

1 AN ACT in relation to public employee benefits.

2 Be it enacted by the People of the State of Illinois,
3 represented in the General Assembly:

4 Section 5. The Illinois Pension Code is amended by
5 changing Sections 7-132, 7-146, 7-151, 7-152, 7-166, and
6 7-172 as follows:

7 (40 ILCS 5/7-132) (from Ch. 108 1/2, par. 7-132)

8 Sec. 7-132. Municipalities, instrumentalities and
9 participating instrumentalities included and effective dates.

10 (A) Municipalities and their instrumentalities.

11 (a) The following described municipalities, but not
12 including any with more than 1,000,000 inhabitants, and the
13 instrumentalities thereof, shall be included within and be
14 subject to this Article beginning upon the effective dates
15 specified by the Board:

16 (1) Except as to the municipalities and
17 instrumentalities thereof specifically excluded under
18 this Article, every county shall be subject to this
19 Article, and all cities, villages and incorporated towns
20 having a population in excess of 5,000 inhabitants as
21 determined by the last preceding decennial or subsequent
22 federal census, shall be subject to this Article
23 following publication of the census by the Bureau of the
24 Census. Within 90 days after publication of the census,
25 the Board shall notify any municipality that has become
26 subject to this Article as a result of that census, and
27 shall provide information to the corporate authorities of
28 the municipality explaining the duties and consequences
29 of participation. The notification shall also include a
30 proposed date upon which participation by the
31 municipality will commence.

1 However, for any city, village or incorporated town
2 that attains a population over 5,000 inhabitants after
3 having provided social security coverage for its
4 employees under the Social Security Enabling Act,
5 participation under this Article shall not be mandatory
6 but may be elected in accordance with subparagraph (3) or
7 (4) of this paragraph (a), whichever is applicable.

8 (2) School districts, other than those specifically
9 excluded under this Article, shall be subject to this
10 Article, without election, with respect to all employees
11 thereof.

12 (3) Towns and all other bodies politic and
13 corporate which are formed by vote of, or are subject to
14 control by, the electors in towns and are located in
15 towns which are not participating municipalities on the
16 effective date of this Act, may become subject to this
17 Article by election pursuant to Section 7-132.1.

18 (4) Any other municipality (together with its
19 instrumentalities), other than those specifically
20 excluded from participation and those described in
21 paragraph (3) above, may elect to be included either by
22 referendum under Section 7-134 or by the adoption of a
23 resolution or ordinance by its governing body. A copy of
24 such resolution or ordinance duly authenticated and
25 certified by the clerk of the municipality or other
26 appropriate official of its governing body shall
27 constitute the required notice to the board of such
28 action.

29 (b) A municipality that is about to begin participation
30 shall submit to the Board an application to participate, in a
31 form acceptable to the Board, not later than 90 days prior to
32 the proposed effective date of participation. The Board
33 shall act upon the application within 90 days, and if it
34 finds that the application is in conformity with its

1 requirements and the requirements of this Article,
 2 participation by the applicant shall commence on a date
 3 acceptable to the municipality and specified by the Board,
 4 but in no event more than one year from the date of
 5 application.

6 (c) A participating municipality which succeeds to the
 7 functions of a participating municipality which is dissolved
 8 or terminates its existence shall assume and be transferred
 9 the net accumulation balance in the municipality reserve and
 10 the municipality account receivable balance of the terminated
 11 municipality.

12 (d) In the case of a Veterans Assistance Commission
 13 whose employees were being treated by the Fund on January 1,
 14 1990 as employees of the county served by the Commission, the
 15 Fund may continue to treat the employees of the Veterans
 16 Assistance Commission as county employees for the purposes of
 17 this Article, unless the Commission becomes a participating
 18 instrumentality in accordance with subsection (B) of this
 19 Section.

20 (B) Participating instrumentalities.

