



Rep. Elaine Nekritz

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LRB099 09762 EFG 34505 a

1 AMENDMENT TO HOUSE BILL 3484

2 AMENDMENT NO. _____. Amend House Bill 3484, AS AMENDED, by
3 replacing everything after the enacting clause with the
4 following:

5 "Section 5. The Illinois Pension Code is amended by
6 changing Sections 3-125, 4-118, 5-168, 6-165, 7-172.1,
7 7-195.1, 7-210, 7-214, 8-173, and 11-169 and by adding Sections
8 9-184.5, 10-107.5, 12-149.5, 13-503.5, 17-127.5, and 22-104 as
9 follows:

10 (40 ILCS 5/3-125) (from Ch. 108 1/2, par. 3-125)

11 Sec. 3-125. Financing.

12 (a) The city council or the board of trustees of the
13 municipality shall annually levy a tax upon all the taxable
14 property of the municipality at the rate on the dollar which
15 will produce an amount which, when added to the deductions from
16 the salaries or wages of police officers, and revenues

1 available from other sources, will equal a sum sufficient to
2 meet the annual requirements of the police pension fund. The
3 annual requirements to be provided by such tax levy are equal
4 to (1) the normal cost of the pension fund for the year
5 involved, plus (2) an amount sufficient to bring the total
6 assets of the pension fund up to 90% of the total actuarial
7 liabilities of the pension fund by the end of municipal fiscal
8 year 2040, as annually updated and determined by an enrolled
9 actuary employed by the Illinois Department of Insurance or by
10 an enrolled actuary retained by the pension fund or the
11 municipality. In making these determinations, the required
12 minimum employer contribution shall be calculated each year as
13 a level percentage of payroll over the years remaining up to
14 and including fiscal year 2040 and shall be determined under
15 the projected unit credit actuarial cost method. The tax shall
16 be levied and collected in the same manner as the general taxes
17 of the municipality, and in addition to all other taxes now or
18 hereafter authorized to be levied upon all property within the
19 municipality, and shall be in addition to the amount authorized
20 to be levied for general purposes as provided by Section 8-3-1
21 of the Illinois Municipal Code, approved May 29, 1961, as
22 amended. The tax shall be forwarded directly to the treasurer
23 of the board within 30 business days after receipt by the
24 county.

25 (b) For purposes of determining the required employer
26 contribution to a pension fund, the value of the pension fund's

1 assets shall be equal to the actuarial value of the pension
2 fund's assets, which shall be calculated as follows:

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

6 (2) In determining the actuarial value of the System's
7 assets for fiscal years after March 30, 2011, any actuarial
8 gains or losses from investment return incurred in a fiscal
9 year shall be recognized in equal annual amounts over the
10 5-year period following that fiscal year.

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

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

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

26 and

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

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

8 (d) The police pension fund shall consist of the following
9 moneys which shall be set apart by the treasurer of the
10 municipality:

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

12 (2) Contributions by police officers under Section
13 3-125.1;

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

17 (4) Donations, gifts or other transfers authorized by
18 this Article.

19 (e) The Commission on Government Forecasting and
20 Accountability shall conduct a study of all funds established
21 under this Article and shall report its findings to the General
22 Assembly on or before January 1, 2013. To the fullest extent
23 possible, the study shall include, but not be limited to, the
24 following:

25 (1) fund balances;

26 (2) historical employer contribution rates for each

1 fund;

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

5 (4) available contribution funding sources;

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

8 (6) existing statutory funding compliance procedures
9 and funding enforcement mechanisms for all municipal
10 pension funds.

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

12 (40 ILCS 5/4-118) (from Ch. 108 1/2, par. 4-118)

13 Sec. 4-118. Financing.

14 (a) The city council or the board of trustees of the
15 municipality shall annually levy a tax upon all the taxable
16 property of the municipality at the rate on the dollar which
17 will produce an amount which, when added to the deductions from
18 the salaries or wages of firefighters and revenues available
19 from other sources, will equal a sum sufficient to meet the
20 annual actuarial requirements of the pension fund, as
21 determined by an enrolled actuary employed by the Illinois
22 Department of Insurance or by an enrolled actuary retained by
23 the pension fund or municipality. For the purposes of this
24 Section, the annual actuarial requirements of the pension fund
25 are equal to (1) the normal cost of the pension fund, or 17.5%

1 of the salaries and wages to be paid to firefighters for the
2 year involved, whichever is greater, plus (2) an annual amount
3 sufficient to bring the total assets of the pension fund up to
4 90% of the total actuarial liabilities of the pension fund by
5 the end of municipal fiscal year 2040, as annually updated and
6 determined by an enrolled actuary employed by the Illinois
7 Department of Insurance or by an enrolled actuary retained by
8 the pension fund or the municipality. In making these
9 determinations, the required minimum employer contribution
10 shall be calculated each year as a level percentage of payroll
11 over the years remaining up to and including fiscal year 2040
12 and shall be determined under the projected unit credit
13 actuarial cost method. The amount to be applied towards the
14 amortization of the unfunded accrued liability in any year
15 shall not be less than the annual amount required to amortize
16 the unfunded accrued liability, including interest, as a level
17 percentage of payroll over the number of years remaining in the
18 40 year amortization period.

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

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

26 (2) In determining the actuarial value of the pension

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

5 (b) The tax shall be levied and collected in the same
6 manner as the general taxes of the municipality, and shall be
7 in addition to all other taxes now or hereafter authorized to
8 be levied upon all property within the municipality, and in
9 addition to the amount authorized to be levied for general
10 purposes, under Section 8-3-1 of the Illinois Municipal Code or
11 under Section 14 of the Fire Protection District Act. The tax
12 shall be forwarded directly to the treasurer of the board
13 within 30 business days of receipt by the county (or, in the
14 case of amounts added to the tax levy under subsection (f),
15 used by the municipality to pay the employer contributions
16 required under subsection (b-1) of Section 15-155 of this
17 Code).

