

1 AN ACT concerning finance.

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

4 ARTICLE 5.

5 Section 3. The State Finance Act is amended by changing
6 Section 14.1 as follows:

7 (30 ILCS 105/14.1) (from Ch. 127, par. 150.1)

8 Sec. 14.1. Appropriations for State contributions to the
9 State Employees' Retirement System; payroll requirements.

10 (a) Appropriations for State contributions to the State
11 Employees' Retirement System of Illinois shall be expended in
12 the manner provided in this Section. Except as otherwise
13 provided in subsections (a-1) and (a-2), at the time of each
14 payment of salary to an employee under the personal services
15 line item, payment shall be made to the State Employees'
16 Retirement System, from the amount appropriated for State
17 contributions to the State Employees' Retirement System, of an
18 amount calculated at the rate certified for the applicable
19 fiscal year by the Board of Trustees of the State Employees'
20 Retirement System under Section 14-135.08 of the Illinois
21 Pension Code. If a line item appropriation to an employer for
22 this purpose is exhausted or is unavailable due to any

1 limitation on appropriations that may apply, (including, but
2 not limited to, limitations on appropriations from the Road
3 Fund under Section 8.3 of the State Finance Act), the amounts
4 shall be paid under the continuing appropriation for this
5 purpose contained in the State Pension Funds Continuing
6 Appropriation Act.

7 (a-1) Beginning on the effective date of this amendatory
8 Act of the 93rd General Assembly through the payment of the
9 final payroll from fiscal year 2004 appropriations,
10 appropriations for State contributions to the State Employees'
11 Retirement System of Illinois shall be expended in the manner
12 provided in this subsection (a-1). At the time of each payment
13 of salary to an employee under the personal services line item
14 from a fund other than the General Revenue Fund, payment shall
15 be made for deposit into the General Revenue Fund from the
16 amount appropriated for State contributions to the State
17 Employees' Retirement System of an amount calculated at the
18 rate certified for fiscal year 2004 by the Board of Trustees of
19 the State Employees' Retirement System under Section 14-135.08
20 of the Illinois Pension Code. This payment shall be made to the
21 extent that a line item appropriation to an employer for this
22 purpose is available or unexhausted. No payment from
23 appropriations for State contributions shall be made in
24 conjunction with payment of salary to an employee under the
25 personal services line item from the General Revenue Fund.

26 (a-2) For fiscal year 2010 only, at the time of each

1 payment of salary to an employee under the personal services
2 line item from a fund other than the General Revenue Fund,
3 payment shall be made for deposit into the State Employees'
4 Retirement System of Illinois from the amount appropriated for
5 State contributions to the State Employees' Retirement System
6 of Illinois of an amount calculated at the rate certified for
7 fiscal year 2010 by the Board of Trustees of the State
8 Employees' Retirement System of Illinois under Section
9 14-135.08 of the Illinois Pension Code. This payment shall be
10 made to the extent that a line item appropriation to an
11 employer for this purpose is available or unexhausted. For
12 fiscal year 2010 only, no payment from appropriations for State
13 contributions shall be made in conjunction with payment of
14 salary to an employee under the personal services line item
15 from the General Revenue Fund.

16 (a-3) For fiscal year 2011 only, at the time of each
17 payment of salary to an employee under the personal services
18 line item from a fund other than the General Revenue Fund,
19 payment shall be made for deposit into the State Employees'
20 Retirement System of Illinois from the amount appropriated for
21 State contributions to the State Employees' Retirement System
22 of Illinois of an amount calculated at the rate certified for
23 fiscal year 2011 by the Board of Trustees of the State
24 Employees' Retirement System of Illinois under Section
25 14-135.08 of the Illinois Pension Code. This payment shall be
26 made to the extent that a line item appropriation to an

1 employer for this purpose is available or unexhausted. For
2 fiscal year 2011 only, no payment from appropriations for State
3 contributions shall be made in conjunction with payment of
4 salary to an employee under the personal services line item
5 from the General Revenue Fund.

6 (b) Except during the period beginning on the effective
7 date of this amendatory Act of the 93rd General Assembly and
8 ending at the time of the payment of the final payroll from
9 fiscal year 2004 appropriations, the State Comptroller shall
10 not approve for payment any payroll voucher that (1) includes
11 payments of salary to eligible employees in the State
12 Employees' Retirement System of Illinois and (2) does not
13 include the corresponding payment of State contributions to
14 that retirement system at the full rate certified under Section
15 14-135.08 for that fiscal year for eligible employees, unless
16 the balance in the fund on which the payroll voucher is drawn
17 is insufficient to pay the total payroll voucher, or
18 unavailable due to any limitation on appropriations that may
19 apply, including, but not limited to, limitations on
20 appropriations from the Road Fund under Section 8.3 of the
21 State Finance Act. If the State Comptroller approves a payroll
22 voucher under this Section for which the fund balance is
23 insufficient to pay the full amount of the required State
24 contribution to the State Employees' Retirement System, the
25 Comptroller shall promptly so notify the Retirement System.

26 (b-1) For fiscal year 2010 and fiscal year 2011 only, the

1 State Comptroller shall not approve for payment any non-General
2 Revenue Fund payroll voucher that (1) includes payments of
3 salary to eligible employees in the State Employees' Retirement
4 System of Illinois and (2) does not include the corresponding
5 payment of State contributions to that retirement system at the
6 full rate certified under Section 14-135.08 for that fiscal
7 year for eligible employees, unless the balance in the fund on
8 which the payroll voucher is drawn is insufficient to pay the
9 total payroll voucher, or unavailable due to any limitation on
10 appropriations that may apply, including, but not limited to,
11 limitations on appropriations from the Road Fund under Section
12 8.3 of the State Finance Act. If the State Comptroller approves
13 a payroll voucher under this Section for which the fund balance
14 is insufficient to pay the full amount of the required State
15 contribution to the State Employees' Retirement System of
16 Illinois, the Comptroller shall promptly so notify the
17 retirement system.

18 (c) Notwithstanding any other provisions of law, beginning
19 July 1, 2007, required State and employee contributions to the
20 State Employees' Retirement System of Illinois relating to
21 affected legislative staff employees shall be paid out of
22 moneys appropriated for that purpose to the Commission on
23 Government Forecasting and Accountability, rather than out of
24 the lump-sum appropriations otherwise made for the payroll and
25 other costs of those employees.

26 These payments must be made pursuant to payroll vouchers

1 submitted by the employing entity as part of the regular
2 payroll voucher process.

3 For the purpose of this subsection, "affected legislative
4 staff employees" means legislative staff employees paid out of
5 lump-sum appropriations made to the General Assembly, an
6 Officer of the General Assembly, or the Senate Operations
7 Commission, but does not include district-office staff or
8 employees of legislative support services agencies.

9 (Source: P.A. 95-707, eff. 1-11-08; 96-45, eff. 7-15-09.)

10 Section 5. The General Obligation Bond Act is amended by
11 changing Sections 2, 2.5, 7.2, 9, 11, and 15 as follows:

12 (30 ILCS 330/2) (from Ch. 127, par. 652)

13 Sec. 2. Authorization for Bonds. The State of Illinois is
14 authorized to issue, sell and provide for the retirement of
15 General Obligation Bonds of the State of Illinois for the
16 categories and specific purposes expressed in Sections 2
17 through 8 of this Act, in the total amount of \$41,314,125,743
18 ~~\$37,217,777,443~~.

19 The bonds authorized in this Section 2 and in Section 16 of
20 this Act are herein called "Bonds".

21 Of the total amount of Bonds authorized in this Act, up to
22 \$2,200,000,000 in aggregate original principal amount may be
23 issued and sold in accordance with the Baccalaureate Savings
24 Act in the form of General Obligation College Savings Bonds.

1 Of the total amount of Bonds authorized in this Act, up to
2 \$300,000,000 in aggregate original principal amount may be
3 issued and sold in accordance with the Retirement Savings Act
4 in the form of General Obligation Retirement Savings Bonds.

5 Of the total amount of Bonds authorized in this Act, the
6 additional \$10,000,000,000 authorized by Public Act 93-2, ~~and~~
7 the \$3,466,000,000 authorized by Public Act 96-43, and the
8 \$4,096,348,300 authorized by this amendatory Act of the 96th
9 General Assembly shall be used solely as provided in Section
10 7.2.

11 The issuance and sale of Bonds pursuant to the General
12 Obligation Bond Act is an economical and efficient method of
13 financing the long-term capital needs of the State. This Act
14 will permit the issuance of a multi-purpose General Obligation
15 Bond with uniform terms and features. This will not only lower
16 the cost of registration but also reduce the overall cost of
17 issuing debt by improving the marketability of Illinois General
18 Obligation Bonds.

19 (Source: P.A. 95-1026, eff. 1-12-09; 96-5, eff. 4-3-09; 96-36,
20 eff. 7-13-09; 96-43, eff. 7-15-09; 96-885, eff. 3-11-10.)