21 (a) The participating instrumentalities designated in
 22 paragraph (b) of this subsection shall be included within and
 23 be subject to this Article if:

24 (1) an application to participate, in a form
 25 acceptable to the Board and adopted by a two-thirds vote
 26 of the governing body, is presented to the Board not
 27 later than 90 days prior to the proposed effective date;
 28 and

29 (2) the Board finds that the application is in
 30 conformity with its requirements, that the applicant has
 31 reasonable expectation to continue as a political entity
 32 for a period of at least 10 years and has the prospective
 33 financial capacity to meet its current and future
 34 obligations to the Fund, and that the actuarial soundness

1 of the Fund may be reasonably expected to be unimpaired
2 by approval of participation by the applicant.

3 The Board shall notify the applicant of its findings
4 within 90 days after receiving the application, and if the
5 Board approves the application, participation by the
6 applicant shall commence on the effective date specified by
7 the Board.

8 (b) The following participating instrumentalities, so
9 long as they meet the requirements of Section 7-108 and the
10 area served by them or within their jurisdiction is not
11 located entirely within a municipality having more than one
12 million inhabitants, may be included hereunder:

13 i. Township School District Trustees.

14 ii. Multiple County and Consolidated Health
15 Departments created under Division 5-25 of the Counties
16 Code or its predecessor law.

17 iii. Public Building Commissions created under the
18 Public Building Commission Act, and located in counties
19 of less than 1,000,000 inhabitants.

20 iv. A multitype, consolidated or cooperative
21 library system created under the Illinois Library System
22 Act. Any library system created under the Illinois
23 Library System Act that has one or more predecessors that
24 participated in the Fund may participate in the Fund upon
25 application. The Board shall establish procedures for
26 implementing the transfer of rights and obligations from
27 the predecessor system to the successor system.

28 v. Regional Planning Commissions created under
29 Division 5-14 of the Counties Code or its predecessor
30 law.

31 vi. Local Public Housing Authorities created under
32 the Housing Authorities Act, located in counties of less
33 than 1,000,000 inhabitants.

34 vii. Illinois Municipal League.

- 1 viii. Northeastern Illinois Metropolitan Area
2 Planning Commission.
- 3 ix. Southwestern Illinois Metropolitan Area
4 Planning Commission.
- 5 x. Illinois Association of Park Districts.
- 6 xi. Illinois Supervisors, County Commissioners and
7 Superintendents of Highways Association.
- 8 xii. Tri-City Regional Port District.
- 9 xiii. An association, or not-for-profit
10 corporation, membership in which is authorized under
11 Section 85-15 of the Township Code.
- 12 xiv. Drainage Districts operating under the
13 Illinois Drainage Code.
- 14 xv. Local mass transit districts created under the
15 Local Mass Transit District Act.
- 16 xvi. Soil and water conservation districts created
17 under the Soil and Water Conservation Districts Law.
- 18 xvii. Commissions created to provide water supply
19 or sewer services or both under Division 135 or Division
20 136 of Article 11 of the Illinois Municipal Code.
- 21 xviii. Public water districts created under the
22 Public Water District Act.
- 23 xix. Veterans Assistance Commissions established
24 under Section 9 of the Military Veterans Assistance Act
25 that serve counties with a population of less than
26 1,000,000.
- 27 xx. The governing body of an entity, other than a
28 vocational education cooperative, created under an
29 intergovernmental cooperative agreement established
30 between participating municipalities under the
31 Intergovernmental Cooperation Act, which by the terms of
32 the agreement is the employer of the persons performing
33 services under the agreement under the usual common law
34 rules determining the employer-employee relationship.

1 The governing body of such an intergovernmental
 2 cooperative entity established prior to July 1, 1988 may
 3 make participation retroactive to the effective date of
 4 the agreement and, if so, the effective date of
 5 participation shall be the date the required application
 6 is filed with the fund. If any such entity is unable to
 7 pay the required employer contributions to the fund, then
 8 the participating municipalities shall make payment of
 9 the required contributions and the payments shall be
 10 allocated as provided in the agreement or, if not so
 11 provided, equally among them.

12 xxi. The Illinois Municipal Electric Agency.

13 xxii. The Waukegan Port District.

