



Rep. Elaine Nekritz

**Filed: 1/7/2013**

09700SB1673ham010

LRB097 07605 JDS 73130 a

1 AMENDMENT TO SENATE BILL 1673

2 AMENDMENT NO. \_\_\_\_\_. Amend Senate Bill 1673 by replacing  
3 everything after the enacting clause with the following:

4 "Section 3. The Illinois Public Labor Relations Act is  
5 amended by changing Sections 4 and 15 as follows:

6 (5 ILCS 315/4) (from Ch. 48, par. 1604)

7 Sec. 4. Management Rights. Employers shall not be required  
8 to bargain over matters of inherent managerial policy, which  
9 shall include such areas of discretion or policy as the  
10 functions of the employer, standards of services, its overall  
11 budget, the organizational structure and selection of new  
12 employees, examination techniques and direction of employees.  
13 Employers, however, shall be required to bargain collectively  
14 with regard to policy matters directly affecting wages, hours  
15 and terms and conditions of employment as well as the impact  
16 thereon upon request by employee representatives, but

1 excluding the changes, the impact of changes, and the  
2 implementation of the changes set forth in this amendatory Act  
3 of the 97th General Assembly.

4 To preserve the rights of employers and exclusive  
5 representatives which have established collective bargaining  
6 relationships or negotiated collective bargaining agreements  
7 prior to the effective date of this Act, employers shall be  
8 required to bargain collectively with regard to any matter  
9 concerning wages, hours or conditions of employment about which  
10 they have bargained for and agreed to in a collective  
11 bargaining agreement prior to the effective date of this Act,  
12 but excluding the changes, the impact of changes, and the  
13 implementation of the changes set forth in this amendatory Act  
14 of the 97th General Assembly.

15 The chief judge of the judicial circuit that employs a  
16 public employee who is a court reporter, as defined in the  
17 Court Reporters Act, has the authority to hire, appoint,  
18 promote, evaluate, discipline, and discharge court reporters  
19 within that judicial circuit.

20 Nothing in this amendatory Act of the 94th General Assembly  
21 shall be construed to intrude upon the judicial functions of  
22 any court. This amendatory Act of the 94th General Assembly  
23 applies only to nonjudicial administrative matters relating to  
24 the collective bargaining rights of court reporters.

25 (Source: P.A. 94-98, eff. 7-1-05.)

1 (5 ILCS 315/15) (from Ch. 48, par. 1615)

2 Sec. 15. Act Takes Precedence.

3 (a) In case of any conflict between the provisions of this  
4 Act and any other law (other than Section 5 of the State  
5 Employees Group Insurance Act of 1971 and other than the  
6 changes made to the Illinois Pension Code by Public Act 96-889  
7 and the changes, impact of changes, and the implementation of  
8 the changes made to the Illinois Pension Code by this  
9 amendatory Act of the 97th ~~96th~~ General Assembly), executive  
10 order or administrative regulation relating to wages, hours and  
11 conditions of employment and employment relations, the  
12 provisions of this Act or any collective bargaining agreement  
13 negotiated thereunder shall prevail and control. Nothing in  
14 this Act shall be construed to replace or diminish the rights  
15 of employees established by Sections 28 and 28a of the  
16 Metropolitan Transit Authority Act, Sections 2.15 through 2.19  
17 of the Regional Transportation Authority Act. The provisions of  
18 this Act are subject to the changes made by this amendatory Act  
19 of the 97th General Assembly and Section 5 of the State  
20 Employees Group Insurance Act of 1971. Nothing in this Act  
21 shall be construed to replace the necessity of complaints  
22 against a sworn peace officer, as defined in Section 2(a) of  
23 the Uniform Peace Officer Disciplinary Act, from having a  
24 complaint supported by a sworn affidavit.

25 (b) Except as provided in subsection (a) above, any  
26 collective bargaining contract between a public employer and a

1 labor organization executed pursuant to this Act shall  
2 supersede any contrary statutes, charters, ordinances, rules  
3 or regulations relating to wages, hours and conditions of  
4 employment and employment relations adopted by the public  
5 employer or its agents. Any collective bargaining agreement  
6 entered into prior to the effective date of this Act shall  
7 remain in full force during its duration.

8 (c) It is the public policy of this State, pursuant to  
9 paragraphs (h) and (i) of Section 6 of Article VII of the  
10 Illinois Constitution, that the provisions of this Act are the  
11 exclusive exercise by the State of powers and functions which  
12 might otherwise be exercised by home rule units. Such powers  
13 and functions may not be exercised concurrently, either  
14 directly or indirectly, by any unit of local government,  
15 including any home rule unit, except as otherwise authorized by  
16 this Act.

17 (Source: P.A. 95-331, eff. 8-21-07; 96-889, eff. 1-1-11.)

18 Section 5. The Governor's Office of Management and Budget  
19 Act is amended by changing Sections 7 and 8 as follows:

20 (20 ILCS 3005/7) (from Ch. 127, par. 417)

21 Sec. 7. All statements and estimates of expenditures  
22 submitted to the Office in connection with the preparation of a  
23 State budget, and any other estimates of expenditures,  
24 supporting requests for appropriations, shall be formulated

1 according to the various functions and activities for which the  
2 respective department, office or institution of the State  
3 government (including the elective officers in the executive  
4 department and including the University of Illinois and the  
5 judicial department) is responsible. All such statements and  
6 estimates of expenditures relating to a particular function or  
7 activity shall be further formulated or subject to analysis in  
8 accordance with the following classification of objects:

9 (1) Personal services

10 (2) State contribution for employee group insurance

11 (3) Contractual services

12 (4) Travel

13 (5) Commodities

14 (6) Equipment

15 (7) Permanent improvements

16 (8) Land

17 (9) Electronic Data Processing

18 (10) Telecommunication services

19 (11) Operation of Automotive Equipment

20 (12) Contingencies

21 (13) Reserve

22 (14) Interest

23 (15) Awards and Grants

24 (16) Debt Retirement

25 (17) Non-cost Charges-

26 (18) State retirement contribution for annual normal cost

1       (19) State retirement contribution for unfunded accrued  
2       liability.

3       (Source: P.A. 93-25, eff. 6-20-03.)

4       (20 ILCS 3005/8) (from Ch. 127, par. 418)

5       Sec. 8. When used in connection with a State budget or  
6       expenditure or estimate, items (1) through (16) in the  
7       classification of objects stated in Section 7 shall have the  
8       meanings ascribed to those items in Sections 14 through 24.7,  
9       respectively, of the State Finance Act. ~~"An Act in relation to~~  
10      ~~State finance", approved June 10, 1919, as amended.~~

11      When used in connection with a State budget or expenditure  
12      or estimate, items (18) and (19) in the classification of  
13      objects stated in Section 7 shall have the meanings ascribed to  
14      those items in Sections 24.12 and 24.13, respectively, of the  
15      State Finance Act.

16      (Source: P.A. 82-325.)

17      Section 10. The State Finance Act is amended by changing  
18      Section 13 and by adding Sections 24.12 and 24.13 as follows:

19      (30 ILCS 105/13) (from Ch. 127, par. 149)

20      Sec. 13. The objects and purposes for which appropriations  
21      are made are classified and standardized by items as follows:

22      (1) Personal services;

23      (2) State contribution for employee group insurance;

- 1 (3) Contractual services;
- 2 (4) Travel;
- 3 (5) Commodities;
- 4 (6) Equipment;
- 5 (7) Permanent improvements;
- 6 (8) Land;
- 7 (9) Electronic Data Processing;
- 8 (10) Operation of automotive equipment;
- 9 (11) Telecommunications services;
- 10 (12) Contingencies;
- 11 (13) Reserve;
- 12 (14) Interest;
- 13 (15) Awards and Grants;
- 14 (16) Debt Retirement;
- 15 (17) Non-Cost Charges;
- 16 (18) State retirement contribution for annual normal cost;
- 17 (19) State retirement contribution for unfunded accrued
- 18 liability;
- 19 (20) ~~(18)~~ Purchase Contract for Real Estate.

