 (a) Except as provided in subsection (b), no Bonds may be
4 issued if, after the issuance, in the next State fiscal year
5 after the issuance of the Bonds, the amount of debt service
6 (including principal, whether payable at maturity or pursuant
7 to mandatory sinking fund installments, and interest) on all
8 then-outstanding Bonds, other than Bonds authorized by Public
9 Act 96-43 and other than Bonds authorized by this amendatory
10 Act of the 96th General Assembly ~~this amendatory Act of the~~
11 ~~96th General Assembly~~, would exceed 7% of the aggregate
12 appropriations from the general funds (which consist of the
13 General Revenue Fund, the Common School Fund, the General
14 Revenue Common School Special Account Fund, and the Education
15 Assistance Fund) and the Road Fund for the fiscal year
16 immediately prior to the fiscal year of the issuance.

17 (b) If the Comptroller and Treasurer each consent in
18 writing, Bonds may be issued even if the issuance does not
19 comply with subsection (a).

20 (Source: P.A. 96-43, eff. 7-15-09.)

21 (30 ILCS 330/7.2)

22 Sec. 7.2. State pension funding.

23 (a) The amount of \$10,000,000,000 is authorized to be used
24 for the purpose of making contributions to the designated

1 retirement systems. For the purposes of this Section,
2 "designated retirement systems" means the State Employees'
3 Retirement System of Illinois; the Teachers' Retirement System
4 of the State of Illinois; the State Universities Retirement
5 System; the Judges Retirement System of Illinois; and the
6 General Assembly Retirement System.

7 The amount of \$3,466,000,000 of Bonds authorized by Public
8 Act 96-43 ~~this amendatory Act of the 96th General Assembly~~ is
9 authorized to be used for the purpose of making a portion of
10 the State's Fiscal Year 2010 required contributions to the
11 designated retirement systems.

12 The amount of \$4,096,348,300 of Bonds authorized by this
13 amendatory Act of the 96th General Assembly is authorized to be
14 used for the purpose of making a portion of the State's Fiscal
15 Year 2011 required contributions to the designated retirement
16 systems.

17 (b) The Pension Contribution Fund is created as a special
18 fund in the State Treasury.

19 The proceeds of the additional \$10,000,000,000 of Bonds
20 authorized by Public Act 93-2, less the amounts authorized in
21 the Bond Sale Order to be deposited directly into the
22 capitalized interest account of the General Obligation Bond
23 Retirement and Interest Fund or otherwise directly paid out for
24 bond sale expenses under Section 8, shall be deposited into the
25 Pension Contribution Fund and used as provided in this Section.

26 The proceeds of the additional \$3,466,000,000 of Bonds

1 authorized by Public Act 96-43 ~~this amendatory Act of the 96th~~
2 ~~General Assembly~~, less the amounts directly paid out for bond
3 sale expenses under Section 8, shall be deposited into the
4 Pension Contribution Fund, and the Comptroller and the
5 Treasurer shall, as soon as practical, (i) first, transfer from
6 the Pension Contribution Fund to the General Revenue Fund or
7 Common School Fund an amount equal to the amount of payments,
8 if any, made to the designated retirement systems from the
9 General Revenue Fund or Common School Fund in State fiscal year
10 2010 and (ii) second, make transfers from the Pension
11 Contribution Fund to the designated retirement systems
12 pursuant to Sections 2-124, 14-131, 15-155, 16-158, and 18-131
13 of the Illinois Pension Code.

14 The proceeds of the additional \$4,096,348,300 of Bonds
15 authorized by this amendatory Act of the 96th General Assembly,
16 less the amounts directly paid out for bond sale expenses under
17 Section 8, shall be deposited into the Pension Contribution
18 Fund, and the Comptroller and the Treasurer shall, as soon as
19 practical, (i) first, transfer from the Pension Contribution
20 Fund to the General Revenue Fund or Common School Fund an
21 amount equal to the amount of payments, if any, made to the
22 designated retirement systems from the General Revenue Fund or
23 Common School Fund in State fiscal year 2011 and (ii) second,
24 make transfers from the Pension Contribution Fund to the
25 designated retirement systems pursuant to Sections 2-124,
26 14-131, 15-155, 16-158, and 18-131 of the Illinois Pension

1 Code.

2 (c) Of the amount of Bond proceeds from the bond sale
3 authorized by Public Act 93-2 first deposited into the Pension
4 Contribution Fund, there shall be reserved for transfers under
5 this subsection the sum of \$300,000,000, representing the
6 required State contributions to the designated retirement
7 systems for the last quarter of State fiscal year 2003, plus
8 the sum of \$1,860,000,000, representing the required State
9 contributions to the designated retirement systems for State
10 fiscal year 2004.

11 Upon the deposit of sufficient moneys from the bond sale
12 authorized by Public Act 93-2 into the Pension Contribution
13 Fund, the Comptroller and Treasurer shall immediately transfer
14 the sum of \$300,000,000 from the Pension Contribution Fund to
15 the General Revenue Fund.

16 Whenever any payment of required State contributions for
17 State fiscal year 2004 is made to one of the designated
18 retirement systems, the Comptroller and Treasurer shall, as
19 soon as practicable, transfer from the Pension Contribution
20 Fund to the General Revenue Fund an amount equal to the amount
21 of that payment to the designated retirement system. Beginning
22 on the effective date of this amendatory Act of the 93rd
23 General Assembly, the transfers from the Pension Contribution
24 Fund to the General Revenue Fund shall be suspended until June
25 30, 2004, and the remaining balance in the Pension Contribution
26 Fund shall be transferred directly to the designated retirement

1 systems as provided in Section 6z-61 of the State Finance Act.
2 On and after July 1, 2004, in the event that any amount is on
3 deposit in the Pension Contribution Fund from time to time, the
4 Comptroller and Treasurer shall continue to make such transfers
5 based on fiscal year 2005 payments until the entire amount on
6 deposit has been transferred.

7 (d) All amounts deposited into the Pension Contribution
8 Fund, other than the amounts reserved for the transfers under
9 subsection (c) from the bond sale authorized by Public Act
10 93-2, ~~and~~ other than amounts deposited into the Pension
11 Contribution Fund from the bond sale authorized by Public Act
12 96-43 and other than amounts deposited into the Pension
13 Contribution Fund from the bond sale authorized by this
14 amendatory Act of the 96th General Assembly ~~this amendatory Act~~
15 ~~of the 96th General Assembly~~, shall be appropriated to the
16 designated retirement systems to reduce their actuarial
17 reserve deficiencies. The amount of the appropriation to each
18 designated retirement system shall constitute a portion of the
19 total appropriation under this subsection that is the same as
20 that retirement system's portion of the total actuarial reserve
21 deficiency of the systems, as most recently determined by the
22 Governor's Office of Management and Budget under Section 8.12
23 of the State Finance Act.

24 With respect to proceeds from the bond sale authorized by
25 Public Act 93-2 only, within 15 days after any Bond proceeds in
26 excess of the amounts initially reserved under subsection (c)

1 are deposited into the Pension Contribution Fund, the
2 Governor's Office of Management and Budget shall (i) allocate
3 those proceeds among the designated retirement systems in
4 proportion to their respective actuarial reserve deficiencies,
5 as most recently determined under Section 8.12 of the State
6 Finance Act, and (ii) certify those allocations to the
7 designated retirement systems and the Comptroller.

8 Upon receiving certification of an allocation under this
9 subsection, a designated retirement system shall submit to the
10 Comptroller a voucher for the amount of its allocation. The
11 voucher shall be paid out of the amount appropriated to that
12 designated retirement system from the Pension Contribution
13 Fund pursuant to this subsection.

14 (Source: P.A. 96-43, eff. 7-15-09.)

15 (30 ILCS 330/9) (from Ch. 127, par. 659)

16 Sec. 9. Conditions for Issuance and Sale of Bonds -
17 Requirements for Bonds.

18 (a) Except as otherwise provided in this subsection, Bonds
19 shall be issued and sold from time to time, in one or more
20 series, in such amounts and at such prices as may be directed
21 by the Governor, upon recommendation by the Director of the
22 Governor's Office of Management and Budget. Bonds shall be in
23 such form (either coupon, registered or book entry), in such
24 denominations, payable within 25 years from their date, subject
25 to such terms of redemption with or without premium, bear

1 interest payable at such times and at such fixed or variable
2 rate or rates, and be dated as shall be fixed and determined by
3 the Director of the Governor's Office of Management and Budget
4 in the order authorizing the issuance and sale of any series of
5 Bonds, which order shall be approved by the Governor and is
6 herein called a "Bond Sale Order"; provided however, that
7 interest payable at fixed or variable rates shall not exceed
8 that permitted in the Bond Authorization Act, as now or
9 hereafter amended. Bonds shall be payable at such place or
10 places, within or without the State of Illinois, and may be
11 made registrable as to either principal or as to both principal
12 and interest, as shall be specified in the Bond Sale Order.
13 Bonds may be callable or subject to purchase and retirement or
14 tender and remarketing as fixed and determined in the Bond Sale
15 Order. Bonds, other than Bonds issued under Section 3 of this
16 Act for the costs associated with the purchase and
17 implementation of information technology, (i) except for
18 refunding Bonds satisfying the requirements of Section 16 of
19 this Act and sold during fiscal year 2009, 2010, or 2011, must
20 be issued with principal or mandatory redemption amounts in
21 equal amounts, with the first maturity issued occurring within
22 the fiscal year in which the Bonds are issued or within the
23 next succeeding fiscal year and (ii) must mature or be subject
24 to mandatory redemption each fiscal year thereafter up to 25
25 years, except for refunding Bonds satisfying the requirements
26 of Section 16 of this Act and sold during fiscal year 2009,

1 2010, or 2011 which must mature or be subject to mandatory
 2 redemption each fiscal year thereafter up to 16 years. Bonds
 3 issued under Section 3 of this Act for the costs associated
 4 with the purchase and implementation of information technology
 5 must be issued with principal or mandatory redemption amounts
 6 in equal amounts, with the first maturity issued occurring with
 7 the fiscal year in which the respective bonds are issued or
 8 with the next succeeding fiscal year, with the respective bonds
 9 issued maturing or subject to mandatory redemption each fiscal
 10 year thereafter up to 10 years. Notwithstanding any provision
 11 of this Act to the contrary, the Bonds authorized by Public Act
 12 96-43 shall be payable within 5 years from their date and must
 13 be issued with principal or mandatory redemption amounts in
 14 equal amounts, with payment of principal or mandatory
 15 redemption beginning in the first fiscal year following the
 16 fiscal year in which the Bonds are issued.