14 xxiii. The Fox Waterway Agency created under the
 15 Fox Waterway Agency Act.

16 xxiv. The Illinois Municipal Gas Agency.

17 (c) The governing boards of special education joint
 18 agreements created under Section 10-22.31 of the School Code
 19 without designation of an administrative district shall be
 20 included within and be subject to this Article as
 21 participating instrumentalities when the joint agreement
 22 becomes effective. However, the governing board of any such
 23 special education joint agreement in effect before September
 24 5, 1975 shall not be subject to this Article unless the joint
 25 agreement is modified by the school districts to provide that
 26 the governing board is subject to this Article, except as
 27 otherwise provided by this Section.

28 The governing board of the Special Education District of
 29 Lake County shall become subject to this Article as a
 30 participating instrumentality on July 1, 1997.
 31 Notwithstanding subdivision (a)1 of Section 7-139, on the
 32 effective date of participation, employees of the governing
 33 board of the Special Education District of Lake County shall
 34 receive creditable service for their prior service with that

1 employer, up to a maximum of 5 years, without any employee
2 contribution. Employees may establish creditable service for
3 the remainder of their prior service with that employer, if
4 any, by applying in writing and paying an employee
5 contribution in an amount determined by the Fund, based on
6 the employee contribution rates in effect at the time of
7 application for the creditable service and the employee's
8 salary rate on the effective date of participation for that
9 employer, plus interest at the effective rate from the date
10 of the prior service to the date of payment. Application for
11 this creditable service must be made before July 1, 1998; the
12 payment may be made at any time while the employee is still
13 in service. The employer may elect to make the required
14 contribution on behalf of the employee.

15 The governing board of a special education joint
16 agreement created under Section 10-22.31 of the School Code
17 for which an administrative district has been designated, if
18 there are employees of the cooperative educational entity who
19 are not employees of the administrative district, may elect
20 to participate in the Fund and be included within this
21 Article as a participating instrumentality, subject to such
22 application procedures and rules as the Board may prescribe.

23 The Boards of Control of cooperative or joint educational
24 programs or projects created and administered under Section
25 3-15.14 of the School Code, whether or not the Boards act as
26 their own administrative district, shall be included within
27 and be subject to this Article as participating
28 instrumentalities when the agreement establishing the
29 cooperative or joint educational program or project becomes
30 effective.

31 The governing board of a special education joint
32 agreement entered into after June 30, 1984 and prior to
33 September 17, 1985 which provides for representation on the
34 governing board by less than all the participating districts

1 shall be included within and subject to this Article as a
2 participating instrumentality. Such participation shall be
3 effective as of the date the joint agreement becomes
4 effective.

5 The governing boards of educational service centers
6 established under Section 2-3.62 of the School Code shall be
7 included within and subject to this Article as participating
8 instrumentalities. The governing boards of vocational
9 education cooperative agreements created under the
10 Intergovernmental Cooperation Act and approved by the State
11 Board of Education shall be included within and be subject to
12 this Article as participating instrumentalities. If any such
13 governing boards or boards of control are unable to pay the
14 required employer contributions to the fund, then the school
15 districts served by such boards shall make payment of
16 required contributions as provided in Section 7-172. The
17 payments shall be allocated among the several school
18 districts in proportion to the number of students in average
19 daily attendance for the last full school year for each
20 district in relation to the total number of students in
21 average attendance for such period for all districts served.
22 If such educational service centers, vocational education
23 cooperatives or cooperative or joint educational programs or
24 projects created and administered under Section 3-15.14 of
25 the School Code are dissolved, the assets and obligations
26 shall be distributed among the districts in the same
27 proportions unless otherwise provided.

28 (d) The governing boards of special recreation joint
29 agreements created under Section 8-10b of the Park District
30 Code, operating without designation of an administrative
31 district or an administrative municipality appointed to
32 administer the program operating under the authority of such
33 joint agreement shall be included within and be subject to
34 this Article as participating instrumentalities when the

1 joint agreement becomes effective. However, the governing
2 board of any such special recreation joint agreement in
3 effect before January 1, 1980 shall not be subject to this
4 Article unless the joint agreement is modified, by the
5 districts and municipalities which are parties to the
6 agreement, to provide that the governing board is subject to
7 this Article.