20 When an appropriation is made to an officer, department,  
21 institution, board, commission or other agency, or to a private  
22 association or corporation, in one or more of the items above  
23 specified, such appropriation shall be construed in accordance  
24 with the definitions and limitations specified in this Act,  
25 unless the appropriation act otherwise provides.

26 An appropriation for a purpose other than one specified and

1 defined in this Act may be made only as an additional, separate  
2 and distinct item, specifically stating the object and purpose  
3 thereof.

4 (Source: P.A. 84-263; 84-264.)

5 (30 ILCS 105/24.12 new)

6 Sec. 24.12. "State retirement contribution for annual  
7 normal cost" defined. The term "State retirement contribution  
8 for annual normal cost" means the portion of the total required  
9 State contribution to a retirement system for a fiscal year  
10 that represents the State's portion of the System's projected  
11 normal cost for that fiscal year, as determined and certified  
12 by the board of trustees of the retirement system in  
13 conformance with the applicable provisions of the Illinois  
14 Pension Code.

15 (30 ILCS 105/24.13 new)

16 Sec. 24.13. "State retirement contribution for unfunded  
17 accrued liability" defined. The term "State retirement  
18 contribution for unfunded accrued liability" means the portion  
19 of the total required State contribution to a retirement system  
20 for a fiscal year that is not included in the State retirement  
21 contribution for annual normal cost.

22 Section 15. The Budget Stabilization Act is amended by  
23 changing Sections 20 and 25 as follows:



1 (30 ILCS 122/20)

2 Sec. 20. Pension Stabilization Fund.

3 (a) The Pension Stabilization Fund is hereby created as a  
4 special fund in the State treasury. Moneys in the fund shall be  
5 used for the sole purpose of making payments to the designated  
6 retirement systems as provided in Section 25.

7 (b) For each fiscal year when the General Assembly's  
8 appropriations and transfers or diversions as required by law  
9 from general funds do not exceed 99% of the estimated general  
10 funds revenues pursuant to subsection (a) of Section 10, the  
11 Comptroller shall transfer from the General Revenue Fund as  
12 provided by this Section a total amount equal to 0.5% of the  
13 estimated general funds revenues to the Pension Stabilization  
14 Fund.

15 (c) For each fiscal year through State fiscal year 2013,  
16 when the General Assembly's appropriations and transfers or  
17 diversions as required by law from general funds do not exceed  
18 98% of the estimated general funds revenues pursuant to  
19 subsection (b) of Section 10, the Comptroller shall transfer  
20 from the General Revenue Fund as provided by this Section a  
21 total amount equal to 1.0% of the estimated general funds  
22 revenues to the Pension Stabilization Fund.

23 (c-10) In State fiscal year 2020 and each fiscal year  
24 thereafter, the State Comptroller shall order transferred and  
25 the State Treasurer shall transfer \$1,000,000,000 from the

1 General Revenue Fund to the Pension Stabilization Fund.

2 (c-15) The transfers made pursuant to subsection (c-10) of  
3 this Section shall continue through State fiscal year 2045 or  
4 until each of the designated retirement systems, as defined in  
5 Section 25, has achieved the funding ratio prescribed by law  
6 for that retirement system, whichever occurs first; provided  
7 that those transfers shall not be made after any provision of  
8 this Act that is designated as inseverable in Section 97 of  
9 this Act is declared to be unconstitutional or invalid other  
10 than as applied.

11 (d) The Comptroller shall transfer 1/12 of the total amount  
12 to be transferred each fiscal year under this Section into the  
13 Pension Stabilization Fund on the first day of each month of  
14 that fiscal year or as soon thereafter as possible; except that  
15 the final transfer of the fiscal year shall be made as soon as  
16 practical after the August 31 following the end of the fiscal  
17 year.

18 Until State fiscal year 2014, before ~~Before~~ the final  
19 transfer for a fiscal year is made, the Comptroller shall  
20 reconcile the estimated general funds revenues used in  
21 calculating the other transfers under this Section for that  
22 fiscal year with the actual general funds revenues for that  
23 fiscal year. The final transfer for the fiscal year shall be  
24 adjusted so that the total amount transferred under this  
25 Section for that fiscal year is equal to the percentage  
26 specified in subsection (b) or (c) of this Section, whichever

1 is applicable, of the actual general funds revenues for that  
2 fiscal year. The actual general funds revenues for the fiscal  
3 year shall be calculated in a manner consistent with subsection  
4 (c) of Section 10 of this Act.

5 (Source: P.A. 94-839, eff. 6-6-06.)

6 (30 ILCS 122/25)

7 Sec. 25. Transfers from the Pension Stabilization Fund.

8 (a) As used in this Section, "designated retirement  
9 systems" means:

10 (1) the State Employees' Retirement System of  
11 Illinois;

12 (2) the Teachers' Retirement System of the State of  
13 Illinois;

14 (3) the State Universities Retirement System;

15 (4) the Judges Retirement System of Illinois; and

16 (5) the General Assembly Retirement System.

17 (b) As soon as may be practical after any money is  
18 deposited into the Pension Stabilization Fund, the State  
19 Comptroller shall apportion the deposited amount among the  
20 designated retirement systems and the State Comptroller and  
21 State Treasurer shall pay the apportioned amounts to the  
22 designated retirement systems. The amount deposited shall be  
23 apportioned among the designated retirement systems in the same  
24 proportion as their respective portions of the total actuarial  
25 reserve deficiency of the designated retirement systems, as

1 most recently determined by the Governor's Office of Management  
2 and Budget. Amounts received by a designated retirement system  
3 under this Section shall be used for funding the unfunded  
4 liabilities of the retirement system. Payments under this  
5 Section are authorized by the continuing appropriation under  
6 Section 1.7 of the State Pension Funds Continuing Appropriation  
7 Act.

8 (c) At the request of the State Comptroller, the Governor's  
9 Office of Management and Budget shall determine the individual  
10 and total actuarial reserve deficiencies of the designated  
11 retirement systems. For this purpose, the Governor's Office of  
12 Management and Budget shall consider the latest available audit  
13 and actuarial reports of each of the retirement systems and the  
14 relevant reports and statistics of the Public Pension Division  
15 of the Department of Financial and Professional Regulation.

16 (d) Payments to the designated retirement systems under  
17 this Section shall be in addition to, and not in lieu of, any  
18 State contributions required under Section 2-124, 14-131,  
19 15-155, 16-158, or 18-131 of the Illinois Pension Code.

20 Payments to the designated retirement systems under this  
21 Section, transferred after the effective date of this  
22 amendatory Act of the 97th General Assembly, do not reduce and  
23 do not constitute payment of any portion of the required State  
24 contribution under Article 2, 14, 15, 16, or 18 of the Illinois  
25 Pension Code in that fiscal year. Such amounts shall not  
26 reduce, and shall not be included in the calculation of, the

1 required State Contribution under Article 2, 14, 15, 16, or 18  
2 of the Illinois Pension Code in any future year, until the  
3 designated retirement system has received payment of  
4 contributions pursuant to this Act.

5 (Source: P.A. 94-839, eff. 6-6-06.)