21 (30 ILCS 330/2.5)

22 Sec. 2.5. Limitation on issuance of Bonds.

23 (a) Except as provided in subsection (b), no Bonds may be
24 issued if, after the issuance, in the next State fiscal year
25 after the issuance of the Bonds, the amount of debt service

1 (including principal, whether payable at maturity or pursuant
2 to mandatory sinking fund installments, and interest) on all
3 then-outstanding Bonds, other than Bonds authorized by Public
4 Act 96-43 and other than Bonds authorized by this amendatory
5 Act of the 96th General Assembly ~~this amendatory Act of the~~
6 ~~96th General Assembly~~, would exceed 7% of the aggregate
7 appropriations from the general funds (which consist of the
8 General Revenue Fund, the Common School Fund, the General
9 Revenue Common School Special Account Fund, and the Education
10 Assistance Fund) and the Road Fund for the fiscal year
11 immediately prior to the fiscal year of the issuance.

12 (b) If the Comptroller and Treasurer each consent in
13 writing, Bonds may be issued even if the issuance does not
14 comply with subsection (a).

15 (Source: P.A. 96-43, eff. 7-15-09.)

16 (30 ILCS 330/7.2)

17 Sec. 7.2. State pension funding.

18 (a) The amount of \$10,000,000,000 is authorized to be used
19 for the purpose of making contributions to the designated
20 retirement systems. For the purposes of this Section,
21 "designated retirement systems" means the State Employees'
22 Retirement System of Illinois; the Teachers' Retirement System
23 of the State of Illinois; the State Universities Retirement
24 System; the Judges Retirement System of Illinois; and the
25 General Assembly Retirement System.

1 The amount of \$3,466,000,000 of Bonds authorized by Public
2 Act 96-43 ~~this amendatory Act of the 96th General Assembly~~ is
3 authorized to be used for the purpose of making a portion of
4 the State's Fiscal Year 2010 required contributions to the
5 designated retirement systems.

6 The amount of \$4,096,348,300 of Bonds authorized by this
7 amendatory Act of the 96th General Assembly is authorized to be
8 used for the purpose of making a portion of the State's Fiscal
9 Year 2011 required contributions to the designated retirement
10 systems.

11 (b) The Pension Contribution Fund is created as a special
12 fund in the State Treasury.

13 The proceeds of the additional \$10,000,000,000 of Bonds
14 authorized by Public Act 93-2, less the amounts authorized in
15 the Bond Sale Order to be deposited directly into the
16 capitalized interest account of the General Obligation Bond
17 Retirement and Interest Fund or otherwise directly paid out for
18 bond sale expenses under Section 8, shall be deposited into the
19 Pension Contribution Fund and used as provided in this Section.

20 The proceeds of the additional \$3,466,000,000 of Bonds
21 authorized by Public Act 96-43 ~~this amendatory Act of the 96th~~
22 ~~General Assembly~~, less the amounts directly paid out for bond
23 sale expenses under Section 8, shall be deposited into the
24 Pension Contribution Fund, and the Comptroller and the
25 Treasurer shall, as soon as practical, (i) first, transfer from
26 the Pension Contribution Fund to the General Revenue Fund or

1 Common School Fund an amount equal to the amount of payments,
2 if any, made to the designated retirement systems from the
3 General Revenue Fund or Common School Fund in State fiscal year
4 2010 and (ii) second, make transfers from the Pension
5 Contribution Fund to the designated retirement systems
6 pursuant to Sections 2-124, 14-131, 15-155, 16-158, and 18-131
7 of the Illinois Pension Code.

8 The proceeds of the additional \$4,096,348,300 of Bonds
9 authorized by this amendatory Act of the 96th General Assembly,
10 less the amounts directly paid out for bond sale expenses under
11 Section 8, shall be deposited into the Pension Contribution
12 Fund, and the Comptroller and the Treasurer shall, as soon as
13 practical, (i) first, transfer from the Pension Contribution
14 Fund to the General Revenue Fund or Common School Fund an
15 amount equal to the amount of payments, if any, made to the
16 designated retirement systems from the General Revenue Fund or
17 Common School Fund in State fiscal year 2011 and (ii) second,
18 make transfers from the Pension Contribution Fund to the
19 designated retirement systems pursuant to Sections 2-124,
20 14-131, 15-155, 16-158, and 18-131 of the Illinois Pension
21 Code.

22 (c) Of the amount of Bond proceeds from the bond sale
23 authorized by Public Act 93-2 first deposited into the Pension
24 Contribution Fund, there shall be reserved for transfers under
25 this subsection the sum of \$300,000,000, representing the
26 required State contributions to the designated retirement

1 systems for the last quarter of State fiscal year 2003, plus
2 the sum of \$1,860,000,000, representing the required State
3 contributions to the designated retirement systems for State
4 fiscal year 2004.

5 Upon the deposit of sufficient moneys from the bond sale
6 authorized by Public Act 93-2 into the Pension Contribution
7 Fund, the Comptroller and Treasurer shall immediately transfer
8 the sum of \$300,000,000 from the Pension Contribution Fund to
9 the General Revenue Fund.

10 Whenever any payment of required State contributions for
11 State fiscal year 2004 is made to one of the designated
12 retirement systems, the Comptroller and Treasurer shall, as
13 soon as practicable, transfer from the Pension Contribution
14 Fund to the General Revenue Fund an amount equal to the amount
15 of that payment to the designated retirement system. Beginning
16 on the effective date of this amendatory Act of the 93rd
17 General Assembly, the transfers from the Pension Contribution
18 Fund to the General Revenue Fund shall be suspended until June
19 30, 2004, and the remaining balance in the Pension Contribution
20 Fund shall be transferred directly to the designated retirement
21 systems as provided in Section 6z-61 of the State Finance Act.
22 On and after July 1, 2004, in the event that any amount is on
23 deposit in the Pension Contribution Fund from time to time, the
24 Comptroller and Treasurer shall continue to make such transfers
25 based on fiscal year 2005 payments until the entire amount on
26 deposit has been transferred.

1 (d) All amounts deposited into the Pension Contribution
2 Fund, other than the amounts reserved for the transfers under
3 subsection (c) from the bond sale authorized by Public Act
4 93-2, ~~and~~ other than amounts deposited into the Pension
5 Contribution Fund from the bond sale authorized by Public Act
6 96-43 and other than amounts deposited into the Pension
7 Contribution Fund from the bond sale authorized by this
8 amendatory Act of the 96th General Assembly ~~this amendatory Act~~
9 ~~of the 96th General Assembly~~, shall be appropriated to the
10 designated retirement systems to reduce their actuarial
11 reserve deficiencies. The amount of the appropriation to each
12 designated retirement system shall constitute a portion of the
13 total appropriation under this subsection that is the same as
14 that retirement system's portion of the total actuarial reserve
15 deficiency of the systems, as most recently determined by the
16 Governor's Office of Management and Budget under Section 8.12
17 of the State Finance Act.

18 With respect to proceeds from the bond sale authorized by
19 Public Act 93-2 only, within 15 days after any Bond proceeds in
20 excess of the amounts initially reserved under subsection (c)
21 are deposited into the Pension Contribution Fund, the
22 Governor's Office of Management and Budget shall (i) allocate
23 those proceeds among the designated retirement systems in
24 proportion to their respective actuarial reserve deficiencies,
25 as most recently determined under Section 8.12 of the State
26 Finance Act, and (ii) certify those allocations to the

1 designated retirement systems and the Comptroller.

2 Upon receiving certification of an allocation under this
3 subsection, a designated retirement system shall submit to the
4 Comptroller a voucher for the amount of its allocation. The
5 voucher shall be paid out of the amount appropriated to that
6 designated retirement system from the Pension Contribution
7 Fund pursuant to this subsection.

8 (Source: P.A. 96-43, eff. 7-15-09.)