18 (b-5) If a participating municipality fails to transmit to
19 the fund contributions required of it under this Article for
20 more than 90 days after the payment of those contributions is
21 due, the fund may, after giving notice to the municipality,
22 certify to the State Comptroller the amounts of the delinquent
23 payments in accordance with any applicable rules of the
24 Comptroller, and the Comptroller must, beginning in fiscal year
25 2016, deduct and remit to ~~deposit into~~ the fund the certified
26 amounts or a portion of those amounts from the following

1 proportions of payments ~~grants~~ of State funds to the
2 municipality:

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

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

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

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

15 (c) The board shall make available to the membership and
16 the general public for inspection and copying at reasonable
17 times the most recent Actuarial Valuation Balance Sheet and Tax
18 Levy Requirement issued to the fund by the Department of
19 Insurance.

20 (d) The firefighters' pension fund shall consist of the
21 following moneys which shall be set apart by the treasurer of
22 the municipality: (1) all moneys derived from the taxes levied
23 hereunder; (2) contributions by firefighters as provided under
24 Section 4-118.1; (3) all rewards in money, fees, gifts, and
25 emoluments that may be paid or given for or on account of
26 extraordinary service by the fire department or any member

1 thereof, except when allowed to be retained by competitive
2 awards; and (4) any money, real estate or personal property
3 received by the board.

4 (e) For the purposes of this Section, "enrolled actuary"
5 means an actuary: (1) who is a member of the Society of
6 Actuaries or the American Academy of Actuaries; and (2) who is
7 enrolled under Subtitle C of Title III of the Employee
8 Retirement Income Security Act of 1974, or who has been engaged
9 in providing actuarial services to one or more public
10 retirement systems for a period of at least 3 years as of July
11 1, 1983.

12 (f) The corporate authorities of a municipality that
13 employs a person who is described in subdivision (d) of Section
14 4-106 may add to the tax levy otherwise provided for in this
15 Section an amount equal to the projected cost of the employer
16 contributions required to be paid by the municipality to the
17 State Universities Retirement System under subsection (b-1) of
18 Section 15-155 of this Code.

19 (g) The Commission on Government Forecasting and
20 Accountability shall conduct a study of all funds established
21 under this Article and shall report its findings to the General
22 Assembly on or before January 1, 2013. To the fullest extent
23 possible, the study shall include, but not be limited to, the
24 following:

25 (1) fund balances;

26 (2) historical employer contribution rates for each

1 fund;

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

5 (4) available contribution funding sources;

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

8 (6) existing statutory funding compliance procedures
9 and funding enforcement mechanisms for all municipal
10 pension funds.

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

12 (40 ILCS 5/5-168) (from Ch. 108 1/2, par. 5-168)

13 Sec. 5-168. Financing.

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

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

21 For the years 1968 and 1969, the city council shall levy a
22 tax annually at a rate on the dollar of the assessed valuation
23 of all taxable property that will produce, when extended, not
24 to exceed \$9,700,000. Beginning with the year 1970 and through
25 2014, the city council shall levy a tax annually at a rate on

1 the dollar of the assessed valuation of all taxable property
2 that will produce when extended an amount not to exceed the
3 total amount of contributions by the policemen to the Fund made
4 in the calendar year 2 years before the year for which the
5 applicable annual tax is levied, multiplied by 1.40 for the tax
6 levy year 1970; by 1.50 for the year 1971; by 1.65 for 1972; by
7 1.85 for 1973; by 1.90 for 1974; by 1.97 for 1975 through 1981;
8 by 2.00 for 1982 and for each year through 2014. Beginning in
9 2015, the city council shall levy a tax annually at a rate on
10 the dollar of the assessed valuation of all taxable property
11 that will produce when extended an annual amount that is equal
12 to (1) the normal cost to the Fund, plus (2) an annual amount
13 sufficient to bring the total assets of the Fund up to 90% of
14 the total actuarial liabilities of the Fund by the end of
15 fiscal year 2040, as annually updated and determined by an
16 enrolled actuary employed by the Illinois Department of
17 Insurance or by an enrolled actuary retained by the Fund or the
18 city. In making these determinations, the required minimum
19 employer contribution shall be calculated each year as a level
20 percentage of payroll over the years remaining up to and
21 including fiscal year 2040 and shall be determined under the
22 projected unit credit actuarial cost method. For the purposes
23 of this subsection (a), contributions by the policeman to the
24 Fund shall not include payments made by a policeman to
25 establish credit under Section 5-214.2 of this Code.

26 (a-5) For purposes of determining the required employer

1 contribution to the Fund, the value of the Fund's assets shall
2 be equal to the actuarial value of the Fund's assets, which
3 shall be calculated as follows:

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

7 (2) In determining the actuarial value of the Fund's
8 assets for fiscal years after March 30, 2011, any actuarial
9 gains or losses from investment return incurred in a fiscal
10 year shall be recognized in equal annual amounts over the
11 5-year period following that fiscal year.

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

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

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

26 (3) in fiscal year 2018 and each fiscal year

1 thereafter, the total amount of any payments ~~grants~~ of
2 State funds to the city.