6 Section 20. The Illinois Pension Code is amended by  
7 changing Sections 1-103.3, 2-108, 2-119.1, 2-121.1, 2-124,  
8 2-125, 2-126, 2-134, 2-162, 7-109, 14-103.10, 14-106, 14-114,  
9 14-131, 14-132, 14-133, 14-135.08, 14-152.1, 15-106, 15-107,  
10 15-111, 15-113.2, 15-136, 15-155, 15-156, 15-157, 15-165,  
11 15-198, 16-106, 16-121, 16-127, 16-133, 16-133.1, 16-152,  
12 16-158, 16-203, and 18-131 and by adding Sections 2-105.1,  
13 2-105.2, 14-103.40, 14-103.41, 15-107.1, 15-107.2, 16-106.4,  
14 16-106.5, and 16-158.2 as follows:

15 (40 ILCS 5/1-103.3)

16 Sec. 1-103.3. Application of 1994 amendment; funding  
17 standard.

18 (a) The provisions of Public Act 88-593 ~~this amendatory Act~~  
19 ~~of 1994~~ that change the method of calculating, certifying, and  
20 paying the required State contributions to the retirement  
21 systems established under Articles 2, 14, 15, 16, and 18 shall  
22 first apply to the State contributions required for State  
23 fiscal year 1996.

24 (b) (Blank) ~~The General Assembly declares that a funding~~

1 ~~ratio (the ratio of a retirement system's total assets to its~~  
2 ~~total actuarial liabilities) of 90% is an appropriate goal for~~  
3 ~~State-funded retirement systems in Illinois, and it finds that~~  
4 ~~a funding ratio of 90% is now the generally recognized norm~~  
5 ~~throughout the nation for public employee retirement systems~~  
6 ~~that are considered to be financially secure and funded in an~~  
7 ~~appropriate and responsible manner.~~

8 (c) Every 5 years, beginning in 1999, the Commission on  
9 Government Forecasting and Accountability, in consultation  
10 with the affected retirement systems and the Governor's Office  
11 of Management and Budget (formerly Bureau of the Budget), shall  
12 consider and determine whether the funding goals ~~90% funding~~  
13 ~~ratio~~ adopted in Articles 2, 14, 15, 16, and 18 of this Code  
14 continue ~~subsection (b) continues~~ to represent ~~an~~ appropriate  
15 funding goals ~~goal~~ for those ~~State-funded~~ retirement systems ~~in~~  
16 ~~Illinois~~, and it shall report its findings and recommendations  
17 on this subject to the Governor and the General Assembly.

18 (Source: P.A. 93-1067, eff. 1-15-05.)

19 (40 ILCS 5/2-105.1 new)

20 Sec. 2-105.1. Tier I participant. "Tier I participant": A  
21 participant who first became a participant before January 1,  
22 2011.

23 (40 ILCS 5/2-105.2 new)

24 Sec. 2-105.2. Tier I retiree. "Tier I retiree" means a

1 former Tier I participant who is receiving a retirement  
2 annuity.

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

4 Sec. 2-108. Salary. "Salary": (1) For members of the  
5 General Assembly, the total compensation paid to the member by  
6 the State for one year of service, including the additional  
7 amounts, if any, paid to the member as an officer pursuant to  
8 Section 1 of "An Act in relation to the compensation and  
9 emoluments of the members of the General Assembly", approved  
10 December 6, 1907, as now or hereafter amended.

11 (2) For the State executive officers specified in Section  
12 2-105, the total compensation paid to the member for one year  
13 of service.

14 (3) For members of the System who are participants under  
15 Section 2-117.1, or who are serving as Clerk or Assistant Clerk  
16 of the House of Representatives or Secretary or Assistant  
17 Secretary of the Senate, the total compensation paid to the  
18 member for one year of service, but not to exceed the salary of  
19 the highest salaried officer of the General Assembly.

20 However, in the event that federal law results in any  
21 participant receiving imputed income based on the value of  
22 group term life insurance provided by the State, such imputed  
23 income shall not be included in salary for the purposes of this  
24 Article.

25 Notwithstanding any other provision of this Code, the

1 salary of a Tier I participant for the purposes of this Code  
2 shall not exceed, for periods of service in a term of office  
3 beginning on or after the effective date of this amendatory Act  
4 of the 97th General Assembly, the greater of (i) the annual  
5 contribution and benefit base established for the applicable  
6 year by the Commissioner of Social Security under the federal  
7 Social Security Act or (ii) the annual salary of the  
8 participant during the 365 days immediately preceding the  
9 effective date of this Section.

10 (Source: P.A. 86-27; 86-273; 86-1028; 86-1488.)

11 (40 ILCS 5/2-119.1) (from Ch. 108 1/2, par. 2-119.1)

12 Sec. 2-119.1. Automatic increase in retirement annuity.

13 (a) Except as provided in subsections (a-1) and (a-2), a A  
14 participant who retires after June 30, 1967, and who has not  
15 received an initial increase under this Section before the  
16 effective date of this amendatory Act of 1991, shall, in  
17 January or July next following the first anniversary of  
18 retirement, whichever occurs first, and in the same month of  
19 each year thereafter, but in no event prior to age 60, have the  
20 amount of the originally granted retirement annuity increased  
21 as follows: for each year through 1971, 1 1/2%; for each year  
22 from 1972 through 1979, 2%; and for 1980 and each year  
23 thereafter, 3%. Annuitants who have received an initial  
24 increase under this subsection prior to the effective date of  
25 this amendatory Act of 1991 shall continue to receive their



1 annual increases in the same month as the initial increase.

2 (a-1) Notwithstanding any other provision of this Article,  
3 for a Tier I retiree, the amount of each automatic increase in  
4 retirement annuity occurring on or after the effective date of  
5 this amendatory Act of the 97th General Assembly shall be the  
6 lesser of (i) \$750 or (ii) 3% of the total annuity payable at  
7 the time of the increase, including previous increases granted.

8 (a-2) Notwithstanding any other provision of this Article,  
9 the System shall not grant any new or additional automatic  
10 increase in retirement annuity to a Tier I retiree on or after  
11 the effective date of this amendatory Act of the 97th General  
12 Assembly and before January 1, 2020.

13 Notwithstanding any other provision of this Article, the  
14 System shall not grant any new or additional automatic increase  
15 in retirement annuity to a Tier I retiree who has not yet  
16 attained the age of 67, regardless of any age augmentation  
17 granted under this Article as an early retirement incentive.

18 If on the effective date of this amendatory Act of the 97th  
19 General Assembly a Tier I retiree has already received an  
20 annual increase under this Section but does not yet meet the  
21 new eligibility requirements of this subsection, the annual  
22 increases already received shall continue in force, but no  
23 additional annual increase shall be granted until the Tier I  
24 retiree meets the new eligibility requirements.

25 (a-3) Notwithstanding Section 1-103.1, subsections (a-1)  
26 and (a-2) apply without regard to whether or not the Tier I

1 retiree is in active service under this Article on or after the  
2 effective date of this amendatory Act of the 97th General  
3 Assembly.

4 (b) Beginning January 1, 1990, for eligible participants  
5 who remain in service after attaining 20 years of creditable  
6 service, the 3% increases provided under subsection (a) shall  
7 begin to accrue on the January 1 next following the date upon  
8 which the participant (1) attains age 55, or (2) attains 20  
9 years of creditable service, whichever occurs later, and shall  
10 continue to accrue while the participant remains in service;  
11 such increases shall become payable on January 1 or July 1,  
12 whichever occurs first, next following the first anniversary of  
13 retirement. For any person who has service credit in the System  
14 for the entire period from January 15, 1969 through December  
15 31, 1992, regardless of the date of termination of service, the  
16 reference to age 55 in clause (1) of this subsection (b) shall  
17 be deemed to mean age 50.

18 This subsection (b) does not apply to any person who first  
19 becomes a member of the System after August 8, 2003 (the  
20 effective date of Public Act 93-494) ~~this amendatory Act of the~~  
21 ~~93rd General Assembly.~~

22 (b-5) Notwithstanding any other provision of this Article,  
23 a participant who first becomes a participant on or after  
24 January 1, 2011 (the effective date of Public Act 96-889)  
25 shall, in January or July next following the first anniversary  
26 of retirement, whichever occurs first, and in the same month of

1 each year thereafter, but in no event prior to age 67, have the  
2 amount of the originally granted retirement annuity ~~then being~~  
3 ~~paid~~ increased by 3% or one-half the annual unadjusted  
4 percentage increase in the Consumer Price Index for All Urban  
5 Consumers as determined by the Public Pension Division of the  
6 Department of Insurance under subsection (a) of Section  
7 2-108.1, whichever is less. The changes made to this subsection  
8 by this amendatory Act of the 97th General Assembly do not  
9 apply to any automatic annual increase granted under this  
10 subsection before the effective date of this amendatory Act.