8 If the Board returns any employer and employee
9 contributions to any employer which erroneously submitted
10 such contributions on behalf of a special recreation joint
11 agreement, the Board shall include interest computed from the
12 end of each year to the date of payment, not compounded, at
13 the rate of 7% per annum.

14 (e) Each multi-township assessment district, the board
15 of trustees of which has adopted this Article by ordinance
16 prior to April 1, 1982, shall be a participating
17 instrumentality included within and subject to this Article
18 effective December 1, 1981. The contributions required under
19 Section 7-172 shall be included in the budget prepared under
20 and allocated in accordance with Section 2-30 of the Property
21 Tax Code.

22 (f) Beginning January 1, 1992, each prospective
23 participating municipality or participating instrumentality
24 shall pay to the Fund the cost, as determined by the Board,
25 of a study prepared by the Fund or its actuary, detailing the
26 prospective costs of participation in the Fund to be expected
27 by the municipality or instrumentality.

28 (Source: P.A. 89-162, eff. 7-19-95; 90-511, eff. 8-22-97.)

29 (40 ILCS 5/7-146) (from Ch. 108 1/2, par. 7-146)

30 Sec. 7-146. Temporary disability benefits - Eligibility.
31 Temporary disability benefits shall be payable to
32 participating employees as hereinafter provided.

33 (a) The participating employee shall be considered

1 temporarily disabled if:

2 1. He is unable to perform the duties of any
3 position which might reasonably be assigned to him by his
4 employing municipality or instrumentality thereof or
5 participating instrumentality due to mental or physical
6 disability caused by bodily injury or disease, other than
7 as a result of self-inflicted injury or addiction to
8 narcotic drugs;

9 2. The Board has received written certifications
10 from at least one ± licensed and practicing physician and
11 the governing body of the employing municipality or
12 instrumentality thereof or participating instrumentality
13 stating that the employee meets the conditions set forth
14 in subparagraph 1 of this paragraph (a).

15 (b) A temporary disability benefit shall be payable to a
16 temporarily disabled employee provided:

17 1. He:
18 (i) has at least one year of service
19 immediately preceding at the date the temporary
20 disability was incurred and has made contributions
21 to the fund for at least the number of months of
22 service normally required in his position during a
23 12-month period, or has at least 5 years of service
24 credit, the last year of which immediately precedes
25 such date; or

26 (ii) had qualified under clause (i) above, but
27 had an interruption in service with the same
28 participating municipality or participating
29 instrumentality of not more than 3 months in the 12
30 months preceding the date the temporary disability
31 was incurred and was not paid a separation benefit;
32 or

33 (iii) had qualified under clause (i) above,
34 but had an interruption after 20 or more years of

1 creditable service, was not paid a separation
2 benefit, and returned to service prior to the date
3 the disability was incurred.

4 Item (iii) of this subdivision shall apply to all
5 employees whose disabilities were incurred on or after
6 July 1, 1985, and any such employee who becomes eligible
7 for a disability benefit under item (iii) shall be
8 entitled to receive a lump sum payment of any accumulated
9 disability benefits which may accrue from the date the
10 disability was incurred until the effective date of this
11 amendatory Act of 1987.

12 Periods of qualified leave granted in compliance
13 with the federal Family and Medical Leave Act shall be
14 ignored for purposes of determining the number of
15 consecutive months of employment under this subdivision
16 (b)1.

17 2. He has been temporarily disabled for at least 30
18 days, except where a former temporary or permanent and
19 total disability has reoccurred within 6 months after the
20 employee has returned to service.

21 3. He is receiving no earnings from a participating
22 municipality or instrumentality thereof or participating
23 instrumentality, except as allowed under subsection (f)
24 of Section 7-152.

25 4. He has not refused to submit to a reasonable
26 physical examination by a physician appointed by the
27 Board.