9 (30 ILCS 330/9) (from Ch. 127, par. 659)

10 Sec. 9. Conditions for Issuance and Sale of Bonds -
11 Requirements for Bonds.

12 (a) Except as otherwise provided in this subsection, Bonds
13 shall be issued and sold from time to time, in one or more
14 series, in such amounts and at such prices as may be directed
15 by the Governor, upon recommendation by the Director of the
16 Governor's Office of Management and Budget. Bonds shall be in
17 such form (either coupon, registered or book entry), in such
18 denominations, payable within 25 years from their date, subject
19 to such terms of redemption with or without premium, bear
20 interest payable at such times and at such fixed or variable
21 rate or rates, and be dated as shall be fixed and determined by
22 the Director of the Governor's Office of Management and Budget
23 in the order authorizing the issuance and sale of any series of
24 Bonds, which order shall be approved by the Governor and is
25 herein called a "Bond Sale Order"; provided however, that

1 interest payable at fixed or variable rates shall not exceed
2 that permitted in the Bond Authorization Act, as now or
3 hereafter amended. Bonds shall be payable at such place or
4 places, within or without the State of Illinois, and may be
5 made registrable as to either principal or as to both principal
6 and interest, as shall be specified in the Bond Sale Order.
7 Bonds may be callable or subject to purchase and retirement or
8 tender and remarketing as fixed and determined in the Bond Sale
9 Order. Bonds, other than Bonds issued under Section 3 of this
10 Act for the costs associated with the purchase and
11 implementation of information technology, (i) except for
12 refunding Bonds satisfying the requirements of Section 16 of
13 this Act and sold during fiscal year 2009, 2010, or 2011, must
14 be issued with principal or mandatory redemption amounts in
15 equal amounts, with the first maturity issued occurring within
16 the fiscal year in which the Bonds are issued or within the
17 next succeeding fiscal year and (ii) must mature or be subject
18 to mandatory redemption each fiscal year thereafter up to 25
19 years, except for refunding Bonds satisfying the requirements
20 of Section 16 of this Act and sold during fiscal year 2009,
21 2010, or 2011 which must mature or be subject to mandatory
22 redemption each fiscal year thereafter up to 16 years. Bonds
23 issued under Section 3 of this Act for the costs associated
24 with the purchase and implementation of information technology
25 must be issued with principal or mandatory redemption amounts
26 in equal amounts, with the first maturity issued occurring with

1 the fiscal year in which the respective bonds are issued or
 2 with the next succeeding fiscal year, with the respective bonds
 3 issued maturing or subject to mandatory redemption each fiscal
 4 year thereafter up to 10 years. Notwithstanding any provision
 5 of this Act to the contrary, the Bonds authorized by Public Act
 6 96-43 shall be payable within 5 years from their date and must
 7 be issued with principal or mandatory redemption amounts in
 8 equal amounts, with payment of principal or mandatory
 9 redemption beginning in the first fiscal year following the
 10 fiscal year in which the Bonds are issued.

11 Notwithstanding any provision of this Act to the contrary,
 12 the Bonds authorized by this amendatory Act of the 96th General
 13 Assembly shall be payable within 8 years from their date and
 14 shall be issued with payment of maturing principal or scheduled
 15 mandatory redemptions in accordance with the following
 16 schedule, except the following amounts shall be prorated if
 17 less than the total additional amount of Bonds authorized by
 18 this amendatory Act of the 96th General Assembly are issued:

<u>Fiscal Year After Issuance</u>	<u>Amount</u>
<u>1-2</u>	<u>\$0</u>
<u>3</u>	<u>\$110,712,120</u>
<u>4</u>	<u>\$332,136,360</u>
<u>5</u>	<u>\$664,272,720</u>
<u>6-8</u>	<u>\$996,409,080</u>

25 In the case of any series of Bonds bearing interest at a
 26 variable interest rate ("Variable Rate Bonds"), in lieu of

1 determining the rate or rates at which such series of Variable
2 Rate Bonds shall bear interest and the price or prices at which
3 such Variable Rate Bonds shall be initially sold or remarketed
4 (in the event of purchase and subsequent resale), the Bond Sale
5 Order may provide that such interest rates and prices may vary
6 from time to time depending on criteria established in such
7 Bond Sale Order, which criteria may include, without
8 limitation, references to indices or variations in interest
9 rates as may, in the judgment of a remarketing agent, be
10 necessary to cause Variable Rate Bonds of such series to be
11 remarketable from time to time at a price equal to their
12 principal amount, and may provide for appointment of a bank,
13 trust company, investment bank, or other financial institution
14 to serve as remarketing agent in that connection. The Bond Sale
15 Order may provide that alternative interest rates or provisions
16 for establishing alternative interest rates, different
17 security or claim priorities, or different call or amortization
18 provisions will apply during such times as Variable Rate Bonds
19 of any series are held by a person providing credit or
20 liquidity enhancement arrangements for such Bonds as
21 authorized in subsection (b) of this Section. The Bond Sale
22 Order may also provide for such variable interest rates to be
23 established pursuant to a process generally known as an auction
24 rate process and may provide for appointment of one or more
25 financial institutions to serve as auction agents and
26 broker-dealers in connection with the establishment of such

1 interest rates and the sale and remarketing of such Bonds.

2 (b) In connection with the issuance of any series of Bonds,
3 the State may enter into arrangements to provide additional
4 security and liquidity for such Bonds, including, without
5 limitation, bond or interest rate insurance or letters of
6 credit, lines of credit, bond purchase contracts, or other
7 arrangements whereby funds are made available to retire or
8 purchase Bonds, thereby assuring the ability of owners of the
9 Bonds to sell or redeem their Bonds. The State may enter into
10 contracts and may agree to pay fees to persons providing such
11 arrangements, but only under circumstances where the Director
12 of the Governor's Office of Management and Budget certifies
13 that he or she reasonably expects the total interest paid or to
14 be paid on the Bonds, together with the fees for the
15 arrangements (being treated as if interest), would not, taken
16 together, cause the Bonds to bear interest, calculated to their
17 stated maturity, at a rate in excess of the rate that the Bonds
18 would bear in the absence of such arrangements.

19 The State may, with respect to Bonds issued or anticipated
20 to be issued, participate in and enter into arrangements with
21 respect to interest rate protection or exchange agreements,
22 guarantees, or financial futures contracts for the purpose of
23 limiting, reducing, or managing interest rate exposure. The
24 authority granted under this paragraph, however, shall not
25 increase the principal amount of Bonds authorized to be issued
26 by law. The arrangements may be executed and delivered by the

1 Director of the Governor's Office of Management and Budget on
2 behalf of the State. Net payments for such arrangements shall
3 constitute interest on the Bonds and shall be paid from the
4 General Obligation Bond Retirement and Interest Fund. The
5 Director of the Governor's Office of Management and Budget
6 shall at least annually certify to the Governor and the State
7 Comptroller his or her estimate of the amounts of such net
8 payments to be included in the calculation of interest required
9 to be paid by the State.

10 (c) Prior to the issuance of any Variable Rate Bonds
11 pursuant to subsection (a), the Director of the Governor's
12 Office of Management and Budget shall adopt an interest rate
13 risk management policy providing that the amount of the State's
14 variable rate exposure with respect to Bonds shall not exceed
15 20%. This policy shall remain in effect while any Bonds are
16 outstanding and the issuance of Bonds shall be subject to the
17 terms of such policy. The terms of this policy may be amended
18 from time to time by the Director of the Governor's Office of
19 Management and Budget but in no event shall any amendment cause
20 the permitted level of the State's variable rate exposure with
21 respect to Bonds to exceed 20%.

22 (d) "Build America Bonds" in this Section means Bonds
23 authorized by Section 54AA of the Internal Revenue Code of
24 1986, as amended ("Internal Revenue Code"), and bonds issued
25 from time to time to refund or continue to refund "Build
26 America Bonds".

1 (e) Notwithstanding any other provision of this Section,
2 Qualified School Construction Bonds shall be issued and sold
3 from time to time, in one or more series, in such amounts and
4 at such prices as may be directed by the Governor, upon
5 recommendation by the Director of the Governor's Office of
6 Management and Budget. Qualified School Construction Bonds
7 shall be in such form (either coupon, registered or book
8 entry), in such denominations, payable within 25 years from
9 their date, subject to such terms of redemption with or without
10 premium, and if the Qualified School Construction Bonds are
11 issued with a supplemental coupon, bear interest payable at
12 such times and at such fixed or variable rate or rates, and be
13 dated as shall be fixed and determined by the Director of the
14 Governor's Office of Management and Budget in the order
15 authorizing the issuance and sale of any series of Qualified
16 School Construction Bonds, which order shall be approved by the
17 Governor and is herein called a "Bond Sale Order"; except that
18 interest payable at fixed or variable rates, if any, shall not
19 exceed that permitted in the Bond Authorization Act, as now or
20 hereafter amended. Qualified School Construction Bonds shall
21 be payable at such place or places, within or without the State
22 of Illinois, and may be made registrable as to either principal
23 or as to both principal and interest, as shall be specified in
24 the Bond Sale Order. Qualified School Construction Bonds may be
25 callable or subject to purchase and retirement or tender and
26 remarketing as fixed and determined in the Bond Sale Order.

1 Qualified School Construction Bonds must be issued with
2 principal or mandatory redemption amounts or sinking fund
3 payments into the General Obligation Bond Retirement and
4 Interest Fund (or subaccount therefor) in equal amounts, with
5 the first maturity issued, mandatory redemption payment or
6 sinking fund payment occurring within the fiscal year in which
7 the Qualified School Construction Bonds are issued or within
8 the next succeeding fiscal year, with Qualified School
9 Construction Bonds issued maturing or subject to mandatory
10 redemption or with sinking fund payments thereof deposited each
11 fiscal year thereafter up to 25 years. Sinking fund payments
12 set forth in this subsection shall be permitted only to the
13 extent authorized in Section 54F of the Internal Revenue Code
14 or as otherwise determined by the Director of the Governor's
15 Office of Management and Budget. "Qualified School
16 Construction Bonds" in this subsection means Bonds authorized
17 by Section 54F of the Internal Revenue Code and for bonds
18 issued from time to time to refund or continue to refund such
19 "Qualified School Construction Bonds".