11 (c) The foregoing provisions relating to automatic  
12 increases are not applicable to a participant who retires  
13 before having made contributions (at the rate prescribed in  
14 Section 2-126) for automatic increases for less than the  
15 equivalent of one full year. However, in order to be eligible  
16 for the automatic increases, such a participant may make  
17 arrangements to pay to the system the amount required to bring  
18 the total contributions for the automatic increase to the  
19 equivalent of one year's contributions based upon his or her  
20 last salary.

21 (d) A participant who terminated service prior to July 1,  
22 1967, with at least 14 years of service is entitled to an  
23 increase in retirement annuity beginning January, 1976, and to  
24 additional increases in January of each year thereafter.

25 The initial increase shall be 1 1/2% of the originally  
26 granted retirement annuity multiplied by the number of full

1 years that the annuitant was in receipt of such annuity prior  
2 to January 1, 1972, plus 2% of the originally granted  
3 retirement annuity for each year after that date. The  
4 subsequent annual increases shall be at the rate of 2% of the  
5 originally granted retirement annuity for each year through  
6 1979 and at the rate of 3% for 1980 and thereafter.

7 (e) Beginning January 1, 1990, all automatic annual  
8 increases payable under this Section shall be calculated as a  
9 percentage of the total annuity payable at the time of the  
10 increase, including previous increases granted under this  
11 Article.

12 (Source: P.A. 96-889, eff. 1-1-11; 96-1490, eff. 1-1-11.)

13 (40 ILCS 5/2-121.1) (from Ch. 108 1/2, par. 2-121.1)

14 Sec. 2-121.1. Survivor's annuity - amount.

15 (a) A surviving spouse shall be entitled to 66 2/3% of the  
16 amount of retirement annuity to which the participant or  
17 annuitant was entitled on the date of death, without regard to  
18 whether the participant had attained age 55 prior to his or her  
19 death, subject to a minimum payment of 10% of salary. If a  
20 surviving spouse, regardless of age, has in his or her care at  
21 the date of death any eligible child or children of the  
22 participant, the survivor's annuity shall be the greater of the  
23 following: (1) 66 2/3% of the amount of retirement annuity to  
24 which the participant or annuitant was entitled on the date of  
25 death, or (2) 30% of the participant's salary increased by 10%

1 of salary on account of each such child, subject to a total  
2 payment for the surviving spouse and children of 50% of salary.  
3 If eligible children survive but there is no surviving spouse,  
4 or if the surviving spouse dies or becomes disqualified by  
5 remarriage while eligible children survive, each eligible  
6 child shall be entitled to an annuity of 20% of salary, subject  
7 to a maximum total payment for all such children of 50% of  
8 salary.

9 However, the survivor's annuity payable under this Section  
10 shall not be less than 100% of the amount of retirement annuity  
11 to which the participant or annuitant was entitled on the date  
12 of death, if he or she is survived by a dependent disabled  
13 child.

14 The salary to be used for determining these benefits shall  
15 be the salary used for determining the amount of retirement  
16 annuity as provided in Section 2-119.01.

17 (b) Upon the death of a participant after the termination  
18 of service or upon death of an annuitant, the maximum total  
19 payment to a surviving spouse and eligible children, or to  
20 eligible children alone if there is no surviving spouse, shall  
21 be 75% of the retirement annuity to which the participant or  
22 annuitant was entitled, unless there is a dependent disabled  
23 child among the survivors.

24 (c) When a child ceases to be an eligible child, the  
25 annuity to that child, or to the surviving spouse on account of  
26 that child, shall thereupon cease, and the annuity payable to

1 the surviving spouse or other eligible children shall be  
2 recalculated if necessary.

3 Upon the ineligibility of the last eligible child, the  
4 annuity shall immediately revert to the amount payable upon  
5 death of a participant or annuitant who leaves no eligible  
6 children. If the surviving spouse is then under age 50, the  
7 annuity as revised shall be deferred until the attainment of  
8 age 50.

9 (d) Beginning January 1, 1990, every survivor's annuity  
10 shall be increased (1) on each January 1 occurring on or after  
11 the commencement of the annuity if the deceased member died  
12 while receiving a retirement annuity, or (2) in other cases, on  
13 each January 1 occurring on or after the first anniversary of  
14 the commencement of the annuity, by an amount equal to 3% of  
15 the current amount of the annuity, including any previous  
16 increases under this Article. Such increases shall apply  
17 without regard to whether the deceased member was in service on  
18 or after the effective date of this amendatory Act of 1991, but  
19 shall not accrue for any period prior to January 1, 1990.

20 (d-5) Notwithstanding any other provision of this Article,  
21 the initial survivor's annuity of a survivor of a participant  
22 who first becomes a participant on or after January 1, 2011  
23 (the effective date of Public Act 96-889) shall be in the  
24 amount of 66 2/3% of the amount of the retirement annuity to  
25 which the participant or annuitant was entitled on the date of  
26 death and shall be increased (1) on each January 1 occurring on

1 or after the commencement of the annuity if the deceased member  
2 died while receiving a retirement annuity or (2) in other  
3 cases, on each January 1 occurring on or after the first  
4 anniversary of the commencement of the annuity, by an amount  
5 equal to 3% or one-half the annual unadjusted percentage  
6 increase in the Consumer Price Index for All Urban Consumers as  
7 determined by the Public Pension Division of the Department of  
8 Insurance under subsection (a) of Section 2-108.1, whichever is  
9 less, of the originally granted survivor's annuity ~~then being~~  
10 ~~paid~~. The changes made to this subsection by this amendatory  
11 Act of the 97th General Assembly do not apply to any automatic  
12 annual increase granted under this subsection before the  
13 effective date of this amendatory Act.

14 (e) Notwithstanding any other provision of this Article,  
15 beginning January 1, 1990, the minimum survivor's annuity  
16 payable to any person who is entitled to receive a survivor's  
17 annuity under this Article shall be \$300 per month, without  
18 regard to whether or not the deceased participant was in  
19 service on the effective date of this amendatory Act of 1989.

20 (f) In the case of a proportional survivor's annuity  
21 arising under the Retirement Systems Reciprocal Act where the  
22 amount payable by the System on January 1, 1993 is less than  
23 \$300 per month, the amount payable by the System shall be  
24 increased beginning on that date by a monthly amount equal to  
25 \$2 for each full year that has expired since the annuity began.

26 (Source: P.A. 96-889, eff. 1-1-11; 96-1490, eff. 1-1-11.)

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

2 Sec. 2-124. Contributions by State.

3 (a) The State shall make contributions to the System by  
4 appropriations of amounts which, together with the  
5 contributions of participants, interest earned on investments,  
6 and other income will meet the cost of maintaining and  
7 administering the System on a 100% ~~90%~~ funded basis in  
8 accordance with actuarial recommendations by the end of State  
9 fiscal year 2043.

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

15 (c) For State fiscal years 2014 through 2043, the minimum  
16 contribution to the System to be made by the State for each  
17 fiscal year shall be an amount determined by the System to be  
18 equal to the sum of (1) the State's portion of the projected  
19 normal cost for that fiscal year, plus (2) an amount sufficient  
20 to bring the total assets of the System up to 100% of the total  
21 actuarial liabilities of the System by the end of State fiscal  
22 year 2043. In making these determinations, the required State  
23 contribution shall be calculated each year as a level  
24 percentage of payroll over the years remaining to and including  
25 fiscal year 2043 and shall be determined under the projected



1 unit credit actuarial cost method.