28 5. His disability is not the result of a mental or
29 physical condition which existed on the earliest date of
30 service from which he has uninterrupted service,
31 including prior service, at the date of his disability,
32 provided that this limitation is not applicable if the
33 date of disability is after December 31, 2001, nor is it
34 ~~shall--not-be~~ applicable to a participating employee who:

1 (i) on the date of disability has 5 years of creditable
 2 service, exclusive of creditable service for periods of
 3 disability; or (ii) received no medical treatment for the
 4 condition for the 3 years immediately prior to such
 5 earliest date of service.

6 6. He is not separated from the service of the
 7 participating municipality or instrumentality thereof or
 8 participating instrumentality which employed him on the
 9 date his temporary disability was incurred; for the
 10 purposes of payment of temporary disability benefits, a
 11 participating employee, whose employment relationship is
 12 terminated by his employing municipality, shall be deemed
 13 not to be separated from the service of his employing
 14 municipality or participating instrumentality if he
 15 continues disabled by the same condition and so long as
 16 he is otherwise entitled to such disability benefit.

17 (Source: P.A. 90-766, eff. 8-14-98.)

18 (40 ILCS 5/7-151) (from Ch. 108 1/2, par. 7-151)

19 Sec. 7-151. Total and permanent disability benefits -
 20 Commencement and duration. Permanent disability benefits
 21 shall be payable:

22 (a) As of the date temporary disability benefits are
 23 exhausted;

24 (b) Once a month as of the end of each month;

25 (c) For less than a month in a fraction equal to that
 26 created by making the number of days of disability in the
 27 month the numerator and the number of the days in the month
 28 the denominator;

29 (d) To the beneficiary of a deceased employee for the
 30 unpaid amount accrued to the date of death;

31 (e) While total and permanent disability continues;

32 (f) For the period ending on the last day of the month
 33 which is the later of the following:

1 1. the month that the participating employee attains the
2 age for a full Social Security old-age insurance benefit age
3 65;

4 2. the month which is 5 years after the month the
5 participating employee became disabled as provided in Section
6 7-146.

7 (Source: P.A. 86-272.)

8 (40 ILCS 5/7-152) (from Ch. 108 1/2, par. 7-152)

9 Sec. 7-152. Disability benefits - Amount. The amount of
10 the monthly temporary and total and permanent disability
11 benefits shall be 50% of the participating employee's final
12 rate of earnings on the date disability was incurred, subject
13 to the following adjustments:

14 (a) If the participating employee has a reduced rate of
15 earnings at the time his employment ceases because of
16 disability, the rate of earnings shall be computed on the
17 basis of his last 12 month period of full-time employment.

18 (b) If the participating employee is eligible for a
19 disability benefit under the federal Social Security Act, the
20 amount of monthly disability benefits shall be reduced, but
21 not to less than \$10 a month, by the amount he would be
22 eligible to receive as a disability benefit under the federal
23 Social Security Act, whether or not because of service as a
24 covered employee under this Article. The reduction shall be
25 effective as of the month the employee is eligible for Social
26 Security disability benefits. The Board may make such
27 reduction if it appears that the employee may be so eligible
28 pending determination of eligibility and make an appropriate
29 adjustment if necessary after such determination. If the
30 employee, because of his refusal to accept rehabilitation
31 services under the federal Rehabilitation Act of 1973 or the
32 federal Social Security Act, or because he is receiving
33 workers' compensation benefits, has his Social Security

1 benefits reduced or terminated, the disability benefit shall
2 be reduced as if the employee were receiving his full Social
3 Security disability benefit.

4 (c) If the employee (i) is over the age for a full
5 Social Security old-age insurance benefit age--65, (ii) was
6 not eligible for a Social Security disability benefit
7 immediately before reaching that age, age--65 and (iii) is
8 eligible for a full Social Security old-age insurance
9 benefit, then the amount of the monthly disability benefit
10 shall be reduced, but not to less than \$10 a month, by the
11 amount of the old-age insurance benefit to which the employee
12 is entitled, whether or not the employee applies for the
13 Social Security old-age insurance benefit. This reduction
14 shall be made in the month after the month in which the
15 employee attains the age for a full Social Security old-age
16 insurance benefit age--65. However, if the employee was
17 receiving a Social Security disability benefit before
18 reaching the age for a full Social Security old-age insurance
19 benefit age-65, the disability benefits after that age age-65
20 shall be determined under subsection (b) of this Section.