20 (Source: P.A. 96-18, eff. 6-26-09; 96-37, eff. 7-13-09; 96-43,
21 eff. 7-15-09; 96-828, eff. 12-2-09.)

22 (30 ILCS 330/11) (from Ch. 127, par. 661)

23 Sec. 11. Sale of Bonds. Except as otherwise provided in
24 this Section, Bonds shall be sold from time to time pursuant to
25 notice of sale and public bid or by negotiated sale in such

1 amounts and at such times as is directed by the Governor, upon
2 recommendation by the Director of the Governor's Office of
3 Management and Budget. At least 25%, based on total principal
4 amount, of all Bonds issued each fiscal year shall be sold
5 pursuant to notice of sale and public bid. At all times during
6 each fiscal year, no more than 75%, based on total principal
7 amount, of the Bonds issued each fiscal year, shall have been
8 sold by negotiated sale. Failure to satisfy the requirements in
9 the preceding 2 sentences shall not affect the validity of any
10 previously issued Bonds; provided that all Bonds authorized by
11 Public Act 96-43 and this amendatory Act of the 96th General
12 Assembly ~~this amendatory Act of the 96th General Assembly~~ shall
13 not be included in determining compliance for any fiscal year
14 with the requirements of the preceding 2 sentences; and further
15 provided that refunding Bonds satisfying the requirements of
16 Section 16 of this Act and sold during fiscal year 2009, 2010,
17 or 2011 shall not be subject to the requirements in the
18 preceding 2 sentences.

19 If any Bonds, including refunding Bonds, are to be sold by
20 negotiated sale, the Director of the Governor's Office of
21 Management and Budget shall comply with the competitive request
22 for proposal process set forth in the Illinois Procurement Code
23 and all other applicable requirements of that Code.

24 If Bonds are to be sold pursuant to notice of sale and
25 public bid, the Director of the Governor's Office of Management
26 and Budget shall, from time to time, as Bonds are to be sold,

1 advertise the sale of the Bonds in at least 2 daily newspapers,
2 one of which is published in the City of Springfield and one in
3 the City of Chicago. The sale of the Bonds shall also be
4 advertised in the volume of the Illinois Procurement Bulletin
5 that is published by the Department of Central Management
6 Services. Each of the advertisements for proposals shall be
7 published once at least 10 days prior to the date fixed for the
8 opening of the bids. The Director of the Governor's Office of
9 Management and Budget may reschedule the date of sale upon the
10 giving of such additional notice as the Director deems adequate
11 to inform prospective bidders of such change; provided,
12 however, that all other conditions of the sale shall continue
13 as originally advertised.

14 Executed Bonds shall, upon payment therefor, be delivered
15 to the purchaser, and the proceeds of Bonds shall be paid into
16 the State Treasury as directed by Section 12 of this Act.

17 (Source: P.A. 96-18, eff. 6-26-09; 96-43, eff. 7-15-09.)

18 (30 ILCS 330/15) (from Ch. 127, par. 665)

19 Sec. 15. Computation of Principal and Interest; transfers.

20 (a) Upon each delivery of Bonds authorized to be issued
21 under this Act, the Comptroller shall compute and certify to
22 the Treasurer the total amount of principal of, interest on,
23 and premium, if any, on Bonds issued that will be payable in
24 order to retire such Bonds, the amount of principal of,
25 interest on and premium, if any, on such Bonds that will be

1 payable on each payment date according to the tenor of such
2 Bonds during the then current and each succeeding fiscal year,
3 and the amount of sinking fund payments needed to be deposited
4 in connection with Qualified School Construction Bonds
5 authorized by subsection (e) of Section 9. With respect to the
6 interest payable on variable rate bonds, such certifications
7 shall be calculated at the maximum rate of interest that may be
8 payable during the fiscal year, after taking into account any
9 credits permitted in the related indenture or other instrument
10 against the amount of such interest required to be appropriated
11 for such period pursuant to subsection (c) of Section 14 of
12 this Act. With respect to the interest payable, such
13 certifications shall include the amounts certified by the
14 Director of the Governor's Office of Management and Budget
15 under subsection (b) of Section 9 of this Act.

16 On or before the last day of each month the State Treasurer
17 and Comptroller shall transfer from (1) the Road Fund with
18 respect to Bonds issued under paragraph (a) of Section 4 of
19 this Act or Bonds issued for the purpose of refunding such
20 bonds, and from (2) the General Revenue Fund, with respect to
21 all other Bonds issued under this Act, to the General
22 Obligation Bond Retirement and Interest Fund an amount
23 sufficient to pay the aggregate of the principal of, interest
24 on, and premium, if any, on Bonds payable, by their terms on
25 the next payment date divided by the number of full calendar
26 months between the date of such Bonds and the first such

1 payment date, and thereafter, divided by the number of months
2 between each succeeding payment date after the first. Such
3 computations and transfers shall be made for each series of
4 Bonds issued and delivered. Interest payable on variable rate
5 bonds shall be calculated at the maximum rate of interest that
6 may be payable for the relevant period, after taking into
7 account any credits permitted in the related indenture or other
8 instrument against the amount of such interest required to be
9 appropriated for such period pursuant to subsection (c) of
10 Section 14 of this Act. Computations of interest shall include
11 the amounts certified by the Director of the Governor's Office
12 of Management and Budget under subsection (b) of Section 9 of
13 this Act. Interest for which moneys have already been deposited
14 into the capitalized interest account within the General
15 Obligation Bond Retirement and Interest Fund shall not be
16 included in the calculation of the amounts to be transferred
17 under this subsection. Notwithstanding any other provision in
18 this Section, the transfer provisions provided in this
19 paragraph shall not apply to transfers made in fiscal year 2010
20 or fiscal year 2011 with respect to Bonds issued in fiscal year
21 2010 or fiscal year 2011 pursuant to Section 7.2 of this Act.
22 In the case of transfers made in fiscal year 2010 or fiscal
23 year 2011 with respect to the Bonds issued in fiscal year 2010
24 or fiscal year 2011 pursuant to Section 7.2 of this Act, on or
25 before the 15th day of the month prior to the required debt
26 service payment, the State Treasurer and Comptroller shall

1 transfer from the General Revenue Fund to the General
2 Obligation Bond Retirement and Interest Fund an amount
3 sufficient to pay the aggregate of the principal of, interest
4 on, and premium, if any, on the Bonds payable in that next
5 month.

6 The transfer of monies herein and above directed is not
7 required if monies in the General Obligation Bond Retirement
8 and Interest Fund are more than the amount otherwise to be
9 transferred as herein above provided, and if the Governor or
10 his authorized representative notifies the State Treasurer and
11 Comptroller of such fact in writing.

12 (b) After the effective date of this Act, the balance of,
13 and monies directed to be included in the Capital Development
14 Bond Retirement and Interest Fund, Anti-Pollution Bond
15 Retirement and Interest Fund, Transportation Bond, Series A
16 Retirement and Interest Fund, Transportation Bond, Series B
17 Retirement and Interest Fund, and Coal Development Bond
18 Retirement and Interest Fund shall be transferred to and
19 deposited in the General Obligation Bond Retirement and
20 Interest Fund. This Fund shall be used to make debt service
21 payments on the State's general obligation Bonds heretofore
22 issued which are now outstanding and payable from the Funds
23 herein listed as well as on Bonds issued under this Act.

24 (c) The unused portion of federal funds received for a
25 capital facilities project, as authorized by Section 3 of this
26 Act, for which monies from the Capital Development Fund have

1 been expended shall be deposited upon completion of the project
2 in the General Obligation Bond Retirement and Interest Fund.
3 Any federal funds received as reimbursement for the completed
4 construction of a capital facilities project, as authorized by
5 Section 3 of this Act, for which monies from the Capital
6 Development Fund have been expended shall be deposited in the
7 General Obligation Bond Retirement and Interest Fund.

8 (Source: P.A. 96-43, eff. 7-15-09; 96-828, eff. 12-2-09.)

9 Section 10. The Illinois Pension Code is amended by
10 changing Sections 2-124, 2-134, 14-131, 14-135.08, 15-155,
11 15-165, 16-158, 18-131, and 18-140 as follows:

12 (40 ILCS 5/2-124) (from Ch. 108 1/2, par. 2-124)

13 Sec. 2-124. Contributions by State.

14 (a) The State shall make contributions to the System by
15 appropriations of amounts which, together with the
16 contributions of participants, interest earned on investments,
17 and other income will meet the cost of maintaining and
18 administering the System on a 90% funded basis in accordance
19 with actuarial recommendations.

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

1 (c) For State fiscal years 2012 ~~2011~~ through 2045, the
2 minimum contribution to the System to be made by the State for
3 each fiscal year shall be an amount determined by the System to
4 be sufficient to bring the total assets of the System up to 90%
5 of the total actuarial liabilities of the System by the end of
6 State fiscal year 2045. In making these determinations, the
7 required State contribution shall be calculated each year as a
8 level percentage of payroll over the years remaining to and
9 including fiscal year 2045 and shall be determined under the
10 projected unit credit actuarial cost method.