2 For State fiscal years 2012 and 2013 ~~through 2045~~, the  
3 minimum contribution to the System to be made by the State for  
4 each fiscal year shall be an amount determined by the System to  
5 be sufficient to bring the total assets of the System up to 90%  
6 of the total actuarial liabilities of the System by the end of  
7 State fiscal year 2045. In making these determinations, the  
8 required State contribution shall be calculated each year as a  
9 level percentage of payroll over the years remaining to and  
10 including fiscal year 2045 and shall be determined under the  
11 projected unit credit actuarial cost method.

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

17 Notwithstanding any other provision of this Article, the  
18 total required State contribution for State fiscal year 2006 is  
19 \$4,157,000.

20 Notwithstanding any other provision of this Article, the  
21 total required State contribution for State fiscal year 2007 is  
22 \$5,220,300.

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

1 2007, so that by State fiscal year 2011, the State is  
2 contributing at the rate otherwise required under this Section.

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

13 Notwithstanding any other provision of this Article, the  
14 total required State contribution for State fiscal year 2011 is  
15 the amount recertified by the System on or before April 1, 2011  
16 pursuant to Section 2-134 and shall be made from the proceeds  
17 of bonds sold in fiscal year 2011 pursuant to Section 7.2 of  
18 the General Obligation Bond Act, less (i) the pro rata share of  
19 bond sale expenses determined by the System's share of total  
20 bond proceeds, (ii) any amounts received from the General  
21 Revenue Fund in fiscal year 2011, and (iii) any reduction in  
22 bond proceeds due to the issuance of discounted bonds, if  
23 applicable.

24 Beginning in State fiscal year 2044, the minimum State  
25 contribution for each fiscal year shall be the amount needed to  
26 maintain the total assets of the System at 100% of the total

1 actuarial liabilities of the System.

2 ~~Beginning in State fiscal year 2046, the minimum State~~  
3 ~~contribution for each fiscal year shall be the amount needed to~~  
4 ~~maintain the total assets of the System at 90% of the total~~  
5 ~~actuarial liabilities of the System.~~

6 Amounts received by the System pursuant to Section 25 of  
7 the Budget Stabilization Act or Section 8.12 of the State  
8 Finance Act in any fiscal year do not reduce and do not  
9 constitute payment of any portion of the minimum State  
10 contribution required under this Article in that fiscal year.  
11 Such amounts shall not reduce, and shall not be included in the  
12 calculation of, the required State contributions under this  
13 Article in any future year until the System has reached a  
14 funding ratio of at least 100% ~~90%~~. A reference in this Article  
15 to the "required State contribution" or any substantially  
16 similar term does not include or apply to any amounts payable  
17 to the System under Section 25 of the Budget Stabilization Act.

18 Notwithstanding any other provision of this Code or the  
19 Budget Stabilization Act, amounts transferred to the System  
20 pursuant to the Budget Stabilization Act after the effective  
21 date of this amendatory Act of the 97th General Assembly do not  
22 reduce and do not constitute payment of any portion of the  
23 required State contribution under this Article in that fiscal  
24 year. Such amounts shall not reduce, and shall not be included  
25 in the calculation of, the required State contributions under  
26 this Article in any future year until the System has received

1 payment of contributions pursuant to the Budget Stabilization  
2 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 through State  
6 fiscal year 2013, as calculated under this Section and  
7 certified under Section 2-134, shall not exceed an amount equal  
8 to (i) the amount of the required State contribution that would  
9 have been calculated under this Section for that fiscal year if  
10 the System had not received any payments under subsection (d)  
11 of Section 7.2 of the General Obligation Bond Act, minus (ii)  
12 the portion of the State's total debt service payments for that  
13 fiscal year on the bonds issued in fiscal year 2003 for the  
14 purposes of that Section 7.2, as determined and certified by  
15 the Comptroller, that is the same as the System's portion of  
16 the total moneys distributed under subsection (d) of Section  
17 7.2 of the General Obligation Bond Act. In determining this  
18 maximum for State fiscal years 2008 through 2010, however, the  
19 amount referred to in item (i) shall be increased, as a  
20 percentage of the applicable employee payroll, in equal  
21 increments calculated from the sum of the required State  
22 contribution for State fiscal year 2007 plus the applicable  
23 portion of the State's total debt service payments for fiscal  
24 year 2007 on the bonds issued in fiscal year 2003 for the  
25 purposes of Section 7.2 of the General Obligation Bond Act, so  
26 that, by State fiscal year 2011, the State is contributing at

1 the rate otherwise required under this Section.

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

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

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

17 (Source: P.A. 96-43, eff. 7-15-09; 96-1497, eff. 1-14-11;  
18 96-1511, eff. 1-27-11; 96-1554, eff. 3-18-11; 97-813, eff.  
19 7-13-12.)

20 (40 ILCS 5/2-125) (from Ch. 108 1/2, par. 2-125)

21 Sec. 2-125. Obligations of State; funding guarantee.

22 (a) The payment of (1) the required State contributions,  
23 (2) all benefits granted under this system and (3) all expenses  
24 of administration and operation are obligations of the State to  
25 the extent specified in this Article.

1       (b) All income, interest and dividends derived from  
2 deposits and investments shall be credited to the account of  
3 the system in the State Treasury and used to pay benefits under  
4 this Article.

5       (c) Beginning July 1, 2013, the State shall be  
6 contractually obligated to contribute to the System under  
7 Section 2-124 in each State fiscal year an amount not less than  
8 the sum of (i) the State's normal cost for that year and (ii)  
9 the portion of the unfunded accrued liability assigned to that  
10 year by law in accordance with a schedule that distributes  
11 payments equitably over a reasonable period of time and in  
12 accordance with accepted actuarial practices. The obligations  
13 created under this subsection (c) are contractual obligations  
14 protected and enforceable under Article I, Section 16 and  
15 Article XIII, Section 5 of the Illinois Constitution.

16       Notwithstanding any other provision of law, if the State  
17 fails to pay in a State fiscal year the amount guaranteed under  
18 this subsection, the System may bring a mandamus action in the  
19 Circuit Court of Sangamon County to compel the State to make  
20 that payment, irrespective of other remedies that may be  
21 available to the System. In ordering the State to make the  
22 required payment, the court may order a reasonable payment  
23 schedule to enable the State to make the required payment  
24 without significantly imperiling the public health, safety, or  
25 welfare.

26       (Source: P.A. 83-1440.)

1 (40 ILCS 5/2-126) (from Ch. 108 1/2, par. 2-126)

2 Sec. 2-126. Contributions by participants.

3 (a) Each participant shall contribute toward the cost of  
4 his or her retirement annuity a percentage of each payment of  
5 salary received by him or her for service as a member as  
6 follows: for service between October 31, 1947 and January 1,  
7 1959, 5%; for service between January 1, 1959 and June 30,  
8 1969, 6%; for service between July 1, 1969 and January 10,  
9 1973, 6 1/2%; for service after January 10, 1973, 7%; for  
10 service after December 31, 1981, 8 1/2%.

11 (a-5) In addition to the contributions otherwise required  
12 under this Article, each Tier I participant shall also make the  
13 following contributions toward the cost of his or her  
14 retirement annuity from each payment of salary received by him  
15 or her for service as a member:

16 (1) beginning July 1, 2013 and through June 30, 2014,  
17 1% of salary; and

18 (2) beginning on July 1, 2014, 2% of salary.

19 (b) Beginning August 2, 1949, each male participant, and  
20 from July 1, 1971, each female participant shall contribute  
21 towards the cost of the survivor's annuity 2% of salary.