17 Notwithstanding any provision of this Act to the contrary,
 18 the Bonds authorized by this amendatory Act of the 96th General
 19 Assembly shall be payable within 8 years from their date and
 20 shall be issued with payment of maturing principal or scheduled
 21 mandatory redemptions in accordance with the following
 22 schedule, except the following amounts shall be prorated if
 23 less than the total additional amount of Bonds authorized by
 24 this amendatory Act of the 96th General Assembly are issued:

<u>Fiscal Year After Issuance</u>	<u>Amount</u>
<u>1-2</u>	<u>\$0</u>

1	<u>3</u>	<u>\$110,712,120</u>
2	<u>4</u>	<u>\$332,136,360</u>
3	<u>5</u>	<u>\$664,272,720</u>
4	<u>6-8</u>	<u>\$996,409,080</u>

5 In the case of any series of Bonds bearing interest at a
6 variable interest rate ("Variable Rate Bonds"), in lieu of
7 determining the rate or rates at which such series of Variable
8 Rate Bonds shall bear interest and the price or prices at which
9 such Variable Rate Bonds shall be initially sold or remarketed
10 (in the event of purchase and subsequent resale), the Bond Sale
11 Order may provide that such interest rates and prices may vary
12 from time to time depending on criteria established in such
13 Bond Sale Order, which criteria may include, without
14 limitation, references to indices or variations in interest
15 rates as may, in the judgment of a remarketing agent, be
16 necessary to cause Variable Rate Bonds of such series to be
17 remarketable from time to time at a price equal to their
18 principal amount, and may provide for appointment of a bank,
19 trust company, investment bank, or other financial institution
20 to serve as remarketing agent in that connection. The Bond Sale
21 Order may provide that alternative interest rates or provisions
22 for establishing alternative interest rates, different
23 security or claim priorities, or different call or amortization
24 provisions will apply during such times as Variable Rate Bonds
25 of any series are held by a person providing credit or
26 liquidity enhancement arrangements for such Bonds as

1 authorized in subsection (b) of this Section. The Bond Sale
2 Order may also provide for such variable interest rates to be
3 established pursuant to a process generally known as an auction
4 rate process and may provide for appointment of one or more
5 financial institutions to serve as auction agents and
6 broker-dealers in connection with the establishment of such
7 interest rates and the sale and remarketing of such Bonds.

8 (b) In connection with the issuance of any series of Bonds,
9 the State may enter into arrangements to provide additional
10 security and liquidity for such Bonds, including, without
11 limitation, bond or interest rate insurance or letters of
12 credit, lines of credit, bond purchase contracts, or other
13 arrangements whereby funds are made available to retire or
14 purchase Bonds, thereby assuring the ability of owners of the
15 Bonds to sell or redeem their Bonds. The State may enter into
16 contracts and may agree to pay fees to persons providing such
17 arrangements, but only under circumstances where the Director
18 of the Governor's Office of Management and Budget certifies
19 that he or she reasonably expects the total interest paid or to
20 be paid on the Bonds, together with the fees for the
21 arrangements (being treated as if interest), would not, taken
22 together, cause the Bonds to bear interest, calculated to their
23 stated maturity, at a rate in excess of the rate that the Bonds
24 would bear in the absence of such arrangements.

25 The State may, with respect to Bonds issued or anticipated
26 to be issued, participate in and enter into arrangements with

1 respect to interest rate protection or exchange agreements,
2 guarantees, or financial futures contracts for the purpose of
3 limiting, reducing, or managing interest rate exposure. The
4 authority granted under this paragraph, however, shall not
5 increase the principal amount of Bonds authorized to be issued
6 by law. The arrangements may be executed and delivered by the
7 Director of the Governor's Office of Management and Budget on
8 behalf of the State. Net payments for such arrangements shall
9 constitute interest on the Bonds and shall be paid from the
10 General Obligation Bond Retirement and Interest Fund. The
11 Director of the Governor's Office of Management and Budget
12 shall at least annually certify to the Governor and the State
13 Comptroller his or her estimate of the amounts of such net
14 payments to be included in the calculation of interest required
15 to be paid by the State.

16 (c) Prior to the issuance of any Variable Rate Bonds
17 pursuant to subsection (a), the Director of the Governor's
18 Office of Management and Budget shall adopt an interest rate
19 risk management policy providing that the amount of the State's
20 variable rate exposure with respect to Bonds shall not exceed
21 20%. This policy shall remain in effect while any Bonds are
22 outstanding and the issuance of Bonds shall be subject to the
23 terms of such policy. The terms of this policy may be amended
24 from time to time by the Director of the Governor's Office of
25 Management and Budget but in no event shall any amendment cause
26 the permitted level of the State's variable rate exposure with

1 respect to Bonds to exceed 20%.

2 (d) "Build America Bonds" in this Section means Bonds
3 authorized by Section 54AA of the Internal Revenue Code of
4 1986, as amended ("Internal Revenue Code"), and bonds issued
5 from time to time to refund or continue to refund "Build
6 America Bonds".

7 (e) Notwithstanding any other provision of this Section,
8 Qualified School Construction Bonds shall be issued and sold
9 from time to time, in one or more series, in such amounts and
10 at such prices as may be directed by the Governor, upon
11 recommendation by the Director of the Governor's Office of
12 Management and Budget. Qualified School Construction Bonds
13 shall be in such form (either coupon, registered or book
14 entry), in such denominations, payable within 25 years from
15 their date, subject to such terms of redemption with or without
16 premium, and if the Qualified School Construction Bonds are
17 issued with a supplemental coupon, bear interest payable at
18 such times and at such fixed or variable rate or rates, and be
19 dated as shall be fixed and determined by the Director of the
20 Governor's Office of Management and Budget in the order
21 authorizing the issuance and sale of any series of Qualified
22 School Construction Bonds, which order shall be approved by the
23 Governor and is herein called a "Bond Sale Order"; except that
24 interest payable at fixed or variable rates, if any, shall not
25 exceed that permitted in the Bond Authorization Act, as now or
26 hereafter amended. Qualified School Construction Bonds shall

1 be payable at such place or places, within or without the State
2 of Illinois, and may be made registrable as to either principal
3 or as to both principal and interest, as shall be specified in
4 the Bond Sale Order. Qualified School Construction Bonds may be
5 callable or subject to purchase and retirement or tender and
6 remarketing as fixed and determined in the Bond Sale Order.
7 Qualified School Construction Bonds must be issued with
8 principal or mandatory redemption amounts or sinking fund
9 payments into the General Obligation Bond Retirement and
10 Interest Fund (or subaccount therefor) in equal amounts, with
11 the first maturity issued, mandatory redemption payment or
12 sinking fund payment occurring within the fiscal year in which
13 the Qualified School Construction Bonds are issued or within
14 the next succeeding fiscal year, with Qualified School
15 Construction Bonds issued maturing or subject to mandatory
16 redemption or with sinking fund payments thereof deposited each
17 fiscal year thereafter up to 25 years. Sinking fund payments
18 set forth in this subsection shall be permitted only to the
19 extent authorized in Section 54F of the Internal Revenue Code
20 or as otherwise determined by the Director of the Governor's
21 Office of Management and Budget. "Qualified School
22 Construction Bonds" in this subsection means Bonds authorized
23 by Section 54F of the Internal Revenue Code and for bonds
24 issued from time to time to refund or continue to refund such
25 "Qualified School Construction Bonds".

26 (Source: P.A. 96-18, eff. 6-26-09; 96-37, eff. 7-13-09; 96-43,

1 eff. 7-15-09; 96-828, eff. 12-2-09.)

