



104TH GENERAL ASSEMBLY

State of Illinois

2025 and 2026

SB4166

Introduced 3/4/2026, by Sen. Kimberly A. Lightford

SYNOPSIS AS INTRODUCED:

See Index

Amends the Illinois Pension Code. Provides that the amendatory Act may be referred to as the Pension Security and Cost Efficiency Act. Sets forth findings. Provides that, beginning in State fiscal year 2027 and continuing through State fiscal year 2045, the State shall make the required annual State contributions to the 5 State-funded retirement systems on the first day of the fiscal year. For State fiscal years 2027 through 2031, authorizes, if the State Actuary makes a specified written certification, up to \$6,000,000,000 in Pension Obligation Bonds to be used for the sole purpose of reducing the principal balance of unfunded liabilities of the 5 State-funded retirement systems. Provides that the proceeds of pension obligation bonds may not be used to fund the State's normal cost, to reduce or replace any minimum contribution otherwise required, or to pay benefits attributable to service rendered after the date of deposit of the proceeds. Provides that, for State fiscal years 2027 through 2031, the Governor is authorized to direct the payment of supplemental State contributions to the 5 State-funded retirement systems for the purpose of further front-loading payments and reducing unfunded liabilities. Provides that, for State fiscal years 2032 through 2045, the minimum contribution to each State-funded retirement system to be made by the State for each fiscal year shall be the re-amortized minimum contribution, which shall be calculated as a level-dollar amount over the years remaining to and including State fiscal year 2045 and shall be sufficient, in combination with employee contributions, investment income, and other income, to bring the total assets of each State-funded retirement system to at least 90% of its total actuarial liabilities by the end of State fiscal year 2045. Makes conforming changes. Amends the State Pension Funds Continuing Appropriation Act to make conforming changes. Effective immediately.

LRB104 20971 RPS 34827 b

1 AN ACT concerning public employee benefits.

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

4 Section 1. This Act may be referred to as the Pension
5 Security and Cost Efficiency Act.

6 Section 5. Findings. The General Assembly finds that:

7 (1) The State of Illinois maintains retirement systems
8 for public employees that provide constitutionally
9 protected benefits, support the recruitment and retention
10 of a qualified public workforce, and ensure financial
11 security for retired public servants.

12 (2) The State's pension obligations represent
13 long-term liabilities that must be funded in a manner that
14 is actuarially sound, fiscally responsible, and consistent
15 with the State's constitutional and statutory commitments.

16 (3) Under current law, the State's required
17 contributions to its retirement systems are governed by a
18 funding schedule enacted by Public Act 88-593, commonly
19 known as the Pension Ramp, which backloads payments and
20 results in increasing annual contribution requirements
21 through fiscal year 2045.

22 (4) The funding schedule established by Public Act
23 88-593 permitted the State to make contributions below

1 actuarially determined levels for extended periods of
2 time, resulting in the deferral of required payments, the
3 accrual of additional unfunded liabilities, and the growth
4 of pension debt within the retirement systems.

5 (5) The backloaded structure of the Pension Ramp
6 increases long-term debt service costs by delaying the
7 payment of pension liabilities and foregoing potential
8 investment earnings. This backloaded structure creates
9 undue fiscal pressure over time.

10 (6) Earlier funding of pension obligations, when
11 informed by actuarial analysis and accompanied by
12 appropriate safeguards, can reduce unfunded accrued
13 actuarial liabilities and lower total costs to taxpayers
14 over time.

15 (7) Refinancing a portion of the State's existing
16 pension liabilities through the issuance of pension
17 obligation bonds, and utilizing the net proceeds thereof
18 (after payment of issuance costs) for the sole purpose of
19 prepaying a portion of the outstanding principal balance
20 of unfunded pension liability shall be structured based on
21 an actuarial certification, be designed to increase the
22 Pension Systems' respective funded ratios to reach 90% by
23 fiscal year 2045, and mitigate long-term contribution
24 volatility.

25 (8) Pension obligation bonds, when issued in a
26 measured and phased-in manner, and when the net proceeds

1 thereof are used solely to reduce the principal balance of
2 unfunded liabilities, can improve the financial health of
3 the Pension Systems by converting unfunded liabilities
4 into invested assets, allowing such assets to earn market
5 returns over time. Historical experience indicates that,
6 over long investment periods, the investment of pension
7 obligation bond proceeds after said proceeds have become
8 assets of the Pension Systems, have generated returns in
9 excess of the cost of the pension obligation bonds,
10 producing a positive compounding effect through the
11 remaining amortization period. Moreover, issuing smaller
12 pension obligation bonds over multiple fiscal years,
13 rather than issuing one, high dollar amount of pension
14 obligation bonds in a single year, mitigates market timing
15 risks and reduces near-term contribution pressures,
16 thereby lessening the need for abrupt revenue increases to
17 address rising pension costs.

18 (9) Credit rating agencies evaluate a state's pension
19 funding practices, unfunded liability management
20 strategies, pension contribution predictability, and
21 long-term liability trends when assessing that state's
22 creditworthiness, and policies that promote stability,
23 predictability, and sustainability in covering unfunded
24 pension liability costs can support improved fiscal
25 outlooks, result in credit upgrades, and thereby lower a
26 state's borrowing costs.

1 (10) Timing the State's pension contributions to be
2 made in full on the first day of the fiscal year, and
3 re-amortizing unfunded liabilities on a level-dollar
4 basis, can enhance budget predictability, save debt
5 service costs, reduce fiscal strain in future years, and
6 strengthen the financial position of the retirement
7 systems.

8 (11) Actuarial analyses and long-term projections
9 indicate that the combined implementation of the
10 strategies set forth in this Act, including the
11 refinancing of a portion of existing pension liabilities
12 through the issuance of pension obligation bonds, using
13 all the net pension obligation bond proceeds (after costs
14 of issuance are covered) to retire existing unfunded
15 pension liability principal, front-loading the State's
16 contributions into its Pension Systems, and re-amortizing
17 the unfunded accrued actuarial liabilities on a
18 level-dollar basis, is expected to reduce total
19 pension-related costs to the State by approximately
20 \$40,000,000,000 over the remaining amortization period, as
21 compared to costs that would otherwise be incurred under
22 the existing Pension Ramp.

23 Section 10. Purpose. The purpose of this Act is to
24 establish a revised, integrated framework for financing and
25 funding the State's pension obligations to the General

1 Assembly Retirement System, the State Employees' Retirement
2 System, the State Universities Retirement System, the
3 Teachers' Retirement System, and the Judges' Retirement
4 System, in order to:

5 (1) reduce unfunded accrued actuarial liabilities and
6 long-term taxpayer costs by refinancing a portion of
7 existing pension liabilities and accelerating the funding
8 of pension obligations;

9 (2) front-load State contributions and adjust the
10 timing of required contributions to increase investment
11 earnings and improve funded ratios over time;

12 (3) replace the backloaded contribution schedule
13 previously established under Public Act 88-593 with a
14 level-dollar amortization structure beginning in State
15 fiscal year 2032 to promote fiscal stability and
16 predictability; and

17 (4) improve the State's long-term fiscal position and
18 credit profile through enhanced pension funding
19 discipline, actuarial oversight, and sustainable liability
20 management.

21 Section 15. The Illinois Pension Code is amended by
22 changing Sections 2-124, 2-134, 14-131, 15-155, 16-158,
23 18-131, and 18-140 and by adding Section 1A-202 as follows:

24 (40 ILCS 5/1A-202 new)

1 Sec. 1A-202. State contributions; pension liability
2 refinancing and re-amortization.

3 (a) Definitions. In this Section:

4 "Actuarially required contributions" means the amount of
5 employer contribution for a given fiscal year that is
6 determined by each Pension System's actuary to be sufficient
7 to both fund the normal cost of benefits earned during that
8 fiscal year in question and to amortize unfunded accrued
9 actuarial liabilities over the applicable amortization period.

10 "Amortization period" means the period of time over which
11 unfunded accrued actuarial liabilities are scheduled to be
12 repaid through actuarially determined contributions, measured
13 from the beginning of the applicable fiscal year to the end of
14 the final fiscal year of the applicable amortization schedule.

15 "Funded ratio" means the ratio, expressed as a percentage,
16 of the actuarial value of a Pension System's assets to its
17 actuarial accrued liabilities, as determined in the most
18 recent actuarial valuation prepared for the applicable Pension
19 System, which shall be calculated by dividing the current
20 monetary value of the applicable Pension System's total assets
21 by its total liabilities.

22 "Pension ramp" means the pension funding schedule
23 established by Public Act 88-593 and codified and amended
24 under various provisions of the Illinois Pension Code.

25 "Pension System" means the General Assembly Retirement
26 System, the State Employees' Retirement System, the State

1 Universities Retirement System, the Teachers' Retirement
2 System, or the Judges' Retirement System.

3 "Principal" means the portion of an outstanding pension
4 obligation or other indebtedness representing the original
5 amount of unfunded liabilities, exclusive of interest,
6 discount, premium, or debt service costs, as determined in
7 accordance with the most recent actuarial valuation.

8 "Re-amortized minimum contribution" means the minimum
9 annual State contribution determined under subsection (i).

10 "State Actuary" means the actuary employed or retained by
11 the State to prepare actuarial valuations, projections, and
12 certifications for the Pension Systems.

13 "Unfunded liability" means the excess of the actuarial
14 accrued liability of the applicable Pension System over the
15 actuarial value of its assets, as determined in the most
16 recent actuarial valuation.

17 (b) General funding objective. The State shall make
18 contributions to the Pension Systems by appropriations of
19 amounts that, together with employee contributions, investment
20 income, and other income, are sufficient to bring each of the
21 Pension Systems to a funded ratio of at least 90% by the end of
22 State fiscal year 2045, in accordance with actuarial
23 recommendations and the requirements of this Section.

24 (c) Timing of State contributions. Beginning in State
25 fiscal year 2027 and continuing through State fiscal year
26 2045, the State shall make the required State contribution to

1 each Pension System for each fiscal year on the first day of
2 that fiscal year. The required contribution shall not be
3 deferred, except as may be required by law or limitations on
4 appropriations.

5 (d) Authorization to issue pension obligation bonds.

6 (1) For State fiscal years 2027 through 2031, the
7 State is authorized to issue pension obligation bonds for
8 the sole purpose of reducing the principal balance of
9 unfunded liabilities of the Pension Systems. All net
10 proceeds of each pension obligation bond issued under this
11 Act that remain after covering the cost of the issuance
12 thereof, shall be used to retire principal of unfunded
13 liabilities of the Pension Systems.