22 A participant who has no eligible survivor's annuity  
23 beneficiary may elect to cease making contributions for  
24 survivor's annuity under this subsection. A survivor's annuity  
25 shall not be payable upon the death of a person who has made

1 this election, unless prior to that death the election has been  
2 revoked and the amount of the contributions that would have  
3 been paid under this subsection in the absence of the election  
4 is paid to the System, together with interest at the rate of 4%  
5 per year from the date the contributions would have been made  
6 to the date of payment.

7 (c) Beginning July 1, 1967, each participant shall  
8 contribute 1% of salary towards the cost of automatic increase  
9 in annuity provided in Section 2-119.1. These contributions  
10 shall be made concurrently with contributions for retirement  
11 annuity purposes.

12 (d) In addition, each participant serving as an officer of  
13 the General Assembly shall contribute, for the same purposes  
14 and at the same rates as are required of a regular participant,  
15 on each additional payment received as an officer. If the  
16 participant serves as an officer for at least 2 but less than 4  
17 years, he or she shall contribute an amount equal to the amount  
18 that would have been contributed had the participant served as  
19 an officer for 4 years. Persons who serve as officers in the  
20 87th General Assembly but cannot receive the additional payment  
21 to officers because of the ban on increases in salary during  
22 their terms may nonetheless make contributions based on those  
23 additional payments for the purpose of having the additional  
24 payments included in their highest salary for annuity purposes;  
25 however, persons electing to make these additional  
26 contributions must also pay an amount representing the



1 corresponding employer contributions, as calculated by the  
2 System.

3 (e) Notwithstanding any other provision of this Article,  
4 the required contribution of a participant who first becomes a  
5 participant on or after January 1, 2011 shall not exceed the  
6 contribution that would be due under this Article if that  
7 participant's highest salary for annuity purposes were  
8 \$106,800, plus any increases in that amount under Section  
9 2-108.1.

10 (Source: P.A. 96-1490, eff. 1-1-11.)

11 (40 ILCS 5/2-134) (from Ch. 108 1/2, par. 2-134)

12 Sec. 2-134. To certify required State contributions and  
13 submit vouchers.

14 (a) The Board shall certify to the Governor on or before  
15 December 15 of each year through ~~until~~ December 15, 2011 the  
16 amount of the required State contribution to the System for the  
17 next fiscal year ~~and shall specifically identify the System's~~  
18 ~~projected State normal cost for that fiscal year.~~ The  
19 certification shall include a copy of the actuarial  
20 recommendations upon which it is based ~~and shall specifically~~  
21 ~~identify the System's projected State normal cost for that~~  
22 ~~fiscal year.~~

23 (a-5) On or before November 1 of each year, beginning  
24 November 1, 2012, the Board shall submit to the State Actuary,  
25 the Governor, and the General Assembly a proposed certification

1 of the amount of the required State contribution to the System  
2 for the next fiscal year, along with all of the actuarial  
3 assumptions, calculations, and data upon which that proposed  
4 certification is based. On or before January 1 of each year,  
5 beginning January 1, 2013, the State Actuary shall issue a  
6 preliminary report concerning the proposed certification and  
7 identifying, if necessary, recommended changes in actuarial  
8 assumptions that the Board must consider before finalizing its  
9 certification of the required State contributions.

10 On or before January 15, 2013 and every January 15  
11 thereafter, the Board shall certify to the Governor and the  
12 General Assembly the amount of the required State contribution  
13 for the next fiscal year. The Board's certification shall  
14 include a copy of the actuarial recommendations upon which it  
15 is based and shall specifically identify the System's projected  
16 State normal cost for that fiscal year. The Board's  
17 certification must note any deviations from the State Actuary's  
18 recommended changes, the reason or reasons for not following  
19 the State Actuary's recommended changes, and the fiscal impact  
20 of not following the State Actuary's recommended changes on the  
21 required State contribution.

22 (a-7) On or before May 1, 2004, the Board shall recalculate  
23 and recertify to the Governor the amount of the required State  
24 contribution to the System for State fiscal year 2005, taking  
25 into account the amounts appropriated to and received by the  
26 System under subsection (d) of Section 7.2 of the General

1 Obligation Bond Act.

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

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

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

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

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

17 (Source: P.A. 96-1497, eff. 1-14-11; 96-1511, eff. 1-27-11;  
18 97-694, eff. 6-18-12.)

19 (40 ILCS 5/2-162)

20 Sec. 2-162. Application and expiration of new benefit  
21 increases.

22 (a) As used in this Section, "new benefit increase" means  
23 an increase in the amount of any benefit provided under this  
24 Article, or an expansion of the conditions of eligibility for  
25 any benefit under this Article, that results from an amendment

1 to this Code that takes effect after the effective date of this  
2 amendatory Act of the 94th General Assembly. "New benefit  
3 increase", however, does not include any benefit increase  
4 resulting from the changes made to this Article by this  
5 amendatory Act of the 97th General Assembly.

6 (b) Notwithstanding any other provision of this Code or any  
7 subsequent amendment to this Code, every new benefit increase  
8 is subject to this Section and shall be deemed to be granted  
9 only in conformance with and contingent upon compliance with  
10 the provisions of this Section.

11 (c) The Public Act enacting a new benefit increase must  
12 identify and provide for payment to the System of additional  
13 funding at least sufficient to fund the resulting annual  
14 increase in cost to the System as it accrues.

15 Every new benefit increase is contingent upon the General  
16 Assembly providing the additional funding required under this  
17 subsection. The Commission on Government Forecasting and  
18 Accountability shall analyze whether adequate additional  
19 funding has been provided for the new benefit increase and  
20 shall report its analysis to the Public Pension Division of the  
21 Department of Financial and Professional Regulation. A new  
22 benefit increase created by a Public Act that does not include  
23 the additional funding required under this subsection is null  
24 and void. If the Public Pension Division determines that the  
25 additional funding provided for a new benefit increase under  
26 this subsection is or has become inadequate, it may so certify

1 to the Governor and the State Comptroller and, in the absence  
2 of corrective action by the General Assembly, the new benefit  
3 increase shall expire at the end of the fiscal year in which  
4 the certification is made.

5 (d) Every new benefit increase shall expire 5 years after  
6 its effective date or on such earlier date as may be specified  
7 in the language enacting the new benefit increase or provided  
8 under subsection (c). This does not prevent the General  
9 Assembly from extending or re-creating a new benefit increase  
10 by law.

11 (e) Except as otherwise provided in the language creating  
12 the new benefit increase, a new benefit increase that expires  
13 under this Section continues to apply to persons who applied  
14 and qualified for the affected benefit while the new benefit  
15 increase was in effect and to the affected beneficiaries and  
16 alternate payees of such persons, but does not apply to any  
17 other person, including without limitation a person who  
18 continues in service after the expiration date and did not  
19 apply and qualify for the affected benefit while the new  
20 benefit increase was in effect.

21 (Source: P.A. 94-4, eff. 6-1-05.)

22 (40 ILCS 5/7-109) (from Ch. 108 1/2, par. 7-109)

23 Sec. 7-109. Employee.

24 (1) "Employee" means any person who:

25 (a) 1. Receives earnings as payment for the performance

1 of personal services or official duties out of the  
2 general fund of a municipality, or out of any special  
3 fund or funds controlled by a municipality, or by an  
4 instrumentality thereof, or a participating  
5 instrumentality, including, in counties, the fees or  
6 earnings of any county fee office; and

7 2. Under the usual common law rules applicable in  
8 determining the employer-employee relationship, has  
9 the status of an employee with a municipality, or any  
10 instrumentality thereof, or a participating  
11 instrumentality, including aldermen, county  
12 supervisors and other persons (excepting those  
13 employed as independent contractors) who are paid  
14 compensation, fees, allowances or other emolument for  
15 official duties, and, in counties, the several county  
16 fee offices.

