

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 Sections 16-127 and 16-158 as follows:

6 (40 ILCS 5/16-127) (from Ch. 108 1/2, par. 16-127)

7 Sec. 16-127. Computation of creditable service.

8 (a) Each member shall receive regular credit for all
9 service as a teacher from the date membership begins, for
10 which satisfactory evidence is supplied and all contributions
11 have been paid.

12 (b) The following periods of service shall earn optional
13 credit and each member shall receive credit for all such
14 service for which satisfactory evidence is supplied and all
15 contributions have been paid as of the date specified:

16 (1) Prior service as a teacher.

17 (2) Service in a capacity essentially similar or
18 equivalent to that of a teacher, in the public common
19 schools in school districts in this State not included
20 within the provisions of this System, or of any other
21 State, territory, dependency or possession of the United
22 States, or in schools operated by or under the auspices of
23 the United States, or under the auspices of any agency or

1 department of any other State, and service during any
2 period of professional speech correction or special
3 education experience for a public agency within this State
4 or any other State, territory, dependency or possession of
5 the United States, and service prior to February 1, 1951
6 as a recreation worker for the Illinois Department of
7 Public Safety, for a period not exceeding the lesser of
8 2/5 of the total creditable service of the member or 10
9 years. The maximum service of 10 years which is allowable
10 under this paragraph shall be reduced by the service
11 credit which is validated by other retirement systems
12 under paragraph (i) of Section 15-113 and paragraph 1 of
13 Section 17-133. Credit granted under this paragraph may
14 not be used in determination of a retirement annuity or
15 disability benefits unless the member has at least 5 years
16 of creditable service earned subsequent to this employment
17 with one or more of the following systems: Teachers'
18 Retirement System of the State of Illinois, State
19 Universities Retirement System, and the Public School
20 Teachers' Pension and Retirement Fund of Chicago. Whenever
21 such service credit exceeds the maximum allowed for all
22 purposes of this Article, the first service rendered in
23 point of time shall be considered. The changes to this
24 subdivision (b)(2) made by Public Act 86-272 shall apply
25 not only to persons who on or after its effective date
26 (August 23, 1989) are in service as a teacher under the

1 System, but also to persons whose status as such a teacher
2 terminated prior to such effective date, whether or not
3 such person is an annuitant on that date.

4 (3) Any periods immediately following teaching
5 service, under this System or under Article 17, (or
6 immediately following service prior to February 1, 1951 as
7 a recreation worker for the Illinois Department of Public
8 Safety) spent in active service with the military forces
9 of the United States; periods spent in educational
10 programs that prepare for return to teaching sponsored by
11 the federal government following such active military
12 service; if a teacher returns to teaching service within
13 one calendar year after discharge or after the completion
14 of the educational program, a further period, not
15 exceeding one calendar year, between time spent in
16 military service or in such educational programs and the
17 return to employment as a teacher under this System; and a
18 period of up to 2 years of active military service not
19 immediately following employment as a teacher.

20 The changes to this Section and Section 16-128
21 relating to military service made by P.A. 87-794 shall
22 apply not only to persons who on or after its effective
23 date are in service as a teacher under the System, but also
24 to persons whose status as a teacher terminated prior to
25 that date, whether or not the person is an annuitant on
26 that date. In the case of an annuitant who applies for

1 credit allowable under this Section for a period of
2 military service that did not immediately follow
3 employment, and who has made the required contributions
4 for such credit, the annuity shall be recalculated to
5 include the additional service credit, with the increase
6 taking effect on the date the System received written
7 notification of the annuitant's intent to purchase the
8 credit, if payment of all the required contributions is
9 made within 60 days of such notice, or else on the first
10 annuity payment date following the date of payment of the
11 required contributions. In calculating the automatic
12 annual increase for an annuity that has been recalculated
13 under this Section, the increase attributable to the
14 additional service allowable under P.A. 87-794 shall be
15 included in the calculation of automatic annual increases
16 accruing after the effective date of the recalculation.

