



Filed: 3/10/2005

09400HB2468ham001

LRB094 08345 AMC 42784 a

1 AMENDMENT TO HOUSE BILL 2468

2 AMENDMENT NO. _____. Amend House Bill 2468 by replacing
3 everything after the enacting clause with the following:

4 "Section 5. The Illinois Pension Code is amended by
5 changing Sections 17-127 and 17-129 as follows:

6 (40 ILCS 5/17-127) (from Ch. 108 1/2, par. 17-127)
7 Sec. 17-127. Financing; revenues for the Fund.

8 (a) The revenues for the Fund shall consist of: (1) amounts
9 paid into the Fund by contributors thereto and from employer
10 contributions and State appropriations in accordance with this
11 Article; (2) amounts contributed to the Fund by an Employer;
12 (3) amounts contributed to the Fund pursuant to any law now in
13 force or hereafter to be enacted; (4) contributions from any
14 other source; and (5) the earnings on investments of the Fund.

15 (b) The General Assembly finds that for many years the
16 State has contributed to the Fund an annual amount that is
17 between 20% and 30% of the amount of the annual State
18 contribution to the Article 16 retirement system, and the
19 General Assembly declares that it is its goal and intention to
20 continue this level of contribution to the Fund in the future.

21 (b-5) ~~Beginning~~ In State fiscal years ~~year~~ 1999 through
22 2005, the State shall include in its annual contribution to the
23 Fund an additional amount equal to 0.544% of the Fund's total
24 teacher payroll; except that this additional contribution need

1 not be made in a fiscal year if the Board has certified in the
2 previous fiscal year that the Fund is at least 90% funded,
3 based on actuarial determinations. These additional State
4 contributions are intended to offset a portion of the cost to
5 the Fund of the increases in retirement benefits resulting from
6 Public Act 90-582 ~~this amendatory Act of 1998~~.

7 (c) For each State fiscal year ending after calendar year
8 2005, the State shall contribute to the Fund, by means of
9 appropriations from the Common School Fund or other State
10 funds, an amount not less than the greater of (i) the amount
11 appropriated for the Fund for the State fiscal year ending in
12 calendar year 2003 or (ii) the minimum funding requirement, as
13 defined below, for that fiscal year (calculated without regard
14 to any contribution of the State to or for the benefit of the
15 Fund under this subsection (c)).

16 (d) Beginning in the State fiscal year ending in 2006, on
17 the 15th day of each month, or as soon after that date as is
18 practicable, the Board shall submit vouchers for payment of
19 State contributions to the Fund, in a monthly amount of
20 one-twelfth of the required annual State contribution under
21 subsection (c) of this Section. If that required annual
22 contribution changes during the State fiscal year, the
23 remaining monthly amounts shall be adjusted in equal amounts so
24 that the total amount for which vouchers are submitted for the
25 year equals that required annual contribution. These vouchers
26 shall be paid by the State Comptroller and Treasurer by
27 warrants drawn on the funds appropriated to the Fund for that
28 fiscal year. If, in any month, the amount remaining unexpended
29 from all other State appropriations to the Fund for that State
30 fiscal year is less than the amount for which vouchers are
31 lawfully submitted under this Section, the difference shall be
32 paid under the continuing appropriation available for that
33 purpose pursuant to the Chicago Teacher Pension Fund Continuing
34 Appropriation Act.

1 (e) If the State does not make the contribution required by
2 subsections (c) and (d), then the Board of Education shall meet
3 the minimum funding requirement, as defined in subsection (f).

4 (f) For the purposes of this Section, "minimum funding
5 requirement" for any fiscal year means the minimum Board of
6 Education contribution to the Fund under Section 17-129
7 (calculated without regard to any contribution of the State to
8 or for the benefit of the Fund).

9 (g) The changes made to this Section or Section 17-129 by
10 this amendatory Act of the 94th General Assembly shall not be
11 construed, interpreted, or otherwise viewed to imply an
12 authorization, desire, or intent to merge or in any other way
13 combine the Public School Teachers' Pension and Retirement Fund
14 of Chicago with any other pension fund.