2 (30 ILCS 330/11) (from Ch. 127, par. 661)

3 Sec. 11. Sale of Bonds. Except as otherwise provided in
4 this Section, Bonds shall be sold from time to time pursuant to
5 notice of sale and public bid or by negotiated sale in such
6 amounts and at such times as is directed by the Governor, upon
7 recommendation by the Director of the Governor's Office of
8 Management and Budget. At least 25%, based on total principal
9 amount, of all Bonds issued each fiscal year shall be sold
10 pursuant to notice of sale and public bid. At all times during
11 each fiscal year, no more than 75%, based on total principal
12 amount, of the Bonds issued each fiscal year, shall have been
13 sold by negotiated sale. Failure to satisfy the requirements in
14 the preceding 2 sentences shall not affect the validity of any
15 previously issued Bonds; provided that all Bonds authorized by
16 Public Act 96-43 and this amendatory Act of the 96th General
17 Assembly ~~this amendatory Act of the 96th General Assembly~~ shall
18 not be included in determining compliance for any fiscal year
19 with the requirements of the preceding 2 sentences; and further
20 provided that refunding Bonds satisfying the requirements of
21 Section 16 of this Act and sold during fiscal year 2009, 2010,
22 or 2011 shall not be subject to the requirements in the
23 preceding 2 sentences.

24 If any Bonds, including refunding Bonds, are to be sold by
25 negotiated sale, the Director of the Governor's Office of

1 Management and Budget shall comply with the competitive request
2 for proposal process set forth in the Illinois Procurement Code
3 and all other applicable requirements of that Code.

4 If Bonds are to be sold pursuant to notice of sale and
5 public bid, the Director of the Governor's Office of Management
6 and Budget shall, from time to time, as Bonds are to be sold,
7 advertise the sale of the Bonds in at least 2 daily newspapers,
8 one of which is published in the City of Springfield and one in
9 the City of Chicago. The sale of the Bonds shall also be
10 advertised in the volume of the Illinois Procurement Bulletin
11 that is published by the Department of Central Management
12 Services. Each of the advertisements for proposals shall be
13 published once at least 10 days prior to the date fixed for the
14 opening of the bids. The Director of the Governor's Office of
15 Management and Budget may reschedule the date of sale upon the
16 giving of such additional notice as the Director deems adequate
17 to inform prospective bidders of such change; provided,
18 however, that all other conditions of the sale shall continue
19 as originally advertised.

20 Executed Bonds shall, upon payment therefor, be delivered
21 to the purchaser, and the proceeds of Bonds shall be paid into
22 the State Treasury as directed by Section 12 of this Act.

23 (Source: P.A. 96-18, eff. 6-26-09; 96-43, eff. 7-15-09.)

24 (30 ILCS 330/15) (from Ch. 127, par. 665)

25 Sec. 15. Computation of Principal and Interest; transfers.

1 (a) Upon each delivery of Bonds authorized to be issued
2 under this Act, the Comptroller shall compute and certify to
3 the Treasurer the total amount of principal of, interest on,
4 and premium, if any, on Bonds issued that will be payable in
5 order to retire such Bonds, the amount of principal of,
6 interest on and premium, if any, on such Bonds that will be
7 payable on each payment date according to the tenor of such
8 Bonds during the then current and each succeeding fiscal year,
9 and the amount of sinking fund payments needed to be deposited
10 in connection with Qualified School Construction Bonds
11 authorized by subsection (e) of Section 9. With respect to the
12 interest payable on variable rate bonds, such certifications
13 shall be calculated at the maximum rate of interest that may be
14 payable during the fiscal year, after taking into account any
15 credits permitted in the related indenture or other instrument
16 against the amount of such interest required to be appropriated
17 for such period pursuant to subsection (c) of Section 14 of
18 this Act. With respect to the interest payable, such
19 certifications shall include the amounts certified by the
20 Director of the Governor's Office of Management and Budget
21 under subsection (b) of Section 9 of this Act.

22 On or before the last day of each month the State Treasurer
23 and Comptroller shall transfer from (1) the Road Fund with
24 respect to Bonds issued under paragraph (a) of Section 4 of
25 this Act or Bonds issued for the purpose of refunding such
26 bonds, and from (2) the General Revenue Fund, with respect to

1 all other Bonds issued under this Act, to the General
2 Obligation Bond Retirement and Interest Fund an amount
3 sufficient to pay the aggregate of the principal of, interest
4 on, and premium, if any, on Bonds payable, by their terms on
5 the next payment date divided by the number of full calendar
6 months between the date of such Bonds and the first such
7 payment date, and thereafter, divided by the number of months
8 between each succeeding payment date after the first. Such
9 computations and transfers shall be made for each series of
10 Bonds issued and delivered. Interest payable on variable rate
11 bonds shall be calculated at the maximum rate of interest that
12 may be payable for the relevant period, after taking into
13 account any credits permitted in the related indenture or other
14 instrument against the amount of such interest required to be
15 appropriated for such period pursuant to subsection (c) of
16 Section 14 of this Act. Computations of interest shall include
17 the amounts certified by the Director of the Governor's Office
18 of Management and Budget under subsection (b) of Section 9 of
19 this Act. Interest for which moneys have already been deposited
20 into the capitalized interest account within the General
21 Obligation Bond Retirement and Interest Fund shall not be
22 included in the calculation of the amounts to be transferred
23 under this subsection. Notwithstanding any other provision in
24 this Section, the transfer provisions provided in this
25 paragraph shall not apply to transfers made in fiscal year 2010
26 or fiscal year 2011 with respect to Bonds issued in fiscal year

1 2010 for fiscal year 2011 pursuant to Section 7.2 of this Act.
2 In the case of transfers made in fiscal year 2010 or fiscal
3 year 2011 with respect to the Bonds issued in fiscal year 2010
4 or fiscal year 2011 pursuant to Section 7.2 of this Act, on or
5 before the 15th day of the month prior to the required debt
6 service payment, the State Treasurer and Comptroller shall
7 transfer from the General Revenue Fund to the General
8 Obligation Bond Retirement and Interest Fund an amount
9 sufficient to pay the aggregate of the principal of, interest
10 on, and premium, if any, on the Bonds payable in that next
11 month.

12 The transfer of monies herein and above directed is not
13 required if monies in the General Obligation Bond Retirement
14 and Interest Fund are more than the amount otherwise to be
15 transferred as herein above provided, and if the Governor or
16 his authorized representative notifies the State Treasurer and
17 Comptroller of such fact in writing.

18 (b) After the effective date of this Act, the balance of,
19 and monies directed to be included in the Capital Development
20 Bond Retirement and Interest Fund, Anti-Pollution Bond
21 Retirement and Interest Fund, Transportation Bond, Series A
22 Retirement and Interest Fund, Transportation Bond, Series B
23 Retirement and Interest Fund, and Coal Development Bond
24 Retirement and Interest Fund shall be transferred to and
25 deposited in the General Obligation Bond Retirement and
26 Interest Fund. This Fund shall be used to make debt service

1 payments on the State's general obligation Bonds heretofore
2 issued which are now outstanding and payable from the Funds
3 herein listed as well as on Bonds issued under this Act.

4 (c) The unused portion of federal funds received for a
5 capital facilities project, as authorized by Section 3 of this
6 Act, for which monies from the Capital Development Fund have
7 been expended shall be deposited upon completion of the project
8 in the General Obligation Bond Retirement and Interest Fund.
9 Any federal funds received as reimbursement for the completed
10 construction of a capital facilities project, as authorized by
11 Section 3 of this Act, for which monies from the Capital
12 Development Fund have been expended shall be deposited in the
13 General Obligation Bond Retirement and Interest Fund.

14 (Source: P.A. 96-43, eff. 7-15-09; 96-828, eff. 12-2-09.)

15 Section 10. The Illinois Pension Code is amended by
16 changing Sections 2-124, 2-134, 14-131, 14-135.08, 15-155,
17 15-165, 16-158, 18-131, and 18-140 as follows:

18 (40 ILCS 5/2-124) (from Ch. 108 1/2, par. 2-124)

19 Sec. 2-124. Contributions by State.

20 (a) The State shall make contributions to the System by
21 appropriations of amounts which, together with the
22 contributions of participants, interest earned on investments,
23 and other income will meet the cost of maintaining and
24 administering the System on a 90% funded basis in accordance

1 with actuarial recommendations.

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

7 (c) For State fiscal years 2012 ~~2011~~ through 2045, the
8 minimum contribution to the System to be made by the State for
9 each fiscal year shall be an amount determined by the System to
10 be sufficient to bring the total assets of the System up to 90%
11 of the total actuarial liabilities of the System by the end of
12 State fiscal year 2045. In making these determinations, the
13 required State contribution shall be calculated each year as a
14 level percentage of payroll over the years remaining to and
15 including fiscal year 2045 and shall be determined under the
16 projected unit credit actuarial cost method.

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

22 Notwithstanding any other provision of this Article, the
23 total required State contribution for State fiscal year 2006 is
24 \$4,157,000.

25 Notwithstanding any other provision of this Article, the
26 total required State contribution for State fiscal year 2007 is

1 \$5,220,300.

2 For each of State fiscal years 2008 through 2009, the State
3 contribution to the System, as a percentage of the applicable
4 employee payroll, shall be increased in equal annual increments
5 from the required State contribution for State fiscal year
6 2007, so that by State fiscal year 2011, the State is
7 contributing at the rate otherwise required under this Section.