17 Credit for military service shall be determined as
18 follows: if entry occurs during the months of July,
19 August, or September and the member was a teacher at the
20 end of the immediately preceding school term, credit shall
21 be granted from July 1 of the year in which he or she
22 entered service; if entry occurs during the school term
23 and the teacher was in teaching service at the beginning
24 of the school term, credit shall be granted from July 1 of
25 such year. In all other cases where credit for military
26 service is allowed, credit shall be granted from the date

1 of entry into the service.

2 The total period of military service for which credit
3 is granted shall not exceed 5 years for any member unless
4 the service: (A) is validated before July 1, 1964, and (B)
5 does not extend beyond July 1, 1963. Credit for military
6 service shall be granted under this Section only if not
7 more than 5 years of the military service for which credit
8 is granted under this Section is used by the member to
9 qualify for a military retirement allotment from any
10 branch of the armed forces of the United States. The
11 changes to this subdivision (b)(3) made by Public Act
12 86-272 shall apply not only to persons who on or after its
13 effective date (August 23, 1989) are in service as a
14 teacher under the System, but also to persons whose status
15 as such a teacher terminated prior to such effective date,
16 whether or not such person is an annuitant on that date.

17 (4) Any periods served as a member of the General
18 Assembly.

19 (5) (i) Any periods for which a teacher, as defined in
20 Section 16-106, is granted a leave of absence, provided he
21 or she returns to teaching service creditable under this
22 System or the State Universities Retirement System
23 following the leave; (ii) periods during which a teacher
24 is involuntarily laid off from teaching, provided he or
25 she returns to teaching following the lay-off; (iii)
26 periods prior to July 1, 1983 during which a teacher

1 ceased covered employment due to pregnancy, provided that
2 the teacher returned to teaching service creditable under
3 this System or the State Universities Retirement System
4 following the pregnancy and submits evidence satisfactory
5 to the Board documenting that the employment ceased due to
6 pregnancy; and (iv) periods prior to July 1, 1983 during
7 which a teacher ceased covered employment for the purpose
8 of adopting an infant under 3 years of age or caring for a
9 newly adopted infant under 3 years of age, provided that
10 the teacher returned to teaching service creditable under
11 this System or the State Universities Retirement System
12 following the adoption and submits evidence satisfactory
13 to the Board documenting that the employment ceased for
14 the purpose of adopting an infant under 3 years of age or
15 caring for a newly adopted infant under 3 years of age.
16 However, total credit under this paragraph (5) may not
17 exceed 3 years.

18 Any qualified member or annuitant may apply for credit
19 under item (iii) or (iv) of this paragraph (5) without
20 regard to whether service was terminated before the
21 effective date of this amendatory Act of 1997. In the case
22 of an annuitant who establishes credit under item (iii) or
23 (iv), the annuity shall be recalculated to include the
24 additional service credit. The increase in annuity shall
25 take effect on the date the System receives written
26 notification of the annuitant's intent to purchase the

1 credit, if the required evidence is submitted and the
2 required contribution paid within 60 days of that
3 notification, otherwise on the first annuity payment date
4 following the System's receipt of the required evidence
5 and contribution. The increase in an annuity recalculated
6 under this provision shall be included in the calculation
7 of automatic annual increases in the annuity accruing
8 after the effective date of the recalculation.

9 Optional credit may be purchased under this subsection
10 (b) (5) for periods during which a teacher has been granted
11 a leave of absence pursuant to Section 24-13 of the School
12 Code. A teacher whose service under this Article
13 terminated prior to the effective date of P.A. 86-1488
14 shall be eligible to purchase such optional credit. If a
15 teacher who purchases this optional credit is already
16 receiving a retirement annuity under this Article, the
17 annuity shall be recalculated as if the annuitant had
18 applied for the leave of absence credit at the time of
19 retirement. The difference between the entitled annuity
20 and the actual annuity shall be credited to the purchase
21 of the optional credit. The remainder of the purchase cost
22 of the optional credit shall be paid on or before April 1,
23 1992.