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

7 (b) The tax shall be levied and collected in like manner
8 with the general taxes of the city, and is in addition to all
9 other taxes which the city is now or may hereafter be
10 authorized to levy upon all taxable property therein, and is
11 exclusive of and in addition to the amount of tax the city is
12 now or may hereafter be authorized to levy for general purposes
13 under any law which may limit the amount of tax which the city
14 may levy for general purposes. The county clerk of the county
15 in which the city is located, in reducing tax levies under
16 Section 8-3-1 of the Illinois Municipal Code, shall not
17 consider the tax herein authorized as a part of the general tax
18 levy for city purposes, and shall not include the tax in any
19 limitation of the percent of the assessed valuation upon which
20 taxes are required to be extended for the city.

21 (c) On or before January 10 of each year, the board shall
22 notify the city council of the requirement that the tax herein
23 authorized be levied by the city council for that current year.
24 The board shall compute the amounts necessary for the purposes
25 of this fund to be credited to the reserves established and
26 maintained within the fund; shall make an annual determination

1 of the amount of the required city contributions; and shall
2 certify the results thereof to the city council.

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

7 (d) If the funds available are insufficient during any year
8 to meet the requirements of this Article, the city may issue
9 tax anticipation warrants against the tax levy for the current
10 fiscal year.

11 (e) The various sums, including interest, to be contributed
12 by the city, shall be taken from the revenue derived from such
13 tax or otherwise as expressly provided in this Section. Any
14 moneys of the city derived from any source other than the tax
15 herein authorized shall not be used for any purpose of the fund
16 nor the cost of administration thereof, unless applied to make
17 the deposit expressly authorized in this Section or the
18 additional city contributions required under subsection (h).

19 (f) If it is not possible or practicable for the city to
20 make its contributions at the time that salary deductions are
21 made, the city shall make such contributions as soon as
22 possible thereafter, with interest thereon to the time it is
23 made.

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

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

15 (h) In addition to the contributions required under the
16 other provisions of this Article, by November 1 of the
17 following specified years, the city shall deposit with the city
18 treasurer for the benefit of the fund, to be held and used in
19 accordance with this Article, the following specified amounts:
20 \$6,300,000 in 1999; \$5,880,000 in 2000; \$5,460,000 in 2001;
21 \$5,040,000 in 2002; and \$4,620,000 in 2003.

22 The additional city contributions required under this
23 subsection are intended to decrease the unfunded liability of
24 the fund and shall not decrease the amount of the city
25 contributions required under the other provisions of this
26 Article. The additional city contributions made under this

1 subsection may be used by the fund for any of its lawful
2 purposes.

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

4 (40 ILCS 5/6-165) (from Ch. 108 1/2, par. 6-165)

5 Sec. 6-165. Financing; tax.

6 (a) Except as expressly provided in this Section, each city
7 shall levy a tax annually upon all taxable property therein for
8 the purpose of providing revenue for the fund. For the years
9 prior to the year 1960, the tax rate shall be as provided for
10 in the "Firemen's Annuity and Benefit Fund of the Illinois
11 Municipal Code". The tax, from and after January 1, 1968 to and
12 including the year 1971, shall not exceed .0863% of the value,
13 as equalized or assessed by the Department of Revenue, of all
14 taxable property in the city. Beginning with the year 1972 and
15 through 2014, the city shall levy a tax annually at a rate on
16 the dollar of the value, as equalized or assessed by the
17 Department of Revenue of all taxable property within such city
18 that will produce, when extended, not to exceed an amount equal
19 to the total amount of contributions by the employees to the
20 fund made in the calendar year 2 years prior to the year for
21 which the annual applicable tax is levied, multiplied by 2.23
22 through the calendar year 1981, and by 2.26 for the year 1982
23 and for each year through 2014. Beginning in 2015, the city
24 council shall levy a tax annually at a rate on the dollar of
25 the assessed valuation of all taxable property that will

1 produce when extended an annual amount that is equal to (1) the
2 normal cost to the Fund, plus (2) an annual amount sufficient
3 to bring the total assets of the Fund up to 90% of the total
4 actuarial liabilities of the Fund by the end of fiscal year
5 2040, as annually updated and determined by an enrolled actuary
6 employed by the Illinois Department of Insurance or by an
7 enrolled actuary retained by the Fund or the city. In making
8 these determinations, the required minimum employer
9 contribution shall be calculated each year as a level
10 percentage of payroll over the years remaining up to and
11 including fiscal year 2040 and shall be determined under the
12 projected unit credit actuarial cost method.

13 To provide revenue for the ordinary death benefit
14 established by Section 6-150 of this Article, in addition to
15 the contributions by the firemen for this purpose, the city
16 council shall for the year 1962 and each year thereafter
17 annually levy a tax, which shall be in addition to and
18 exclusive of the taxes authorized to be levied under the
19 foregoing provisions of this Section, upon all taxable property
20 in the city, as equalized or assessed by the Department of
21 Revenue, at such rate per cent of the value of such property as
22 shall be sufficient to produce for each year the sum of
23 \$142,000.

24 The amounts produced by the taxes levied annually, together
25 with the deposit expressly authorized in this Section, shall be
26 sufficient, when added to the amounts deducted from the

1 salaries of firemen and applied to the fund, to provide for the
2 purposes of the fund.

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

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

10 (2) In determining the actuarial value of the Fund's
11 assets for fiscal years after March 30, 2011, any actuarial
12 gains or losses from investment return incurred in a fiscal
13 year shall be recognized in equal annual amounts over the
14 5-year period following that fiscal year.

