

1 AN ACT concerning public employee benefits.

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

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

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

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

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

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

23 On or before July 1, 2005, 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 2006, taking  
3 into account the changes in required State contributions made  
4 by this amendatory Act of the 94th General Assembly.

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

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

1 (including the appropriations to the System under Section 8.12  
2 of the State Finance Act and Section 1 of the State Pension  
3 Funds Continuing Appropriation Act) is less than the amount  
4 lawfully vouchered under this Section, the difference shall be  
5 paid from the General Revenue Fund under the continuing  
6 appropriation authority provided in Section 1.1 of the State  
7 Pension Funds Continuing Appropriation Act.

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

15 (Source: P.A. 95-331, eff. 8-21-07; 96-1497, eff. 1-14-11;  
16 96-1511, eff. 1-27-11.)

17 (40 ILCS 5/14-135.08) (from Ch. 108 1/2, par. 14-135.08)

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

19 (a) To certify to the Governor and to each department, on  
20 or before November 15 of each year, the required rate for State  
21 contributions to the System for the next State fiscal year, as  
22 determined under subsection (b) of Section 14-131. The  
23 certification to the Governor shall include a copy of the  
24 actuarial recommendations upon which the rate is based and  
25 shall specifically identify the System's predicted State

1 normal cost for that fiscal year.

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

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

26 On or before July 1, 2005, 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 and the required  
3 rates for State contributions to the System for State fiscal  
4 year 2006, taking into account the changes in required State  
5 contributions made by this amendatory Act of the 94th General  
6 Assembly.

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

13 (Source: P.A. 96-1497, eff. 1-14-11; 96-1511, eff. 1-27-11.)

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

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

16 (a) The Board shall certify to the Governor on or before  
17 November 15 of each year the appropriation required from State  
18 funds for the purposes of this System for the following fiscal  
19 year. The certification shall include a copy of the actuarial  
20 recommendations upon which it is based and shall specifically  
21 identify the System's predicted State normal cost for that  
22 fiscal year and the predicted State cost for the self-managed  
23 plan for that fiscal year.

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

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

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

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

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

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

1 submit vouchers for the remainder of fiscal year 2004 in excess  
2 of the fiscal year 2004 certified contribution amount  
3 determined under this Section after taking into consideration  
4 the transfer to the System under subsection (b) of Section  
5 6z-61 of the State Finance Act. These vouchers shall be paid by  
6 the State Comptroller and Treasurer by warrants drawn on the  
7 funds appropriated to the System for that fiscal year.

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

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

26 (e) In the event that the System does not receive, as a

1 result of legislative enactment or otherwise, payments  
2 sufficient to fully fund the employer contribution to the  
3 self-managed plan established under Section 15-158.2 and to  
4 fully fund that portion of the employer's portion of the normal  
5 costs of the System, as calculated in accordance with Section  
6 15-155(a-1), then any payments received shall be applied  
7 proportionately to the optional retirement program established  
8 under Section 15-158.2 and to the employer's portion of the  
9 normal costs of the System, as calculated in accordance with  
10 Section 15-155(a-1).

11 (Source: P.A. 96-1497, eff. 1-14-11; 96-1511, eff. 1-27-11.)

12 (40 ILCS 5/16-158) (from Ch. 108 1/2, par. 16-158)

13 Sec. 16-158. Contributions by State and other employing  
14 units.

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

22 The Board shall determine the amount of State contributions  
23 required for each fiscal year on the basis of the actuarial  
24 tables and other assumptions adopted by the Board and the  
25 recommendations of the actuary, using the formula in subsection



1 (b-3).

2 (a-1) Annually, on or before November 15, the Board shall  
3 certify to the Governor the amount of the required State  
4 contribution for the coming fiscal year. The certification  
5 shall include a copy of the actuarial recommendations upon  
6 which it is based and shall specifically identify the System's  
7 predicted State normal cost for that fiscal year.

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

14 On or before July 1, 2005 ~~April 1, 2011~~, the Board shall  
15 recalculate and recertify to the Governor the amount of the  
16 required State contribution to the System for State fiscal year  
17 2006, taking into account the changes in required State  
18 contributions made by this amendatory Act of the 94th General  
19 Assembly.

20 On or before April 1, 2011 ~~June 15, 2010~~, the Board shall  
21 recalculate and recertify to the Governor the amount of the  
22 required State contribution to the System for State fiscal year  
23 2011, applying the changes made by Public Act 96-889 to the  
24 System's assets and liabilities as of June 30, 2009 as though  
25 Public Act 96-889 was approved on that date.

26 (b) Through State fiscal year 1995, the State contributions

1 shall be paid to the System in accordance with Section 18-7 of  
2 the School Code.