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

18 Notwithstanding any other provision of this Article, the
19 total required State contribution for State fiscal year 2011 is
20 the amount recertified by the System on or before June 15, 2010
21 pursuant to Section 2-134 and shall be made from the proceeds
22 of bonds sold in fiscal year 2011 pursuant to Section 7.2 of
23 the General Obligation Bond Act, less (i) the pro rata share of
24 bond sale expenses determined by the System's share of total
25 bond proceeds, (ii) any amounts received from the General
26 Revenue Fund in fiscal year 2011, and (iii) any reduction in

1 bond proceeds due to the issuance of discounted bonds, if
2 applicable.

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

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

19 Notwithstanding any other provision of this Section, the
20 required State contribution for State fiscal year 2005 and for
21 fiscal year 2008 and each fiscal year thereafter, as calculated
22 under this Section and certified under Section 2-134, shall not
23 exceed an amount equal to (i) the amount of the required State
24 contribution that would have been calculated under this Section
25 for that fiscal year if the System had not received any
26 payments under subsection (d) of Section 7.2 of the General

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

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

21 As of June 30, 2008, the actuarial value of the System's
22 assets shall be equal to the market value of the assets as of
23 that date. In determining the actuarial value of the System's
24 assets for fiscal years after June 30, 2008, 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 (e) For purposes of determining the required State
3 contribution to the system for a particular year, the actuarial
4 value of assets shall be assumed to earn a rate of return equal
5 to the system's actuarially assumed rate of return.

6 (Source: P.A. 95-950, eff. 8-29-08; 96-43, eff. 7-15-09.)

7 (40 ILCS 5/2-134) (from Ch. 108 1/2, par. 2-134)

8 Sec. 2-134. To certify required State contributions and
9 submit vouchers.

10 (a) The Board shall certify to the Governor on or before
11 December 15 of each year the amount of the required State
12 contribution to the System for the next fiscal year. The
13 certification shall include a copy of the actuarial
14 recommendations upon which it is based.

15 On or before May 1, 2004, the Board shall recalculate and
16 recertify to the Governor the amount of the required State
17 contribution to the System for State fiscal year 2005, taking
18 into account the amounts appropriated to and received by the
19 System under subsection (d) of Section 7.2 of the General
20 Obligation Bond Act.

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

1 On or before June 15, 2010, the Board shall recalculate and
2 recertify to the Governor the amount of the required State
3 contribution to the System for State fiscal year 2011, applying
4 the changes made by Public Act 96-889 to the System's assets
5 and liabilities as of June 30, 2009 as though Public Act 96-889
6 was approved on that date.

7 (b) Beginning in State fiscal year 1996, on or as soon as
8 possible after the 15th day of each month the Board shall
9 submit vouchers for payment of State contributions to the
10 System, in a total monthly amount of one-twelfth of the
11 required annual State contribution certified under subsection
12 (a). From the effective date of this amendatory Act of the 93rd
13 General Assembly through June 30, 2004, the Board shall not
14 submit vouchers for the remainder of fiscal year 2004 in excess
15 of the fiscal year 2004 certified contribution amount
16 determined under this Section after taking into consideration
17 the transfer to the System under subsection (d) of Section
18 6z-61 of the State Finance Act. These vouchers shall be paid by
19 the State Comptroller and Treasurer by warrants drawn on the
20 funds appropriated to the System for that fiscal year. If in
21 any month the amount remaining unexpended from all other
22 appropriations to the System for the applicable fiscal year
23 (including the appropriations to the System under Section 8.12
24 of the State Finance Act and Section 1 of the State Pension
25 Funds Continuing Appropriation Act) is less than the amount
26 lawfully vouchered under this Section, the difference shall be

1 paid from the General Revenue Fund under the continuing
2 appropriation authority provided in Section 1.1 of the State
3 Pension Funds Continuing Appropriation Act.

4 (c) The full amount of any annual appropriation for the
5 System for State fiscal year 1995 shall be transferred and made
6 available to the System at the beginning of that fiscal year at
7 the request of the Board. Any excess funds remaining at the end
8 of any fiscal year from appropriations shall be retained by the
9 System as a general reserve to meet the System's accrued
10 liabilities.

11 (Source: P.A. 94-4, eff. 6-1-05; 94-536, eff. 8-10-05; 95-331,
12 eff. 8-21-07.)

13 (40 ILCS 5/14-131)

14 Sec. 14-131. Contributions by State.

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

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

1 behalf of the employee.

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

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

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

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

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

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

18 (c-2) For State fiscal year 2010 only, on or as soon as
19 possible after the 15th day of each month the Board shall
20 submit vouchers for payment of State contributions to the
21 System, in a total monthly amount of one-twelfth of the fiscal
22 year 2010 General Revenue Fund appropriation to the System.

23 (d) If an employee is paid from trust funds or federal
24 funds, the department or other employer shall pay employer
25 contributions from those funds to the System at the certified
26 rate, unless the terms of the trust or the federal-State

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

11 (e) For State fiscal years 2012 ~~2011~~ through 2045, the
12 minimum contribution to the System to be made by the State for
13 each fiscal year shall be an amount determined by the System to
14 be sufficient to bring the total assets of the System up to 90%
15 of the total actuarial liabilities of the System by the end of
16 State fiscal year 2045. In making these determinations, the
17 required State contribution shall be calculated each year as a
18 level percentage of payroll over the years remaining to and
19 including fiscal year 2045 and shall be determined under the
20 projected unit credit actuarial cost method.

21 For State fiscal years 1996 through 2005, the State
22 contribution to the System, as a percentage of the applicable
23 employee payroll, shall be increased in equal annual increments
24 so that by State fiscal year 2011, the State is contributing at
25 the rate required under this Section; except that (i) for State
26 fiscal year 1998, for all purposes of this Code and any other

1 law of this State, the certified percentage of the applicable
2 employee payroll shall be 5.052% for employees earning eligible
3 creditable service under Section 14-110 and 6.500% for all
4 other employees, notwithstanding any contrary certification
5 made under Section 14-135.08 before the effective date of this
6 amendatory Act of 1997, and (ii) in the following specified
7 State fiscal years, the State contribution to the System shall
8 not be less than the following indicated percentages of the
9 applicable employee payroll, even if the indicated percentage
10 will produce a State contribution in excess of the amount
11 otherwise required under this subsection and subsection (a):
12 9.8% in FY 1999; 10.0% in FY 2000; 10.2% in FY 2001; 10.4% in FY
13 2002; 10.6% in FY 2003; and 10.8% in FY 2004.

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

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

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

26 Notwithstanding any other provision of this Article, the

1 total required State General Revenue Fund contribution for
2 State fiscal year 2010 is \$723,703,100 and shall be made from
3 the proceeds of bonds sold in fiscal year 2010 pursuant to
4 Section 7.2 of the General Obligation Bond Act, less (i) the
5 pro rata share of bond sale expenses determined by the System's
6 share of total bond proceeds, (ii) any amounts received from
7 the General Revenue Fund in fiscal year 2010, and (iii) any
8 reduction in bond proceeds due to the issuance of discounted
9 bonds, if applicable.

10 Notwithstanding any other provision of this Article, the
11 total required State General Revenue Fund contribution for
12 State fiscal year 2011 is the amount recertified by the System
13 on or before June 15, 2010 pursuant to Section 14-135.08 and
14 shall be made from the proceeds of bonds sold in fiscal year
15 2011 pursuant to Section 7.2 of the General Obligation Bond
16 Act, less (i) the pro rata share of bond sale expenses
17 determined by the System's share of total bond proceeds, (ii)
18 any amounts received from the General Revenue Fund in fiscal
19 year 2011, and (iii) any reduction in bond proceeds due to the
20 issuance of discounted bonds, if applicable.

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

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

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

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

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

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

1 Continuing Appropriation Act. If the amount due is less than
2 the amount received, the difference shall be termed the "Fiscal
3 Year 2004 Overpayment" for purposes of this Section, and the
4 Fiscal Year 2004 Overpayment shall be repaid by the System to
5 the Pension Contribution Fund as soon as practicable after the
6 certification.

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

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

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

22 (i) ~~(g)~~ After the submission of all payments for eligible
23 employees from personal services line items paid from the
24 General Revenue Fund in fiscal year 2010 have been made, the
25 Comptroller shall provide to the System a certification of the
26 sum of all fiscal year 2010 expenditures for personal services

1 that would have been covered by payments to the System under
2 this Section if the provisions of this amendatory Act of the
3 96th General Assembly had not been enacted. Upon receipt of the
4 certification, the System shall determine the amount due to the
5 System based on the full rate certified by the Board under
6 Section 14-135.08 for fiscal year 2010 in order to meet the
7 State's obligation under this Section. The System shall compare
8 this amount due to the amount received by the System in fiscal
9 year 2010 through payments under this Section. If the amount
10 due is more than the amount received, the difference shall be
11 termed the "Fiscal Year 2010 Shortfall" for purposes of this
12 Section, and the Fiscal Year 2010 Shortfall shall be satisfied
13 under Section 1.2 of the State Pension Funds Continuing
14 Appropriation Act. If the amount due is less than the amount
15 received, the difference shall be termed the "Fiscal Year 2010
16 Overpayment" for purposes of this Section, and the Fiscal Year
17 2010 Overpayment shall be repaid by the System to the General
18 Revenue Fund as soon as practicable after the certification.