14 (2) The aggregate principal amount of pension
15 obligation bonds issued under this subsection shall not
16 exceed \$6,000,000,000.

17 (3) Pension obligation bonds issued under this
18 subsection shall, to the extent practicable and consistent
19 with the certification required under subsection (f), be
20 issued in a front-loaded manner over the authorization
21 period, with a greater proportion of the aggregate
22 principal amount issued in earlier fiscal years and a
23 lesser proportion issued in later fiscal years, with
24 issuance of the largest portion in State fiscal year 2027
25 and the smallest portion in State fiscal year 2031.

26 (4) Pension obligation bonds issued under this

1 subsection shall constitute general obligations of the
2 State within the meaning of Section 9 of Article IX of the
3 Illinois Constitution, and the full faith and credit of
4 the State are irrevocably pledged for the payment of
5 principal and interest on such bonds.

6 (5) Debt service on pension obligation bonds issued
7 under this subsection shall be payable from the General
8 Revenue Fund, subject to appropriation.

9 (e) Use of proceeds; restrictions.

10 (1) All proceeds derived from the sale of pension
11 obligation bonds issued under this Act, net of issuance
12 costs, shall be deposited into the applicable Pension
13 Systems and applied exclusively to reduce a portion of the
14 principal amount of unfunded liabilities of those Pension
15 Systems.

16 (2) Proceeds of pension obligation bonds may not be
17 used to fund the State's normal cost, to satisfy or
18 replace any minimum contribution otherwise required under
19 this Code, or to pay benefits attributable to service
20 rendered after the date of deposit of such proceeds.

21 (3) Contributions made with pension obligation bond
22 proceeds under this subsection shall be treated as
23 supplemental contribution for actuarial and accounting
24 purposes, and shall not reduce any statutorily required
25 contribution for the applicable fiscal year.

26 (f) Actuarial certification and conditions precedent.

1 (1) Pension obligation bonds may be issued under this
2 Section only upon a written certification by the State
3 Actuary that the issuance of such bonds, together with the
4 proposed application of bond proceeds, is reasonably
5 expected to reduce the unfunded liabilities of the Pension
6 Systems and improve the projected funded ratios over the
7 remaining amortization period.

8 (2) In preparing the certification required under this
9 subsection, the State Actuary shall evaluate projected
10 investment returns, assumed rates of return, debt service
11 requirements, contribution schedules, funded ratios, and
12 any reasonably foreseeable or then extant adverse economic
13 scenario.

14 (g) Supplemental front-loaded contributions.

15 (1) For State fiscal years 2027 through 2031, in
16 addition to any contributions otherwise required under
17 this Code, the Governor is authorized to direct the
18 payment of supplemental State contributions to the Pension
19 Systems for the purpose of further front-loading payments
20 and reducing unfunded liabilities.

21 (2) Any supplemental contribution under this
22 subsection shall require certification by the State
23 Actuary under subsection (f) and shall be applied
24 exclusively to reduce unfunded liabilities.

25 (3) Supplemental contributions made under this
26 subsection may not be used to offset, reduce, or replace

1 any required State contribution for the applicable fiscal
2 year.

3 (h) Allocation of additional contributions. Amounts
4 contributed under subsections (d) through (g) shall be
5 allocated among the Pension Systems in proportion to each
6 Pension System's share of the State's total unfunded
7 liability, as determined by the most recent actuarial
8 valuation, unless otherwise provided by law.

9 (i) Re-amortized minimum contribution. For State fiscal
10 years 2032 through 2045, the minimum contribution to each
11 Pension System to be made by the State for each fiscal year
12 shall be the re-amortized minimum contribution. The
13 re-amortized minimum contribution shall be calculated as a
14 level-dollar amount over the years remaining to and including
15 State fiscal year 2045, and shall be sufficient, in
16 combination with employee contributions, investment income,
17 and other income, to bring the total assets of each Pension
18 System to at least 90% of its total actuarial liabilities by
19 the end of State fiscal year 2045. The re-amortized minimum
20 contribution identified in this subsection (i) shall replace
21 the minimum contribution that would otherwise have been
22 required under the pension ramp for State fiscal years 2032
23 through 2045.

24 (j) Construction; controlling provision. This Section
25 shall be construed to supplement and, to the extent of any
26 conflict, supersede the provisions of this Code implementing

1 the Pension Ramp. Nothing in this Section shall be construed
2 to reduce or impair any pension benefit protected under the
3 Illinois Constitution.

4 (40 ILCS 5/2-124) (from Ch. 108 1/2, par. 2-124)

5 Sec. 2-124. Contributions by State.

6 (a) The State shall make contributions to the System by
7 appropriations of amounts which, together with the
8 contributions of participants, interest earned on investments,
9 and other income will meet the cost of maintaining and
10 administering the System on a 90% funded basis in accordance
11 with actuarial recommendations.

12 (b) The Board shall determine the amount of State
13 contributions required for each fiscal year on the basis of
14 the actuarial tables and other assumptions adopted by the
15 Board and the prescribed rate of interest, using the formula
16 in subsection (c) or Section 1A-202, whichever is applicable.

17 (c) For State fiscal years 2012 through 2031 ~~2045~~, the
18 minimum contribution to the System to be made by the State for
19 each fiscal year shall be an amount determined by the System to
20 be sufficient to bring the total assets of the System, not
21 including proceeds derived from the sale of pension obligation
22 bonds, up to 90% of the total actuarial liabilities of the
23 System by the end of State fiscal year 2045. In making these
24 determinations, the required State contribution shall be
25 calculated each year as a level percentage of payroll over the

1 years remaining to and including fiscal year 2045 and shall be
2 determined under the projected unit credit actuarial cost
3 method. Proceeds derived from the sale of pension obligation
4 bonds issued under Section 1A-202 may not be used to satisfy or
5 replace any minimum contribution required under this Section
6 or this Code.

7 For State fiscal years 2032 through 2045, the minimum
8 contribution to the System shall be the amount determined
9 under Section 1A-202.

10 A change in an actuarial or investment assumption that
11 increases or decreases the required State contribution and
12 first applies in State fiscal year 2018 or thereafter shall be
13 implemented in equal annual amounts over a 5-year period
14 beginning in the State fiscal year in which the actuarial
15 change first applies to the required State contribution.

16 A change in an actuarial or investment assumption that
17 increases or decreases the required State contribution and
18 first applied to the State contribution in fiscal year 2014,
19 2015, 2016, or 2017 shall be implemented:

20 (i) as already applied in State fiscal years before
21 2018; and

22 (ii) in the portion of the 5-year period beginning in
23 the State fiscal year in which the actuarial change first
24 applied that occurs in State fiscal year 2018 or
25 thereafter, by calculating the change in equal annual
26 amounts over that 5-year period and then implementing it

1 at the resulting annual rate in each of the remaining
2 fiscal years in that 5-year period.

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

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

11 Notwithstanding any other provision of this Article, the
12 total required State contribution for State fiscal year 2007
13 is \$5,220,300.

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

21 Notwithstanding any other provision of this Article, the
22 total required State contribution for State fiscal year 2010
23 is \$10,454,000 and shall be made from the proceeds of bonds
24 sold in fiscal year 2010 pursuant to Section 7.2 of the General
25 Obligation Bond Act, less (i) the pro rata share of bond sale
26 expenses determined by the System's share of total bond

1 proceeds, (ii) any amounts received from the General Revenue
2 Fund in fiscal year 2010, and (iii) any reduction in bond
3 proceeds due to the issuance of discounted bonds, if
4 applicable.

5 Notwithstanding any other provision of this Article, the
6 total required State contribution for State fiscal year 2011
7 is the amount recertified by the System on or before April 1,
8 2011 pursuant to Section 2-134 and shall be made from the
9 proceeds of bonds sold in fiscal year 2011 pursuant to Section
10 7.2 of the General Obligation Bond Act, less (i) the pro rata
11 share of bond sale expenses determined by the System's share
12 of total bond proceeds, (ii) any amounts received from the
13 General Revenue Fund in fiscal year 2011, and (iii) any
14 reduction in bond proceeds due to the issuance of discounted
15 bonds, if applicable.

16 Beginning in State fiscal year 2046, the minimum State
17 contribution for each fiscal year shall be the amount needed
18 to maintain the total assets of the System at 90% of the total
19 actuarial liabilities of the System.

20 Amounts received by the System pursuant to Section 25 of
21 the Budget Stabilization Act or Section 8.12 of the State
22 Finance Act in any fiscal year do not reduce and do not
23 constitute payment of any portion of the minimum State
24 contribution required under this Article in that fiscal year.
25 Such amounts shall not reduce, and shall not be included in the
26 calculation of, the required State contributions under this

1 Article in any future year until the System has reached a
2 funding ratio of at least 90%. A reference in this Article to
3 the "required State contribution" or any substantially similar
4 term does not include or apply to any amounts payable to the
5 System under Section 25 of the Budget Stabilization Act.

6 Notwithstanding any other provision of this Section, the
7 required State contribution for State fiscal year 2005 and for
8 fiscal year 2008 and each fiscal year thereafter, as
9 calculated under this Section and certified under Section
10 2-134, shall not exceed an amount equal to (i) the amount of
11 the required State contribution that would have been
12 calculated under this Section for that fiscal year if the
13 System had not received any payments under subsection (d) of
14 Section 7.2 of the General Obligation Bond Act, minus (ii) the
15 portion of the State's total debt service payments for that
16 fiscal year on the bonds issued in fiscal year 2003 for the
17 purposes of that Section 7.2, as determined and certified by
18 the Comptroller, that is the same as the System's portion of
19 the total moneys distributed under subsection (d) of Section
20 7.2 of the General Obligation Bond Act. In determining this
21 maximum for State fiscal years 2008 through 2010, however, the
22 amount referred to in item (i) shall be increased, as a
23 percentage of the applicable employee payroll, in equal
24 increments calculated from the sum of the required State
25 contribution for State fiscal year 2007 plus the applicable
26 portion of the State's total debt service payments for fiscal

1 year 2007 on the bonds issued in fiscal year 2003 for the
2 purposes of Section 7.2 of the General Obligation Bond Act, so
3 that, by State fiscal year 2011, the State is contributing at
4 the rate otherwise required under this Section.

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

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

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

21 (Source: P.A. 100-23, eff. 7-6-17.)

22 (40 ILCS 5/2-134) (from Ch. 108 1/2, par. 2-134)

23 Sec. 2-134. To certify required State contributions and
24 submit vouchers.

25 (a) The Board shall certify to the Governor on or before

1 December 15 of each year until December 15, 2011 the amount of
2 the required State contribution to the System for the next
3 fiscal year and shall specifically identify the System's
4 projected State normal cost for that fiscal year. The
5 certification shall include a copy of the actuarial
6 recommendations upon which it is based and shall specifically
7 identify the System's projected State normal cost for that
8 fiscal year.