21 (d) The amount of disability benefits shall not be
22 reduced by reason of any increase, other than one resulting
23 from a correction in the employee's wage records, in the
24 amount of disability or old-age insurance benefits under the
25 federal Social Security Act which takes effect after the
26 month of the initial reduction under paragraph (b) or (c) of
27 this Section.

28 (e) If the employee in any month receives compensation
29 from gainful employment which is more than 25% of the final
30 rate of earnings on which his disability benefits are based,
31 the temporary disability benefit payable for that month shall
32 be reduced by an amount equal to such excess.

33 (f) An employee who has been disabled for at least 30
34 days may return to work for the employer on a part-time basis

1 for a trial work period of up to one year, during which the
 2 disability shall be deemed to continue. Service credit shall
 3 continue to accrue and the disability benefit shall continue
 4 to be paid during the trial work period, but the benefit
 5 shall be reduced by the amount of earnings received by the
 6 disabled employee. Return to service on a full-time basis
 7 shall terminate the trial work period. The reduction under
 8 this subsection (f) shall be in lieu of the reduction, if
 9 any, required under subsection (e).

10 (g) Beginning January 1, 1988, every total and permanent
 11 disability benefit shall be increased by 3% of the original
 12 amount of the benefit, not compounded, on each January 1
 13 following the later of (1) the date the total and permanent
 14 disability benefit begins, or (2) the date the total and
 15 permanent disability benefit would have begun if the employee
 16 had been paid a temporary disability benefit for 30 months.

17 (Source: P.A. 87-740.)

18 (40 ILCS 5/7-166) (from Ch. 108 1/2, par. 7-166)

19 Sec. 7-166. Separation benefits - Eligibility.
 20 Separation benefits shall be payable as hereinafter set
 21 forth:

22 1. Upon separation from the service of all
 23 participating municipalities and instrumentalities
 24 thereof and participating instrumentalities, any
 25 participating employee who, on the date of application
 26 for such benefit, is not entitled to a retirement annuity
 27 shall be entitled to a separation benefit.†

28 2. Upon separation from the service of all
 29 participating municipalities and instrumentalities
 30 thereof and participating instrumentalities, any
 31 participating employee who, on the date of application
 32 for such benefit, is entitled to a retirement annuity of
 33 less than \$30 per month for life may elect to take a

1 separation benefit in lieu of the retirement annuity.

2 3. Upon separation from the service of all
3 participating municipalities and instrumentalities
4 thereof and participating instrumentalities, any
5 participating employee who, on the date of application
6 for such benefit, is entitled to a retirement annuity,
7 but wishes instead to use the amounts to his or her
8 credit in the Fund to purchase credit in another
9 retirement plan, may elect to take a separation benefit
10 in lieu of the retirement annuity.

11 (Source: P.A. 91-887, eff. 7-6-00.)

12 (40 ILCS 5/7-172) (from Ch. 108 1/2, par. 7-172)

13 Sec. 7-172. Contributions by participating
14 municipalities and participating instrumentalities.

15 (a) Each participating municipality and each
16 participating instrumentality shall make payment to the fund
17 as follows:

18 1. municipality contributions in an amount
19 determined by applying the municipality contribution rate
20 to each payment of earnings paid to each of its
21 participating employees;

22 2. an amount equal to the employee contributions
23 provided by paragraphs (a) and (b) of Section 7-173,
24 whether or not the employee contributions are withheld as
25 permitted by that Section;

26 3. all accounts receivable, together with interest
27 charged thereon, as provided in Section 7-209;

28 4. if it has no participating employees with
29 current earnings, an amount payable which, over a period
30 of 20 years beginning with the year following an award of
31 benefit, will amortize, at the effective rate for that
32 year, any negative balance in its municipality reserve
33 resulting from the award. This amount when established

1 will be payable as a separate contribution whether or not
2 it later has participating employees.