15 (a-7) If the city fails to transmit to the Fund
16 contributions required of it under this Article for more than
17 90 days after the payment of those contributions is due, the
18 Fund may, after giving notice to the city, certify to the State
19 Comptroller the amounts of the delinquent payments in
20 accordance with any applicable rules of the Comptroller, and
21 the Comptroller must, beginning in fiscal year 2016, deduct and
22 remit to ~~deposit into~~ the Fund the certified amounts or a
23 portion of those amounts from the following proportions of
24 payments ~~grants~~ of State funds to the city:

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

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

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

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

10 (b) The taxes shall be levied and collected in like manner
11 with the general taxes of the city, and shall be in addition to
12 all other taxes which the city may levy upon all taxable
13 property therein and shall be exclusive of and in addition to
14 the amount of tax the city may levy for general purposes under
15 Section 8-3-1 of the Illinois Municipal Code, approved May 29,
16 1961, as amended, or under any other law or laws which may
17 limit the amount of tax which the city may levy for general
18 purposes.

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

21 (d) As soon as any revenue derived from such taxes is
22 collected, it shall be paid to the city treasurer and held for
23 the benefit of the fund, and all such revenue shall be paid
24 into the fund in accordance with the provisions of this
25 Article.

26 (e) If the funds available are insufficient during any year

1 to meet the requirements of this Article, the city may issue
2 tax anticipation warrants, against the tax levies herein
3 authorized for the current fiscal year.

4 (f) The various sums, hereinafter stated, including
5 interest, to be contributed by the city, shall be taken from
6 the revenue derived from the taxes or otherwise as expressly
7 provided in this Section. Except for defraying the cost of
8 administration of the fund during the calendar year in which a
9 city first attains a population of 500,000 and comes under the
10 provisions of this Article and the first calendar year
11 thereafter, any money of the city derived from any source other
12 than these taxes or the sale of tax anticipation warrants shall
13 not be used to provide revenue for the fund, nor to pay any
14 part of the cost of administration thereof, unless applied to
15 make the deposit expressly authorized in this Section or the
16 additional city contributions required under subsection (h).

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

1 shall satisfy fully the requirements of this Section for that
2 year to the extent of the amounts so deposited. Amounts
3 deposited under this subsection may be used by the fund for any
4 of the purposes for which the proceeds of the taxes levied
5 under this Section may be used, including the payment of any
6 amount that is otherwise required by this Article to be paid
7 from the proceeds of those taxes.

8 (h) In addition to the contributions required under the
9 other provisions of this Article, by November 1 of the
10 following specified years, the city shall deposit with the city
11 treasurer for the benefit of the fund, to be held and used in
12 accordance with this Article, the following specified amounts:
13 \$6,300,000 in 1999; \$5,880,000 in 2000; \$5,460,000 in 2001;
14 \$5,040,000 in 2002; and \$4,620,000 in 2003.

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

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

23 (40 ILCS 5/7-172.1) (from Ch. 108 1/2, par. 7-172.1)

24 Sec. 7-172.1. Actions to enforce payments by
25 municipalities and instrumentalities.

1 (a) If any participating municipality or participating
2 instrumentality fails to transmit to the Fund contributions
3 required of it under this Article or contributions collected by
4 it from its participating employees for the purposes of this
5 Article for more than 90 days after the payment of such
6 contributions is due, the Fund, after giving notice to such
7 municipality or instrumentality, may certify to the State
8 Comptroller the amounts of such delinquent payments in
9 accordance with any applicable rules of the Comptroller, and
10 the Comptroller shall deduct the amounts so certified or any
11 part thereof from any payments ~~grants~~ of State funds to the
12 municipality or instrumentality involved and shall remit ~~pay~~
13 the amount so deducted to the Fund. If State funds from which
14 such deductions may be made are not available, the Fund may
15 proceed against the municipality or instrumentality to recover
16 the amounts of such delinquent payments in the appropriate
17 circuit court.

18 (b) If any participating municipality fails to transmit to
19 the Fund contributions required of it under this Article or
20 contributions collected by it from its participating employees
21 for the purposes of this Article for more than 90 days after
22 the payment of such contributions is due, the Fund, after
23 giving notice to such municipality, may certify the fact of
24 such delinquent payment to the county treasurer of the county
25 in which such municipality is located, who shall thereafter
26 remit the amounts collected from the tax levied by the

1 municipality under Section 7-171 directly to the Fund.

2 (c) If reports furnished to the Fund by the municipality or
3 instrumentality involved are inadequate for the computation of
4 the amounts of such delinquent payments, the Fund may provide
5 for such audit of the records of the municipality or
6 instrumentality as may be required to establish the amounts of
7 such delinquent payments. The municipality or instrumentality
8 shall make its records available to the Fund for the purpose of
9 such audit. The cost of such audit shall be added to the amount
10 of the delinquent payments and shall be recovered by the Fund
11 from the municipality or instrumentality at the same time and
12 in the same manner as the delinquent payments are recovered.
13 (Source: P.A. 86-273.)