9 On or before November 1 of each year, beginning November
10 1, 2012, the Board shall submit to the State Actuary, the
11 Governor, and the General Assembly a proposed certification of
12 the amount of the required State contribution to the System
13 for the next fiscal year, along with all of the actuarial
14 assumptions, calculations, and data upon which that proposed
15 certification is based. On or before January 1 of each year
16 beginning January 1, 2013, the State Actuary shall issue a
17 preliminary report concerning the proposed certification and
18 identifying, if necessary, recommended changes in actuarial
19 assumptions that the Board must consider before finalizing its
20 certification of the required State contributions. On or
21 before January 15, 2013 and every January 15 thereafter, the
22 Board shall certify to the Governor and the General Assembly
23 the amount of the required State contribution for the next
24 fiscal year. The Board's certification must note any
25 deviations from the State Actuary's recommended changes, the
26 reason or reasons for not following the State Actuary's

1 recommended changes, and the fiscal impact of not following
2 the State Actuary's recommended changes on the required State
3 contribution.

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

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

15 On or before April 1, 2011, the Board shall recalculate
16 and recertify to the Governor the amount of the required State
17 contribution to the System for State fiscal year 2011,
18 applying the changes made by Public Act 96-889 to the System's
19 assets and liabilities as of June 30, 2009 as though Public Act
20 96-889 was approved on that date.

21 By November 1, 2017, the Board shall recalculate and
22 recertify to the State Actuary, the Governor, and the General
23 Assembly the amount of the State contribution to the System
24 for State fiscal year 2018, taking into account the changes in
25 required State contributions made by this amendatory Act of
26 the 100th General Assembly. The State Actuary shall review the

1 assumptions and valuations underlying the Board's revised
2 certification and issue a preliminary report concerning the
3 proposed recertification and identifying, if necessary,
4 recommended changes in actuarial assumptions that the Board
5 must consider before finalizing its certification of the
6 required State contributions. The Board's final certification
7 must note any deviations from the State Actuary's recommended
8 changes, the reason or reasons for not following the State
9 Actuary's recommended changes, and the fiscal impact of not
10 following the State Actuary's recommended changes on the
11 required State contribution.

12 (b) Unless otherwise directed by the Comptroller under
13 subsection (b-1) or as otherwise provided in this subsection,
14 the Board shall submit vouchers for payment of State
15 contributions to the System for the applicable month on the
16 15th day of each month, or as soon thereafter as may be
17 practicable. The amount vouchered for a monthly payment shall
18 total one-twelfth of the required annual State contribution
19 certified under subsection (a). Beginning State fiscal year
20 2027 and through State fiscal year 2045, on the first day of
21 each State fiscal year, the Board shall submit a voucher for
22 the payment of the State contribution for that State fiscal
23 year, as certified by the Board, whichever is applicable.

24 (b-1) Until State fiscal year 2027 and for State fiscal
25 year 2046 and thereafter ~~Beginning in State fiscal year 2025,~~
26 if the Comptroller requests that the Board submit, during a

1 State fiscal year, vouchers for multiple monthly payments for
2 advance payment of State contributions due to the System for
3 that State fiscal year, then the Board shall submit those
4 additional monthly vouchers as directed by the Comptroller,
5 notwithstanding subsection (b). Unless an act of
6 appropriations provides otherwise, nothing in this Section
7 authorizes the Board to submit, in a State fiscal year,
8 vouchers for the payment of State contributions to the System
9 in an amount that exceeds the rate of payroll that is certified
10 by the System under this Section for that State fiscal year.

11 (b-2) The vouchers described in subsections (b) and (b-1)
12 shall be paid by the State Comptroller and Treasurer by
13 warrants drawn on the funds appropriated to the System for
14 that fiscal year.

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

24 (c) The full amount of any annual appropriation for the
25 System for State fiscal year 1995 shall be transferred and
26 made available to the System at the beginning of that fiscal

1 year at the request of the Board. Any excess funds remaining at
2 the end of any fiscal year from appropriations shall be
3 retained by the System as a general reserve to meet the
4 System's accrued liabilities.

5 (Source: P.A. 103-588, eff. 6-5-24.)

6 (40 ILCS 5/14-131)

7 Sec. 14-131. Contributions by State.

8 (a) The State shall make contributions to the System by
9 appropriations of amounts which, together with other employer
10 contributions from trust, federal, and other funds, employee
11 contributions, investment income, and other income, will be
12 sufficient to meet the cost of maintaining and administering
13 the System on a 90% funded basis in accordance with actuarial
14 recommendations.

15 For the purposes of this Section and Section 14-135.08,
16 references to State contributions refer only to employer
17 contributions and do not include employee contributions that
18 are picked up or otherwise paid by the State or a department on
19 behalf of the employee.

20 (b) The Board shall determine the total amount of State
21 contributions required for each fiscal year on the basis of
22 the actuarial tables and other assumptions adopted by the
23 Board, using the formula in subsection (e) or Section 1A-202,
24 whichever is applicable.

25 The Board shall also determine a State contribution rate

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

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

18 (c) Contributions shall be made by the several departments
19 for each pay period by warrants drawn by the State Comptroller
20 against their respective funds or appropriations based upon
21 vouchers stating the amount to be so contributed. These
22 amounts shall be based on the full rate certified by the Board
23 under Section 14-135.08 for that fiscal year. From March 5,
24 2004 (the effective date of Public Act 93-665) through the
25 payment of the final payroll from fiscal year 2004
26 appropriations, the several departments shall not make

1 contributions for the remainder of fiscal year 2004 but shall
2 instead make payments as required under subsection (a-1) of
3 Section 14.1 of the State Finance Act. The several departments
4 shall resume those contributions at the commencement of fiscal
5 year 2005.

6 (c-1) Notwithstanding subsection (c) of this Section, for
7 fiscal years 2010, 2012, and each fiscal year thereafter,
8 contributions by the several departments are not required to
9 be made for General Revenue Funds payrolls processed by the
10 Comptroller. Payrolls paid by the several departments from all
11 other State funds must continue to be processed pursuant to
12 subsection (c) of this Section.

13 (c-2) Unless otherwise directed by the Comptroller under
14 subsection (c-3) or as otherwise provided in this subsection,
15 the Board shall submit vouchers for payment of State
16 contributions to the System for the applicable month on the
17 15th day of each month, or as soon thereafter as may be
18 practicable. The amount vouchered for a monthly payment shall
19 total one-twelfth of the fiscal year General Revenue Fund
20 contribution as certified by the System pursuant to Section
21 14-135.08 of this Code. Beginning State fiscal year 2027 and
22 through State fiscal year 2045, on the first day of each State
23 fiscal year, the Board shall submit a voucher for the payment
24 of the State contribution for that State fiscal year, as
25 certified by the Board, whichever is applicable.

26 (c-3) Until State fiscal year 2027 and for State fiscal

1 year 2046 and thereafter ~~Beginning in State fiscal year 2025,~~
2 if the Comptroller requests that the Board submit, during a
3 State fiscal year, vouchers for multiple monthly payments for
4 advance payment of State contributions due to the System for
5 that State fiscal year, then the Board shall submit those
6 additional vouchers as directed by the Comptroller,
7 notwithstanding subsection (c-2). Unless an act of
8 appropriations provides otherwise, nothing in this Section
9 authorizes the Board to submit, in a State fiscal year,
10 vouchers for the payment of State contributions to the System
11 in an amount that exceeds the rate of payroll that is certified
12 by the System under Section 14-135.08 for that State fiscal
13 year.

14 (d) If an employee is paid from trust funds or federal
15 funds, the department or other employer shall pay employer
16 contributions from those funds to the System at the certified
17 rate, unless the terms of the trust or the federal-State
18 agreement preclude the use of the funds for that purpose, in
19 which case the required employer contributions shall be paid
20 by the State.

21 (e) For State fiscal years 2012 through 2031 ~~2045~~, the
22 minimum contribution to the System to be made by the State for
23 each fiscal year shall be an amount determined by the System to
24 be sufficient to bring the total assets of the System up to
25 90%, not including proceeds derived from the sale of pension
26 obligation bonds, of the total actuarial liabilities of the

1 System by the end of State fiscal year 2045. In making these
2 determinations, the required State contribution shall be
3 calculated each year as a level percentage of payroll over the
4 years remaining to and including fiscal year 2045 and shall be
5 determined under the projected unit credit actuarial cost
6 method. Proceeds derived from the sale of pension obligation
7 bonds issued under Section 1A-202 may not be used to satisfy or
8 replace any minimum contribution required under this Section
9 or this Code.

10 For State fiscal years 2032 through 2045, the minimum
11 contribution to the System shall be the amount determined
12 under Section 1A-202.

13 A change in an actuarial or investment assumption that
14 increases or decreases the required State contribution and
15 first applies in State fiscal year 2018 or thereafter shall be
16 implemented in equal annual amounts over a 5-year period
17 beginning in the State fiscal year in which the actuarial
18 change first applies to the required State contribution.

19 A change in an actuarial or investment assumption that
20 increases or decreases the required State contribution and
21 first applied to the State contribution in fiscal year 2014,
22 2015, 2016, or 2017 shall be implemented:

23 (i) as already applied in State fiscal years before
24 2018; and

25 (ii) in the portion of the 5-year period beginning in
26 the State fiscal year in which the actuarial change first

1 applied that occurs in State fiscal year 2018 or
2 thereafter, by calculating the change in equal annual
3 amounts over that 5-year period and then implementing it
4 at the resulting annual rate in each of the remaining
5 fiscal years in that 5-year period.

6 For State fiscal years 1996 through 2005, the State
7 contribution to the System, as a percentage of the applicable
8 employee payroll, shall be increased in equal annual
9 increments so that by State fiscal year 2011, the State is
10 contributing at the rate required under this Section; except
11 that (i) for State fiscal year 1998, for all purposes of this
12 Code and any other law of this State, the certified percentage
13 of the applicable employee payroll shall be 5.052% for
14 employees earning eligible creditable service under Section
15 14-110 and 6.500% for all other employees, notwithstanding any
16 contrary certification made under Section 14-135.08 before
17 July 7, 1997 (the effective date of Public Act 90-65), and (ii)
18 in the following specified State fiscal years, the State
19 contribution to the System shall not be less than the
20 following indicated percentages of the applicable employee
21 payroll, even if the indicated percentage will produce a State
22 contribution in excess of the amount otherwise required under
23 this subsection and subsection (a): 9.8% in FY 1999; 10.0% in
24 FY 2000; 10.2% in FY 2001; 10.4% in FY 2002; 10.6% in FY 2003;
25 and 10.8% in FY 2004.