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

16 Notwithstanding any other provision of this Article, the
17 total required State contribution for State fiscal year 2006 is
18 \$4,157,000.

19 Notwithstanding any other provision of this Article, the
20 total required State contribution for State fiscal year 2007 is
21 \$5,220,300.

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

1 contributing at the rate otherwise required under this Section.

2 Notwithstanding any other provision of this Article, the
3 total required State contribution for State fiscal year 2010 is
4 \$10,454,000 and shall be made from the proceeds of bonds sold
5 in fiscal year 2010 pursuant to Section 7.2 of the General
6 Obligation Bond Act, less (i) the pro rata share of bond sale
7 expenses determined by the System's share of total bond
8 proceeds, (ii) any amounts received from the General Revenue
9 Fund in fiscal year 2010, and (iii) any reduction in bond
10 proceeds due to the issuance of discounted bonds, if
11 applicable.

12 Notwithstanding any other provision of this Article, the
13 total required State contribution for State fiscal year 2011 is
14 the amount recertified by the System on or before June 15, 2010
15 pursuant to Section 2-134 and shall be made from the proceeds
16 of bonds sold in fiscal year 2011 pursuant to Section 7.2 of
17 the General Obligation Bond Act, less (i) the pro rata share of
18 bond sale expenses determined by the System's share of total
19 bond proceeds, (ii) any amounts received from the General
20 Revenue Fund in fiscal year 2011, and (iii) any reduction in
21 bond proceeds due to the issuance of discounted bonds, if
22 applicable.

23 Beginning in State fiscal year 2046, the minimum State
24 contribution for each fiscal year shall be the amount needed to
25 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 calculated
16 under this Section and certified under Section 2-134, shall not
17 exceed an amount equal to (i) the amount of the required State
18 contribution that would have been calculated under this Section
19 for that fiscal year if the System had not received any
20 payments under subsection (d) of Section 7.2 of the General
21 Obligation Bond Act, minus (ii) the portion of the State's
22 total debt service payments for that fiscal year on the bonds
23 issued for the purposes of that Section 7.2, as determined and
24 certified by the Comptroller, that is the same as the System's
25 portion of the total moneys distributed under subsection (d) of
26 Section 7.2 of the General Obligation Bond Act. In determining

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

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

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

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

26 (Source: P.A. 95-950, eff. 8-29-08; 96-43, eff. 7-15-09.)

1 (40 ILCS 5/2-134) (from Ch. 108 1/2, par. 2-134)
2 Sec. 2-134. To certify required State contributions and
3 submit vouchers.

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

9 On or before May 1, 2004, 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 2005, taking
12 into account the amounts appropriated to and received by the
13 System under subsection (d) of Section 7.2 of the General
14 Obligation Bond Act.

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

20 On or before June 15, 2010, the Board shall recalculate and
21 recertify to the Governor the amount of the required State
22 contribution to the System for State fiscal year 2011, applying
23 the changes made by Public Act 96-889 to the System's assets
24 and liabilities as of June 30, 2009 as though Public Act 96-889
25 was approved on that date.

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

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

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

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

7 (40 ILCS 5/14-131)

8 Sec. 14-131. Contributions by State.

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

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

21 (b) The Board shall determine the total amount of State
22 contributions required for each fiscal year on the basis of the
23 actuarial tables and other assumptions adopted by the Board,
24 using the formula in subsection (e).

25 The Board shall also determine a State contribution rate

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

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

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

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

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

12 (c-2) For State fiscal year 2010 only, on or as soon as
13 possible after the 15th day of each month the Board shall
14 submit vouchers for payment of State contributions to the
15 System, in a total monthly amount of one-twelfth of the fiscal
16 year 2010 General Revenue Fund appropriation to the System.

17 (d) If an employee is paid from trust funds or federal
18 funds, the department or other employer shall pay employer
19 contributions from those funds to the System at the certified
20 rate, unless the terms of the trust or the federal-State
21 agreement preclude the use of the funds for that purpose, in
22 which case the required employer contributions shall be paid by
23 the State. From the effective date of this amendatory Act of
24 the 93rd General Assembly through the payment of the final
25 payroll from fiscal year 2004 appropriations, the department or
26 other employer shall not pay contributions for the remainder of

1 fiscal year 2004 but shall instead make payments as required
2 under subsection (a-1) of Section 14.1 of the State Finance
3 Act. The department or other employer shall resume payment of
4 contributions at the commencement of fiscal year 2005.

5 (e) For State fiscal years 2012 ~~2011~~ through 2045, the
6 minimum contribution to the System to be made by the State for
7 each fiscal year shall be an amount determined by the System to
8 be sufficient to bring the total assets of the System up to 90%
9 of the total actuarial liabilities of the System by the end of
10 State fiscal year 2045. In making these determinations, the
11 required State contribution shall be calculated each year as a
12 level percentage of payroll over the years remaining to and
13 including fiscal year 2045 and shall be determined under the
14 projected unit credit actuarial cost method.

15 For State fiscal years 1996 through 2005, the State
16 contribution to the System, as a percentage of the applicable
17 employee payroll, shall be increased in equal annual increments
18 so that by State fiscal year 2011, the State is contributing at
19 the rate required under this Section; except that (i) for State
20 fiscal year 1998, for all purposes of this Code and any other
21 law of this State, the certified percentage of the applicable
22 employee payroll shall be 5.052% for employees earning eligible
23 creditable service under Section 14-110 and 6.500% for all
24 other employees, notwithstanding any contrary certification
25 made under Section 14-135.08 before the effective date of this
26 amendatory Act of 1997, and (ii) in the following specified

1 State fiscal years, the State contribution to the System shall
2 not be less than the following indicated percentages of the
3 applicable employee payroll, even if the indicated percentage
4 will produce a State contribution in excess of the amount
5 otherwise required under this subsection and subsection (a):
6 9.8% in FY 1999; 10.0% in FY 2000; 10.2% in FY 2001; 10.4% in FY
7 2002; 10.6% in FY 2003; and 10.8% in FY 2004.

8 Notwithstanding any other provision of this Article, the
9 total required State contribution to the System for State
10 fiscal year 2006 is \$203,783,900.

11 Notwithstanding any other provision of this Article, the
12 total required State contribution to the System for State
13 fiscal year 2007 is \$344,164,400.

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

20 Notwithstanding any other provision of this Article, the
21 total required State General Revenue Fund contribution for
22 State fiscal year 2010 is \$723,703,100 and shall be made from
23 the proceeds of bonds sold in fiscal year 2010 pursuant to
24 Section 7.2 of the General Obligation Bond Act, less (i) the
25 pro rata share of bond sale expenses determined by the System's
26 share of total bond proceeds, (ii) any amounts received from

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

4 Notwithstanding any other provision of this Article, the
5 total required State General Revenue Fund contribution for
6 State fiscal year 2011 is the amount recertified by the System
7 on or before June 15, 2010 pursuant to Section 14-135.08 and
8 shall be made from the proceeds of bonds sold in fiscal year
9 2011 pursuant to Section 7.2 of the General Obligation Bond
10 Act, less (i) the pro rata share of bond sale expenses
11 determined by the System's share of total bond proceeds, (ii)
12 any amounts received from the General Revenue Fund in fiscal
13 year 2011, and (iii) any reduction in bond proceeds due to the
14 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 Section 14-135.08, 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 (f) After the submission of all payments for eligible
4 employees from personal services line items in fiscal year 2004
5 have been made, the Comptroller shall provide to the System a
6 certification of the sum of all fiscal year 2004 expenditures
7 for personal services that would have been covered by payments
8 to the System under this Section if the provisions of this
9 amendatory Act of the 93rd General Assembly had not been
10 enacted. Upon receipt of the certification, the System shall
11 determine the amount due to the System based on the full rate
12 certified by the Board under Section 14-135.08 for fiscal year
13 2004 in order to meet the State's obligation under this
14 Section. The System shall compare this amount due to the amount
15 received by the System in fiscal year 2004 through payments
16 under this Section and under Section 6z-61 of the State Finance
17 Act. If the amount due is more than the amount received, the
18 difference shall be termed the "Fiscal Year 2004 Shortfall" for
19 purposes of this Section, and the Fiscal Year 2004 Shortfall
20 shall be satisfied under Section 1.2 of the State Pension Funds
21 Continuing Appropriation Act. If the amount due is less than
22 the amount received, the difference shall be termed the "Fiscal
23 Year 2004 Overpayment" for purposes of this Section, and the
24 Fiscal Year 2004 Overpayment shall be repaid by the System to
25 the Pension Contribution Fund as soon as practicable after the
26 certification.

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

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

12 (h) For purposes of determining the required State
13 contribution to the System for a particular year, the actuarial
14 value of assets shall be assumed to earn a rate of return equal
15 to the System's actuarially assumed rate of return.