14 (40 ILCS 5/7-195.1) (from Ch. 108 1/2, par. 7-195.1)
15 Sec. 7-195.1. To establish and maintain a revolving
16 account. To establish and maintain a revolving account in a
17 bank or savings and loan association, approved by the State
18 Treasurer as a State depository and having capital funds,
19 represented by capital, surplus, and undivided profits, of at
20 least 5 million dollars, for the purpose of making payments of
21 annuities, benefits, and administrative expenses and payments
22 to the State Agency provided in Section 7-170. All funds
23 deposited in such account shall be placed in the name of the
24 Fund ~~fund~~ and shall be withdrawn only by a check or draft upon
25 the bank or savings and loan association signed by the

1 president of the board or the executive director, as the board
2 may direct. In case the president or executive director, whose
3 signature appears upon any check or draft, after attaching his
4 signature ceases to hold office before the delivery thereof to
5 the payee, his signature nevertheless shall be valid and
6 sufficient for all purposes with the same effect as if he had
7 remained in office until delivery thereof. The revolving
8 account shall be created by resolution of the board. ~~The State~~
9 ~~Comptroller, upon receipt of a copy of such resolution and a~~
10 ~~voucher designating the payment of \$300,000 into the revolving~~
11 ~~account, shall draw his warrant on the State Treasurer for~~
12 ~~payment of same to the Fund for deposit in the revolving~~
13 ~~account.~~ The monies in the revolving account shall be held and
14 expenditures shall be made by the Fund for the purposes herein
15 set forth. The Fund shall reimburse the revolving account for
16 expenditures for such purposes ~~and the Comptroller, upon~~
17 ~~receipt of vouchers signed as provided in Section 7-210 and~~
18 ~~including a statement of expenditures made from the revolving~~
19 ~~account, shall draw his warrant on the State Treasurer for the~~
20 ~~payment of the amount of such expenditures to the Fund for~~
21 ~~deposit in the revolving account.~~

22 No bank or savings and loan association shall receive
23 investment funds as permitted by this Section, unless it has
24 complied with the requirements established pursuant to Section
25 6 of the Public Funds Investment Act ~~"An Act relating to~~
26 ~~certain investments of public funds by public agencies",~~

1 ~~approved July 23, 1943,~~ as now or hereafter amended. The
2 limitations set forth in such Section 6 shall be applicable
3 only at the time of investment and shall not require the
4 liquidation of any investment at any time.

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

6 (40 ILCS 5/7-210) (from Ch. 108 1/2, par. 7-210)

7 Sec. 7-210. Funds.

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

1 properly recorded in the official minute books of the meetings
2 of the board.

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

7 (c) The assets of the Fund ~~fund~~ shall be invested as one
8 fund, and no particular person, municipality, or
9 instrumentality thereof or participating instrumentality shall
10 have any right in any specific security or in any item of cash
11 other than an undivided interest in the whole.

12 (d) Except as provided in subsection (d-5), whenever any
13 employees of a municipality or participating instrumentality
14 have been or shall be excluded from participation in this Fund
15 ~~fund~~ by virtue of the application of paragraph b of Section
16 7-109 (2), the board shall issue a check or draft ~~voucher~~
17 ~~authorizing the Comptroller to draw his warrant upon the~~
18 ~~Treasurer as custodian of this fund~~ in an amount equal to the
19 accumulated contributions of such employees. Such check or
20 draft ~~warrant~~ shall be drawn in favor of ~~the appropriate fund~~
21 ~~of~~ the pension or retirement fund in which such employees have
22 or shall become participants. Such transfer shall terminate any
23 further rights of such employees under this Fund ~~fund~~.

24 (d-5) Upon creation of a newly established Article 3 police
25 pension fund by referendum under Section 3-145 or by census
26 under Section 3-105, the following amounts shall be transferred

1 from this Fund to the new police pension fund, within 30 days
2 after an application therefor is received from the new pension
3 fund:

4 (1) the amounts actually contributed to this Fund as
5 employee contributions by or on behalf of the police
6 officers transferring to the new pension fund for their
7 service as police officers of the municipality that is
8 establishing the new pension fund, plus interest on those
9 amounts at the rate of 6% per year, compounded annually,
10 from the date of contribution to the date of transfer to
11 the new pension fund, and

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

14 This transfer terminates any further rights of such police
15 officers in this Fund arising out of their service as police
16 officers of the municipality that is establishing the new
17 pension fund.

18 (e) If a participating instrumentality terminates
19 participation because it fails to meet the requirements of
20 Section 7-108, it shall pay to the Fund ~~fund~~ the amount equal
21 to any net debit balance in its municipality reserve account
22 and account receivable. Its successors, and assigns and
23 transferees of its assets shall be obligated to make this
24 payment to the extent of the value of assets transferred to
25 them. The Fund ~~fund~~ shall pay an amount equal to any net credit
26 balance to the participating instrumentality, its successors

1 or assigns. Any remaining net debit or credit balance not
2 collectible or payable shall be transferred to the terminated
3 municipality reserve account. The Fund ~~fund~~ shall pay to each
4 employee of the participating instrumentality an amount equal
5 to his credits in the employee reserves. The employees shall
6 have no further rights to any benefits from the Fund ~~fund~~,
7 except that annuities awarded prior to the date of termination
8 shall continue to be paid.

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

10 (40 ILCS 5/7-214) (from Ch. 108 1/2, par. 7-214)

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

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

23 (40 ILCS 5/8-173) (from Ch. 108 1/2, par. 8-173)

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

1 (a) Except as provided in subsection (f) of this Section,
2 the city council of the city shall levy a tax annually upon all
3 taxable property in the city at a rate that will produce a sum
4 which, when added to the amounts deducted from the salaries of
5 the employees or otherwise contributed by them and the amounts
6 deposited under subsection (f), will be sufficient for the
7 requirements of this Article, but which when extended will
8 produce an amount not to exceed the greater of the following:

9 (a) the sum obtained by the levy of a tax of .1093% of the
10 value, as equalized or assessed by the Department of Revenue,
11 of all taxable property within such city, or (b) the sum of
12 \$12,000,000. However any city in which a Fund has been
13 established and in operation under this Article for more than 3
14 years prior to 1970 shall levy for the year 1970 a tax at a rate
15 on the dollar of assessed valuation of all taxable property
16 that will produce, when extended, an amount not to exceed 1.2
17 times the total amount of contributions made by employees to
18 the Fund for annuity purposes in the calendar year 1968, and,
19 for the year 1971 and 1972 such levy that will produce, when
20 extended, an amount not to exceed 1.3 times the total amount of
21 contributions made by employees to the Fund for annuity
22 purposes in the calendar years 1969 and 1970, respectively; and
23 for the year 1973 an amount not to exceed 1.365 times such
24 total amount of contributions made by employees for annuity
25 purposes in the calendar year 1971; and for the year 1974 an
26 amount not to exceed 1.430 times such total amount of

1 contributions made by employees for annuity purposes in the
2 calendar year 1972; and for the year 1975 an amount not to
3 exceed 1.495 times such total amount of contributions made by
4 employees for annuity purposes in the calendar year 1973; and
5 for the year 1976 an amount not to exceed 1.560 times such
6 total amount of contributions made by employees for annuity
7 purposes in the calendar year 1974; and for the year 1977 an
8 amount not to exceed 1.625 times such total amount of
9 contributions made by employees for annuity purposes in the
10 calendar year 1975; and for the year 1978 and each year
11 thereafter through levy year 2014, such levy as will produce,
12 when extended, an amount not to exceed the total amount of
13 contributions made by or on behalf of employees to the Fund for
14 annuity purposes in the calendar year 2 years prior to the year
15 for which the annual applicable tax is levied, multiplied by
16 1.690 for the years 1978 through 1998 and by 1.250 for the year
17 1999 and for each year thereafter through levy year 2014.
18 Beginning in levy year 2015, and in each year thereafter, the
19 levy shall not exceed the amount of the city's total required
20 contribution to the Fund for the next payment year, as
21 determined under subsection (a-5). For the purposes of this
22 Section, the payment year is the year immediately following the
23 levy year.

24 The tax shall be levied and collected in like manner with
25 the general taxes of the city, and shall be exclusive of and in
26 addition to the amount of tax the city is now or may hereafter

1 be authorized to levy for general purposes under any laws which
2 may limit the amount of tax which the city may levy for general
3 purposes. The county clerk of the county in which the city is
4 located, in reducing tax levies under the provisions of any Act
5 concerning the levy and extension of taxes, shall not consider
6 the tax herein provided for as a part of the general tax levy
7 for city purposes, and shall not include the same within any
8 limitation of the percent of the assessed valuation upon which
9 taxes are required to be extended for such city.

10 Revenues derived from such tax shall be paid to the city
11 treasurer of the city as collected and held by the city
12 treasurer for the benefit of the fund.

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

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

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

21 (i) (I) for payment years 2016 through 2055, the annual
22 amount determined by the Fund to be equal to the greater of
23 \$0, or the sum of (1) the city's portion of the projected
24 normal cost for that fiscal year, plus (2) an amount
25 determined on a level percentage of applicable employee
26 payroll basis (reflecting any limits on individual

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

16 (ii) for payment year 2016, 1.85 times the total amount
17 of contributions made by or on behalf of employees to the
18 Fund for annuity purposes in the calendar year 2013; for
19 payment year 2017, 2.15 times the total amount of
20 contributions made by or on behalf of employees to the Fund
21 for annuity purposes in the calendar year 2014; for payment
22 year 2018, 2.45 times the total amount of contributions
23 made by or on behalf of employees to the Fund for annuity
24 purposes in the calendar year 2015; for payment year 2019,
25 2.75 times the total amount of contributions made by or on
26 behalf of employees to the Fund for annuity purposes in the

1 calendar year 2016; for payment year 2020, 3.05 times the
2 total amount of contributions made by or on behalf of
3 employees to the Fund for annuity purposes in the calendar
4 year 2017.

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

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

15 (a-10) If the city fails to transmit to the Fund
16 contributions required of it under this Article by December
17 31st of the year in which such contributions are due, the Fund
18 may, after giving notice to the city, certify to the State
19 Comptroller the amounts of the delinquent payments in
20 accordance with any applicable rules of the Comptroller, and
21 the Comptroller must, beginning in payment year 2016, deduct
22 and remit to ~~deposit into~~ the Fund the certified amounts or a
23 portion of those amounts from the following proportions of
24 payments ~~grants~~ of State funds to the city:

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

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

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

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

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

19 (c) In respect to employees of the city who are transferred
20 to the employment of a park district by virtue of the "Exchange
21 of Functions Act of 1957", the corporate authorities of the
22 park district shall annually levy a tax upon all the taxable
23 property in the park district at such rate per cent of the
24 value of such property, as equalized or assessed by the
25 Department of Revenue, as shall be sufficient, when added to
26 the amounts deducted from their salaries and otherwise

1 contributed by them to provide the benefits to which they and
2 their dependents and beneficiaries are entitled under this
3 Article. The city shall not levy a tax hereunder in respect to
4 such employees.

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

18 The various sums to be contributed by the city and park
19 district and allocated for the purposes of this Article, and
20 any interest to be contributed by the city, shall be derived
21 from the revenue from the taxes authorized in this Section or
22 otherwise as expressly provided in this Section.

23 If it is not possible or practicable for the city to make
24 contributions for age and service annuity and widow's annuity
25 at the same time that employee contributions are made for such
26 purposes, such city contributions shall be construed to be due

1 and payable as of the end of the fiscal year for which the tax
2 is levied and shall accrue thereafter with interest at the
3 effective rate until paid.