19 (Source: P.A. 95-950, eff. 8-29-08; 96-43, eff. 7-15-09; 96-45,
20 eff. 7-15-09; revised 11-3-09.)

21 (40 ILCS 5/14-135.08) (from Ch. 108 1/2, par. 14-135.08)

22 Sec. 14-135.08. To certify required State contributions.

23 (a) To certify to the Governor and to each department, on
24 or before November 15 of each year, the required rate for State
25 contributions to the System for the next State fiscal year, as

1 determined under subsection (b) of Section 14-131. The
2 certification to the Governor shall include a copy of the
3 actuarial recommendations upon which the rate is based.

4 (b) The certification shall include an additional amount
5 necessary to pay all principal of and interest on those general
6 obligation bonds due the next fiscal year authorized by Section
7 7.2(a) of the General Obligation Bond Act and issued to provide
8 the proceeds deposited by the State with the System in July
9 2003, representing deposits other than amounts reserved under
10 Section 7.2(c) of the General Obligation Bond Act. For State
11 fiscal year 2005, the Board shall make a supplemental
12 certification of the additional amount necessary to pay all
13 principal of and interest on those general obligation bonds due
14 in State fiscal years 2004 and 2005 authorized by Section
15 7.2(a) of the General Obligation Bond Act and issued to provide
16 the proceeds deposited by the State with the System in July
17 2003, representing deposits other than amounts reserved under
18 Section 7.2(c) of the General Obligation Bond Act, as soon as
19 practical after the effective date of this amendatory Act of
20 the 93rd General Assembly.

21 On or before May 1, 2004, the Board shall recalculate and
22 recertify to the Governor and to each department the amount of
23 the required State contribution to the System and the required
24 rates for State contributions to the System for State fiscal
25 year 2005, taking into account the amounts appropriated to and
26 received by the System under subsection (d) of Section 7.2 of

1 the General Obligation Bond Act.

2 On or before July 1, 2005, the Board shall recalculate and
3 recertify to the Governor and to each department the amount of
4 the required State contribution to the System and the required
5 rates for State contributions to the System for State fiscal
6 year 2006, taking into account the changes in required State
7 contributions made by this amendatory Act of the 94th General
8 Assembly.

9 On or before June 15, 2010, the Board shall recalculate and
10 recertify to the Governor and to each department the amount of
11 the required State contribution to the System for State fiscal
12 year 2011, applying the changes made by Public Act 96-889 to
13 the System's assets and liabilities as of June 30, 2009 as
14 though Public Act 96-889 was approved on that date.

15 (Source: P.A. 93-2, eff. 4-7-03; 93-839, eff. 7-30-04; 94-4,
16 eff. 6-1-05.)

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

18 Sec. 15-155. Employer contributions.

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

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

6 (a-1) For State fiscal years 2012 ~~2011~~ through 2045, the
7 minimum contribution to the System to be made by the State for
8 each fiscal year shall be an amount determined by the System to
9 be sufficient to bring the total assets of the System up to 90%
10 of the total actuarial liabilities of the System by the end of
11 State fiscal year 2045. In making these determinations, the
12 required State contribution shall be calculated each year as a
13 level percentage of payroll over the years remaining to and
14 including fiscal year 2045 and shall be determined under the
15 projected unit credit actuarial cost method.

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

21 Notwithstanding any other provision of this Article, the
22 total required State contribution for State fiscal year 2006 is
23 \$166,641,900.

24 Notwithstanding any other provision of this Article, the
25 total required State contribution for State fiscal year 2007 is
26 \$252,064,100.

1 For each of State fiscal years 2008 through 2009, the State
2 contribution to the System, as a percentage of the applicable
3 employee payroll, shall be increased in equal annual increments
4 from the required State contribution for State fiscal year
5 2007, so that by State fiscal year 2011, the State is
6 contributing at the rate otherwise required under this Section.

7 Notwithstanding any other provision of this Article, the
8 total required State contribution for State fiscal year 2010 is
9 \$702,514,000 and shall be made from the State Pensions Fund and
10 proceeds of bonds sold in fiscal year 2010 pursuant to Section
11 7.2 of the General Obligation Bond Act, less (i) the pro rata
12 share of bond sale expenses determined by the System's share of
13 total bond proceeds, (ii) any amounts received from the General
14 Revenue Fund in fiscal year 2010, (iii) any reduction in bond
15 proceeds due to the issuance of discounted bonds, if
16 applicable.

17 Notwithstanding any other provision of this Article, the
18 total required State contribution for State fiscal year 2011 is
19 the amount recertified by the System on or before June 15, 2010
20 pursuant to Section 15-165 and shall be made from the State
21 Pensions Fund and proceeds of bonds sold in fiscal year 2011
22 pursuant to Section 7.2 of the General Obligation Bond Act,
23 less (i) the pro rata share of bond sale expenses determined by
24 the System's share of total bond proceeds, (ii) any amounts
25 received from the General Revenue Fund in fiscal year 2011, and
26 (iii) any reduction in bond proceeds due to the issuance of

1 discounted bonds, if applicable.

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

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

18 Notwithstanding any other provision of this Section, the
19 required State contribution for State fiscal year 2005 and for
20 fiscal year 2008 and each fiscal year thereafter, as calculated
21 under this Section and certified under Section 15-165, shall
22 not exceed an amount equal to (i) the amount of the required
23 State contribution that would have been calculated under this
24 Section for that fiscal year if the System had not received any
25 payments under subsection (d) of Section 7.2 of the General
26 Obligation Bond Act, minus (ii) the portion of the State's

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

16 (b) If an employee is paid from trust or federal funds, the
17 employer shall pay to the Board contributions from those funds
18 which are sufficient to cover the accruing normal costs on
19 behalf of the employee. However, universities having employees
20 who are compensated out of local auxiliary funds, income funds,
21 or service enterprise funds are not required to pay such
22 contributions on behalf of those employees. The local auxiliary
23 funds, income funds, and service enterprise funds of
24 universities shall not be considered trust funds for the
25 purpose of this Article, but funds of alumni associations,
26 foundations, and athletic associations which are affiliated

1 with the universities included as employers under this Article
2 and other employers which do not receive State appropriations
3 are considered to be trust funds for the purpose of this
4 Article.

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

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

1 payable solely from appropriations to the Illinois Community
2 College Board or the System for employer contributions.

3 (d) Beginning in State fiscal year 1996, the required State
4 contributions to the System shall be appropriated directly to
5 the System and shall be payable through vouchers issued in
6 accordance with subsection (c) of Section 15-165, except as
7 provided in subsection (g).

8 (e) The State Comptroller shall draw warrants payable to
9 the System upon proper certification by the System or by the
10 employer in accordance with the appropriation laws and this
11 Code.

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

20 (g) If the amount of a participant's earnings for any
21 academic year used to determine the final rate of earnings,
22 determined on a full-time equivalent basis, exceeds the amount
23 of his or her earnings with the same employer for the previous
24 academic year, determined on a full-time equivalent basis, by
25 more than 6%, the participant's employer shall pay to the
26 System, in addition to all other payments required under this

1 Section and in accordance with guidelines established by the
2 System, the present value of the increase in benefits resulting
3 from the portion of the increase in earnings that is in excess
4 of 6%. This present value shall be computed by the System on
5 the basis of the actuarial assumptions and tables used in the
6 most recent actuarial valuation of the System that is available
7 at the time of the computation. The System may require the
8 employer to provide any pertinent information or
9 documentation.

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

25 The employer contributions required under this subsection
26 (f) may be paid in the form of a lump sum within 90 days after

1 receipt of the bill. If the employer contributions are not paid
2 within 90 days after receipt of the bill, then interest will be
3 charged at a rate equal to the System's annual actuarially
4 assumed rate of return on investment compounded annually from
5 the 91st day after receipt of the bill. Payments must be
6 concluded within 3 years after the employer's receipt of the
7 bill.

8 (h) This subsection (h) applies only to payments made or
9 salary increases given on or after June 1, 2005 but before July
10 1, 2011. The changes made by Public Act 94-1057 shall not
11 require the System to refund any payments received before July
12 31, 2006 (the effective date of Public Act 94-1057).

13 When assessing payment for any amount due under subsection
14 (g), the System shall exclude earnings increases paid to
15 participants under contracts or collective bargaining
16 agreements entered into, amended, or renewed before June 1,
17 2005.

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

22 When assessing payment for any amount due under subsection
23 (g), the System shall exclude earnings increases resulting from
24 overload work, including a contract for summer teaching, or
25 overtime when the employer has certified to the System, and the
26 System has approved the certification, that: (i) in the case of

1 overloads (A) the overload work is for the sole purpose of
2 academic instruction in excess of the standard number of
3 instruction hours for a full-time employee occurring during the
4 academic year that the overload is paid and (B) the earnings
5 increases are equal to or less than the rate of pay for
6 academic instruction computed using the participant's current
7 salary rate and work schedule; and (ii) in the case of
8 overtime, the overtime was necessary for the educational
9 mission.

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

24 (i) When assessing payment for any amount due under
25 subsection (g), the System shall exclude any salary increase
26 described in subsection (h) of this Section given on or after

1 July 1, 2011 but before July 1, 2014 under a contract or
2 collective bargaining agreement entered into, amended, or
3 renewed on or after June 1, 2005 but before July 1, 2011.
4 Notwithstanding any other provision of this Section, any
5 payments made or salary increases given after June 30, 2014
6 shall be used in assessing payment for any amount due under
7 subsection (g) of this Section.