26 Beginning in State fiscal year 2046, the minimum State

1 contribution for each fiscal year shall be the amount needed
2 to maintain the total assets of the System at 90% of the total
3 actuarial liabilities of the System.

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

16 Notwithstanding any other provision of this Section, the
17 required State contribution for State fiscal year 2005 and for
18 fiscal year 2008 and each fiscal year thereafter, as
19 calculated under this Section and certified under Section
20 14-135.08, shall not exceed an amount equal to (i) the amount
21 of the required State contribution that would have been
22 calculated under this Section for that fiscal year if the
23 System had not received any payments under subsection (d) of
24 Section 7.2 of the General Obligation Bond Act, minus (ii) the
25 portion of the State's total debt service payments for that
26 fiscal year on the bonds issued in fiscal year 2003 for the

1 purposes of that Section 7.2, as determined and certified by
2 the Comptroller, that is the same as the System's portion of
3 the total moneys distributed under subsection (d) of Section
4 7.2 of the General Obligation Bond Act.

5 (f) (Blank).

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

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

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

22 (i) (Blank).

23 (j) (Blank).

24 (k) For fiscal year 2012 and each fiscal year thereafter,
25 after the submission of all payments for eligible employees
26 from personal services line items paid from the General

1 Revenue Fund in the fiscal year have been made, the
2 Comptroller shall provide to the System a certification of the
3 sum of all expenditures in the fiscal year for personal
4 services. Upon receipt of the certification, the System shall
5 determine the amount due to the System based on the full rate
6 certified by the Board under Section 14-135.08 for the fiscal
7 year in order to meet the State's obligation under this
8 Section. The System shall compare this amount due to the
9 amount received by the System for the fiscal year. If the
10 amount due is more than the amount received, the difference
11 shall be termed the "Prior Fiscal Year Shortfall" for purposes
12 of this Section, and the Prior Fiscal Year Shortfall shall be
13 satisfied under Section 1.2 of the State Pension Funds
14 Continuing Appropriation Act. If the amount due is less than
15 the amount received, the difference shall be termed the "Prior
16 Fiscal Year Overpayment" for purposes of this Section, and the
17 Prior Fiscal Year Overpayment shall be repaid by the System to
18 the General Revenue Fund as soon as practicable after the
19 certification.

20 (Source: P.A. 103-588, eff. 6-5-24.)

21 (40 ILCS 5/15-155) (from Ch. 108 1/2, par. 15-155)

22 Sec. 15-155. Employer contributions.

23 (a) The State of Illinois shall make contributions by
24 appropriations of amounts which, together with the other
25 employer contributions from trust, federal, and other funds,

1 employee contributions, income from investments, and other
2 income of this System, will be sufficient to meet the cost of
3 maintaining and administering the System on a 90% funded basis
4 in accordance with actuarial recommendations.

5 The Board shall determine the amount of State
6 contributions required for each fiscal year on the basis of
7 the actuarial tables and other assumptions adopted by the
8 Board and the recommendations of the actuary, using the
9 formula in subsection (a-1) or Section 1A-202, whichever is
10 applicable.

11 (a-1) For State fiscal years 2012 through 2031 ~~2045~~, the
12 minimum contribution to the System to be made by the State for
13 each fiscal year shall be an amount determined by the System to
14 be sufficient to bring the total assets of the System, not
15 including proceeds derived from the sale of pension obligation
16 bonds, up to 90% of the total actuarial liabilities of the
17 System by the end of State fiscal year 2045. In making these
18 determinations, the required State contribution shall be
19 calculated each year as a level percentage of payroll over the
20 years remaining to and including fiscal year 2045 and shall be
21 determined under the projected unit credit actuarial cost
22 method. Proceeds derived from the sale of pension obligation
23 bonds issued under Section 1A-202 may not be used to satisfy or
24 replace any minimum contribution required under this Section
25 or this Code.

26 For State fiscal years 2032 through 2045, the minimum

1 contribution to the System shall be the amount determined
2 under Section 1A-202.

3 For each of State fiscal years 2018, 2019, and 2020, the
4 State shall make an additional contribution to the System
5 equal to 2% of the total payroll of each employee who is deemed
6 to have elected the benefits under Section 1-161 or who has
7 made the election under subsection (c) of Section 1-161.

8 A change in an actuarial or investment assumption that
9 increases or decreases the required State contribution and
10 first applies in State fiscal year 2018 or thereafter shall be
11 implemented in equal annual amounts over a 5-year period
12 beginning in the State fiscal year in which the actuarial
13 change first applies to the required State contribution.

14 A change in an actuarial or investment assumption that
15 increases or decreases the required State contribution and
16 first applied to the State contribution in fiscal year 2014,
17 2015, 2016, or 2017 shall be implemented:

18 (i) as already applied in State fiscal years before
19 2018; and

20 (ii) in the portion of the 5-year period beginning in
21 the State fiscal year in which the actuarial change first
22 applied that occurs in State fiscal year 2018 or
23 thereafter, by calculating the change in equal annual
24 amounts over that 5-year period and then implementing it
25 at the resulting annual rate in each of the remaining
26 fiscal years in that 5-year period.

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

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

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

12 For each of State fiscal years 2008 through 2009, the
13 State contribution to the System, as a percentage of the
14 applicable employee payroll, shall be increased in equal
15 annual increments from the required State contribution for
16 State fiscal year 2007, so that by State fiscal year 2011, the
17 State is contributing at the rate otherwise required under
18 this Section.

19 Notwithstanding any other provision of this Article, the
20 total required State contribution for State fiscal year 2010
21 is \$702,514,000 and shall be made from the State Pensions Fund
22 and proceeds of bonds sold in fiscal year 2010 pursuant to
23 Section 7.2 of the General Obligation Bond Act, less (i) the
24 pro rata share of bond sale expenses determined by the
25 System's share of total bond proceeds, (ii) any amounts
26 received from the General Revenue Fund in fiscal year 2010,

1 (iii) any reduction in bond proceeds due to the issuance of
2 discounted bonds, if applicable.

3 Notwithstanding any other provision of this Article, the
4 total required State contribution for State fiscal year 2011
5 is the amount recertified by the System on or before April 1,
6 2011 pursuant to Section 15-165 and shall be made from the
7 State Pensions Fund and proceeds of bonds sold in fiscal year
8 2011 pursuant to Section 7.2 of the General Obligation Bond
9 Act, less (i) the pro rata share of bond sale expenses
10 determined by the System's share of total bond proceeds, (ii)
11 any amounts received from the General Revenue Fund in fiscal
12 year 2011, and (iii) any reduction in bond proceeds due to the
13 issuance of discounted bonds, if applicable.

14 Beginning in State fiscal year 2046, the minimum State
15 contribution for each fiscal year shall be the amount needed
16 to maintain the total assets of the System at 90% of the total
17 actuarial liabilities of the System.

18 Amounts received by the System pursuant to Section 25 of
19 the Budget Stabilization Act or Section 8.12 of the State
20 Finance Act in any fiscal year do not reduce and do not
21 constitute payment of any portion of the minimum State
22 contribution required under this Article in that fiscal year.
23 Such amounts shall not reduce, and shall not be included in the
24 calculation of, the required State contributions under this
25 Article in any future year until the System has reached a
26 funding ratio of at least 90%. A reference in this Article to

1 the "required State contribution" or any substantially similar
2 term does not include or apply to any amounts payable to the
3 System under Section 25 of the Budget Stabilization Act.

4 Notwithstanding any other provision of this Section, the
5 required State contribution for State fiscal year 2005 and for
6 fiscal year 2008 and each fiscal year thereafter, as
7 calculated under this Section and certified under Section
8 15-165, shall not exceed an amount equal to (i) the amount of
9 the required State contribution that would have been
10 calculated under this Section for that fiscal year if the
11 System had not received any payments under subsection (d) of
12 Section 7.2 of the General Obligation Bond Act, minus (ii) the
13 portion of the State's total debt service payments for that
14 fiscal year on the bonds issued in fiscal year 2003 for the
15 purposes of that Section 7.2, as determined and certified by
16 the Comptroller, that is the same as the System's portion of
17 the total moneys distributed under subsection (d) of Section
18 7.2 of the General Obligation Bond Act. In determining this
19 maximum for State fiscal years 2008 through 2010, however, the
20 amount referred to in item (i) shall be increased, as a
21 percentage of the applicable employee payroll, in equal
22 increments calculated from the sum of the required State
23 contribution for State fiscal year 2007 plus the applicable
24 portion of the State's total debt service payments for fiscal
25 year 2007 on the bonds issued in fiscal year 2003 for the
26 purposes of Section 7.2 of the General Obligation Bond Act, so

1 that, by State fiscal year 2011, the State is contributing at
2 the rate otherwise required under this Section.

3 (a-2) Beginning in fiscal year 2018, each employer under
4 this Article shall pay to the System a required contribution
5 determined as a percentage of projected payroll and sufficient
6 to produce an annual amount equal to:

7 (i) for each of fiscal years 2018, 2019, and 2020, the
8 defined benefit normal cost of the defined benefit plan,
9 less the employee contribution, for each employee of that
10 employer who has elected or who is deemed to have elected
11 the benefits under Section 1-161 or who has made the
12 election under subsection (c) of Section 1-161; for fiscal
13 year 2021 and each fiscal year thereafter, the defined
14 benefit normal cost of the defined benefit plan, less the
15 employee contribution, plus 2%, for each employee of that
16 employer who has elected or who is deemed to have elected
17 the benefits under Section 1-161 or who has made the
18 election under subsection (c) of Section 1-161; plus

19 (ii) the amount required for that fiscal year to
20 amortize any unfunded actuarial accrued liability
21 associated with the present value of liabilities
22 attributable to the employer's account under Section
23 15-155.2, determined as a level percentage of payroll over
24 a 30-year rolling amortization period.

25 In determining contributions required under item (i) of
26 this subsection, the System shall determine an aggregate rate

1 for all employers, expressed as a percentage of projected
2 payroll.

3 In determining the contributions required under item (ii)
4 of this subsection, the amount shall be computed by the System
5 on the basis of the actuarial assumptions and tables used in
6 the most recent actuarial valuation of the System that is
7 available at the time of the computation.

8 The contributions required under this subsection (a-2)
9 shall be paid by an employer concurrently with that employer's
10 payroll payment period. The State, as the actual employer of
11 an employee, shall make the required contributions under this
12 subsection.

