

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 5. The Illinois Pension Code is amended by  
5 changing Section 15-155 as follows:

6 (40 ILCS 5/15-155) (from Ch. 108 1/2, par. 15-155)  
7 Sec. 15-155. Employer contributions.

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

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

20 (a-1) For State fiscal years 2012 through 2045, the  
21 minimum contribution to the System to be made by the State for  
22 each fiscal year shall be an amount determined by the System to  
23 be sufficient to bring the total assets of the System up to 90%

1 of the total actuarial liabilities of the System by the end of  
2 State fiscal year 2045. In making these determinations, the  
3 required State contribution shall be calculated each year as a  
4 level percentage of payroll over the years remaining to and  
5 including fiscal year 2045 and shall be determined under the  
6 projected unit credit actuarial cost method.

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

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

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

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

24 (ii) in the portion of the 5-year period beginning in  
25 the State fiscal year in which the actuarial change first  
26 applied that occurs in State fiscal year 2018 or

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

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

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

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

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

23           Notwithstanding any other provision of this Article, the  
24           total required State contribution for State fiscal year 2010  
25           is \$702,514,000 and shall be made from the State Pensions Fund  
26           and proceeds of bonds sold in fiscal year 2010 pursuant to

1 Section 7.2 of the General Obligation Bond Act, less (i) the  
2 pro rata share of bond sale expenses determined by the  
3 System's share of total bond proceeds, (ii) any amounts  
4 received from the General Revenue Fund in fiscal year 2010,  
5 (iii) any reduction in bond proceeds due to the issuance of  
6 discounted bonds, if applicable.

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

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

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

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

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

1 contribution for State fiscal year 2007 plus the applicable  
2 portion of the State's total debt service payments for fiscal  
3 year 2007 on the bonds issued in fiscal year 2003 for the  
4 purposes of Section 7.2 of the General Obligation Bond Act, so  
5 that, by State fiscal year 2011, the State is contributing at  
6 the rate otherwise required under this Section.

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

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

23 (ii) the amount required for that fiscal year to  
24 amortize any unfunded actuarial accrued liability  
25 associated with the present value of liabilities  
26 attributable to the employer's account under Section

1           15-155.2, determined as a level percentage of payroll over  
2           a 30-year rolling amortization period.

3           In determining contributions required under item (i) of  
4           this subsection, the System shall determine an aggregate rate  
5           for all employers, expressed as a percentage of projected  
6           payroll.

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

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

17          As used in this subsection, "academic year" means the  
18          12-month period beginning September 1.

19          (b) If an employee is paid from trust or federal funds, the  
20          employer shall pay to the Board contributions from those funds  
21          which are sufficient to cover the accruing normal costs on  
22          behalf of the employee. However, universities having employees  
23          who are compensated out of local auxiliary funds, income  
24          funds, or service enterprise funds are not required to pay  
25          such contributions on behalf of those employees. The local  
26          auxiliary funds, income funds, and service enterprise funds of

1 universities shall not be considered trust funds for the  
2 purpose of this Article, but funds of alumni associations,  
3 foundations, and athletic associations which are affiliated  
4 with the universities included as employers under this Article  
5 and other employers which do not receive State appropriations  
6 are considered to be trust funds for the purpose of this  
7 Article.

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

21 (c) Through State fiscal year 1995: The total employer  
22 contribution shall be apportioned among the various funds of  
23 the State and other employers, whether trust, federal, or  
24 other funds, in accordance with actuarial procedures approved  
25 by the Board. State of Illinois contributions for employers  
26 receiving State appropriations for personal services shall be



1 payable from appropriations made to the employers or to the  
2 System. The contributions for Class I community colleges  
3 covering earnings other than those paid from trust and federal  
4 funds, shall be payable solely from appropriations to the  
5 Illinois Community College Board or the System for employer  
6 contributions.

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

12 (e) The State Comptroller shall draw warrants payable to  
13 the System upon proper certification by the System or by the  
14 employer in accordance with the appropriation laws and this  
15 Code.

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

24 (g) If the amount of a participant's earnings for any  
25 academic year used to determine the final rate of earnings,  
26 determined on a full-time equivalent basis, exceeds the amount

1 of his or her earnings with the same employer for the previous  
2 academic year, determined on a full-time equivalent basis, by  
3 more than 6%, the participant's employer shall pay to the  
4 System, in addition to all other payments required under this  
5 Section and in accordance with guidelines established by the  
6 System, the present value of the increase in benefits  
7 resulting from the portion of the increase in earnings that is  
8 in excess of 6%. This present value shall be computed by the  
9 System on the basis of the actuarial assumptions and tables  
10 used in the most recent actuarial valuation of the System that  
11 is available at the time of the computation. The System may  
12 require the employer to provide any pertinent information or  
13 documentation.

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

1 application for recalculation, the System shall review the  
2 application and, if appropriate, recalculate the amount due.