4 (d) With respect to employees whose wages are funded as
5 participants under the Comprehensive Employment and Training
6 Act of 1973, as amended (P.L. 93-203, 87 Stat. 839, P.L.
7 93-567, 88 Stat. 1845), hereinafter referred to as CETA,
8 subsequent to October 1, 1978, and in instances where the board
9 has elected to establish a manpower program reserve, the board
10 shall compute the amounts necessary to be credited to the
11 manpower program reserves established and maintained as herein
12 provided, and shall make a periodic determination of the amount
13 of required contributions from the City to the reserve to be
14 reimbursed by the federal government in accordance with rules
15 and regulations established by the Secretary of the United
16 States Department of Labor or his designee, and certify the
17 results thereof to the City Council. Any such amounts shall
18 become a credit to the City and will be used to reduce the
19 amount which the City would otherwise contribute during
20 succeeding years for all employees.

21 (e) In lieu of establishing a manpower program reserve with
22 respect to employees whose wages are funded as participants
23 under the Comprehensive Employment and Training Act of 1973, as
24 authorized by subsection (d), the board may elect to establish
25 a special municipality contribution rate for all such
26 employees. If this option is elected, the City shall contribute

1 to the Fund from federal funds provided under the Comprehensive
2 Employment and Training Act program at the special rate so
3 established and such contributions shall become a credit to the
4 City and be used to reduce the amount which the City would
5 otherwise contribute during succeeding years for all
6 employees.

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

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

1 Sec. 9-184.5. Delinquent contributions; deduction from
2 payments of State funds to the county. If the county fails to
3 transmit to the Fund contributions required of it under this
4 Article by December 31st of the year in which such
5 contributions are due, the Fund may, after giving notice to the
6 county, certify to the State Comptroller the amounts of the
7 delinquent payments in accordance with any applicable rules of
8 the Comptroller, and the Comptroller must, beginning in payment
9 year 2016, deduct and remit to the Fund the certified amounts
10 from payments of State funds to the county.

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

14 (40 ILCS 5/10-107.5 new)

15 Sec. 10-107.5. Delinquent contributions; deduction from
16 payments of State funds to the district. If the district fails
17 to transmit to the Fund contributions required of it under this
18 Article by December 31st of the year in which such
19 contributions are due, the Fund may, after giving notice to the
20 district, certify to the State Comptroller the amounts of the
21 delinquent payments in accordance with any applicable rules of
22 the Comptroller, and the Comptroller must, beginning in payment
23 year 2016, deduct and remit to the Fund the certified amounts
24 from payments of State funds to the district.

25 The State Comptroller may not deduct from any payments of

1 State funds to the district more than the amount of delinquent
2 payments certified to the State Comptroller by the Fund.

3 (40 ILCS 5/11-169) (from Ch. 108 1/2, par. 11-169)

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

5 (a) Except as provided in subsection (f) of this Section,
6 the city council of the city shall levy a tax annually upon all
7 taxable property in the city at the rate that will produce a
8 sum which, when added to the amounts deducted from the salaries
9 of the employees or otherwise contributed by them and the
10 amounts deposited under subsection (f), will be sufficient for
11 the requirements of this Article. For the years prior to the
12 year 1950 the tax rate shall be as provided for under "The 1935
13 Act". Beginning with the year 1950 to and including the year
14 1969 such tax shall be not more than .036% annually of the
15 value, as equalized or assessed by the Department of Revenue,
16 of all taxable property within such city. Beginning with the
17 year 1970 and each year thereafter through levy year 2014, the
18 city shall levy a tax annually at a rate on the dollar of the
19 value, as equalized or assessed by the Department of Revenue of
20 all taxable property within such city that will produce, when
21 extended, not to exceed an amount equal to the total amount of
22 contributions by the employees to the fund made in the calendar
23 year 2 years prior to the year for which the annual applicable
24 tax is levied, multiplied by 1.1 for the years 1970, 1971 and
25 1972; 1.145 for the year 1973; 1.19 for the year 1974; 1.235

1 for the year 1975; 1.280 for the year 1976; 1.325 for the year
2 1977; 1.370 for the years 1978 through 1998; and 1.000 for the
3 year 1999 and for each year thereafter through levy year 2014.
4 Beginning in levy year 2015, and in each year thereafter, the
5 levy shall not exceed the amount of the city's total required
6 contribution to the Fund for the next payment year, as
7 determined under subsection (a-5). For the purposes of this
8 Section, the payment year is the year immediately following the
9 levy year.

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

22 Revenues derived from such tax shall be paid to the city
23 treasurer of the city as collected and held by the city
24 treasurer for the benefit of the fund.

25 If the payments on account of taxes are insufficient during
26 any year to meet the requirements of this Article, the city may

1 issue tax anticipation warrants against the current tax levy.

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

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

7 (i) (I) for payment years 2016 through 2055, the annual
8 amount determined by the Fund to be equal to the greater of
9 \$0, or the sum of (1) the City's portion of the projected
10 normal cost for that fiscal year, plus (2) an amount
11 determined on a level percentage of applicable employee
12 payroll basis (reflecting any limits on individual
13 participants' pay that apply for benefit and contribution
14 purposes under this plan) that is sufficient to bring the
15 total actuarial assets of the Fund up to 90% of the total
16 actuarial liabilities of the Fund by the end of 2055. (II)
17 For payment years after 2055, the annual amount determined
18 by the Fund to be equal to the amount, if any, needed to
19 bring the total actuarial assets of the Fund up to 90% of
20 the total actuarial liabilities of the Fund as of the end
21 of the year. In making the determinations under both (I)
22 and (II), the actuarial calculations shall be determined
23 under the entry age normal actuarial cost method, and any
24 actuarial gains or losses from investment return incurred
25 in a fiscal year shall be recognized in equal annual
26 amounts over the 5-year period following the fiscal year;