13 As used in this subsection, "academic year" means the
14 12-month period beginning September 1.

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

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

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

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

1 Illinois Community College Board or the System for employer
2 contributions.

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

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

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

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

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

10 Whenever it determines that a payment is or may be
11 required under this subsection (g), the System shall calculate
12 the amount of the payment and bill the employer for that
13 amount. The bill shall specify the calculations used to
14 determine the amount due. If the employer disputes the amount
15 of the bill, it may, within 30 days after receipt of the bill,
16 apply to the System in writing for a recalculation. The
17 application must specify in detail the grounds of the dispute
18 and, if the employer asserts that the calculation is subject
19 to subsection (h), (h-5), or (i) of this Section, must include
20 an affidavit setting forth and attesting to all facts within
21 the employer's knowledge that are pertinent to the
22 applicability of that subsection. Upon receiving a timely
23 application for recalculation, the System shall review the
24 application and, if appropriate, recalculate the amount due.

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

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

8 When assessing payment for any amount due under this
9 subsection (g), the System shall include earnings, to the
10 extent not established by a participant under Section
11 15-113.11 or 15-113.12, that would have been paid to the
12 participant had the participant not taken (i) periods of
13 voluntary or involuntary furlough occurring on or after July
14 1, 2015 and on or before June 30, 2017 or (ii) periods of
15 voluntary pay reduction in lieu of furlough occurring on or
16 after July 1, 2015 and on or before June 30, 2017. Determining
17 earnings that would have been paid to a participant had the
18 participant not taken periods of voluntary or involuntary
19 furlough or periods of voluntary pay reduction shall be the
20 responsibility of the employer, and shall be reported in a
21 manner prescribed by the System.

22 This subsection (g) does not apply to (1) Tier 2 hybrid
23 plan members and (2) Tier 2 defined benefit members who first
24 participate under this Article on or after the implementation
25 date of the Optional Hybrid Plan.

26 (g-1) (Blank).

1 (h) This subsection (h) applies only to payments made or
2 salary increases given on or after June 1, 2005 but before July
3 1, 2011. The changes made by Public Act 94-1057 shall not
4 require the System to refund any payments received before July
5 31, 2006 (the effective date of Public Act 94-1057).

6 When assessing payment for any amount due under subsection
7 (g), the System shall exclude earnings increases paid to
8 participants under contracts or collective bargaining
9 agreements entered into, amended, or renewed before June 1,
10 2005.

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

15 When assessing payment for any amount due under subsection
16 (g), the System shall exclude earnings increases resulting
17 from overload work, including a contract for summer teaching,
18 or overtime when the employer has certified to the System, and
19 the System has approved the certification, that: (i) in the
20 case of overloads (A) the overload work is for the sole purpose
21 of academic instruction in excess of the standard number of
22 instruction hours for a full-time employee occurring during
23 the academic year that the overload is paid and (B) the
24 earnings increases are equal to or less than the rate of pay
25 for academic instruction computed using the participant's
26 current salary rate and work schedule; and (ii) in the case of

1 overtime, the overtime was necessary for the educational
2 mission.

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

17 (h-5) When assessing payment for any amount due under
18 subsection (g), the System shall exclude any earnings increase
19 paid in an academic year beginning on or after July 1, 2020
20 resulting from overload work performed in an academic year
21 subsequent to an academic year in which the employer was
22 unable to offer or allow to be conducted overload work due to
23 an emergency declaration limiting such activities.

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

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

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

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

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

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

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

24 (j-5) For State fiscal years beginning on or after July 1,
25 2017, if the amount of a participant's earnings for any State
26 fiscal year exceeds the amount of the salary set by law for the

1 Governor that is in effect on July 1 of that fiscal year, the
2 participant's employer shall pay to the System, in addition to
3 all other payments required under this Section and in
4 accordance with guidelines established by the System, an
5 amount determined by the System to be equal to the employer
6 normal cost, as established by the System and expressed as a
7 total percentage of payroll, multiplied by the amount of
8 earnings in excess of the amount of the salary set by law for
9 the Governor. This amount shall be computed by the System on
10 the basis of the actuarial assumptions and tables used in the
11 most recent actuarial valuation of the System that is
12 available at the time of the computation. The System may
13 require the employer to provide any pertinent information or
14 documentation.

15 Whenever it determines that a payment is or may be
16 required under this subsection, the System shall calculate the
17 amount of the payment and bill the employer for that amount.
18 The bill shall specify the calculation used to determine the
19 amount due. If the employer disputes the amount of the bill, it
20 may, within 30 days after receipt of the bill, apply to the
21 System in writing for a recalculation. The application must
22 specify in detail the grounds of the dispute. Upon receiving a
23 timely application for recalculation, the System shall review
24 the application and, if appropriate, recalculate the amount
25 due.

26 The employer contributions required under this subsection

1 may be paid in the form of a lump sum within 90 days after
2 issuance of the bill. If the employer contributions are not
3 paid within 90 days after issuance of the bill, then interest
4 will be charged at a rate equal to the System's annual
5 actuarially assumed rate of return on investment compounded
6 annually from the 91st day after issuance of the bill. All
7 payments must be received within 3 years after issuance of the
8 bill. If the employer fails to make complete payment,
9 including applicable interest, within 3 years, then the System
10 may, after giving notice to the employer, certify the
11 delinquent amount to the State Comptroller, and the
12 Comptroller shall thereupon deduct the certified delinquent
13 amount from State funds payable to the employer and pay them
14 instead to the System.

15 This subsection (j-5) does not apply to a participant's
16 earnings to the extent an employer pays the employer normal
17 cost of such earnings.

18 The changes made to this subsection (j-5) by Public Act
19 100-624 are intended to apply retroactively to July 6, 2017
20 (the effective date of Public Act 100-23).

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

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

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

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

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

1 (Source: P.A. 104-284, eff. 1-1-26.)

2 (40 ILCS 5/16-158) (from Ch. 108 1/2, par. 16-158)

3 Sec. 16-158. Contributions by State and other employing
4 units.

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

12 The Board shall determine the amount of State
13 contributions required for each fiscal year on the basis of
14 the actuarial tables and other assumptions adopted by the
15 Board and the recommendations of the actuary, using the
16 formula in subsection (b-3) or Section 1A-202, whichever is
17 applicable.

18 (a-1) Annually, on or before November 15 until November
19 15, 2011, the Board shall certify to the Governor the amount of
20 the required State contribution for the coming fiscal year.
21 The certification under this subsection (a-1) shall include a
22 copy of the actuarial recommendations upon which it is based
23 and shall specifically identify the System's projected State
24 normal cost for that fiscal year.

25 On or before May 1, 2004, the Board shall recalculate and

1 recertify to the Governor the amount of the required State
2 contribution to the System for State fiscal year 2005, taking
3 into account the amounts appropriated to and received by the
4 System under subsection (d) of Section 7.2 of the General
5 Obligation Bond Act.

6 On or before July 1, 2005, the Board shall recalculate and
7 recertify to the Governor the amount of the required State
8 contribution to the System for State fiscal year 2006, taking
9 into account the changes in required State contributions made
10 by Public Act 94-4.

11 On or before April 1, 2011, the Board shall recalculate
12 and recertify to the Governor the amount of the required State
13 contribution to the System for State fiscal year 2011,
14 applying the changes made by Public Act 96-889 to the System's
15 assets and liabilities as of June 30, 2009 as though Public Act
16 96-889 was approved on that date.

17 (a-5) On or before November 1 of each year, beginning
18 November 1, 2012, the Board shall submit to the State Actuary,
19 the Governor, and the General Assembly a proposed
20 certification of the amount of the required State contribution
21 to the System for the next fiscal year, along with all of the
22 actuarial assumptions, calculations, and data upon which that
23 proposed certification is based. On or before January 1 of
24 each year, beginning January 1, 2013, the State Actuary shall
25 issue a preliminary report concerning the proposed
26 certification and identifying, if necessary, recommended

1 changes in actuarial assumptions that the Board must consider
2 before finalizing its certification of the required State
3 contributions. On or before January 15, 2013 and each January
4 15 thereafter, the Board shall certify to the Governor and the
5 General Assembly the amount of the required State contribution
6 for the next fiscal year. The Board's certification must note
7 any deviations from the State Actuary's recommended changes,
8 the reason or reasons for not following the State Actuary's
9 recommended changes, and the fiscal impact of not following
10 the State Actuary's recommended changes on the required State
11 contribution.

12 (a-10) By November 1, 2017, the Board shall recalculate
13 and recertify to the State Actuary, the Governor, and the
14 General Assembly the amount of the State contribution to the
15 System for State fiscal year 2018, taking into account the
16 changes in required State contributions made by Public Act
17 100-23. The State Actuary shall review the assumptions and
18 valuations underlying the Board's revised certification and
19 issue a preliminary report concerning the proposed
20 recertification and identifying, if necessary, recommended
21 changes in actuarial assumptions that the Board must consider
22 before finalizing its certification of the required State
23 contributions. The Board's final certification must note any
24 deviations from the State Actuary's recommended changes, the
25 reason or reasons for not following the State Actuary's
26 recommended changes, and the fiscal impact of not following

1 the State Actuary's recommended changes on the required State
2 contribution.

3 (a-15) On or after June 15, 2019, but no later than June
4 30, 2019, the Board shall recalculate and recertify to the
5 Governor and the General Assembly the amount of the State
6 contribution to the System for State fiscal year 2019, taking
7 into account the changes in required State contributions made
8 by Public Act 100-587. The recalculation shall be made using
9 assumptions adopted by the Board for the original fiscal year
10 2019 certification. The monthly voucher for the 12th month of
11 fiscal year 2019 shall be paid by the Comptroller after the
12 recertification required pursuant to this subsection is
13 submitted to the Governor, Comptroller, and General Assembly.
14 The recertification submitted to the General Assembly shall be
15 filed with the Clerk of the House of Representatives and the
16 Secretary of the Senate in electronic form only, in the manner
17 that the Clerk and the Secretary shall direct.

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

21 (b-1) Unless otherwise directed by the Comptroller under
22 subsection (b-1.1) or as otherwise provided in this
23 subsection, the Board shall submit vouchers for payment of
24 State contributions to the System for the applicable month on
25 the 15th day of each month, or as soon thereafter as may be
26 practicable. The amount vouchered for a monthly payment shall

1 total one-twelfth of the required annual State contribution
2 certified under subsection (a-1). Beginning State fiscal year
3 2027 and through State fiscal year 2045, on the first day of
4 each State fiscal year, the Board shall submit a voucher for
5 the payment of the State contribution for that State fiscal
6 year, as certified by the Board, whichever is applicable.