24 The change in this paragraph made by Public Act 86-273
25 shall be applicable to teachers who retire after June 1,
26 1989, as well as to teachers who are in service on that

1 date.

2 (6) Any days of unused and uncompensated accumulated
3 sick leave earned by a teacher. The service credit granted
4 under this paragraph shall be the ratio of the number of
5 unused and uncompensated accumulated sick leave days to
6 170 days, subject to a maximum of 2 years of service
7 credit. Prior to the member's retirement, each former
8 employer shall certify to the System the number of unused
9 and uncompensated accumulated sick leave days credited to
10 the member at the time of termination of service. The
11 period of unused sick leave shall not be considered in
12 determining the effective date of retirement. A member is
13 not required to make contributions in order to obtain
14 service credit for unused sick leave.

15 Credit for sick leave shall, at retirement, be granted
16 by the System for any retiring regional or assistant
17 regional superintendent of schools at the rate of 6 days
18 per year of creditable service or portion thereof
19 established while serving as such superintendent or
20 assistant superintendent.

21 (7) Periods prior to February 1, 1987 served as an
22 employee of the Illinois Mathematics and Science Academy
23 for which credit has not been terminated under Section
24 15-113.9 of this Code.

25 (8) Service as a substitute teacher for work performed
26 prior to July 1, 1990.

1 (9) Service as a part-time teacher for work performed
2 prior to July 1, 1990.

3 (10) Up to 2 years of employment with Southern
4 Illinois University - Carbondale from September 1, 1959 to
5 August 31, 1961, or with Governors State University from
6 September 1, 1972 to August 31, 1974, for which the
7 teacher has no credit under Article 15. To receive credit
8 under this item (10), a teacher must apply in writing to
9 the Board and pay the required contributions before May 1,
10 1993 and have at least 12 years of service credit under
11 this Article.

12 (b-1) A member may establish optional credit for up to 2
13 years of service as a teacher or administrator employed by a
14 private school recognized by the Illinois State Board of
15 Education, provided that the teacher (i) was certified under
16 the law governing the certification of teachers at the time
17 the service was rendered, (ii) applies in writing on or before
18 June 30, 2023 ~~on or after August 1, 2009 and on or before~~
19 ~~August 1, 2012,~~ (iii) supplies satisfactory evidence of the
20 employment, (iv) completes at least 10 years of contributing
21 service as a teacher as defined in Section 16-106, and (v) pays
22 the contribution required in subsection (d-5) of Section
23 16-128. The member may apply for credit under this subsection
24 and pay the required contribution before completing the 10
25 years of contributing service required under item (iv), but
26 the credit may not be used until the item (iv) contributing

1 service requirement has been met.

2 (c) The service credits specified in this Section shall be
3 granted only if: (1) such service credits are not used for
4 credit in any other statutory tax-supported public employee
5 retirement system other than the federal Social Security
6 program; and (2) the member makes the required contributions
7 as specified in Section 16-128. Except as provided in
8 subsection (b-1) of this Section, the service credit shall be
9 effective as of the date the required contributions are
10 completed.

11 Any service credits granted under this Section shall
12 terminate upon cessation of membership for any cause.

13 Credit may not be granted under this Section covering any
14 period for which an age retirement or disability retirement
15 allowance has been paid.

16 Credit may not be granted under this Section for service
17 as an employee of an entity that provides substitute teaching
18 services under Section 2-3.173 of the School Code and is not a
19 school district.

20 (Source: P.A. 100-813, eff. 8-13-18.)

21 (40 ILCS 5/16-158) (from Ch. 108 1/2, par. 16-158)

22 Sec. 16-158. Contributions by State and other employing
23 units.

24 (a) The State shall make contributions to the System by
25 means of appropriations from the Common School Fund and other

1 State funds of amounts which, together with other employer
2 contributions, employee contributions, investment income, and
3 other income, will be sufficient to meet the cost of
4 maintaining and administering the System on a 90% funded basis
5 in accordance with actuarial recommendations.