16 (i) ~~(g)~~ After the submission of all payments for eligible
17 employees from personal services line items paid from the
18 General Revenue Fund in fiscal year 2010 have been made, the
19 Comptroller shall provide to the System a certification of the
20 sum of all fiscal year 2010 expenditures for personal services
21 that would have been covered by payments to the System under
22 this Section if the provisions of this amendatory Act of the
23 96th General Assembly had not been enacted. Upon receipt of the
24 certification, the System shall determine the amount due to the
25 System based on the full rate certified by the Board under
26 Section 14-135.08 for fiscal year 2010 in order to meet the

1 State's obligation under this Section. The System shall compare
2 this amount due to the amount received by the System in fiscal
3 year 2010 through payments under this Section. If the amount
4 due is more than the amount received, the difference shall be
5 termed the "Fiscal Year 2010 Shortfall" for purposes of this
6 Section, and the Fiscal Year 2010 Shortfall shall be satisfied
7 under Section 1.2 of the State Pension Funds Continuing
8 Appropriation Act. If the amount due is less than the amount
9 received, the difference shall be termed the "Fiscal Year 2010
10 Overpayment" for purposes of this Section, and the Fiscal Year
11 2010 Overpayment shall be repaid by the System to the General
12 Revenue Fund as soon as practicable after the certification.

13 (j) After the submission of all payments for eligible
14 employees from personal services line items paid from the
15 General Revenue Fund in fiscal year 2011 have been made, the
16 Comptroller shall provide to the System a certification of the
17 sum of all fiscal year 2011 expenditures for personal services
18 that would have been covered by payments to the System under
19 this Section if the provisions of this amendatory Act of the
20 96th General Assembly had not been enacted. Upon receipt of the
21 certification, the System shall determine the amount due to the
22 System based on the full rate certified by the Board under
23 Section 14-135.08 for fiscal year 2011 in order to meet the
24 State's obligation under this Section. The System shall compare
25 this amount due to the amount received by the System in fiscal
26 year 2011 through payments under this Section. If the amount

1 due is more than the amount received, the difference shall be
2 termed the "Fiscal Year 2011 Shortfall" for purposes of this
3 Section, and the Fiscal Year 2011 Shortfall shall be satisfied
4 under Section 1.2 of the State Pension Funds Continuing
5 Appropriation Act. If the amount due is less than the amount
6 received, the difference shall be termed the "Fiscal Year 2011
7 Overpayment" for purposes of this Section, and the Fiscal Year
8 2011 Overpayment shall be repaid by the System to the General
9 Revenue Fund as soon as practicable after the certification.

10 (Source: P.A. 95-950, eff. 8-29-08; 96-43, eff. 7-15-09; 96-45,
11 eff. 7-15-09; revised 11-3-09.)

12 (40 ILCS 5/14-135.08) (from Ch. 108 1/2, par. 14-135.08)

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

14 (a) To certify to the Governor and to each department, on
15 or before November 15 of each year, the required rate for State
16 contributions to the System for the next State fiscal year, as
17 determined under subsection (b) of Section 14-131. The
18 certification to the Governor shall include a copy of the
19 actuarial recommendations upon which the rate is based.

20 (b) The certification shall include an additional amount
21 necessary to pay all principal of and interest on those general
22 obligation bonds due the next fiscal year authorized by Section
23 7.2(a) of the General Obligation Bond Act and issued to provide
24 the proceeds deposited by the State with the System in July
25 2003, representing deposits other than amounts reserved under

1 Section 7.2(c) of the General Obligation Bond Act. For State
2 fiscal year 2005, the Board shall make a supplemental
3 certification of the additional amount necessary to pay all
4 principal of and interest on those general obligation bonds due
5 in State fiscal years 2004 and 2005 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, as soon as
10 practical after the effective date of this amendatory Act of
11 the 93rd General Assembly.

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

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

26 On or before June 15, 2010, the Board shall recalculate and

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

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

8 (40 ILCS 5/15-155) (from Ch. 108 1/2, par. 15-155)

9 Sec. 15-155. Employer contributions.

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

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

22 (a-1) For State fiscal years 2012 ~~2011~~ through 2045, the
23 minimum contribution to the System to be made by the State for
24 each fiscal year shall be an amount determined by the System to
25 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 State fiscal years 1996 through 2005, the State
8 contribution to the System, as a percentage of the applicable
9 employee payroll, shall be increased in equal annual increments
10 so that by State fiscal year 2011, the State is contributing at
11 the rate required under this Section.

12 Notwithstanding any other provision of this Article, the
13 total required State contribution for State fiscal year 2006 is
14 \$166,641,900.

15 Notwithstanding any other provision of this Article, the
16 total required State contribution for State fiscal year 2007 is
17 \$252,064,100.

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

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

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

8 Notwithstanding any other provision of this Article, the
9 total required State contribution for State fiscal year 2011 is
10 the amount recertified by the System on or before June 15, 2010
11 pursuant to Section 15-165 and shall be made from the State
12 Pensions Fund and proceeds of bonds sold in fiscal year 2011
13 pursuant to Section 7.2 of the General Obligation Bond Act,
14 less (i) the pro rata share of bond sale expenses determined by
15 the System's share of total bond proceeds, (ii) any amounts
16 received from the General Revenue Fund in fiscal year 2011, and
17 (iii) any reduction in bond proceeds due to the issuance of
18 discounted bonds, if applicable.

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

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

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

9 Notwithstanding any other provision of this Section, the
10 required State contribution for State fiscal year 2005 and for
11 fiscal year 2008 and each fiscal year thereafter, as calculated
12 under this Section and certified under Section 15-165, shall
13 not exceed an amount equal to (i) the amount of the required
14 State contribution that would have been calculated under this
15 Section for that fiscal year if the System had not received any
16 payments under subsection (d) of Section 7.2 of the General
17 Obligation Bond Act, minus (ii) the portion of the State's
18 total debt service payments for that fiscal year on the bonds
19 issued for the purposes of that Section 7.2, as determined and
20 certified by the Comptroller, that is the same as the System's
21 portion of the total moneys distributed under subsection (d) of
22 Section 7.2 of the General Obligation Bond Act. In determining
23 this maximum for State fiscal years 2008 through 2010, however,
24 the 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 for the purposes of Section 7.2
4 of the General Obligation Bond Act, so that, by State fiscal
5 year 2011, the State is contributing at the rate otherwise
6 required under this Section.

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

22 (b-1) The City of Urbana and the City of Champaign shall
23 each make employer contributions to this System for their
24 respective firefighter employees who participate in this
25 System pursuant to subsection (h) of Section 15-107. The rate
26 of contributions to be made by those municipalities shall be

1 determined annually by the Board on the basis of the actuarial
2 assumptions adopted by the Board and the recommendations of the
3 actuary, and shall be expressed as a percentage of salary for
4 each such employee. The Board shall certify the rate to the
5 affected municipalities as soon as may be practical. The
6 employer contributions required under this subsection shall be
7 remitted by the municipality to the System at the same time and
8 in the same manner as employee contributions.

9 (c) Through State fiscal year 1995: The total employer
10 contribution shall be apportioned among the various funds of
11 the State and other employers, whether trust, federal, or other
12 funds, in accordance with actuarial procedures approved by the
13 Board. State of Illinois contributions for employers receiving
14 State appropriations for personal services shall be payable
15 from appropriations made to the employers or to the System. The
16 contributions for Class I community colleges covering earnings
17 other than those paid from trust and federal funds, shall be
18 payable solely from appropriations to the Illinois Community
19 College Board or the System for employer contributions.

20 (d) Beginning in State fiscal year 1996, the required State
21 contributions to the System shall be appropriated directly to
22 the System and shall be payable through vouchers issued in
23 accordance with subsection (c) of Section 15-165, except as
24 provided in subsection (g).

25 (e) The State Comptroller shall draw warrants payable to
26 the System upon proper certification by the System or by the

1 employer in accordance with the appropriation laws and this
2 Code.

3 (f) Normal costs under this Section means liability for
4 pensions and other benefits which accrues to the System because
5 of the credits earned for service rendered by the participants
6 during the fiscal year and expenses of administering the
7 System, but shall not include the principal of or any
8 redemption premium or interest on any bonds issued by the Board
9 or any expenses incurred or deposits required in connection
10 therewith.

11 (g) If the amount of a participant's earnings for any
12 academic year used to determine the final rate of earnings,
13 determined on a full-time equivalent basis, exceeds the amount
14 of his or her earnings with the same employer for the previous
15 academic year, determined on a full-time equivalent basis, by
16 more than 6%, the participant's employer shall pay to the
17 System, in addition to all other payments required under this
18 Section and in accordance with guidelines established by the
19 System, the present value of the increase in benefits resulting
20 from the portion of the increase in earnings that is in excess
21 of 6%. This present value shall be computed by the System on
22 the basis of the actuarial assumptions and tables used in the
23 most recent actuarial valuation of the System that is available
24 at the time of the computation. The System may require the
25 employer to provide any pertinent information or
26 documentation.