3 (b) A separate municipality contribution rate shall be
4 determined for each calendar year for all participating
5 municipalities together with all instrumentalities thereof.
6 The municipality contribution rate shall be determined for
7 participating instrumentalities as if they were participating
8 municipalities. The municipality contribution rate shall be
9 the sum of the following percentages:

10 1. The percentage of earnings of all the
11 participating employees of all participating
12 municipalities and participating instrumentalities which,
13 if paid over the entire period of their service, will be
14 sufficient when combined with all employee contributions
15 available for the payment of benefits, to provide all
16 annuities for participating employees, and the \$3,000
17 death benefit payable under Sections 7-158 and 7-164,
18 such percentage to be known as the normal cost rate.

19 2. The percentage of earnings of the participating
20 employees of each participating municipality and
21 participating instrumentalities necessary to adjust for
22 the difference between the present value of all benefits,
23 excluding temporary and total and permanent disability
24 and death benefits, to be provided for its participating
25 employees and the sum of its accumulated municipality
26 contributions and the accumulated employee contributions
27 and the present value of expected future employee and
28 municipality contributions pursuant to subparagraph 1 of
29 this paragraph (b). This adjustment shall be spread over
30 the remainder of the period that is allowable under
31 generally accepted accounting principles of 40 years from
32 the first of the year following the date of
33 determination.

34 3. The percentage of earnings of the participating

1 employees of all municipalities and participating
2 instrumentalities necessary to provide the present value
3 of all temporary and total and permanent disability
4 benefits granted during the most recent year for which
5 information is available.

6 4. The percentage of earnings of the participating
7 employees of all participating municipalities and
8 participating instrumentalities necessary to provide the
9 present value of the net single sum death benefits
10 expected to become payable from the reserve established
11 under Section 7-206 during the year for which this rate
12 is fixed.

13 5. The percentage of earnings necessary to meet any
14 deficiency arising in the Terminated Municipality
15 Reserve.

16 (c) A separate municipality contribution rate shall be
17 computed for each participating municipality or participating
18 instrumentality for its sheriff's law enforcement employees.

19 A separate municipality contribution rate shall be
20 computed for the sheriff's law enforcement employees of each
21 forest preserve district that elects to have such employees.
22 For the period from January 1, 1986 to December 31, 1986,
23 such rate shall be the forest preserve district's regular
24 rate plus 2%.

25 In the event that the Board determines that there is an
26 actuarial deficiency in the account of any municipality with
27 respect to a person who has elected to participate in the
28 Fund under Section 3-109.1 of this Code, the Board may adjust
29 the municipality's contribution rate so as to make up that
30 deficiency over such reasonable period of time as the Board
31 may determine.

32 (d) The Board may establish a separate municipality
33 contribution rate for all employees who are program
34 participants employed under the federal Comprehensive

1 Employment Training Act by all of the participating
2 municipalities and instrumentalities. The Board may also
3 provide that, in lieu of a separate municipality rate for
4 these employees, a portion of the municipality contributions
5 for such program participants shall be refunded or an extra
6 charge assessed so that the amount of municipality
7 contributions retained or received by the fund for all CETA
8 program participants shall be an amount equal to that which
9 would be provided by the separate municipality contribution
10 rate for all such program participants. Refunds shall be
11 made to prime sponsors of programs upon submission of a claim
12 therefor and extra charges shall be assessed to participating
13 municipalities and instrumentalities. In establishing the
14 municipality contribution rate as provided in paragraph (b)
15 of this Section, the use of a separate municipality
16 contribution rate for program participants or the refund of a
17 portion of the municipality contributions, as the case may
18 be, may be considered.

19 (e) Computations of municipality contribution rates for
20 the following calendar year shall be made prior to the
21 beginning of each year, from the information available at the
22 time the computations are made, and on the assumption that
23 the employees in each participating municipality or
24 participating instrumentality at such time will continue in
25 service until the end of such calendar year at their
26 respective rates of earnings at such time.