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

11 (a-1) Annually, on or before November 15 until November
12 15, 2011, the Board shall certify to the Governor the amount of
13 the required State contribution for the coming fiscal year.
14 The certification under this subsection (a-1) shall include a
15 copy of the actuarial recommendations upon which it is based
16 and shall specifically identify the System's projected State
17 normal cost for that fiscal year.

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

24 On or before July 1, 2005, the Board shall recalculate and
25 recertify to the Governor the amount of the required State
26 contribution to the System for State fiscal year 2006, taking

1 into account the changes in required State contributions made
2 by Public Act 94-4.

3 On or before April 1, 2011, the Board shall recalculate
4 and recertify to the Governor the amount of the required State
5 contribution to the System for State fiscal year 2011,
6 applying the changes made by Public Act 96-889 to the System's
7 assets and liabilities as of June 30, 2009 as though Public Act
8 96-889 was approved on that date.

9 (a-5) On or before November 1 of each year, beginning
10 November 1, 2012, the Board shall submit to the State Actuary,
11 the Governor, and the General Assembly a proposed
12 certification of the amount of the required State contribution
13 to the System for the next fiscal year, along with all of the
14 actuarial assumptions, calculations, and data upon which that
15 proposed certification is based. On or before January 1 of
16 each year, beginning January 1, 2013, the State Actuary shall
17 issue a preliminary report concerning the proposed
18 certification and identifying, if necessary, recommended
19 changes in actuarial assumptions that the Board must consider
20 before finalizing its certification of the required State
21 contributions. On or before January 15, 2013 and each January
22 15 thereafter, the Board shall certify to the Governor and the
23 General Assembly the amount of the required State contribution
24 for the next fiscal year. The Board's certification must note
25 any deviations from the State Actuary's recommended changes,
26 the 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 (a-10) By November 1, 2017, the Board shall recalculate
5 and recertify to the State Actuary, the Governor, and the
6 General Assembly the amount of the State contribution to the
7 System for State fiscal year 2018, taking into account the
8 changes in required State contributions made by Public Act
9 100-23. The State Actuary shall review the assumptions and
10 valuations underlying the Board's revised certification and
11 issue a preliminary report concerning the proposed
12 recertification and identifying, if necessary, recommended
13 changes in actuarial assumptions that the Board must consider
14 before finalizing its certification of the required State
15 contributions. The Board's final certification must note any
16 deviations from the State Actuary's recommended changes, the
17 reason or reasons for not following the State Actuary's
18 recommended changes, and the fiscal impact of not following
19 the State Actuary's recommended changes on the required State
20 contribution.

21 (a-15) On or after June 15, 2019, but no later than June
22 30, 2019, the Board shall recalculate and recertify to the
23 Governor and the General Assembly the amount of the State
24 contribution to the System for State fiscal year 2019, taking
25 into account the changes in required State contributions made
26 by Public Act 100-587. The recalculation shall be made using

1 assumptions adopted by the Board for the original fiscal year
2 2019 certification. The monthly voucher for the 12th month of
3 fiscal year 2019 shall be paid by the Comptroller after the
4 recertification required pursuant to this subsection is
5 submitted to the Governor, Comptroller, and General Assembly.
6 The recertification submitted to the General Assembly shall be
7 filed with the Clerk of the House of Representatives and the
8 Secretary of the Senate in electronic form only, in the manner
9 that the Clerk and the Secretary shall direct.

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

13 (b-1) Beginning in State fiscal year 1996, on the 15th day
14 of each month, or as soon thereafter as may be practicable, the
15 Board shall submit vouchers for payment of State contributions
16 to the System, in a total monthly amount of one-twelfth of the
17 required annual State contribution certified under subsection
18 (a-1). From March 5, 2004 (the effective date of Public Act
19 93-665) through June 30, 2004, the Board shall not submit
20 vouchers for the remainder of fiscal year 2004 in excess of the
21 fiscal year 2004 certified contribution amount determined
22 under this Section after taking into consideration the
23 transfer to the System under subsection (a) of Section 6z-61
24 of the State Finance Act. These vouchers shall be paid by the
25 State Comptroller and Treasurer by warrants drawn on the funds
26 appropriated to the System for that fiscal year.