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

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

25 (h) This subsection (h) applies only to payments made or
26 salary increases given on or after June 1, 2005 but before July

1 1, 2011. The changes made by Public Act 94-1057 shall not
2 require the System to refund any payments received before July
3 31, 2006 (the effective date of Public Act 94-1057).

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

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

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

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

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

25 (j) The System shall prepare a report and file copies of
26 the report with the Governor and the General Assembly by

1 January 1, 2007 that contains all of the following information:

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

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

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

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

14 (k) The Illinois Community College Board shall adopt rules
15 for recommending lists of promotional positions submitted to
16 the Board by community colleges and for reviewing the
17 promotional lists on an annual basis. When recommending
18 promotional lists, the Board shall consider the similarity of
19 the positions submitted to those positions recognized for State
20 universities by the State Universities Civil Service System.
21 The Illinois Community College Board shall file a copy of its
22 findings with the System. The System shall consider the
23 findings of the Illinois Community College Board when making
24 determinations under this Section. The System shall not exclude
25 any earnings increases resulting from a promotion when the
26 promotion was not submitted by a community college. Nothing in

1 this subsection (k) shall require any community college to
2 submit any information to the Community College Board.

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

18 (Source: P.A. 95-331, eff. 8-21-07; 95-950, eff. 8-29-08;
19 96-43, eff. 7-15-09.)

20 (40 ILCS 5/15-165) (from Ch. 108 1/2, par. 15-165)

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

22 (a) The Board shall certify to the Governor on or before
23 November 15 of each year the appropriation required from State
24 funds for the purposes of this System for the following fiscal
25 year. The certification shall include a copy of the actuarial

1 recommendations upon which it is based.

2 On or before May 1, 2004, 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 2005, taking
5 into account the amounts appropriated to and received by the
6 System under subsection (d) of Section 7.2 of the General
7 Obligation Bond Act.

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

13 On or before June 15, 2010, the Board shall recalculate and
14 recertify to the Governor the amount of the required State
15 contribution to the System for State fiscal year 2011, applying
16 the changes made by Public Act 96-889 to the System's assets
17 and liabilities as of June 30, 2009 as though Public Act 96-889
18 was approved on that date.

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

23 (c) Beginning in State fiscal year 1996, on or as soon as
24 possible after the 15th day of each month the Board shall
25 submit vouchers for payment of State contributions to the
26 System, in a total monthly amount of one-twelfth of the

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

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

20 (d) So long as the payments received are the full amount
21 lawfully vouchered under this Section, payments received by the
22 System under this Section shall be applied first toward the
23 employer contribution to the self-managed plan established
24 under Section 15-158.2. Payments shall be applied second toward
25 the employer's portion of the normal costs of the System, as
26 defined in subsection (f) of Section 15-155. The balance shall

1 be applied toward the unfunded actuarial liabilities of the
2 System.

3 (e) In the event that the System does not receive, as a
4 result of legislative enactment or otherwise, payments
5 sufficient to fully fund the employer contribution to the
6 self-managed plan established under Section 15-158.2 and to
7 fully fund that portion of the employer's portion of the normal
8 costs of the System, as calculated in accordance with Section
9 15-155(a-1), then any payments received shall be applied
10 proportionately to the optional retirement program established
11 under Section 15-158.2 and to the employer's portion of the
12 normal costs of the System, as calculated in accordance with
13 Section 15-155(a-1).

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

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

17 Sec. 16-158. Contributions by State and other employing
18 units.

19 (a) The State shall make contributions to the System by
20 means of appropriations from the Common School Fund and other
21 State funds of amounts which, together with other employer
22 contributions, employee contributions, investment income, and
23 other income, will be sufficient to meet the cost of
24 maintaining and administering the System on a 90% funded basis
25 in accordance with actuarial recommendations.

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

6 (a-1) Annually, on or before November 15, the Board shall
7 certify to the Governor the amount of the required State
8 contribution for the coming fiscal year. The certification
9 shall include a copy of the actuarial recommendations upon
10 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 June 15, 2010, the Board shall recalculate and
23 recertify to the Governor the amount of the required State
24 contribution to the System for State fiscal year 2011, applying
25 the changes made by Public Act 96-889 to the System's assets
26 and liabilities as of June 30, 2009 as though Public Act 96-889

1 was approved on that date.

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

5 (b-1) Beginning in State fiscal year 1996, on the 15th day
6 of each month, or as soon thereafter as may be practicable, the
7 Board shall submit vouchers for payment of State contributions
8 to the System, in a total monthly amount of one-twelfth of the
9 required annual State contribution certified under subsection
10 (a-1). From the effective date of this amendatory Act of the
11 93rd General Assembly through June 30, 2004, the Board shall
12 not submit vouchers for the remainder of fiscal year 2004 in
13 excess of the fiscal year 2004 certified contribution amount
14 determined under this Section after taking into consideration
15 the transfer to the System under subsection (a) of Section
16 6z-61 of the State Finance Act. These vouchers shall be paid by
17 the State Comptroller and Treasurer by warrants drawn on the
18 funds appropriated to the System for that fiscal year.

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

1 the State Pension Funds Continuing Appropriation Act.

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

5 (b-3) For State fiscal years 2012 ~~2011~~ through 2045, the
6 minimum contribution to the System to be made by the State for
7 each fiscal year shall be an amount determined by the System to
8 be sufficient to bring the total assets of the System up to 90%
9 of the total actuarial liabilities of the System by the end of
10 State fiscal year 2045. In making these determinations, the
11 required State contribution shall be calculated each year as a
12 level percentage of payroll over the years remaining to and
13 including fiscal year 2045 and shall be determined under the
14 projected unit credit actuarial cost method.

15 For State fiscal years 1996 through 2005, the State
16 contribution to the System, as a percentage of the applicable
17 employee payroll, shall be increased in equal annual increments
18 so that by State fiscal year 2011, the State is contributing at
19 the rate required under this Section; except that in the
20 following specified State fiscal years, the State contribution
21 to the System shall not be less than the following indicated
22 percentages of the applicable employee payroll, even if the
23 indicated percentage will produce a State contribution in
24 excess of the amount otherwise required under this subsection
25 and subsection (a), and notwithstanding any contrary
26 certification made under subsection (a-1) before the effective

1 date of this amendatory Act of 1998: 10.02% in FY 1999; 10.77%
2 in FY 2000; 11.47% in FY 2001; 12.16% in FY 2002; 12.86% in FY
3 2003; and 13.56% in FY 2004.

4 Notwithstanding any other provision of this Article, the
5 total required State contribution for State fiscal year 2006 is
6 \$534,627,700.

7 Notwithstanding any other provision of this Article, the
8 total required State contribution for State fiscal year 2007 is
9 \$738,014,500.

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

16 Notwithstanding any other provision of this Article, the
17 total required State contribution for State fiscal year 2010 is
18 \$2,089,268,000 and shall be made from the proceeds of bonds
19 sold in fiscal year 2010 pursuant to Section 7.2 of the General
20 Obligation Bond Act, less (i) the pro rata share of bond sale
21 expenses determined by the System's share of total bond
22 proceeds, (ii) any amounts received from the Common School Fund
23 in fiscal year 2010, and (iii) any reduction in bond proceeds
24 due to the issuance of discounted bonds, if applicable.

25 Notwithstanding any other provision of this Article, the
26 total required State contribution for State fiscal year 2011 is

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

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

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

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

11 (b) The Board shall determine the amount of State
12 contributions required for each fiscal year on the basis of the
13 actuarial tables and other assumptions adopted by the Board and
14 the prescribed rate of interest, using the formula in
15 subsection (c).

16 (c) For State fiscal years 2012 ~~2011~~ through 2045, the
17 minimum contribution to the System to be made by the State for
18 each fiscal year shall be an amount determined by the System to
19 be sufficient to bring the total assets of the System up to 90%
20 of the total actuarial liabilities of the System by the end of
21 State fiscal year 2045. In making these determinations, the
22 required State contribution shall be calculated each year as a
23 level percentage of payroll over the years remaining to and
24 including fiscal year 2045 and shall be determined under the
25 projected unit credit actuarial cost method.

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

6 Notwithstanding any other provision of this Article, the
7 total required State contribution for State fiscal year 2006 is
8 \$29,189,400.

9 Notwithstanding any other provision of this Article, the
10 total required State contribution for State fiscal year 2007 is
11 \$35,236,800.

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

18 Notwithstanding any other provision of this Article, the
19 total required State contribution for State fiscal year 2010 is
20 \$78,832,000 and shall be made from the proceeds of bonds sold
21 in fiscal year 2010 pursuant to Section 7.2 of the General
22 Obligation Bond Act, less (i) the pro rata share of bond sale
23 expenses determined by the System's share of total bond
24 proceeds, (ii) any amounts received from the General Revenue
25 Fund in fiscal year 2010, and (iii) any reduction in bond
26 proceeds due to the issuance of discounted bonds, if

1 applicable.