7 (b-1.1) Until State fiscal year 2027 and for State fiscal
8 year 2046 or thereafter ~~Beginning in State fiscal year 2025,~~
9 if the Comptroller requests that the Board submit, during a
10 State fiscal year, vouchers for multiple monthly payments for
11 the advance payment of State contributions due to the System
12 for that State fiscal year, then the Board shall submit those
13 additional vouchers as directed by the Comptroller,
14 notwithstanding subsection (b-1). Unless an act of
15 appropriations provides otherwise, nothing in this Section
16 authorizes the Board to submit, in a State fiscal year,
17 vouchers for the payment of State contributions to the System
18 in an amount that exceeds the rate of payroll that is certified
19 by the System under this Section for that State fiscal year.

20 (b-1.2) The vouchers described in subsections (b-1) and
21 (b-1.1) shall be paid by the State Comptroller and Treasurer
22 by warrants drawn on the funds appropriated to the System for
23 that fiscal year.

24 If in any month the amount remaining unexpended from all
25 other appropriations to the System for the applicable fiscal
26 year (including the appropriations to the System under Section

1 8.12 of the State Finance Act and Section 1 of the State
2 Pension Funds Continuing Appropriation Act) is less than the
3 amount lawfully vouchered under this subsection, the
4 difference shall be paid from the Common School Fund under the
5 continuing appropriation authority provided in Section 1.1 of
6 the State Pension Funds Continuing Appropriation Act.

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

10 (b-3) For State fiscal years 2012 through 2031 ~~2045~~, the
11 minimum contribution to the System to be made by the State for
12 each fiscal year shall be an amount determined by the System to
13 be sufficient to bring the total assets of the System, not
14 including proceeds derived from the sale of pension obligation
15 bonds, up to 90% of the total actuarial liabilities of the
16 System by the end of State fiscal year 2045. In making these
17 determinations, the required State contribution shall be
18 calculated each year as a level percentage of payroll over the
19 years remaining to and including fiscal year 2045 and shall be
20 determined under the projected unit credit actuarial cost
21 method. Proceeds derived from the sale of pension obligation
22 bonds issued under Section 1A-202 may not be used to satisfy or
23 replace any minimum contribution required under this Section
24 or this Code.

25 For State fiscal years 2032 through 2045, the minimum
26 contribution to the System shall be the amount determined

1 under Section 1A-202.

2 For each of State fiscal years 2018, 2019, and 2020, the
3 State shall make an additional contribution to the System
4 equal to 2% of the total payroll of each employee who is deemed
5 to have elected the benefits under Section 1-161 or who has
6 made the election under subsection (c) of Section 1-161.

7 A change in an actuarial or investment assumption that
8 increases or decreases the required State contribution and
9 first applies in State fiscal year 2018 or thereafter shall be
10 implemented in equal annual amounts over a 5-year period
11 beginning in the State fiscal year in which the actuarial
12 change first applies to the required State contribution.

13 A change in an actuarial or investment assumption that
14 increases or decreases the required State contribution and
15 first applied to the State contribution in fiscal year 2014,
16 2015, 2016, or 2017 shall be implemented:

17 (i) as already applied in State fiscal years before
18 2018; and

19 (ii) in the portion of the 5-year period beginning in
20 the State fiscal year in which the actuarial change first
21 applied that occurs in State fiscal year 2018 or
22 thereafter, by calculating the change in equal annual
23 amounts over that 5-year period and then implementing it
24 at the resulting annual rate in each of the remaining
25 fiscal years in that 5-year period.

26 For State fiscal years 1996 through 2005, the State

1 contribution to the System, as a percentage of the applicable
2 employee payroll, shall be increased in equal annual
3 increments so that by State fiscal year 2011, the State is
4 contributing at the rate required under this Section; except
5 that in the following specified State fiscal years, the State
6 contribution to the System shall not be less than the
7 following indicated percentages of the applicable employee
8 payroll, even if the indicated percentage will produce a State
9 contribution in excess of the amount otherwise required under
10 this subsection and subsection (a), and notwithstanding any
11 contrary certification made under subsection (a-1) before May
12 27, 1998 (the effective date of Public Act 90-582): 10.02% in
13 FY 1999; 10.77% in FY 2000; 11.47% in FY 2001; 12.16% in FY
14 2002; 12.86% in FY 2003; and 13.56% in FY 2004.

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

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

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

1 this Section.

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

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

1 paragraph (a) of Section 16-127.

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

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

18 Notwithstanding any other provision of this Section, the
19 required State contribution for State fiscal year 2005 and for
20 fiscal year 2008 and each fiscal year thereafter, as
21 calculated under this Section and certified under subsection
22 (a-1), shall not exceed an amount equal to (i) the amount of
23 the required State contribution that would have been
24 calculated under this Section for that fiscal year if the
25 System had not received any payments under subsection (d) of
26 Section 7.2 of the General Obligation Bond Act, minus (ii) the

1 portion of the State's total debt service payments for that
2 fiscal year on the bonds issued in fiscal year 2003 for the
3 purposes of that Section 7.2, as determined and certified by
4 the Comptroller, that is the same as the System's portion of
5 the total moneys distributed under subsection (d) of Section
6 7.2 of the General Obligation Bond Act. In determining this
7 maximum for State fiscal years 2008 through 2010, however, the
8 amount referred to in item (i) shall be increased, as a
9 percentage of the applicable employee payroll, in equal
10 increments calculated from the sum of the required State
11 contribution for State fiscal year 2007 plus the applicable
12 portion of the State's total debt service payments for fiscal
13 year 2007 on the bonds issued in fiscal year 2003 for the
14 purposes of Section 7.2 of the General Obligation Bond Act, so
15 that, by State fiscal year 2011, the State is contributing at
16 the rate otherwise required under this Section.

17 (b-4) Beginning in fiscal year 2018, each employer under
18 this Article shall pay to the System a required contribution
19 determined as a percentage of projected payroll and sufficient
20 to produce an annual amount equal to:

21 (i) for each of fiscal years 2018, 2019, and 2020, the
22 defined benefit normal cost of the defined benefit plan,
23 less the employee contribution, for each employee of that
24 employer who has elected or who is deemed to have elected
25 the benefits under Section 1-161 or who has made the
26 election under subsection (b) of Section 1-161; for fiscal

1 year 2021 and each fiscal year thereafter, the defined
2 benefit normal cost of the defined benefit plan, less the
3 employee contribution, plus 2%, for each employee of that
4 employer who has elected or who is deemed to have elected
5 the benefits under Section 1-161 or who has made the
6 election under subsection (b) of Section 1-161; plus

7 (ii) the amount required for that fiscal year to
8 amortize any unfunded actuarial accrued liability
9 associated with the present value of liabilities
10 attributable to the employer's account under Section
11 16-158.3, determined as a level percentage of payroll over
12 a 30-year rolling amortization period.

13 In determining contributions required under item (i) of
14 this subsection, the System shall determine an aggregate rate
15 for all employers, expressed as a percentage of projected
16 payroll.

17 In determining the contributions required under item (ii)
18 of this subsection, the amount shall be computed by the System
19 on the basis of the actuarial assumptions and tables used in
20 the most recent actuarial valuation of the System that is
21 available at the time of the computation.

22 The contributions required under this subsection (b-4)
23 shall be paid by an employer concurrently with that employer's
24 payroll payment period. The State, as the actual employer of
25 an employee, shall make the required contributions under this
26 subsection.

1 (c) Payment of the required State contributions and of all
2 pensions, retirement annuities, death benefits, refunds, and
3 other benefits granted under or assumed by this System, and
4 all expenses in connection with the administration and
5 operation thereof, are obligations of the State.

6 If members are paid from special trust or federal funds
7 which are administered by the employing unit, whether school
8 district or other unit, the employing unit shall pay to the
9 System from such funds the full accruing retirement costs
10 based upon that service, which, beginning July 1, 2017, shall
11 be at a rate, expressed as a percentage of salary, equal to the
12 total employer's normal cost, expressed as a percentage of
13 payroll, as determined by the System. Employer contributions,
14 based on salary paid to members from federal funds, may be
15 forwarded by the distributing agency of the State of Illinois
16 to the System prior to allocation, in an amount determined in
17 accordance with guidelines established by such agency and the
18 System. Any contribution for fiscal year 2015 collected as a
19 result of the change made by Public Act 98-674 shall be
20 considered a State contribution under subsection (b-3) of this
21 Section.

22 (d) Effective July 1, 1986, any employer of a teacher as
23 defined in paragraph (8) of Section 16-106 shall pay the
24 employer's normal cost of benefits based upon the teacher's
25 service, in addition to employee contributions, as determined
26 by the System. Such employer contributions shall be forwarded

1 monthly in accordance with guidelines established by the
2 System.

3 However, with respect to benefits granted under Section
4 16-133.4 or 16-133.5 to a teacher as defined in paragraph (8)
5 of Section 16-106, the employer's contribution shall be 12%
6 (rather than 20%) of the member's highest annual salary rate
7 for each year of creditable service granted, and the employer
8 shall also pay the required employee contribution on behalf of
9 the teacher. For the purposes of Sections 16-133.4 and
10 16-133.5, a teacher as defined in paragraph (8) of Section
11 16-106 who is serving in that capacity while on leave of
12 absence from another employer under this Article shall not be
13 considered an employee of the employer from which the teacher
14 is on leave.

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

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

21 (2) Beginning July 1, 1999 and thereafter, the
22 employer contribution shall be equal to 0.58% of each
23 teacher's salary.

24 The school district or other employing unit may pay these
25 employer contributions out of any source of funding available
26 for that purpose and shall forward the contributions to the

1 System on the schedule established for the payment of member
2 contributions.

3 These employer contributions are intended to offset a
4 portion of the cost to the System of the increases in
5 retirement benefits resulting from Public Act 90-582.

6 Each employer of teachers is entitled to a credit against
7 the contributions required under this subsection (e) with
8 respect to salaries paid to teachers for the period January 1,
9 2002 through June 30, 2003, equal to the amount paid by that
10 employer under subsection (a-5) of Section 6.6 of the State
11 Employees Group Insurance Act of 1971 with respect to salaries
12 paid to teachers for that period.

13 The additional 1% employee contribution required under
14 Section 16-152 by Public Act 90-582 is the responsibility of
15 the teacher and not the teacher's employer, unless the
16 employer agrees, through collective bargaining or otherwise,
17 to make the contribution on behalf of the teacher.

18 If an employer is required by a contract in effect on May
19 1, 1998 between the employer and an employee organization to
20 pay, on behalf of all its full-time employees covered by this
21 Article, all mandatory employee contributions required under
22 this Article, then the employer shall be excused from paying
23 the employer contribution required under this subsection (e)
24 for the balance of the term of that contract. The employer and
25 the employee organization shall jointly certify to the System
26 the existence of the contractual requirement, in such form as

1 the System may prescribe. This exclusion shall cease upon the
2 termination, extension, or renewal of the contract at any time
3 after May 1, 1998.