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

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

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

23 For each of State fiscal years 2018, 2019, and 2020, the
24 State shall make an additional contribution to the System
25 equal to 2% of the total payroll of each employee who is deemed
26 to have elected the benefits under Section 1-161 or who has

1 made the election under subsection (c) of Section 1-161.

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

8 A change in an actuarial or investment assumption that
9 increases or decreases the required State contribution and
10 first applied to the State contribution in fiscal year 2014,
11 2015, 2016, or 2017 shall be implemented:

12 (i) as already applied in State fiscal years before
13 2018; and

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

21 For State fiscal years 1996 through 2005, the State
22 contribution to the System, as a percentage of the applicable
23 employee payroll, shall be increased in equal annual
24 increments so that by State fiscal year 2011, the State is
25 contributing at the rate required under this Section; except
26 that in the following specified State fiscal years, the State

1 contribution to the System shall not be less than the
2 following indicated percentages of the applicable employee
3 payroll, even if the indicated percentage will produce a State
4 contribution in excess of the amount otherwise required under
5 this subsection and subsection (a), and notwithstanding any
6 contrary certification made under subsection (a-1) before May
7 27, 1998 (the effective date of Public Act 90-582): 10.02% in
8 FY 1999; 10.77% in FY 2000; 11.47% in FY 2001; 12.16% in FY
9 2002; 12.86% in FY 2003; and 13.56% in FY 2004.

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

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

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 \$2,089,268,000 and shall be made from the proceeds of bonds
26 sold in fiscal year 2010 pursuant to Section 7.2 of the General

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

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

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

13 Notwithstanding any other provision of this Section, the
14 required State contribution for State fiscal year 2005 and for
15 fiscal year 2008 and each fiscal year thereafter, as
16 calculated under this Section and certified under subsection
17 (a-1), shall not exceed an amount equal to (i) the amount of
18 the required State contribution that would have been
19 calculated under this Section for that fiscal year if the
20 System had not received any payments under subsection (d) of
21 Section 7.2 of the General Obligation Bond Act, minus (ii) the
22 portion of the State's total debt service payments for that
23 fiscal year on the bonds issued in fiscal year 2003 for the
24 purposes of that Section 7.2, as determined and certified by
25 the Comptroller, that is the same as the System's portion of
26 the total moneys distributed under subsection (d) of Section

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

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

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

1 election under subsection (b) of Section 1-161; plus
2 (ii) the amount required for that fiscal year to
3 amortize any unfunded actuarial accrued liability
4 associated with the present value of liabilities
5 attributable to the employer's account under Section
6 16-158.3, determined as a level percentage of payroll over
7 a 30-year rolling amortization period.

8 In determining contributions required under item (i) of
9 this subsection, the System shall determine an aggregate rate
10 for all employers, expressed as a percentage of projected
11 payroll.

12 In determining the contributions required under item (ii)
13 of this subsection, the amount shall be computed by the System
14 on the basis of the actuarial assumptions and tables used in
15 the most recent actuarial valuation of the System that is
16 available at the time of the computation.

17 The contributions required under this subsection (b-4)
18 shall be paid by an employer concurrently with that employer's
19 payroll payment period. The State, as the actual employer of
20 an employee, shall make the required contributions under this
21 subsection.

22 (c) Payment of the required State contributions and of all
23 pensions, retirement annuities, death benefits, refunds, and
24 other benefits granted under or assumed by this System, and
25 all expenses in connection with the administration and
26 operation thereof, are obligations of the State.

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

17 (d) Effective July 1, 1986, any employer of a teacher as
18 defined in paragraph (8) of Section 16-106 shall pay the
19 employer's normal cost of benefits based upon the teacher's
20 service, in addition to employee contributions, as determined
21 by the System. Such employer contributions shall be forwarded
22 monthly in accordance with guidelines established by the
23 System.