2 Notwithstanding any other provision of this Article, the
3 total required State contribution for State fiscal year 2011 is
4 the amount recertified by the System on or before June 15, 2010
5 pursuant to Section 18-140 and shall be made from the proceeds
6 of bonds sold in fiscal year 2011 pursuant to Section 7.2 of
7 the General Obligation Bond Act, less (i) the pro rata share of
8 bond sale expenses determined by the System's share of total
9 bond proceeds, (ii) any amounts received from the General
10 Revenue Fund in fiscal year 2011, and (iii) any reduction in
11 bond proceeds due to the issuance of discounted bonds, if
12 applicable.

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

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

1 term does not include or apply to any amounts payable to the
2 System under Section 25 of the Budget Stabilization Act.

3 Notwithstanding any other provision of this Section, the
4 required State contribution for State fiscal year 2005 and for
5 fiscal year 2008 and each fiscal year thereafter, as calculated
6 under this Section and certified under Section 18-140, shall
7 not exceed an amount equal to (i) the amount of the required
8 State contribution that would have been calculated under this
9 Section for that fiscal year if the System had not received any
10 payments under subsection (d) of Section 7.2 of the General
11 Obligation Bond Act, minus (ii) the portion of the State's
12 total debt service payments for that fiscal year on the bonds
13 issued for the purposes of that Section 7.2, as determined and
14 certified by the Comptroller, that is the same as the System's
15 portion of the total moneys distributed under subsection (d) of
16 Section 7.2 of the General Obligation Bond Act. In determining
17 this maximum for State fiscal years 2008 through 2010, however,
18 the amount referred to in item (i) shall be increased, as a
19 percentage of the applicable employee payroll, in equal
20 increments calculated from the sum of the required State
21 contribution for State fiscal year 2007 plus the applicable
22 portion of the State's total debt service payments for fiscal
23 year 2007 on the bonds issued for the purposes of Section 7.2
24 of the General Obligation Bond Act, so that, by State fiscal
25 year 2011, the State is contributing at the rate otherwise
26 required under this Section.

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

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

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

16 (Source: P.A. 95-950, eff. 8-29-08; 96-43, eff. 7-15-09.)

17 (40 ILCS 5/18-140) (from Ch. 108 1/2, par. 18-140)

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

20 (a) The Board shall certify to the Governor, on or before
21 November 15 of each year, the amount of the required State
22 contribution to the System for the following fiscal year. The
23 certification shall include a copy of the actuarial
24 recommendations upon which it is based.

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

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

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

11 On or before June 15, 2010, 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 2011, applying
14 the changes made by Public Act 96-889 to the System's assets
15 and liabilities as of June 30, 2009 as though Public Act 96-889
16 was approved on that date.

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

1 the transfer to the System under subsection (c) of Section
2 6z-61 of the State Finance Act. These vouchers shall be paid by
3 the State Comptroller and Treasurer by warrants drawn on the
4 funds appropriated to the System for that fiscal year.

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

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

16 Section 15. The State Pension Funds Continuing
17 Appropriation Act is amended by changing Sections 1.1 and 1.2
18 and by adding Section 1.8 as follows:

19 (40 ILCS 15/1.1)

20 Sec. 1.1. Appropriations to certain retirement systems.

21 (a) There is hereby appropriated from the General Revenue
22 Fund to the General Assembly Retirement System, on a continuing
23 monthly basis, the amount, if any, by which the total available
24 amount of all other appropriations to that retirement system

1 for the payment of State contributions is less than the total
2 amount of the vouchers for required State contributions
3 lawfully submitted by the retirement system for that month
4 under Section 2-134 of the Illinois Pension Code.

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

16 (c) There is hereby appropriated from the Common School
17 Fund to the Teachers' Retirement System of the State of
18 Illinois, on a continuing monthly basis, the amount, if any, by
19 which the total available amount of all other appropriations to
20 that retirement system for the payment of State contributions
21 is less than the total amount of the vouchers for required
22 State contributions lawfully submitted by the retirement
23 system for that month under Section 16-158 of the Illinois
24 Pension Code.

25 (d) There is hereby appropriated from the General Revenue
26 Fund to the Judges Retirement System of Illinois, on a

1 continuing monthly basis, the amount, if any, by which the
2 total available amount of all other appropriations to that
3 retirement system for the payment of State contributions is
4 less than the total amount of the vouchers for required State
5 contributions lawfully submitted by the retirement system for
6 that month under Section 18-140 of the Illinois Pension Code.

7 (e) The continuing appropriations provided by this Section
8 shall first be available in State fiscal year 1996.

9 (f) For State fiscal year 2010 only, the continuing
10 appropriations provided by this Section are equal to the amount
11 certified by each System on or before December 31, 2008, less
12 (i) the gross proceeds of the bonds sold in fiscal year 2010
13 under the authorization contained in subsection (a) of Section
14 7.2 of the General Obligation Bond Act and (ii) any amounts
15 received from the State Pensions Fund.

16 (g) For State fiscal year 2011 only, the continuing
17 appropriations provided by this Section are equal to the amount
18 certified by each System on or before June 15, 2010, less (i)
19 the gross proceeds of the bonds sold in fiscal year 2011 under
20 the authorization contained in subsection (a) of Section 7.2 of
21 the General Obligation Bond Act and (ii) any amounts received
22 from the State Pensions Fund.

23 (Source: P.A. 96-43, eff. 7-15-09.)

24 (40 ILCS 15/1.2)

25 Sec. 1.2. Appropriations for the State Employees'

1 Retirement System.

2 (a) From each fund from which an amount is appropriated for
3 personal services to a department or other employer under
4 Article 14 of the Illinois Pension Code, there is hereby
5 appropriated to that department or other employer, on a
6 continuing annual basis for each State fiscal year, an
7 additional amount equal to the amount, if any, by which (1) an
8 amount equal to the percentage of the personal services line
9 item for that department or employer from that fund for that
10 fiscal year that the Board of Trustees of the State Employees'
11 Retirement System of Illinois has certified under Section
12 14-135.08 of the Illinois Pension Code to be necessary to meet
13 the State's obligation under Section 14-131 of the Illinois
14 Pension Code for that fiscal year, exceeds (2) the amounts
15 otherwise appropriated to that department or employer from that
16 fund for State contributions to the State Employees' Retirement
17 System for that fiscal year. From the effective date of this
18 amendatory Act of the 93rd General Assembly through the final
19 payment from a department or employer's personal services line
20 item for fiscal year 2004, payments to the State Employees'
21 Retirement System that otherwise would have been made under
22 this subsection (a) shall be governed by the provisions in
23 subsection (a-1).

24 (a-1) If a Fiscal Year 2004 Shortfall is certified under
25 subsection (f) of Section 14-131 of the Illinois Pension Code,
26 there is hereby appropriated to the State Employees' Retirement

1 System of Illinois on a continuing basis from the General
2 Revenue Fund an additional aggregate amount equal to the Fiscal
3 Year 2004 Shortfall.

4 (a-2) If a Fiscal Year 2010 Shortfall is certified under
5 subsection (g) of Section 14-131 of the Illinois Pension Code,
6 there is hereby appropriated to the State Employees' Retirement
7 System of Illinois on a continuing basis from the General
8 Revenue Fund an additional aggregate amount equal to the Fiscal
9 Year 2010 Shortfall.

10 (b) The continuing appropriations provided for by this
11 Section shall first be available in State fiscal year 1996.

12 (c) Beginning in Fiscal Year 2005, any continuing
13 appropriation under this Section arising out of an
14 appropriation for personal services from the Road Fund to the
15 Department of State Police or the Secretary of State shall be
16 payable from the General Revenue Fund rather than the Road
17 Fund.

18 (d) For State fiscal year 2010 only, a continuing
19 appropriation is provided to the State Employees' Retirement
20 System equal to the amount certified by the System on or before
21 December 31, 2008, less the gross proceeds of the bonds sold in
22 fiscal year 2010 under the authorization contained in
23 subsection (a) of Section 7.2 of the General Obligation Bond
24 Act.

25 (e) For State fiscal year 2011 only, a continuing
26 appropriation is provided to the State Employees' Retirement

1 System equal to the amount certified by the System on or before
2 June 15, 2010, less the gross proceeds of the bonds sold in
3 fiscal year 2011 under the authorization contained in
4 subsection (a) of Section 7.2 of the General Obligation Bond
5 Act.

6 (Source: P.A. 96-43, eff. 7-15-09; 96-45, eff. 7-15-09; revised
7 11-3-09.)

8 (40 ILCS 15/1.8 new)

9 Sec. 1.8. Suspension of appropriations for fiscal year
10 2011. Notwithstanding any other provision of this Act, no
11 appropriation otherwise required from the General Revenue Fund
12 or the Common School Fund under this Act is required to be made
13 prior to September 30, 2010; however, after September 30th the
14 system shall be immediately appropriated an amount that would
15 have been otherwise available through this Act.

16 ARTICLE 99.

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