4 (f) If the amount of a teacher's salary for any school year
5 used to determine final average salary exceeds the member's
6 annual full-time salary rate with the same employer for the
7 previous school year by more than 6%, the teacher's employer
8 shall pay to the System, in addition to all other payments
9 required under this Section and in accordance with guidelines
10 established by the System, the present value of the increase
11 in benefits resulting from the portion of the increase in
12 salary that is in excess of 6%. This present value shall be
13 computed by the System on the basis of the actuarial
14 assumptions and tables used in the most recent actuarial
15 valuation of the System that is available at the time of the
16 computation. If a teacher's salary for the 2005-2006 school
17 year is used to determine final average salary under this
18 subsection (f), then the changes made to this subsection (f)
19 by Public Act 94-1057 shall apply in calculating whether the
20 increase in his or her salary is in excess of 6%. For the
21 purposes of this Section, change in employment under Section
22 10-21.12 of the School Code on or after June 1, 2005 shall
23 constitute a change in employer. The System may require the
24 employer to provide any pertinent information or
25 documentation. The changes made to this subsection (f) by
26 Public Act 94-1111 apply without regard to whether the teacher

1 was in service on or after its effective date.

2 Whenever it determines that a payment is or may be
3 required under this subsection, the System shall calculate the
4 amount of the payment and bill the employer for that amount.
5 The bill shall specify the calculations used to determine the
6 amount due. If the employer disputes the amount of the bill, it
7 may, within 30 days after receipt of the bill, apply to the
8 System in writing for a recalculation. The application must
9 specify in detail the grounds of the dispute and, if the
10 employer asserts that the calculation is subject to subsection
11 (g), (g-5), (g-10), (g-15), (g-20), or (h) of this Section,
12 must include an affidavit setting forth and attesting to all
13 facts within the employer's knowledge that are pertinent to
14 the applicability of that subsection. Upon receiving a timely
15 application for recalculation, the System shall review the
16 application and, if appropriate, recalculate the amount due.

17 The employer contributions required under this subsection
18 (f) may be paid in the form of a lump sum within 90 days after
19 receipt of the bill. If the employer contributions are not
20 paid within 90 days after receipt of the bill, then interest
21 will be charged at a rate equal to the System's annual
22 actuarially assumed rate of return on investment compounded
23 annually from the 91st day after receipt of the bill. Payments
24 must be concluded within 7 years after the employer's receipt
25 of the bill.

26 (f-1) (Blank).

1 (g) This subsection (g) applies only to payments made or
2 salary increases given on or after June 1, 2005 but before July
3 1, 2011. The changes made by Public Act 94-1057 shall not
4 require the System to refund any payments received before July
5 31, 2006 (the effective date of Public Act 94-1057).

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

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

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

25 When assessing payment for any amount due under subsection
26 (f), the System shall exclude a salary increase resulting from

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

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

19 (g-5) When assessing payment for any amount due under
20 subsection (f), the System shall exclude salary increases
21 resulting from overload or stipend work performed in a school
22 year subsequent to a school year in which the employer was
23 unable to offer or allow to be conducted overload or stipend
24 work due to an emergency declaration limiting such activities.

25 (g-10) When assessing payment for any amount due under
26 subsection (f), the System shall exclude salary increases

1 resulting from increased instructional time that exceeded the
2 instructional time required during the 2019-2020 school year.

3 (g-15) When assessing payment for any amount due under
4 subsection (f), the System shall exclude salary increases
5 resulting from teaching summer school on or after May 1, 2021
6 and before September 15, 2022.

7 (g-20) When assessing payment for any amount due under
8 subsection (f), the System shall exclude salary increases
9 necessary to bring a school board in compliance with Public
10 Act 101-443 or this amendatory Act of the 103rd General
11 Assembly.

12 (h) When assessing payment for any amount due under
13 subsection (f), the System shall exclude any salary increase
14 described in subsection (g) of this Section given on or after
15 July 1, 2011 but before July 1, 2014 under a contract or
16 collective bargaining agreement entered into, amended, or
17 renewed on or after June 1, 2005 but before July 1, 2011.
18 Notwithstanding any other provision of this Section, any
19 payments made or salary increases given after June 30, 2014
20 shall be used in assessing payment for any amount due under
21 subsection (f) of this Section.

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

26 (1) The number of recalculations required by the

1 changes made to this Section by Public Act 94-1057 for
2 each employer.

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

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

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

12 (i-5) For school years beginning on or after July 1, 2017,
13 if the amount of a participant's salary for any school year
14 exceeds the amount of the salary set for the Governor, the
15 participant's employer shall pay to the System, in addition to
16 all other payments required under this Section and in
17 accordance with guidelines established by the System, an
18 amount determined by the System to be equal to the employer
19 normal cost, as established by the System and expressed as a
20 total percentage of payroll, multiplied by the amount of
21 salary in excess of the amount of the salary set for the
22 Governor. This amount shall be computed by the System on the
23 basis of the actuarial assumptions and tables used in the most
24 recent actuarial valuation of the System that is available at
25 the time of the computation. The System may require the
26 employer to provide any pertinent information or

1 documentation.

2 Whenever it determines that a payment is or may be
3 required under this subsection, the System shall calculate the
4 amount of the payment and bill the employer for that amount.
5 The bill shall specify the calculations used to determine the
6 amount due. If the employer disputes the amount of the bill, it
7 may, within 30 days after receipt of the bill, apply to the
8 System in writing for a recalculation. The application must
9 specify in detail the grounds of the dispute. Upon receiving a
10 timely application for recalculation, the System shall review
11 the application and, if appropriate, recalculate the amount
12 due.

13 The employer contributions required under this subsection
14 may be paid in the form of a lump sum within 90 days after
15 receipt of the bill. If the employer contributions are not
16 paid within 90 days after receipt of the bill, then interest
17 will be charged at a rate equal to the System's annual
18 actuarially assumed rate of return on investment compounded
19 annually from the 91st day after receipt of the bill. Payments
20 must be concluded within 3 years after the employer's receipt
21 of the bill.

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

26 As of June 30, 2008, the actuarial value of the System's

1 assets shall be equal to the market value of the assets as of
2 that date. In determining the actuarial value of the System's
3 assets for fiscal years after June 30, 2008, any actuarial
4 gains or losses from investment return incurred in a fiscal
5 year shall be recognized in equal annual amounts over the
6 5-year period following that fiscal year.

7 (k) For purposes of determining the required State
8 contribution to the system for a particular year, the
9 actuarial value of assets shall be assumed to earn a rate of
10 return equal to the system's actuarially assumed rate of
11 return.

12 (Source: P.A. 103-515, eff. 8-11-23; 103-588, eff. 6-5-24;
13 104-284, eff. 1-1-26.)

14 (40 ILCS 5/18-131) (from Ch. 108 1/2, par. 18-131)

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

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

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

1 in subsection (c) or Section 1A-202, whichever is applicable.

2 (c) For State fiscal years 2012 through 2031 ~~2045~~, the
3 minimum contribution to the System to be made by the State for
4 each fiscal year shall be an amount determined by the System to
5 be sufficient to bring the total assets of the System, not
6 including proceeds derived from the sale of pension obligation
7 bonds, up to 90% of the total actuarial liabilities of the
8 System by the end of State fiscal year 2045. In making these
9 determinations, the required State contribution shall be
10 calculated each year as a level percentage of payroll over the
11 years remaining to and including fiscal year 2045 and shall be
12 determined under the projected unit credit actuarial cost
13 method. Proceeds derived from the sale of pension obligation
14 bonds issued under Section 1A-202 may not be used to satisfy or
15 replace any minimum contribution required under this Section
16 or this Code.

17 For State fiscal years 2032 through 2045, the minimum
18 contribution to the System shall be the amount determined
19 under Section 1A-202.

20 A change in an actuarial or investment assumption that
21 increases or decreases the required State contribution and
22 first applies in State fiscal year 2018 or thereafter shall be
23 implemented in equal annual amounts over a 5-year period
24 beginning in the State fiscal year in which the actuarial
25 change first applies to the required State contribution.

26 A change in an actuarial or investment assumption that

1 increases or decreases the required State contribution and
2 first applied to the State contribution in fiscal year 2014,
3 2015, 2016, or 2017 shall be implemented:

4 (i) as already applied in State fiscal years before
5 2018; and

6 (ii) in the portion of the 5-year period beginning in
7 the State fiscal year in which the actuarial change first
8 applied that occurs in State fiscal year 2018 or
9 thereafter, by calculating the change in equal annual
10 amounts over that 5-year period and then implementing it
11 at the resulting annual rate in each of the remaining
12 fiscal years in that 5-year period.

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

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

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

24 For each of State fiscal years 2008 through 2009, the
25 State contribution to the System, as a percentage of the
26 applicable employee payroll, shall be increased in equal

1 annual increments from the required State contribution for
2 State fiscal year 2007, so that by State fiscal year 2011, the
3 State is contributing at the rate otherwise required under
4 this Section.

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

15 Notwithstanding any other provision of this Article, the
16 total required State contribution for State fiscal year 2011
17 is the amount recertified by the System on or before April 1,
18 2011 pursuant to Section 18-140 and shall be made from the
19 proceeds of bonds sold in fiscal year 2011 pursuant to Section
20 7.2 of the General Obligation Bond Act, less (i) the pro rata
21 share of bond sale expenses determined by the System's share
22 of total bond proceeds, (ii) any amounts received from the
23 General Revenue Fund in fiscal year 2011, and (iii) any
24 reduction in bond proceeds due to the issuance of discounted
25 bonds, if applicable.

26 Beginning in State fiscal year 2046, the minimum State

1 contribution for each fiscal year shall be the amount needed
2 to maintain the total assets of the System at 90% of the total
3 actuarial liabilities of the System.