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

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

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

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

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

23 (k) The Illinois Community College Board shall adopt rules
24 for recommending lists of promotional positions submitted to
25 the Board by community colleges and for reviewing the
26 promotional lists on an annual basis. When recommending

1 promotional lists, the Board shall consider the similarity of
2 the positions submitted to those positions recognized for State
3 universities by the State Universities Civil Service System.
4 The Illinois Community College Board shall file a copy of its
5 findings with the System. The System shall consider the
6 findings of the Illinois Community College Board when making
7 determinations under this Section. The System shall not exclude
8 any earnings increases resulting from a promotion when the
9 promotion was not submitted by a community college. Nothing in
10 this subsection (k) shall require any community college to
11 submit any information to the Community College Board.

12 (l) For purposes of determining the required State
13 contribution to the System, the value of the System's assets
14 shall be equal to the actuarial value of the System's assets,
15 which shall be calculated as follows:

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

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

1 (Source: P.A. 95-331, eff. 8-21-07; 95-950, eff. 8-29-08;
2 96-43, eff. 7-15-09.)

3 (40 ILCS 5/15-165) (from Ch. 108 1/2, par. 15-165)

4 Sec. 15-165. To certify amounts and submit vouchers.

5 (a) The Board shall certify to the Governor on or before
6 November 15 of each year the appropriation required from State
7 funds for the purposes of this System for the following fiscal
8 year. The certification shall include a copy of the actuarial
9 recommendations upon which it is based.

10 On or before May 1, 2004, the Board shall recalculate and
11 recertify to the Governor the amount of the required State
12 contribution to the System for State fiscal year 2005, taking
13 into account the amounts appropriated to and received by the
14 System under subsection (d) of Section 7.2 of the General
15 Obligation Bond Act.

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

21 On or before June 15, 2010, the Board shall recalculate and
22 recertify to the Governor the amount of the required State
23 contribution to the System for State fiscal year 2011, applying
24 the changes made by Public Act 96-889 to the System's assets
25 and liabilities as of June 30, 2009 as though Public Act 96-889

1 was approved on that date.

2 (b) The Board shall certify to the State Comptroller or
3 employer, as the case may be, from time to time, by its
4 president and secretary, with its seal attached, the amounts
5 payable to the System from the various funds.

6 (c) Beginning in State fiscal year 1996, on or as soon as
7 possible after the 15th day of each month the Board shall
8 submit vouchers for payment of State contributions to the
9 System, in a total monthly amount of one-twelfth of the
10 required annual State contribution certified under subsection
11 (a). From the effective date of this amendatory Act of the 93rd
12 General Assembly through June 30, 2004, the Board shall not
13 submit vouchers for the remainder of fiscal year 2004 in excess
14 of the fiscal year 2004 certified contribution amount
15 determined under this Section after taking into consideration
16 the transfer to the System under subsection (b) of Section
17 6z-61 of the State Finance Act. These vouchers shall be paid by
18 the State Comptroller and Treasurer by warrants drawn on the
19 funds appropriated to the System for that fiscal year.

20 If in any month the amount remaining unexpended from all
21 other appropriations to the System for the applicable fiscal
22 year (including the appropriations to the System under Section
23 8.12 of the State Finance Act and Section 1 of the State
24 Pension Funds Continuing Appropriation Act) is less than the
25 amount lawfully vouchered under this Section, the difference
26 shall be paid from the General Revenue Fund under the

1 continuing appropriation authority provided in Section 1.1 of
2 the State Pension Funds Continuing Appropriation Act.

3 (d) So long as the payments received are the full amount
4 lawfully vouchered under this Section, payments received by the
5 System under this Section shall be applied first toward the
6 employer contribution to the self-managed plan established
7 under Section 15-158.2. Payments shall be applied second toward
8 the employer's portion of the normal costs of the System, as
9 defined in subsection (f) of Section 15-155. The balance shall
10 be applied toward the unfunded actuarial liabilities of the
11 System.

12 (e) In the event that the System does not receive, as a
13 result of legislative enactment or otherwise, payments
14 sufficient to fully fund the employer contribution to the
15 self-managed plan established under Section 15-158.2 and to
16 fully fund that portion of the employer's portion of the normal
17 costs of the System, as calculated in accordance with Section
18 15-155(a-1), then any payments received shall be applied
19 proportionately to the optional retirement program established
20 under Section 15-158.2 and to the employer's portion of the
21 normal costs of the System, as calculated in accordance with
22 Section 15-155(a-1).

23 (Source: P.A. 93-2, eff. 4-7-03; 93-665, eff. 3-5-04; 94-4,
24 eff. 6-1-05.)

1 Sec. 16-158. Contributions by State and other employing
2 units.

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

10 The Board shall determine the amount of State contributions
11 required for each fiscal year on the basis of the actuarial
12 tables and other assumptions adopted by the Board and the
13 recommendations of the actuary, using the formula in subsection
14 (b-3).

15 (a-1) Annually, on or before November 15, the Board shall
16 certify to the Governor the amount of the required State
17 contribution for the coming fiscal year. The certification
18 shall include a copy of the actuarial recommendations upon
19 which it is based.

20 On or before May 1, 2004, the Board shall recalculate and
21 recertify to the Governor the amount of the required State
22 contribution to the System for State fiscal year 2005, taking
23 into account the amounts appropriated to and received by the
24 System under subsection (d) of Section 7.2 of the General
25 Obligation Bond Act.

26 On or before July 1, 2005, the Board shall recalculate and

1 recertify to the Governor the amount of the required State
2 contribution to the System for State fiscal year 2006, taking
3 into account the changes in required State contributions made
4 by this amendatory Act of the 94th General Assembly.

5 On or before June 15, 2010, the Board shall recalculate and
6 recertify to the Governor the amount of the required State
7 contribution to the System for State fiscal year 2011, applying
8 the changes made by Public Act 96-889 to the System's assets
9 and liabilities as of June 30, 2009 as though Public Act 96-889
10 was approved on that date.

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

14 (b-1) Beginning in State fiscal year 1996, on the 15th day
15 of each month, or as soon thereafter as may be practicable, the
16 Board shall submit vouchers for payment of State contributions
17 to the System, in a total monthly amount of one-twelfth of the
18 required annual State contribution certified under subsection
19 (a-1). From the effective date of this amendatory Act of the
20 93rd General Assembly through June 30, 2004, the Board shall
21 not submit vouchers for the remainder of fiscal year 2004 in
22 excess of the fiscal year 2004 certified contribution amount
23 determined under this Section after taking into consideration
24 the transfer to the System under subsection (a) of Section
25 6z-61 of the State Finance Act. These vouchers shall be paid by
26 the State Comptroller and Treasurer by warrants drawn on the

1 funds appropriated to the System for that fiscal year.

2 If in any month the amount remaining unexpended from all
3 other appropriations to the System for the applicable fiscal
4 year (including the appropriations to the System under Section
5 8.12 of the State Finance Act and Section 1 of the State
6 Pension Funds Continuing Appropriation Act) is less than the
7 amount lawfully vouchered under this subsection, the
8 difference shall be paid from the Common School Fund under the
9 continuing appropriation authority provided in Section 1.1 of
10 the State Pension Funds Continuing Appropriation Act.

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

14 (b-3) For State fiscal years 2012 ~~2011~~ through 2045, the
15 minimum contribution to the System to be made by the State for
16 each fiscal year shall be an amount determined by the System to
17 be sufficient to bring the total assets of the System up to 90%
18 of the total actuarial liabilities of the System by the end of
19 State fiscal year 2045. In making these determinations, the
20 required State contribution shall be calculated each year as a
21 level percentage of payroll over the years remaining to and
22 including fiscal year 2045 and shall be determined under the
23 projected unit credit actuarial cost method.

24 For State fiscal years 1996 through 2005, the State
25 contribution to the System, as a percentage of the applicable
26 employee payroll, shall be increased in equal annual increments

1 so that by State fiscal year 2011, the State is contributing at
2 the rate required under this Section; except that in the
3 following specified State fiscal years, the State contribution
4 to the System shall not be less than the following indicated
5 percentages of the applicable employee payroll, even if the
6 indicated percentage will produce a State contribution in
7 excess of the amount otherwise required under this subsection
8 and subsection (a), and notwithstanding any contrary
9 certification made under subsection (a-1) before the effective
10 date of this amendatory Act of 1998: 10.02% in FY 1999; 10.77%
11 in FY 2000; 11.47% in FY 2001; 12.16% in FY 2002; 12.86% in FY
12 2003; and 13.56% in FY 2004.

13 Notwithstanding any other provision of this Article, the
14 total required State contribution for State fiscal year 2006 is
15 \$534,627,700.

16 Notwithstanding any other provision of this Article, the
17 total required State contribution for State fiscal year 2007 is
18 \$738,014,500.

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

25 Notwithstanding any other provision of this Article, the
26 total required State contribution for State fiscal year 2010 is

1 \$2,089,268,000 and shall be made from the proceeds of bonds
2 sold in fiscal year 2010 pursuant to Section 7.2 of the General
3 Obligation Bond Act, less (i) the pro rata share of bond sale
4 expenses determined by the System's share of total bond
5 proceeds, (ii) any amounts received from the Common School Fund
6 in fiscal year 2010, and (iii) any reduction in bond proceeds
7 due to the issuance of discounted bonds, if applicable.