1 or

2 (ii) for payment year 2016, 1.60 times the total amount
3 of contributions made by or on behalf of employees to the
4 Fund for annuity purposes in the calendar year 2013; for
5 payment year 2017, 1.90 times the total amount of
6 contributions made by or on behalf of employees to the Fund
7 for annuity purposes in the calendar year 2014; for payment
8 year 2018, 2.20 times the total amount of contributions
9 made by or on behalf of employees to the Fund for annuity
10 purposes in the calendar year 2015; for payment year 2019,
11 2.50 times the total amount of contributions made by or on
12 behalf of employees to the Fund for annuity purposes in the
13 calendar year 2016; for payment year 2020, 2.80 times the
14 total amount of contributions made by or on behalf of
15 employees to the Fund for annuity purposes in the calendar
16 year 2017.

17 However, beginning in the earlier of payment year 2021 or the
18 first payment year in which the annual contribution amount
19 calculated under subdivision (i) is less than the contribution
20 amount calculated under subdivision (ii), and in each year
21 thereafter, the city's required annual contribution to the Fund
22 shall be determined under subdivision (i).

23 The city's required annual contribution to the Fund may be
24 paid with any available funds and shall be paid by the city to
25 the city treasurer. The city treasurer shall collect and hold
26 those funds for the benefit of the Fund.

1 (a-10) If the city fails to transmit to the Fund
2 contributions required of it under this Article by December
3 31st of the year in which such contributions are due, the Fund
4 may, after giving notice to the city, certify to the State
5 Comptroller the amounts of the delinquent payments in
6 accordance with any applicable rules of the Comptroller, and
7 the Comptroller must, beginning in payment year 2016, deduct
8 and remit to ~~deposit into~~ the Fund the certified amounts or a
9 portion of those amounts from the following proportions of
10 payments ~~grants~~ of State funds to the city:

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

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

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

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

23 (b) On or before July 1, annually, the board shall certify
24 to the city council the annual amounts required under this
25 Article, for which the tax herein provided may be levied for
26 the following year. The board shall compute the amounts

1 necessary for the purposes of this fund to be credited to the
2 reserves established and maintained as herein provided, and
3 shall make an annual determination of the amount of the
4 required city contributions; and certify the results thereof to
5 the city council.

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

18 The tax so levied by the park district shall be in addition
19 to and exclusive of all other taxes authorized to be levied by
20 the park district for corporate, annuity fund, or other
21 purposes. The county clerk of the county in which the park
22 district is located, in reducing any tax levied under the
23 provisions of any Act concerning the levy and extension of
24 taxes shall not consider such tax as part of the general tax
25 levy for park purposes, and shall not include the same in any
26 limitation of the per cent of the assessed valuation upon which

1 taxes are required to be extended for the park district. The
2 proceeds of the tax levied by the park district, upon receipt
3 by the district, shall be immediately paid over to the city
4 treasurer of the city for the uses and purposes of the fund.

5 The various sums to be contributed by the city and
6 allocated for the purposes of this Article, and any interest to
7 be contributed by the city, shall be taken from the revenue
8 derived from the taxes authorized in this Section, and no money
9 of such city derived from any source other than the levy and
10 collection of those taxes or the sale of tax anticipation
11 warrants in accordance with the provisions of this Article
12 shall be used to provide revenue for this Article, except as
13 expressly provided in this Section.

14 If it is not possible for the city to make contributions
15 for age and service annuity and widow's annuity concurrently
16 with the employee's contributions made for such purposes, such
17 city shall make such contributions as soon as possible and
18 practicable thereafter with interest thereon at the effective
19 rate to the time they shall be made.

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

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

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

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

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

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

15 (40 ILCS 5/12-149.5 new)

16 Sec. 12-149.5. Delinquent contributions; deduction from
17 payments of State funds to the employer. If the employer fails
18 to transmit to the Fund contributions required of it under this
19 Article by December 31st of the year in which such
20 contributions are due, the Fund may, after giving notice to the
21 employer, certify to the State Comptroller the amounts of the
22 delinquent payments in accordance with any applicable rules of
23 the Comptroller, and the Comptroller must, beginning in payment
24 year 2016, deduct and remit to the Fund the certified amounts
25 from payments of State funds to the employer.

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

4 (40 ILCS 5/13-503.5 new)

5 Sec. 13-503.5. Delinquent contributions; deduction from
6 payments of State funds to the employer. If the employer fails
7 to transmit to the Fund contributions required of it under this
8 Article by December 31st of the year in which such
9 contributions are due, the Fund may, after giving notice to the
10 employer, certify to the State Comptroller the amounts of the
11 delinquent payments in accordance with any applicable rules of
12 the Comptroller, and the Comptroller must, beginning in payment
13 year 2016, deduct and remit to the Fund the certified amounts
14 from payments of State funds to the employer.

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

18 (40 ILCS 5/17-127.5 new)

19 Sec. 17-127.5. Delinquent contributions; deduction from
20 payments of State funds to the employer. If the employer fails
21 to transmit to the Fund contributions required of it under this
22 Article by June 30th of the year in which such contributions
23 are due, the Fund may, after giving notice to the employer,
24 certify to the State Comptroller the amounts of the delinquent

1 payments in accordance with any applicable rules of the
2 Comptroller, and the Comptroller must, beginning in fiscal year
3 2016, deduct and remit to the Fund the certified amounts from
4 payments of State funds to the employer.

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

8 (40 ILCS 5/22-104 new)

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

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

1 Section 99. Effective date. This Act takes effect July 1,
2 2015.".