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

16 Notwithstanding any other provision of this Section, the
17 required State contribution for State fiscal year 2005 and for
18 fiscal year 2008 and each fiscal year thereafter, as
19 calculated under this Section and certified under Section
20 18-140, shall not exceed an amount equal to (i) the amount of
21 the required State contribution that would have been
22 calculated under this Section for that fiscal year if the
23 System had not received any payments under subsection (d) of
24 Section 7.2 of the General Obligation Bond Act, minus (ii) the
25 portion of the State's total debt service payments for that
26 fiscal year on the bonds issued in fiscal year 2003 for the

1 purposes of that Section 7.2, as determined and certified by
2 the Comptroller, that is the same as the System's portion of
3 the total moneys distributed under subsection (d) of Section
4 7.2 of the General Obligation Bond Act. In determining this
5 maximum for State fiscal years 2008 through 2010, however, the
6 amount referred to in item (i) shall be increased, as a
7 percentage of the applicable employee payroll, in equal
8 increments calculated from the sum of the required State
9 contribution for State fiscal year 2007 plus the applicable
10 portion of the State's total debt service payments for fiscal
11 year 2007 on the bonds issued in fiscal year 2003 for the
12 purposes of Section 7.2 of the General Obligation Bond Act, so
13 that, by State fiscal year 2011, the State is contributing at
14 the rate otherwise required under this Section.

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

19 As of June 30, 2008, the actuarial value of the System's
20 assets shall be equal to the market value of the assets as of
21 that date. In determining the actuarial value of the System's
22 assets for fiscal years after June 30, 2008, any actuarial
23 gains or losses from investment return incurred in a fiscal
24 year shall be recognized in equal annual amounts over the
25 5-year period following that fiscal year.

26 (e) For purposes of determining the required State

1 contribution to the system for a particular year, the
2 actuarial value of assets shall be assumed to earn a rate of
3 return equal to the system's actuarially assumed rate of
4 return.

5 (Source: P.A. 100-23, eff. 7-6-17.)

6 (40 ILCS 5/18-140) (from Ch. 108 1/2, par. 18-140)

7 Sec. 18-140. To certify required State contributions and
8 submit vouchers.

9 (a) The Board shall certify to the Governor, on or before
10 November 15 of each year until November 15, 2011, the amount of
11 the required State contribution to the System for the
12 following fiscal year and shall specifically identify the
13 System's projected State normal cost for that fiscal year. The
14 certification shall include a copy of the actuarial
15 recommendations upon which it is based and shall specifically
16 identify the System's projected State normal cost for that
17 fiscal year.

18 On or before November 1 of each year, beginning November
19 1, 2012, the Board shall submit to the State Actuary, the
20 Governor, and the General Assembly a proposed certification of
21 the amount of the required State contribution to the System
22 for the next fiscal year, along with all of the actuarial
23 assumptions, calculations, and data upon which that proposed
24 certification is based. On or before January 1 of each year
25 beginning January 1, 2013, the State Actuary shall issue a

1 preliminary report concerning the proposed certification and
2 identifying, if necessary, recommended changes in actuarial
3 assumptions that the Board must consider before finalizing its
4 certification of the required State contributions. On or
5 before January 15, 2013 and every January 15 thereafter, the
6 Board shall certify to the Governor and the General Assembly
7 the amount of the required State contribution for the next
8 fiscal year. The Board's certification must note any
9 deviations from the State Actuary's recommended changes, the
10 reason or reasons for not following the State Actuary's
11 recommended changes, and the fiscal impact of not following
12 the State Actuary's recommended changes on the required State
13 contribution.

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

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

25 On or before April 1, 2011, the Board shall recalculate
26 and recertify to the Governor the amount of the required State

1 contribution to the System for State fiscal year 2011,
2 applying the changes made by Public Act 96-889 to the System's
3 assets and liabilities as of June 30, 2009 as though Public Act
4 96-889 was approved on that date.

5 By November 1, 2017, the Board shall recalculate and
6 recertify to the State Actuary, the Governor, and the General
7 Assembly the amount of the State contribution to the System
8 for State fiscal year 2018, taking into account the changes in
9 required State contributions made by this amendatory Act of
10 the 100th General Assembly. The State Actuary shall review the
11 assumptions and valuations underlying the Board's revised
12 certification and issue a preliminary report concerning the
13 proposed recertification and identifying, if necessary,
14 recommended changes in actuarial assumptions that the Board
15 must consider before finalizing its certification of the
16 required State contributions. The Board's final certification
17 must note any deviations from the State Actuary's recommended
18 changes, the reason or reasons for not following the State
19 Actuary's recommended changes, and the fiscal impact of not
20 following the State Actuary's recommended changes on the
21 required State contribution.

22 (b) Unless otherwise directed by the Comptroller under
23 subsection (b-1) or as otherwise provided in this subsection,
24 the Board shall submit vouchers for payment of State
25 contributions to the System for the applicable month on the
26 15th day of each month, or as soon thereafter as may be

1 practicable. The amount vouchered for a monthly payment shall
2 total one-twelfth of the required annual State contribution
3 certified under subsection (a). Beginning State fiscal year
4 2027 and through State fiscal year 2045, on the first day of
5 each State fiscal year, the Board shall submit a voucher for
6 the payment of the State contribution for that State fiscal
7 year, as certified by the Board or the State Actuary,
8 whichever is applicable.

9 (b-1) Until State fiscal year 2027 and for State fiscal
10 year 2046 and thereafter ~~Beginning in State fiscal year 2025,~~
11 if the Comptroller requests that the Board submit, during a
12 State fiscal year, vouchers for multiple monthly payments for
13 the advance payment of State contributions due to the System
14 for that State fiscal year, then the Board shall submit those
15 additional vouchers as directed by the Comptroller,
16 notwithstanding subsection (b). Unless an act of
17 appropriations provides otherwise, nothing in this Section
18 authorizes the Board to submit, in a State fiscal year,
19 vouchers for the payment of State contributions to the System
20 in an amount that exceeds the rate of payroll that is certified
21 by the System under this Section for that State fiscal year.

22 (b-2) The vouchers described in subsections (b) and (b-1)
23 shall be paid by the State Comptroller and Treasurer by
24 warrants drawn on the funds appropriated to the System for
25 that fiscal year.

26 If in any month the amount remaining unexpended from all

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

9 (Source: P.A. 103-588, eff. 6-5-24.)

10 Section 20. The State Pension Funds Continuing
11 Appropriation Act is amended by changing Section 1.1 as
12 follows:

13 (40 ILCS 15/1.1)

14 Sec. 1.1. Appropriations to certain retirement systems.

15 (a) There is hereby appropriated from the General Revenue
16 Fund to the General Assembly Retirement System, on a
17 continuing monthly basis, the amount, if any, by which the
18 total available amount of all other appropriations to that
19 retirement system for the payment of State contributions is
20 less than the total amount of the vouchers for required State
21 contributions lawfully submitted by the retirement system for
22 that month under Section 2-134 of the Illinois Pension Code.

23 For State fiscal years 2027 through 2045, there is hereby
24 appropriated from the General Revenue Fund to the General

1 Assembly Retirement System, on a continuing annual basis, the
2 amount, if any, by which the total available amount of all
3 other appropriations to that retirement system for the payment
4 of State contributions is less than the total amount of the
5 vouchers for required State contributions lawfully submitted
6 by the retirement system for that State fiscal year under
7 Section 2-134 of the Illinois Pension Code.

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

19 For State fiscal years 2027 through 2045, there is hereby
20 appropriated from the General Revenue Fund to the State
21 Universities Retirement System, on a continuing annual basis,
22 the amount, if any, by which the total available amount of all
23 other appropriations to that retirement system for the payment
24 of State contributions, including any deficiency in the
25 required contributions of the optional retirement program
26 established under Section 15-158.2 of the Illinois Pension

1 Code, is less than the total amount of the vouchers for
2 required State contributions lawfully submitted by the
3 retirement system for that State fiscal year under Section
4 15-165 of the Illinois Pension Code.

5 (c) There is hereby appropriated from the Common School
6 Fund to the Teachers' Retirement System of the State of
7 Illinois, on a continuing monthly basis, the amount, if any,
8 by which the total available amount of all other
9 appropriations to that retirement system for the payment of
10 State contributions is less than the total amount of the
11 vouchers for required State contributions lawfully submitted
12 by the retirement system for that month under Section 16-158
13 of the Illinois Pension Code.

14 For State fiscal years 2027 through 2045, there is hereby
15 appropriated from the Common School Fund to the Teachers'
16 Retirement System of the State of Illinois, on a continuing
17 annual basis, the amount, if any, by which the total available
18 amount of all other appropriations to that retirement system
19 for the payment of State contributions is less than the total
20 amount of the vouchers for required State contributions
21 lawfully submitted by the retirement system for that State
22 fiscal year under Section 16-158 of the Illinois Pension Code.

23 (d) There is hereby appropriated from the General Revenue
24 Fund to the Judges Retirement System of Illinois, on a
25 continuing monthly basis, the amount, if any, by which the
26 total available amount of all other appropriations to that

1 retirement system for the payment of State contributions is
2 less than the total amount of the vouchers for required State
3 contributions lawfully submitted by the retirement system for
4 that month under Section 18-140 of the Illinois Pension Code.

5 For State fiscal years 2027 through 2045, there is hereby
6 appropriated from the General Revenue Fund to the Judges
7 Retirement System of Illinois, on a continuing annual basis,
8 the amount, if any, by which the total available amount of all
9 other appropriations to that retirement system for the payment
10 of State contributions is less than the total amount of the
11 vouchers for required State contributions lawfully submitted
12 by the retirement system for that State fiscal year under
13 Section 18-140 of the Illinois Pension Code.

14 (e) The continuing appropriations provided by subsections
15 (a), (b), (c), and (d) of this Section shall first be available
16 in State fiscal year 1996. The continuing appropriations
17 provided by subsection (h) of this Section shall first be
18 available as provided in that subsection (h).

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

26 (g) For State fiscal year 2011 only, the continuing

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

7 (h) There is hereby appropriated from the Common School
8 Fund to the Public School Teachers' Pension and Retirement
9 Fund of Chicago, on a continuing basis, the amount, if any, by
10 which the total available amount of all other State
11 appropriations to that Retirement Fund for the payment of
12 State contributions under Section 17-127 of the Illinois
13 Pension Code is less than the total amount of the vouchers for
14 required State contributions lawfully submitted by the
15 Retirement Fund or the State Board of Education, under that
16 Section 17-127.

17 (Source: P.A. 100-465, eff. 8-31-17.)

18 Section 99. Effective date. This Act takes effect upon
19 becoming law.

1 INDEX

2 Statutes amended in order of appearance

3 40 ILCS 5/1A-202 new

4 40 ILCS 5/2-124 from Ch. 108 1/2, par. 2-124

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

6 40 ILCS 5/14-131

7 40 ILCS 5/15-155 from Ch. 108 1/2, par. 15-155

8 40 ILCS 5/16-158 from Ch. 108 1/2, par. 16-158

9 40 ILCS 5/18-131 from Ch. 108 1/2, par. 18-131

10 40 ILCS 5/18-140 from Ch. 108 1/2, par. 18-140

11 40 ILCS 15/1.1