8 Notwithstanding any other provision of this Article, the
9 total required State contribution for State fiscal year 2011 is
10 the amount recertified by the System on or before June 15, 2010
11 pursuant to subsection (a-1) of this Section and shall be made
12 from the proceeds of bonds sold in fiscal year 2011 pursuant to
13 Section 7.2 of the General Obligation Bond Act, less (i) the
14 pro rata share of bond sale expenses determined by the System's
15 share of total bond proceeds, (ii) any amounts received from
16 the Common School Fund in fiscal year 2011, and (iii) any
17 reduction in bond proceeds due to the issuance of discounted
18 bonds, if applicable. This amount shall include, in addition to
19 the amount certified by the System, an amount necessary to meet
20 employer contributions required by the State as an employer
21 under paragraph (e) of this Section, which may also be used by
22 the System for contributions required by paragraph (a) of
23 Section 16-127.

24 Beginning in State fiscal year 2046, the minimum State
25 contribution for each fiscal year shall be the amount needed to
26 maintain the total assets of the System at 90% of the total

1 actuarial liabilities of the System.

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

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

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

12 (c) Payment of the required State contributions and of all
13 pensions, retirement annuities, death benefits, refunds, and
14 other benefits granted under or assumed by this System, and all
15 expenses in connection with the administration and operation
16 thereof, are obligations of the State.

17 If members are paid from special trust or federal funds
18 which are administered by the employing unit, whether school
19 district or other unit, the employing unit shall pay to the
20 System from such funds the full accruing retirement costs based
21 upon that service, as determined by the System. Employer
22 contributions, based on salary paid to members from federal
23 funds, may be forwarded by the distributing agency of the State
24 of Illinois to the System prior to allocation, in an amount
25 determined in accordance with guidelines established by such
26 agency and the System.

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

8 However, with respect to benefits granted under Section
9 16-133.4 or 16-133.5 to a teacher as defined in paragraph (8)
10 of Section 16-106, the employer's contribution shall be 12%
11 (rather than 20%) of the member's highest annual salary rate
12 for each year of creditable service granted, and the employer
13 shall also pay the required employee contribution on behalf of
14 the teacher. For the purposes of Sections 16-133.4 and
15 16-133.5, a teacher as defined in paragraph (8) of Section
16 16-106 who is serving in that capacity while on leave of
17 absence from another employer under this Article shall not be
18 considered an employee of the employer from which the teacher
19 is on leave.

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

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

26 (2) Beginning July 1, 1999 and thereafter, the employer

1 contribution shall be equal to 0.58% of each teacher's
2 salary.

3 The school district or other employing unit may pay these
4 employer contributions out of any source of funding available
5 for that purpose and shall forward the contributions to the
6 System on the schedule established for the payment of member
7 contributions.

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

11 Each employer of teachers is entitled to a credit against
12 the contributions required under this subsection (e) with
13 respect to salaries paid to teachers for the period January 1,
14 2002 through June 30, 2003, equal to the amount paid by that
15 employer under subsection (a-5) of Section 6.6 of the State
16 Employees Group Insurance Act of 1971 with respect to salaries
17 paid to teachers for that period.

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

23 If an employer is required by a contract in effect on May
24 1, 1998 between the employer and an employee organization to
25 pay, on behalf of all its full-time employees covered by this
26 Article, all mandatory employee contributions required under

1 this Article, then the employer shall be excused from paying
2 the employer contribution required under this subsection (e)
3 for the balance of the term of that contract. The employer and
4 the employee organization shall jointly certify to the System
5 the existence of the contractual requirement, in such form as
6 the System may prescribe. This exclusion shall cease upon the
7 termination, extension, or renewal of the contract at any time
8 after May 1, 1998.

9 (f) If the amount of a teacher's salary for any school year
10 used to determine final average salary exceeds the member's
11 annual full-time salary rate with the same employer for the
12 previous school year by more than 6%, the teacher's employer
13 shall pay to the System, in addition to all other payments
14 required under this Section and in accordance with guidelines
15 established by the System, the present value of the increase in
16 benefits resulting from the portion of the increase in salary
17 that is in excess of 6%. This present value shall be computed
18 by the System on the basis of the actuarial assumptions and
19 tables used in the most recent actuarial valuation of the
20 System that is available at the time of the computation. If a
21 teacher's salary for the 2005-2006 school year is used to
22 determine final average salary under this subsection (f), then
23 the changes made to this subsection (f) by Public Act 94-1057
24 shall apply in calculating whether the increase in his or her
25 salary is in excess of 6%. For the purposes of this Section,
26 change in employment under Section 10-21.12 of the School Code

1 on or after June 1, 2005 shall constitute a change in employer.
2 The System may require the employer to provide any pertinent
3 information or documentation. The changes made to this
4 subsection (f) by this amendatory Act of the 94th General
5 Assembly apply without regard to whether the teacher was in
6 service on or after its effective date.

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

22 The employer contributions required under this subsection
23 (f) may be paid in the form of a lump sum within 90 days after
24 receipt of the bill. If the employer contributions are not paid
25 within 90 days after receipt of the bill, then interest will be
26 charged at a rate equal to the System's annual actuarially

1 assumed rate of return on investment compounded annually from
2 the 91st day after receipt of the bill. Payments must be
3 concluded within 3 years after the employer's receipt of the
4 bill.

5 (g) This subsection (g) applies only to payments made or
6 salary increases given on or after June 1, 2005 but before July
7 1, 2011. The changes made by Public Act 94-1057 shall not
8 require the System to refund any payments received before July
9 31, 2006 (the effective date of Public Act 94-1057).

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

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

18 When assessing payment for any amount due under subsection
19 (f), the System shall exclude salary increases resulting from
20 overload work, including summer school, when the school
21 district has certified to the System, and the System has
22 approved the certification, that (i) the overload work is for
23 the sole purpose of classroom instruction in excess of the
24 standard number of classes for a full-time teacher in a school
25 district during a school year and (ii) the salary increases are
26 equal to or less than the rate of pay for classroom instruction

1 computed on the teacher's current salary and work schedule.

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

16 When assessing payment for any amount due under subsection
17 (f), the System shall exclude any payment to the teacher from
18 the State of Illinois or the State Board of Education over
19 which the employer does not have discretion, notwithstanding
20 that the payment is included in the computation of final
21 average salary.

22 (h) When assessing payment for any amount due under
23 subsection (f), the System shall exclude any salary increase
24 described in subsection (g) of this Section given on or after
25 July 1, 2011 but before July 1, 2014 under a contract or
26 collective bargaining agreement entered into, amended, or

1 renewed on or after June 1, 2005 but before July 1, 2011.
2 Notwithstanding any other provision of this Section, any
3 payments made or salary increases given after June 30, 2014
4 shall be used in assessing payment for any amount due under
5 subsection (f) of this Section.

6 (i) The System shall prepare a report and file copies of
7 the report with the Governor and the General Assembly by
8 January 1, 2007 that contains all of the following information:

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

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

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

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

21 (j) For purposes of determining the required State
22 contribution to the System, the value of the System's assets
23 shall be equal to the actuarial value of the System's assets,
24 which shall be calculated as follows:

25 As of June 30, 2008, the actuarial value of the System's
26 assets shall be equal to the market value of the assets as of

1 that date. In determining the actuarial value of the System's
2 assets for fiscal years after June 30, 2008, 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 (k) For purposes of determining the required State
7 contribution to the system for a particular year, the actuarial
8 value of assets shall be assumed to earn a rate of return equal
9 to the system's actuarially assumed rate of return.

10 (Source: P.A. 95-331, eff. 8-21-07; 95-950, eff. 8-29-08;
11 96-43, eff. 7-15-09.)

12 (40 ILCS 5/18-131) (from Ch. 108 1/2, par. 18-131)

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

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

20 (b) The Board shall determine the amount of State
21 contributions required for each fiscal year on the basis of the
22 actuarial tables and other assumptions adopted by the Board and
23 the prescribed rate of interest, using the formula in
24 subsection (c).

25 (c) For State fiscal years 2012 ~~2011~~ through 2045, the

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

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

15 Notwithstanding any other provision of this Article, the
16 total required State contribution for State fiscal year 2006 is
17 \$29,189,400.

18 Notwithstanding any other provision of this Article, the
19 total required State contribution for State fiscal year 2007 is
20 \$35,236,800.

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

1 Notwithstanding any other provision of this Article, the
2 total required State contribution for State fiscal year 2010 is
3 \$78,832,000 and shall be made from the proceeds of bonds sold
4 in fiscal year 2010 pursuant to Section 7.2 of the General
5 Obligation Bond Act, less (i) the pro rata share of bond sale
6 expenses determined by the System's share of total bond
7 proceeds, (ii) any amounts received from the General Revenue
8 Fund in fiscal year 2010, and (iii) any reduction in bond
9 proceeds due to the issuance of discounted bonds, if
10 applicable.