24 However, with respect to benefits granted under Section
25 16-133.4 or 16-133.5 to a teacher as defined in paragraph (8)
26 of Section 16-106, the employer's contribution shall be 12%

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

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

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

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

19 The school district or other employing unit may pay these
20 employer contributions out of any source of funding available
21 for that purpose and shall forward the contributions to the
22 System on the schedule established for the payment of member
23 contributions.

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

1 Each employer of teachers is entitled to a credit against
2 the contributions required under this subsection (e) with
3 respect to salaries paid to teachers for the period January 1,
4 2002 through June 30, 2003, equal to the amount paid by that
5 employer under subsection (a-5) of Section 6.6 of the State
6 Employees Group Insurance Act of 1971 with respect to salaries
7 paid to teachers for that period.

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

13 If an employer is required by a contract in effect on May
14 1, 1998 between the employer and an employee organization to
15 pay, on behalf of all its full-time employees covered by this
16 Article, all mandatory employee contributions required under
17 this Article, then the employer shall be excused from paying
18 the employer contribution required under this subsection (e)
19 for the balance of the term of that contract. The employer and
20 the employee organization shall jointly certify to the System
21 the existence of the contractual requirement, in such form as
22 the System may prescribe. This exclusion shall cease upon the
23 termination, extension, or renewal of the contract at any time
24 after May 1, 1998.

25 (f) If ~~June 4, 2018 (Public Act 100-587)~~ the amount of a
26 teacher's salary for any school year used to determine final

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

24 Whenever it determines that a payment is or may be
25 required under this subsection, the System shall calculate the
26 amount of the payment and bill the employer for that amount.

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

13 The employer contributions required under this subsection
14 (f) 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 (f-1) (Blank). ~~June 4, 2018 (Public Act 100-587)~~

23 (g) This subsection (g) applies only to payments made or
24 salary increases given on or after June 1, 2005 but before July
25 1, 2011. The changes made by Public Act 94-1057 shall not
26 require the System to refund any payments received before July

1 31, 2006 (the effective date of Public Act 94-1057).

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

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

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

21 When assessing payment for any amount due under subsection
22 (f), the System shall exclude a salary increase resulting from
23 a promotion (i) for which the employee is required to hold a
24 certificate or supervisory endorsement issued by the State
25 Teacher Certification Board that is a different certification
26 or supervisory endorsement than is required for the teacher's

1 previous position and (ii) to a position that has existed and
2 been filled by a member for no less than one complete academic
3 year and the salary increase from the promotion is an increase
4 that results in an amount no greater than the lesser of the
5 average salary paid for other similar positions in the
6 district requiring the same certification or the amount
7 stipulated in the collective bargaining agreement for a
8 similar position requiring the same certification.

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

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

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

1 shall be used in assessing payment for any amount due under
2 subsection (f) of this Section.

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

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

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

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

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

19 (i-5) For school years beginning on or after July 1, 2017,
20 if the amount of a participant's salary for any school year
21 exceeds the amount of the salary set for the Governor, the
22 participant's employer shall pay to the System, in addition to
23 all other payments required under this Section and in
24 accordance with guidelines established by the System, an
25 amount determined by the System to be equal to the employer
26 normal cost, as established by the System and expressed as a

1 total percentage of payroll, multiplied by the amount of
2 salary in excess of the amount of the salary set for the
3 Governor. This amount shall be computed by the System on the
4 basis of the actuarial assumptions and tables used in the most
5 recent actuarial valuation of the System that is available at
6 the time of the computation. The System may require the
7 employer to provide any pertinent information or
8 documentation.

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

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

1 must be concluded within 3 years after the employer's receipt
2 of the bill.

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

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

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

19 (Source: P.A. 100-23, eff. 7-6-17; 100-340, eff. 8-25-17;
20 100-587, eff. 6-4-18; 100-624, eff. 7-20-18; 100-863, eff.
21 8-14-18; 101-10, eff. 6-5-19; 101-81, eff. 7-12-19; revised
22 8-13-19.)

23 Section 99. Effective date. This Act takes effect upon
24 becoming law.