15 (Source: P.A. 90-548, eff. 12-4-97; 90-566, eff. 1-2-98;
16 90-582, eff. 5-27-98; 90-655, eff. 7-30-98.)

17 (40 ILCS 5/17-129) (from Ch. 108 1/2, par. 17-129)

18 Sec. 17-129. Employer contributions; deficiency in Fund.

19 (a) If in any fiscal year of the Board of Education ending
20 prior to 1997 the total amounts paid to the Fund from the Board
21 of Education (other than under this subsection, and other than
22 amounts used for making or "picking up" contributions on behalf
23 of teachers) and from the State do not equal the total
24 contributions made by or on behalf of the teachers for such
25 year, or if the total income of the Fund in any such fiscal
26 year of the Board of Education from all sources is less than
27 the total such expenditures by the Fund for such year, the
28 Board of Education shall, in the next succeeding year, in
29 addition to any other payment to the Fund set apart and
30 appropriate from moneys from its tax levy for educational
31 purposes, a sum sufficient to remove such deficiency or
32 deficiencies, and promptly pay such sum into the Fund in order
33 to restore any of the reserves of the Fund that may have been

1 so temporarily applied. Any amounts received by the Fund after
2 December 4, 1997 from State appropriations, including under
3 Section 17-127, shall be a credit against and shall fully
4 satisfy any obligation that may have arisen, or be claimed to
5 have arisen, under this subsection (a) as a result of any
6 deficiency or deficiencies in the fiscal year of the Board of
7 Education ending in calendar year 1997.

8 (b) (i) For fiscal years 2011 through 2045, the minimum
9 contribution to the Fund to be made by the Board of Education
10 in each fiscal year shall be an amount determined by the Fund
11 to be sufficient, taking into account payments made and to be
12 made under Section 17-127.2, to bring the total assets of the
13 Fund up to 90% of the total actuarial liabilities of the Fund
14 by the end of fiscal year 2045. In making these determinations,
15 the required Board of Education contribution shall be
16 calculated each year as a level percentage of the applicable
17 employee payrolls over the years remaining to and including
18 fiscal year 2045 and shall be determined under the projected
19 unit credit actuarial cost method.

20 (ii) For fiscal years 1999 through 2010, the Board of
21 Education's contribution to the Fund, as a percentage of the
22 applicable employee payroll, shall be increased in equal annual
23 increments so that by fiscal year 2011, the Board of Education
24 is contributing at the rate required under this subsection.

25 (iii) Beginning in fiscal year 2046, the minimum Board of
26 Education contribution for each fiscal year shall be the amount
27 needed to maintain the total assets of the Fund at 90% of the
28 total actuarial liabilities of the Fund.

29 (iv) Notwithstanding the provisions of paragraphs (i),
30 (ii), and (iii) of this subsection (b) or Section 17-127.2, for
31 any fiscal year the contribution to the Fund from the Board of
32 Education shall not be required to be in excess of the amount
33 calculated as needed to maintain the assets (or cause the
34 assets to be) at the 90% level by the end of the fiscal year.

1 (v) Any contribution by the State to or for the benefit of
2 the Fund in a fiscal year, including, without limitation, any
3 contribution ~~as referred to~~ under Section 17-127, shall be a
4 credit against any contribution required to be made by the
5 Board of Education under this subsection (b).

6 (c) The Board shall determine the amount of Board of
7 Education contributions required for each fiscal year on the
8 basis of the actuarial tables and other assumptions adopted by
9 the Board and the recommendations of the actuary, in order to
10 meet the minimum contribution requirements of subsections (a)
11 and (b). Annually, on or before February 28, the Board shall
12 certify to the Board of Education the amount of the required
13 Board of Education contribution for the coming fiscal year. The
14 certification shall include a copy of the actuarial
15 recommendations upon which it is based.

16 (Source: P.A. 89-15, eff. 5-30-95; 90-548, eff. 12-4-97;
17 90-566, eff. 1-2-98; 90-655, eff. 7-30-98.)

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