3 The employer contributions required under this subsection  
4 (g) may be paid in the form of a lump sum within 90 days after  
5 receipt of the bill. If the employer contributions are not  
6 paid within 90 days after receipt of the bill, then interest  
7 will be charged at a rate equal to the System's annual  
8 actuarially assumed rate of return on investment compounded  
9 annually from the 91st day after receipt of the bill. Payments  
10 must be concluded within 3 years after the employer's receipt  
11 of the bill.

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

26 This subsection (g) does not apply to (1) Tier 2 hybrid

1 plan members and (2) Tier 2 defined benefit members who first  
2 participate under this Article on or after the implementation  
3 date of the Optional Hybrid Plan.

4 (g-1) (Blank).

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

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

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

19 When assessing payment for any amount due under subsection  
20 (g), the System shall exclude earnings increases resulting  
21 from overload work, including a contract for summer teaching,  
22 or overtime when the employer has certified to the System, and  
23 the System has approved the certification, that: (i) in the  
24 case of overloads (A) the overload work is for the sole purpose  
25 of academic instruction in excess of the standard number of  
26 instruction hours for a full-time employee occurring during

1 the academic year that the overload is paid and (B) the  
2 earnings increases are equal to or less than the rate of pay  
3 for academic instruction computed using the participant's  
4 current salary rate and work schedule; and (ii) in the case of  
5 overtime, the overtime was necessary for the educational  
6 mission.

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

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

1 an emergency declaration limiting such activities.

2 (i) When assessing payment for any amount due under  
3 subsection (g), the System shall exclude any salary increase  
4 described in subsection (h) of this Section given on or after  
5 July 1, 2011 but before July 1, 2014 under a contract or  
6 collective bargaining agreement entered into, amended, or  
7 renewed on or after June 1, 2005 but before July 1, 2011.  
8 Except as provided in subsection (h-5) ~~Notwithstanding any~~  
9 ~~other provision of this Section,~~ any payments made or salary  
10 increases given after June 30, 2014 shall be used in assessing  
11 payment for any amount due under subsection (g) of this  
12 Section.

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

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

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

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

26 (4) The increase in the required State contribution

1 resulting from the changes made to this Section by Public  
2 Act 94-1057.

3 (j-5) For State fiscal years beginning on or after July 1,  
4 2017, if the amount of a participant's earnings for any State  
5 fiscal year exceeds the amount of the salary set by law for the  
6 Governor that is in effect on July 1 of that fiscal year, the  
7 participant's employer shall pay to the System, in addition to  
8 all other payments required under this Section and in  
9 accordance with guidelines established by the System, an  
10 amount determined by the System to be equal to the employer  
11 normal cost, as established by the System and expressed as a  
12 total percentage of payroll, multiplied by the amount of  
13 earnings in excess of the amount of the salary set by law for  
14 the Governor. This amount shall be computed by the System on  
15 the basis of the actuarial assumptions and tables used in the  
16 most recent actuarial valuation of the System that is  
17 available at the time of the computation. The System may  
18 require the employer to provide any pertinent information or  
19 documentation.

20 Whenever it determines that a payment is or may be  
21 required under this subsection, the System shall calculate the  
22 amount of the payment and bill the employer for that amount.  
23 The bill shall specify the calculation used to determine the  
24 amount due. If the employer disputes the amount of the bill, it  
25 may, within 30 days after receipt of the bill, apply to the  
26 System in writing for a recalculation. The application must

1 specify in detail the grounds of the dispute. Upon receiving a  
2 timely application for recalculation, the System shall review  
3 the application and, if appropriate, recalculate the amount  
4 due.

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

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

23 The changes made to this subsection (j-5) by Public Act  
24 100-624 are intended to apply retroactively to July 6, 2017  
25 (the effective date of Public Act 100-23).

26 (k) The Illinois Community College Board shall adopt rules



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

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

20 As of June 30, 2008, the actuarial value of the System's  
21 assets shall be equal to the market value of the assets as of  
22 that date. In determining the actuarial value of the System's  
23 assets for fiscal years after June 30, 2008, any actuarial  
24 gains or losses from investment return incurred in a fiscal  
25 year shall be recognized in equal annual amounts over the  
26 5-year period following that fiscal year.

1 (m) For purposes of determining the required State  
2 contribution to the system for a particular year, the  
3 actuarial value of assets shall be assumed to earn a rate of  
4 return equal to the system's actuarially assumed rate of  
5 return.

6 (Source: P.A. 101-10, eff. 6-5-19; 101-81, eff. 7-12-19;  
7 102-16, eff. 6-17-21; 102-558, eff. 8-20-21.)

8 Section 90. The State Mandates Act is amended by adding  
9 Section 8.46 as follows:

10 (30 ILCS 805/8.46 new)

11 Sec. 8.46. Exempt mandate. Notwithstanding Sections 6 and  
12 8 of this Act, no reimbursement by the State is required for  
13 the implementation of any mandate created by this amendatory  
14 Act of the 102nd General Assembly.

15 Section 99. Effective date. This Act takes effect upon  
16 becoming law.