



Rep. Kevin A. McCarthy

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1 AMENDMENT TO HOUSE BILL 1566

2 AMENDMENT NO. \_\_\_\_\_. Amend House Bill 1566 by replacing  
3 everything after the enacting clause with the following:

4 "Section 5. The Illinois Pension Code is amended by  
5 changing Sections 2-134, 14-135.08, 15-165, 16-158, and 18-140  
6 as follows:

7 (40 ILCS 5/2-134) (from Ch. 108 1/2, par. 2-134)

8 Sec. 2-134. To certify required State contributions and  
9 submit vouchers.

10 (a) The Board shall certify to the Governor on or before  
11 December 15 of each year the amount of the required State  
12 contribution to the System for the next fiscal year. The  
13 certification shall include a copy of the actuarial  
14 recommendations upon which it is based.

15 On or before May 1, 2004, the Board shall recalculate and  
16 recertify to the Governor the amount of the required State

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

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

10 On or before February 1, 2011, the Board shall recalculate  
11 and recertify to the Governor the amount of the required State  
12 contribution to the System for all of State fiscal year 2011,  
13 taking into account Public Act 96-889.

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

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

11 (c) The full amount of any annual appropriation for the  
12 System for State fiscal year 1995 shall be transferred and made  
13 available to the System at the beginning of that fiscal year at  
14 the request of the Board. Any excess funds remaining at the end  
15 of any fiscal year from appropriations shall be retained by the  
16 System as a general reserve to meet the System's accrued  
17 liabilities.

18 (Source: P.A. 94-4, eff. 6-1-05; 94-536, eff. 8-10-05; 95-331,  
19 eff. 8-21-07.)

20 (40 ILCS 5/14-135.08) (from Ch. 108 1/2, par. 14-135.08)

21 Sec. 14-135.08. To certify required State contributions.

22 (a) To certify to the Governor and to each department, on  
23 or before November 15 of each year, the required rate for State  
24 contributions to the System for the next State fiscal year, as  
25 determined under subsection (b) of Section 14-131. The

1 certification to the Governor shall include a copy of the  
2 actuarial recommendations upon which the rate is based.

3 (b) The certification shall include an additional amount  
4 necessary to pay all principal of and interest on those general  
5 obligation bonds due the next fiscal year authorized by Section  
6 7.2(a) of the General Obligation Bond Act and issued to provide  
7 the proceeds deposited by the State with the System in July  
8 2003, representing deposits other than amounts reserved under  
9 Section 7.2(c) of the General Obligation Bond Act. For State  
10 fiscal year 2005, the Board shall make a supplemental  
11 certification of the additional amount necessary to pay all  
12 principal of and interest on those general obligation bonds due  
13 in State fiscal years 2004 and 2005 authorized by Section  
14 7.2(a) of the General Obligation Bond Act and issued to provide  
15 the proceeds deposited by the State with the System in July  
16 2003, representing deposits other than amounts reserved under  
17 Section 7.2(c) of the General Obligation Bond Act, as soon as  
18 practical after the effective date of this amendatory Act of  
19 the 93rd General Assembly.

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

1           On or before July 1, 2005, the Board shall recalculate and  
2           recertify to the Governor and to each department the amount of  
3           the required State contribution to the System and the required  
4           rates for State contributions to the System for State fiscal  
5           year 2006, taking into account the changes in required State  
6           contributions made by this amendatory Act of the 94th General  
7           Assembly.

8           On or before February 1, 2011, the Board shall recalculate  
9           and recertify to the Governor the amount of the required State  
10           contribution to the System for all of State fiscal year 2011,  
11           taking into account Public Act 96-889.

12           (Source: P.A. 93-2, eff. 4-7-03; 93-839, eff. 7-30-04; 94-4,  
13           eff. 6-1-05.)

14           (40 ILCS 5/15-165)   (from Ch. 108 1/2, par. 15-165)

15           Sec. 15-165. To certify amounts and submit vouchers.

16           (a) The Board shall certify to the Governor on or before  
17           November 15 of each year the appropriation required from State  
18           funds for the purposes of this System for the following fiscal  
19           year. The certification shall include a copy of the actuarial  
20           recommendations upon which it is based.