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

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

26 (b-2) Allocations from the Common School Fund apportioned

1 to school districts not coming under this System shall not be  
2 diminished or affected by the provisions of this Article.

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

13 For State fiscal years 1996 through 2005, the State  
14 contribution to the System, as a percentage of the applicable  
15 employee payroll, shall be increased in equal annual increments  
16 so that by State fiscal year 2011, the State is contributing at  
17 the rate required under this Section; except that in the  
18 following specified State fiscal years, the State contribution  
19 to the System shall not be less than the following indicated  
20 percentages of the applicable employee payroll, even if the  
21 indicated percentage will produce a State contribution in  
22 excess of the amount otherwise required under this subsection  
23 and subsection (a), and notwithstanding any contrary  
24 certification made under subsection (a-1) before the effective  
25 date of this amendatory Act of 1998: 10.02% in FY 1999; 10.77%  
26 in FY 2000; 11.47% in FY 2001; 12.16% in FY 2002; 12.86% in FY

1 2003; and 13.56% in FY 2004.

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

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

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

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

23 Notwithstanding any other provision of this Article, the  
24 total required State contribution for State fiscal year 2011 is  
25 the amount recertified by the System on or before April 1, 2011  
26 pursuant to subsection (a-1) of this Section and shall be made

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

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 subsection (a-1), 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 in fiscal year 2003 for the purposes of that Section  
14 7.2, as determined and certified by the Comptroller, that is  
15 the same as the System's portion of the total moneys  
16 distributed under subsection (d) of Section 7.2 of the General  
17 Obligation Bond Act. In determining this maximum for State  
18 fiscal years 2008 through 2010, however, the amount referred to  
19 in item (i) shall be increased, as a percentage of the  
20 applicable employee payroll, in equal increments calculated  
21 from the sum of the required State contribution for State  
22 fiscal year 2007 plus the applicable portion of the State's  
23 total debt service payments for fiscal year 2007 on the bonds  
24 issued in fiscal year 2003 for the purposes of Section 7.2 of  
25 the General Obligation Bond Act, so that, by State fiscal year  
26 2011, the State is contributing at the rate otherwise required

1 under this Section.

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

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

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

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

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

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

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

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

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

24 These employer contributions are intended to offset a  
25 portion of the cost to the System of the increases in  
26 retirement benefits resulting from this amendatory Act of 1998.



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

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

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

25 (f) If the amount of a teacher's salary for any school year  
26 used to determine final average salary exceeds the member's

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

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

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

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

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

26 When assessing payment for any amount due under subsection

1 (f), the System shall exclude salary increases paid to teachers  
2 under contracts or collective bargaining agreements entered  
3 into, amended, or renewed before June 1, 2005.

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

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

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

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

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

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

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

25 (1) The number of recalculations required by the  
26 changes made to this Section by Public Act 94-1057 for each

1 employer.

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

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

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

11 (j) 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 (k) 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. 95-331, eff. 8-21-07; 95-950, eff. 8-29-08;

1 96-43, eff. 7-15-09; 96-1497, eff. 1-14-11; 96-1511, eff.  
2 1-27-11; 96-1554, eff. 3-18-11; revised 4-6-11.)

3 (40 ILCS 5/18-140) (from Ch. 108 1/2, par. 18-140)

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

6 (a) The Board shall certify to the Governor, on or before  
7 November 15 of each year, the amount of the required State  
8 contribution to the System for the following fiscal year. The  
9 certification shall include a copy of the actuarial  
10 recommendations upon which it is based and shall specifically  
11 identify the System's predicted State normal cost for that  
12 fiscal year.

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

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

24 On or before April 1, 2011, the Board shall recalculate and  
25 recertify to the Governor the amount of the required State

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

5 (b) Beginning in State fiscal year 1996, on or as soon as  
6 possible after the 15th day of each month the Board shall  
7 submit vouchers for payment of State contributions to the  
8 System, in a total monthly amount of one-twelfth of the  
9 required annual State contribution certified under subsection  
10 (a). From the effective date of this amendatory Act of the 93rd  
11 General Assembly through June 30, 2004, the Board shall not  
12 submit vouchers for the remainder of fiscal year 2004 in excess  
13 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 (c) 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 Section, the difference  
25 shall be paid from the General Revenue Fund under the  
26 continuing appropriation authority provided in Section 1.1 of



1 the State Pension Funds Continuing Appropriation Act.

2 (Source: P.A. 96-1497, eff. 1-14-11; 96-1511, eff. 1-27-11.)

3 Section 99. Effective date. This Act takes effect upon  
4 becoming law.