11 Notwithstanding any other provision of this Article, the
12 total required State contribution for State fiscal year 2011 is
13 the amount recertified by the System on or before June 15, 2010
14 pursuant to Section 18-140 and shall be made from the proceeds
15 of bonds sold in fiscal year 2011 pursuant to Section 7.2 of
16 the General Obligation Bond Act, less (i) the pro rata share of
17 bond sale expenses determined by the System's share of total
18 bond proceeds, (ii) any amounts received from the General
19 Revenue Fund in fiscal year 2011, and (iii) any reduction in
20 bond proceeds due to the issuance of discounted bonds, if
21 applicable.

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

26 Amounts received by the System pursuant to Section 25 of

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

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

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

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

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

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

25 (Source: P.A. 95-950, eff. 8-29-08; 96-43, eff. 7-15-09.)

1 (40 ILCS 5/18-140) (from Ch. 108 1/2, par. 18-140)

2 Sec. 18-140. To certify required State contributions and
3 submit vouchers.

4 (a) The Board shall certify to the Governor, on or before
5 November 15 of each year, the amount of the required State
6 contribution to the System for the following fiscal year. The
7 certification shall include a copy of the actuarial
8 recommendations upon which it is based.

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

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

20 On or before June 15, 2010, the Board shall recalculate and
21 recertify to the Governor the amount of the required State
22 contribution to the System for State fiscal year 2011, applying
23 the changes made by Public Act 96-889 to the System's assets
24 and liabilities as of June 30, 2009 as though Public Act 96-889
25 was approved on that date.

26 (b) Beginning in State fiscal year 1996, on or as soon as

1 possible after the 15th day of each month the Board shall
2 submit vouchers for payment of State contributions to the
3 System, in a total monthly amount of one-twelfth of the
4 required annual State contribution certified under subsection
5 (a). From the effective date of this amendatory Act of the 93rd
6 General Assembly through June 30, 2004, the Board shall not
7 submit vouchers for the remainder of fiscal year 2004 in excess
8 of the fiscal year 2004 certified contribution amount
9 determined under this Section after taking into consideration
10 the transfer to the System under subsection (c) of Section
11 6z-61 of the State Finance Act. These vouchers shall be paid by
12 the State Comptroller and Treasurer by warrants drawn on the
13 funds appropriated to the System for that fiscal year.

14 If in any month the amount remaining unexpended from all
15 other appropriations to the System for the applicable fiscal
16 year (including the appropriations to the System under Section
17 8.12 of the State Finance Act and Section 1 of the State
18 Pension Funds Continuing Appropriation Act) is less than the
19 amount lawfully vouchered under this Section, the difference
20 shall be paid from the General Revenue Fund under the
21 continuing appropriation authority provided in Section 1.1 of
22 the State Pension Funds Continuing Appropriation Act.

23 (Source: P.A. 93-2, eff. 4-7-03; 93-665, eff. 3-5-04; 94-4,
24 eff. 6-1-05.)

25 Section 15. The State Pension Funds Continuing

1 Appropriation Act is amended by changing Sections 1.1 and 1.2
2 and by adding Section 1.8 as follows:

3 (40 ILCS 15/1.1)

4 Sec. 1.1. Appropriations to certain retirement systems.

5 (a) There is hereby appropriated from the General Revenue
6 Fund to the General Assembly Retirement System, on a continuing
7 monthly basis, the amount, if any, by which the total available
8 amount of all other appropriations to that retirement system
9 for the payment of State contributions is less than the total
10 amount of the vouchers for required State contributions
11 lawfully submitted by the retirement system for that month
12 under Section 2-134 of the Illinois Pension Code.

13 (b) There is hereby appropriated from the General Revenue
14 Fund to the State Universities Retirement System, on a
15 continuing monthly basis, the amount, if any, by which the
16 total available amount of all other appropriations to that
17 retirement system for the payment of State contributions,
18 including any deficiency in the required contributions of the
19 optional retirement program established under Section 15-158.2
20 of the Illinois Pension Code, is less than the total amount of
21 the vouchers for required State contributions lawfully
22 submitted by the retirement system for that month under Section
23 15-165 of the Illinois Pension Code.

24 (c) There is hereby appropriated from the Common School
25 Fund to the Teachers' Retirement System of the State of

1 Illinois, on a continuing monthly basis, the amount, if any, by
2 which the total available amount of all other appropriations to
3 that retirement system for the payment of State contributions
4 is less than the total amount of the vouchers for required
5 State contributions lawfully submitted by the retirement
6 system for that month under Section 16-158 of the Illinois
7 Pension Code.

8 (d) There is hereby appropriated from the General Revenue
9 Fund to the Judges Retirement System of Illinois, on a
10 continuing monthly basis, the amount, if any, by which the
11 total available amount of all other appropriations to that
12 retirement system for the payment of State contributions is
13 less than the total amount of the vouchers for required State
14 contributions lawfully submitted by the retirement system for
15 that month under Section 18-140 of the Illinois Pension Code.

16 (e) The continuing appropriations provided by this Section
17 shall first be available in State fiscal year 1996.

18 (f) For State fiscal year 2010 only, the continuing
19 appropriations provided by this Section are equal to the amount
20 certified by each System on or before December 31, 2008, less
21 (i) the gross proceeds of the bonds sold in fiscal year 2010
22 under the authorization contained in subsection (a) of Section
23 7.2 of the General Obligation Bond Act and (ii) any amounts
24 received from the State Pensions Fund.

25 (g) For State fiscal year 2011 only, the continuing
26 appropriations provided by this Section are equal to the amount

1 certified by each System on or before June 15, 2010, less (i)
2 the gross proceeds of the bonds sold in fiscal year 2011 under
3 the authorization contained in subsection (a) of Section 7.2 of
4 the General Obligation Bond Act and (ii) any amounts received
5 from the State Pensions Fund.

6 (Source: P.A. 96-43, eff. 7-15-09.)

7 (40 ILCS 15/1.2)

8 Sec. 1.2. Appropriations for the State Employees'
9 Retirement System.

10 (a) From each fund from which an amount is appropriated for
11 personal services to a department or other employer under
12 Article 14 of the Illinois Pension Code, there is hereby
13 appropriated to that department or other employer, on a
14 continuing annual basis for each State fiscal year, an
15 additional amount equal to the amount, if any, by which (1) an
16 amount equal to the percentage of the personal services line
17 item for that department or employer from that fund for that
18 fiscal year that the Board of Trustees of the State Employees'
19 Retirement System of Illinois has certified under Section
20 14-135.08 of the Illinois Pension Code to be necessary to meet
21 the State's obligation under Section 14-131 of the Illinois
22 Pension Code for that fiscal year, exceeds (2) the amounts
23 otherwise appropriated to that department or employer from that
24 fund for State contributions to the State Employees' Retirement
25 System for that fiscal year. From the effective date of this

1 amendatory Act of the 93rd General Assembly through the final
2 payment from a department or employer's personal services line
3 item for fiscal year 2004, payments to the State Employees'
4 Retirement System that otherwise would have been made under
5 this subsection (a) shall be governed by the provisions in
6 subsection (a-1).

7 (a-1) If a Fiscal Year 2004 Shortfall is certified under
8 subsection (f) of Section 14-131 of the Illinois Pension Code,
9 there is hereby appropriated to the State Employees' Retirement
10 System of Illinois on a continuing basis from the General
11 Revenue Fund an additional aggregate amount equal to the Fiscal
12 Year 2004 Shortfall.

13 (a-2) If a Fiscal Year 2010 Shortfall is certified under
14 subsection (g) of Section 14-131 of the Illinois Pension Code,
15 there is hereby appropriated to the State Employees' Retirement
16 System of Illinois on a continuing basis from the General
17 Revenue Fund an additional aggregate amount equal to the Fiscal
18 Year 2010 Shortfall.

19 (b) The continuing appropriations provided for by this
20 Section shall first be available in State fiscal year 1996.

21 (c) Beginning in Fiscal Year 2005, any continuing
22 appropriation under this Section arising out of an
23 appropriation for personal services from the Road Fund to the
24 Department of State Police or the Secretary of State shall be
25 payable from the General Revenue Fund rather than the Road
26 Fund.

1 (d) For State fiscal year 2010 only, a continuing
2 appropriation is provided to the State Employees' Retirement
3 System equal to the amount certified by the System on or before
4 December 31, 2008, less the gross proceeds of the bonds sold in
5 fiscal year 2010 under the authorization contained in
6 subsection (a) of Section 7.2 of the General Obligation Bond
7 Act.

8 (e) For State fiscal year 2011 only, a continuing
9 appropriation is provided to the State Employees' Retirement
10 System equal to the amount certified by the System on or before
11 June 15, 2010, less the gross proceeds of the bonds sold in
12 fiscal year 2011 under the authorization contained in
13 subsection (a) of Section 7.2 of the General Obligation Bond
14 Act.

15 (Source: P.A. 96-43, eff. 7-15-09; 96-45, eff. 7-15-09; revised
16 11-3-09.)

17 (40 ILCS 15/1.8 new)

18 Sec. 1.8. Suspension of appropriations for fiscal year
19 2011. Notwithstanding any other provision of this Act, no
20 appropriation otherwise required from the General Revenue Fund
21 or the Common School Fund under this Act is required to be made
22 prior to October 31, 2010; however, after October 31st the
23 system shall be immediately appropriated an amount that would
24 have been otherwise available through this Act.

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