27 (f) Any municipality which is the recipient of State
28 allocations representing that municipality's contributions
29 for retirement annuity purposes on behalf of its employees as
30 provided in Section 12-21.16 of the Illinois Public Aid Code
31 shall pay the allocations so received to the Board for such
32 purpose. Estimates of State allocations to be received
33 during any taxable year shall be considered in the
34 determination of the municipality's tax rate for that year

1 under Section 7-171. If a special tax is levied under
2 Section 7-171, none of the proceeds may be used to reimburse
3 the municipality for the amount of State allocations received
4 and paid to the Board. Any multiple-county or consolidated
5 health department which receives contributions from a county
6 under Section 11.2 of "An Act in relation to establishment
7 and maintenance of county and multiple-county health
8 departments", approved July 9, 1943, as amended, or
9 distributions under Section 3 of the Department of Public
10 Health Act, shall use these only for municipality
11 contributions by the health department.

12 (g) Municipality contributions for the several purposes
13 specified shall, for township treasurers and employees in the
14 offices of the township treasurers who meet the qualifying
15 conditions for coverage hereunder, be allocated among the
16 several school districts and parts of school districts
17 serviced by such treasurers and employees in the proportion
18 which the amount of school funds of each district or part of
19 a district handled by the treasurer bears to the total amount
20 of all school funds handled by the treasurer.

21 From the funds subject to allocation among districts and
22 parts of districts pursuant to the School Code, the trustees
23 shall withhold the proportionate share of the liability for
24 municipality contributions imposed upon such districts by
25 this Section, in respect to such township treasurers and
26 employees and remit the same to the Board.

27 The municipality contribution rate for an educational
28 service center shall initially be the same rate for each year
29 as the regional office of education or school district which
30 serves as its administrative agent. When actuarial data
31 become available, a separate rate shall be established as
32 provided in subparagraph (i) of this Section.

33 The municipality contribution rate for a public agency,
34 other than a vocational education cooperative, formed under

1 the Intergovernmental Cooperation Act shall initially be the
 2 average rate for the municipalities which are parties to the
 3 intergovernmental agreement. When actuarial data become
 4 available, a separate rate shall be established as provided
 5 in subparagraph (i) of this Section.

6 (h) Each participating municipality and participating
 7 instrumentality shall make the contributions in the amounts
 8 provided in this Section in the manner prescribed from time
 9 to time by the Board and all such contributions shall be
 10 obligations of the respective participating municipalities
 11 and participating instrumentalities to this fund. The
 12 failure to deduct any employee contributions shall not
 13 relieve the participating municipality or participating
 14 instrumentality of its obligation to this fund. Delinquent
 15 payments of contributions due under this Section may, with
 16 interest, be recovered by civil action against the
 17 participating municipalities or participating
 18 instrumentalities. Municipality contributions, other than
 19 the amount necessary for employee contributions and Social
 20 Security contributions, for periods of service by employees
 21 from whose earnings no deductions were made for employee
 22 contributions to the fund, may be charged to the municipality
 23 reserve for the municipality or participating
 24 instrumentality.

25 (i) Contributions by participating instrumentalities
 26 shall be determined as provided herein except that the
 27 percentage derived under subparagraph 2 of paragraph (b) of
 28 this Section, and the amount payable under subparagraph 5 of
 29 paragraph (a) of this Section, shall be based on an
 30 amortization period of 10 years.

31 (Source: P.A. 90-448, eff. 8-16-97.)

32 Section 90. The State Mandates Act is amended by adding
 33 Section 8.25 as follows:

1 (30 ILCS 805/8.25 new)
2 Sec. 8.25. Exempt mandate. Notwithstanding Sections 6
3 and 8 of this Act, no reimbursement by the State is required
4 for the implementation of any mandate created by this
5 amendatory Act of the 92nd General Assembly.

6 Section 99. Effective date. This Act takes effect upon
7 becoming law.