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

1 Obligation Bond Act.

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

7 On or before February 1, 2011, the Board shall recalculate  
8 and recertify to the Governor the amount of the required State  
9 contribution to the System for all of State fiscal year 2011,  
10 taking into account Public Act 96-889.

11 (b) The Board shall certify to the State Comptroller or  
12 employer, as the case may be, from time to time, by its  
13 president and secretary, with its seal attached, the amounts  
14 payable to the System from the various funds.

15 (c) Beginning in State fiscal year 1996, on or as soon as  
16 possible after the 15th day of each month the Board shall  
17 submit vouchers for payment of State contributions to the  
18 System, in a total monthly amount of one-twelfth of the  
19 required annual State contribution certified under subsection  
20 (a). From the effective date of this amendatory Act of the 93rd  
21 General Assembly through June 30, 2004, the Board shall not  
22 submit vouchers for the remainder of fiscal year 2004 in excess  
23 of the fiscal year 2004 certified contribution amount  
24 determined under this Section after taking into consideration  
25 the transfer to the System under subsection (b) of Section  
26 6z-61 of the State Finance Act. These vouchers shall be paid by

1 the State Comptroller and Treasurer by warrants drawn on the  
2 funds appropriated to the System for that fiscal year.

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

12 (d) So long as the payments received are the full amount  
13 lawfully vouchered under this Section, payments received by the  
14 System under this Section shall be applied first toward the  
15 employer contribution to the self-managed plan established  
16 under Section 15-158.2. Payments shall be applied second toward  
17 the employer's portion of the normal costs of the System, as  
18 defined in subsection (f) of Section 15-155. The balance shall  
19 be applied toward the unfunded actuarial liabilities of the  
20 System.

21 (e) In the event that the System does not receive, as a  
22 result of legislative enactment or otherwise, payments  
23 sufficient to fully fund the employer contribution to the  
24 self-managed plan established under Section 15-158.2 and to  
25 fully fund that portion of the employer's portion of the normal  
26 costs of the System, as calculated in accordance with Section

1 15-155(a-1), then any payments received shall be applied  
2 proportionately to the optional retirement program established  
3 under Section 15-158.2 and to the employer's portion of the  
4 normal costs of the System, as calculated in accordance with  
5 Section 15-155(a-1).

6 (Source: P.A. 93-2, eff. 4-7-03; 93-665, eff. 3-5-04; 94-4,  
7 eff. 6-1-05.)

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

9 Sec. 16-158. Contributions by State and other employing  
10 units.

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

18 The Board shall determine the amount of State contributions  
19 required for each fiscal year on the basis of the actuarial  
20 tables and other assumptions adopted by the Board and the  
21 recommendations of the actuary, using the formula in subsection  
22 (b-3).

23 (a-1) Annually, on or before November 15, the Board shall  
24 certify to the Governor the amount of the required State  
25 contribution for the coming fiscal year. The certification



1 shall include a copy of the actuarial recommendations upon  
2 which it is based.

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

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

14 On or before February 1, 2011, the Board shall recalculate  
15 and recertify to the Governor the amount of the required State  
16 contribution to the System for all of State fiscal year 2011,  
17 taking into account Public Act 96-889.

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

21 (b-1) Beginning in State fiscal year 1996, on the 15th day  
22 of each month, or as soon thereafter as may be practicable, the  
23 Board shall submit vouchers for payment of State contributions  
24 to the System, in a total monthly amount of one-twelfth of the  
25 required annual State contribution certified under subsection  
26 (a-1). From the effective date of this amendatory Act of the

1 93rd General Assembly through June 30, 2004, the Board shall  
2 not submit vouchers for the remainder of fiscal year 2004 in  
3 excess of the fiscal year 2004 certified contribution amount  
4 determined under this Section after taking into consideration  
5 the transfer to the System under subsection (a) of Section  
6 6z-61 of the State Finance Act. These vouchers shall be paid by  
7 the State Comptroller and Treasurer by warrants drawn on the  
8 funds appropriated to the System for that fiscal year.