17 (b) Serves as a township treasurer appointed under the  
18 School Code, as heretofore or hereafter amended, and who  
19 receives for such services regular compensation as  
20 distinguished from per diem compensation, and any regular  
21 employee in the office of any township treasurer whether or  
22 not his earnings are paid from the income of the permanent  
23 township fund or from funds subject to distribution to the  
24 several school districts and parts of school districts as  
25 provided in the School Code, or from both such sources; or  
26 is the chief executive officer, chief educational officer,

1 chief fiscal officer, or other employee of a Financial  
2 Oversight Panel established pursuant to Article 1H of the  
3 School Code, other than a superintendent or certified  
4 school business official, except that such person shall not  
5 be treated as an employee under this Section if that person  
6 has negotiated with the Financial Oversight Panel, in  
7 conjunction with the school district, a contractual  
8 agreement for exclusion from this Section.

9 (c) Holds an elective office in a municipality,  
10 instrumentality thereof or participating instrumentality.

11 (2) "Employee" does not include persons who:

12 (a) Are eligible for inclusion under any of the  
13 following laws:

14 1. "An Act in relation to an Illinois State  
15 Teachers' Pension and Retirement Fund", approved May  
16 27, 1915, as amended;

17 2. Articles 15 and 16 of this Code.

18 However, such persons shall be included as employees to  
19 the extent of earnings that are not eligible for inclusion  
20 under the foregoing laws for services not of an  
21 instructional nature of any kind.

22 However, any member of the armed forces who is employed  
23 as a teacher of subjects in the Reserve Officers Training  
24 Corps of any school and who is not certified under the law  
25 governing the certification of teachers shall be included  
26 as an employee.



1           (b) Are designated by the governing body of a  
2           municipality in which a pension fund is required by law to  
3           be established for policemen or firemen, respectively, as  
4           performing police or fire protection duties, except that  
5           when such persons are the heads of the police or fire  
6           department and are not eligible to be included within any  
7           such pension fund, they shall be included within this  
8           Article; provided, that such persons shall not be excluded  
9           to the extent of concurrent service and earnings not  
10          designated as being for police or fire protection duties.  
11          However, (i) any head of a police department who was a  
12          participant under this Article immediately before October  
13          1, 1977 and did not elect, under Section 3-109 of this Act,  
14          to participate in a police pension fund shall be an  
15          "employee", and (ii) any chief of police who elects to  
16          participate in this Fund under Section 3-109.1 of this  
17          Code, regardless of whether such person continues to be  
18          employed as chief of police or is employed in some other  
19          rank or capacity within the police department, shall be an  
20          employee under this Article for so long as such person is  
21          employed to perform police duties by a participating  
22          municipality and has not lawfully rescinded that election.

23          (c) After August 26, 2011 (the effective date of Public  
24          Act 97-609), are contributors to or eligible to contribute  
25          to a Taft-Hartley pension plan established on or before  
26          June 1, 2011 and are employees of a theatre, arena, or

1 convention center that is located in a municipality located  
2 in a county with a population greater than 5,000,000, and  
3 to which the participating municipality is required to  
4 contribute as the person's employer based on earnings from  
5 the municipality. Nothing in this paragraph shall affect  
6 service credit or creditable service for any period of  
7 service prior to August 26, 2011, and this paragraph shall  
8 not apply to individuals who are participating in the Fund  
9 prior to August 26, 2011.

10 (d) Become an employee of any of the following  
11 participating instrumentalities on or after the effective  
12 date of this amendatory Act of the 97th General Assembly:  
13 the Illinois Municipal League; the Illinois Association of  
14 Park Districts; the Illinois Supervisors, County  
15 Commissioners and Superintendents of Highways Association;  
16 an association, or not-for-profit corporation, membership  
17 in which is authorized under Section 85-15 of the Township  
18 Code; the United Counties Council; or the Will County  
19 Governmental League.

20 (3) All persons, including, without limitation, public  
21 defenders and probation officers, who receive earnings from  
22 general or special funds of a county for performance of  
23 personal services or official duties within the territorial  
24 limits of the county, are employees of the county (unless  
25 excluded by subsection (2) of this Section) notwithstanding  
26 that they may be appointed by and are subject to the direction

1 of a person or persons other than a county board or a county  
2 officer. It is hereby established that an employer-employee  
3 relationship under the usual common law rules exists between  
4 such employees and the county paying their salaries by reason  
5 of the fact that the county boards fix their rates of  
6 compensation, appropriate funds for payment of their earnings  
7 and otherwise exercise control over them. This finding and this  
8 amendatory Act shall apply to all such employees from the date  
9 of appointment whether such date is prior to or after the  
10 effective date of this amendatory Act and is intended to  
11 clarify existing law pertaining to their status as  
12 participating employees in the Fund.

13 (Source: P.A. 97-429, eff. 8-16-11; 97-609, eff. 8-26-11;  
14 97-813, eff. 7-13-12.)

15 (40 ILCS 5/14-103.10) (from Ch. 108 1/2, par. 14-103.10)

16 Sec. 14-103.10. Compensation.

17 (a) For periods of service prior to January 1, 1978, the  
18 full rate of salary or wages payable to an employee for  
19 personal services performed if he worked the full normal  
20 working period for his position, subject to the following  
21 maximum amounts: (1) prior to July 1, 1951, \$400 per month or  
22 \$4,800 per year; (2) between July 1, 1951 and June 30, 1957  
23 inclusive, \$625 per month or \$7,500 per year; (3) beginning  
24 July 1, 1957, no limitation.

25 In the case of service of an employee in a position

1 involving part-time employment, compensation shall be  
2 determined according to the employees' earnings record.

3 (b) For periods of service on and after January 1, 1978,  
4 all remuneration for personal services performed defined as  
5 "wages" under the Social Security Enabling Act, including that  
6 part of such remuneration which is in excess of any maximum  
7 limitation provided in such Act, and including any benefits  
8 received by an employee under a sick pay plan in effect before  
9 January 1, 1981, but excluding lump sum salary payments:

- 10 (1) for vacation,  
11 (2) for accumulated unused sick leave,  
12 (3) upon discharge or dismissal,  
13 (4) for approved holidays.

14 (c) For periods of service on or after December 16, 1978,  
15 compensation also includes any benefits, other than lump sum  
16 salary payments made at termination of employment, which an  
17 employee receives or is eligible to receive under a sick pay  
18 plan authorized by law.

19 (d) For periods of service after September 30, 1985,  
20 compensation also includes any remuneration for personal  
21 services not included as "wages" under the Social Security  
22 Enabling Act, which is deducted for purposes of participation  
23 in a program established pursuant to Section 125 of the  
24 Internal Revenue Code or its successor laws.

25 (e) For members for which Section 1-160 applies for periods  
26 of service on and after January 1, 2011, all remuneration for

1 personal services performed defined as "wages" under the Social  
2 Security Enabling Act, excluding remuneration that is in excess  
3 of the annual earnings, salary, or wages of a member or  
4 participant, as provided in subsection (b-5) of Section 1-160,  
5 but including any benefits received by an employee under a sick  
6 pay plan in effect before January 1, 1981. Compensation shall  
7 exclude lump sum salary payments:

8 (1) for vacation;

9 (2) for accumulated unused sick leave;

10 (3) upon discharge or dismissal; and

11 (4) for approved holidays.

12 (f) Notwithstanding any other provision of this Code, the  
13 compensation of a Tier I member for the purposes of this Code  
14 shall not exceed, for periods of service on or after the  
15 effective date of this amendatory Act of the 97th General  
16 Assembly, the greater of (i) the annual contribution and  
17 benefit base established for the applicable year by the  
18 Commissioner of Social Security under the federal Social  
19 Security Act or (ii) the annual compensation of the member  
20 during the 365 days immediately preceding the effective date of  
21 this Section; except that this limitation does not apply to a  
22 member's compensation that is determined under an employment  
23 contract or collective bargaining agreement that is in effect  
24 on the effective date of this amendatory Act of the 97th  
25 General Assembly and has not been amended or renewed after that  
26 date.