9 If in any month the amount remaining unexpended from all  
10 other appropriations to the System for the applicable fiscal  
11 year (including the appropriations to the System under Section  
12 8.12 of the State Finance Act and Section 1 of the State  
13 Pension Funds Continuing Appropriation Act) is less than the  
14 amount lawfully vouchered under this subsection, the  
15 difference shall be paid from the Common School Fund under the  
16 continuing appropriation authority provided in Section 1.1 of  
17 the State Pension Funds Continuing Appropriation Act.

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

21 (b-3) For State fiscal years 2011 through 2045, the minimum  
22 contribution to the System to be made by the State for each  
23 fiscal year shall be an amount determined by the System to be  
24 sufficient to bring the total assets of the System up to 90% of  
25 the total actuarial liabilities of the System by the end of  
26 State fiscal year 2045. In making these determinations, the

1 required State contribution shall be calculated each year as a  
2 level percentage of payroll over the years remaining to and  
3 including fiscal year 2045 and shall be determined under the  
4 projected unit credit actuarial cost method.

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 increments  
8 so that by State fiscal year 2011, the State is contributing at  
9 the rate required under this Section; except that in the  
10 following specified State fiscal years, the State contribution  
11 to the System shall not be less than the following indicated  
12 percentages of the applicable employee payroll, even if the  
13 indicated percentage will produce a State contribution in  
14 excess of the amount otherwise required under this subsection  
15 and subsection (a), and notwithstanding any contrary  
16 certification made under subsection (a-1) before the effective  
17 date of this amendatory Act of 1998: 10.02% in FY 1999; 10.77%  
18 in FY 2000; 11.47% in FY 2001; 12.16% in FY 2002; 12.86% in FY  
19 2003; and 13.56% in FY 2004.

20 Notwithstanding any other provision of this Article, the  
21 total required State contribution for State fiscal year 2006 is  
22 \$534,627,700.

23 Notwithstanding any other provision of this Article, the  
24 total required State contribution for State fiscal year 2007 is  
25 \$738,014,500.

26 For each of State fiscal years 2008 through 2009, the State

1 contribution to the System, as a percentage of the applicable  
2 employee payroll, shall be increased in equal annual increments  
3 from the required State contribution for State fiscal year  
4 2007, so that by State fiscal year 2011, the State is  
5 contributing at the rate otherwise required under this Section.

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

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

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

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

5 Notwithstanding any other provision of this Section, the  
6 required State contribution for State fiscal year 2005 and for  
7 fiscal year 2008 and each fiscal year thereafter, as calculated  
8 under this Section and certified under subsection (a-1), shall  
9 not exceed an amount equal to (i) the amount of the required  
10 State contribution that would have been calculated under this  
11 Section for that fiscal year if the System had not received any  
12 payments under subsection (d) of Section 7.2 of the General  
13 Obligation Bond Act, minus (ii) the portion of the State's  
14 total debt service payments for that fiscal year on the bonds  
15 issued for the purposes of that Section 7.2, as determined and  
16 certified by the Comptroller, that is the same as the System's  
17 portion of the total moneys distributed under subsection (d) of  
18 Section 7.2 of the General Obligation Bond Act. In determining  
19 this maximum for State fiscal years 2008 through 2010, however,  
20 the 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 for the purposes of Section 7.2  
26 of the General Obligation Bond Act, so that, by State fiscal

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

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

8 If members are paid from special trust or federal funds  
9 which are administered by the employing unit, whether school  
10 district or other unit, the employing unit shall pay to the  
11 System from such funds the full accruing retirement costs based  
12 upon that service, as determined by the System. Employer  
13 contributions, based on salary paid to members from federal  
14 funds, may be forwarded by the distributing agency of the State  
15 of Illinois to the System prior to allocation, in an amount  
16 determined in accordance with guidelines established by such  
17 agency and the System.

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

25 However, with respect to benefits granted under Section  
26 16-133.4 or 16-133.5 to a teacher as defined in paragraph (8)

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

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

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

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

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

25 These employer contributions are intended to offset a  
26 portion of the cost to the System of the increases in

1 retirement benefits resulting from this amendatory Act of 1998.

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

9 The additional 1% employee contribution required under  
10 Section 16-152 by this amendatory Act of 1998 is the  
11 responsibility of the teacher and not the teacher's employer,  
12 unless the employer agrees, through collective bargaining or  
13 otherwise, to make the contribution on behalf of the teacher.

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

26 (f) If the amount of a teacher's salary for any school year



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

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

1 shall specify the calculations used to determine the amount  
2 due. If the employer disputes the amount of the bill, it may,  
3 within 30 days after receipt of the bill, apply to the System  
4 in writing for a recalculation. The application must specify in  
5 detail the grounds of the dispute and, if the employer asserts  
6 that the calculation is subject to subsection (g) or (h) of  
7 this Section, must include an affidavit setting forth and  
8 attesting to all facts within the employer's knowledge that are  
9 pertinent to the applicability of that subsection. Upon  
10 receiving a timely application for recalculation, the System  
11 shall review the application and, if appropriate, recalculate  
12 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 paid  
16 within 90 days after receipt of the bill, then interest will be  
17 charged at a rate equal to the System's annual actuarially  
18 assumed rate of return on investment compounded annually from  
19 the 91st day after receipt of the bill. Payments must be  
20 concluded within 3 years after the employer's receipt of the  
21 bill.

22 (g) This subsection (g) applies only to payments made or  
23 salary increases given on or after June 1, 2005 but before July  
24 1, 2011. The changes made by Public Act 94-1057 shall not  
25 require the System to refund any payments received before July  
26 31, 2006 (the effective date of Public Act 94-1057).

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

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

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

19           When assessing payment for any amount due under subsection  
20 (f), the System shall exclude a salary increase resulting from  
21 a promotion (i) for which the employee is required to hold a  
22 certificate or supervisory endorsement issued by the State  
23 Teacher Certification Board that is a different certification  
24 or supervisory endorsement than is required for the teacher's  
25 previous position and (ii) to a position that has existed and  
26 been filled by a member for no less than one complete academic

1 year and the salary increase from the promotion is an increase  
2 that results in an amount no greater than the lesser of the  
3 average salary paid for other similar positions in the district  
4 requiring the same certification or the amount stipulated in  
5 the collective bargaining agreement for a similar position  
6 requiring the same certification.

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

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

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

26 (1) The number of recalculations required by the

1 changes made to this Section by Public Act 94-1057 for each  
2 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 (j) For purposes of determining the required State  
13 contribution to the System, the value of the System's assets  
14 shall be equal to the actuarial value of the System's assets,  
15 which shall be calculated as follows:

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

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

1 (Source: P.A. 95-331, eff. 8-21-07; 95-950, eff. 8-29-08;  
2 96-43, eff. 7-15-09.)

3 (40 ILCS 5/18-140) (from Ch. 108 1/2, par. 18-140)  
4 Sec. 18-140. To certify required State contributions and  
5 submit vouchers.

6 (a) The Board shall certify to the Governor, on or before  
7 November 15 of each year, the amount of the required State  
8 contribution to the System for the following fiscal year. The  
9 certification shall include a copy of the actuarial  
10 recommendations upon which it is based.

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

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

22 On or before February 1, 2011, the Board shall recalculate  
23 and recertify to the Governor the amount of the required State  
24 contribution to the System for all of State fiscal year 2011,  
25 taking into account Public Act 96-889.

1 (b) Beginning in State fiscal year 1996, on or as soon as  
2 possible after the 15th day of each month the Board shall  
3 submit vouchers for payment of State contributions to the  
4 System, in a total monthly amount of one-twelfth of the  
5 required annual State contribution certified under subsection  
6 (a). From the effective date of this amendatory Act of the 93rd  
7 General Assembly through June 30, 2004, the Board shall not  
8 submit vouchers for the remainder of fiscal year 2004 in excess  
9 of the fiscal year 2004 certified contribution amount  
10 determined under this Section after taking into consideration  
11 the transfer to the System under subsection (c) of Section  
12 6z-61 of the State Finance Act. These vouchers shall be paid by  
13 the State Comptroller and Treasurer by warrants drawn on the  
14 funds appropriated to the System for 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 (Source: P.A. 93-2, eff. 4-7-03; 93-665, eff. 3-5-04; 94-4,  
25 eff. 6-1-05.)

1           Section 99. Effective date. This Act takes effect upon  
2 becoming law.".