1       (g) Notwithstanding the other provisions of this Section,  
2 for an employee who first becomes a participant on or after the  
3 effective date of this amendatory Act of the 97th General  
4 Assembly, "compensation" does not include any payments or  
5 reimbursements for travel vouchers.

6       (Source: P.A. 96-1490, eff. 1-1-11.)

7       (40 ILCS 5/14-103.40 new)

8       Sec. 14-103.40. Tier I member. "Tier I member": A member of  
9 this System who first became a member or participant before  
10 January 1, 2011 under any reciprocal retirement system or  
11 pension fund established under this Code other than a  
12 retirement system or pension fund established under Article 2,  
13 3, 4, 5, 6, or 18 of this Code.

14       (40 ILCS 5/14-103.41 new)

15       Sec. 14-103.41. Tier I retiree. "Tier I retiree": A former  
16 Tier I member who is receiving a retirement annuity.

17       (40 ILCS 5/14-106) (from Ch. 108 1/2, par. 14-106)

18       Sec. 14-106. Membership service credit.

19       (a) After January 1, 1944, all service of a member since he  
20 last became a member with respect to which contributions are  
21 made shall count as membership service; provided, that for  
22 service on and after July 1, 1950, 12 months of service shall  
23 constitute a year of membership service, the completion of 15

1 days or more of service during any month shall constitute 1  
2 month of membership service, 8 to 15 days shall constitute 1/2  
3 month of membership service and less than 8 days shall  
4 constitute 1/4 month of membership service. The payroll record  
5 of each department shall constitute conclusive evidence of the  
6 record of service rendered by a member.

7 (b) For a member who is employed and paid on an  
8 academic-year basis rather than on a 12-month annual basis,  
9 employment for a full academic year shall constitute a full  
10 year of membership service, except that the member shall not  
11 receive more than one year of membership service credit (plus  
12 any additional service credit granted for unused sick leave)  
13 for service during any 12-month period. This subsection (b)  
14 applies to all such service for which the member has not begun  
15 to receive a retirement annuity before January 1, 2001.

16 (c) A member who first participated in this System before  
17 the effective date of this amendatory Act of the 97th General  
18 Assembly shall be entitled to additional service credit, under  
19 rules prescribed by the Board, for accumulated unused sick  
20 leave credited to his account in the last Department on the  
21 date of withdrawal from service or for any period for which he  
22 would have been eligible to receive benefits under a sick pay  
23 plan authorized by law, if he had suffered a sickness or  
24 accident on the date of withdrawal from service. It shall be  
25 the responsibility of the last Department to certify to the  
26 Board the length of time salary or benefits would have been

1 paid to the member based upon the accumulated unused sick leave  
2 or the applicable sick pay plan if he had become entitled  
3 thereto because of sickness on the date that his status as an  
4 employee terminated. This period of service credit granted  
5 under this paragraph shall not be considered in determining the  
6 date the retirement annuity is to begin, or final average  
7 compensation.

8 Service credit is not available for unused sick leave  
9 accumulated by a person who first participates in this System  
10 on or after the effective date of this amendatory Act of the  
11 97th General Assembly.

12 (Source: P.A. 92-14, eff. 6-28-01.)

13 (40 ILCS 5/14-114) (from Ch. 108 1/2, par. 14-114)

14 Sec. 14-114. Automatic increase in retirement annuity.

15 (a) Except as provided in subsections (a-1) and (a-2), any  
16 ~~Any~~ person receiving a retirement annuity under this Article  
17 who retires having attained age 60, or who retires before age  
18 60 having at least 35 years of creditable service, or who  
19 retires on or after January 1, 2001 at an age which, when added  
20 to the number of years of his or her creditable service, equals  
21 at least 85, shall, on January 1 next following the first full  
22 year of retirement, have the amount of the then fixed and  
23 payable monthly retirement annuity increased 3%. Any person  
24 receiving a retirement annuity under this Article who retires  
25 before attainment of age 60 and with less than (i) 35 years of



1     creditable service if retirement is before January 1, 2001, or  
2     (ii) the number of years of creditable service which, when  
3     added to the member's age, would equal 85, if retirement is on  
4     or after January 1, 2001, shall have the amount of the fixed  
5     and payable retirement annuity increased by 3% on the January 1  
6     occurring on or next following (1) attainment of age 60, or (2)  
7     the first anniversary of retirement, whichever occurs later.  
8     However, for persons who receive the alternative retirement  
9     annuity under Section 14-110, references in this subsection (a)  
10    to attainment of age 60 shall be deemed to refer to attainment  
11    of age 55. For a person receiving early retirement incentives  
12    under Section 14-108.3 whose retirement annuity began after  
13    January 1, 1992 pursuant to an extension granted under  
14    subsection (e) of that Section, the first anniversary of  
15    retirement shall be deemed to be January 1, 1993. For a person  
16    who retires on or after June 28, 2001 and on or before October  
17    1, 2001, and whose retirement annuity is calculated, in whole  
18    or in part, under Section 14-110 or subsection (g) or (h) of  
19    Section 14-108, the first anniversary of retirement shall be  
20    deemed to be January 1, 2002.

21         On each January 1 following the date of the initial  
22    increase under this subsection, the employee's monthly  
23    retirement annuity shall be increased by an additional 3%.

24         Beginning January 1, 1990 and except as provided in  
25    subsections (a-1) and (a-2), all automatic annual increases  
26    payable under this Section shall be calculated as a percentage

1 of the total annuity payable at the time of the increase,  
2 including previous increases granted under this Article.

3 (a-1) Notwithstanding any other provision of this Article,  
4 for a Tier I retiree, the amount of each automatic increase in  
5 retirement annuity occurring on or after the effective date of  
6 this amendatory Act of the 97th General Assembly shall be the  
7 lesser of (i) \$600 (\$750 if the annuity is based primarily upon  
8 service as a noncovered employee) or (ii) 3% of the total  
9 annuity payable at the time of the increase, including previous  
10 increases granted.

11 (a-2) Notwithstanding any other provision of this Article,  
12 the System shall not grant any new or additional automatic  
13 increase in retirement annuity to a Tier I retiree on or after  
14 the effective date of this amendatory Act of the 97th General  
15 Assembly and before January 1, 2020.

16 Notwithstanding any other provision of this Article, the  
17 System shall not grant any new or additional automatic increase  
18 in retirement annuity to a Tier I retiree who has not yet  
19 attained the age of 67, regardless of any age augmentation  
20 granted under this Article as an early retirement incentive.

21 If on the effective date of this amendatory Act of the 97th  
22 General Assembly a Tier I retiree has already received an  
23 annual increase under this Section but does not yet meet the  
24 new eligibility requirements of this subsection, the annual  
25 increases already received shall continue in force, but no  
26 additional annual increase shall be granted until the Tier I

1 retiree meets the new eligibility requirements.

2 (a-3) Notwithstanding Section 1-103.1, subsections (a-1)  
3 and (a-2) apply without regard to whether or not the Tier I  
4 retiree is in active service under this Article on or after the  
5 effective date of this amendatory Act of the 97th General  
6 Assembly.

7 (b) The provisions of subsection (a) of this Section shall  
8 be applicable to an employee only if the employee makes the  
9 additional contributions required after December 31, 1969 for  
10 the purpose of the automatic increases for not less than the  
11 equivalent of one full year. If an employee becomes an  
12 annuitant before his additional contributions equal one full  
13 year's contributions based on his salary at the date of  
14 retirement, the employee may pay the necessary balance of the  
15 contributions to the system, without interest, and be eligible  
16 for the increasing annuity authorized by this Section.

17 (c) The provisions of subsection (a) of this Section shall  
18 not be applicable to any annuitant who is on retirement on  
19 December 31, 1969, and thereafter returns to State service,  
20 unless the member has established at least one year of  
21 additional creditable service following reentry into service.

22 (d) In addition to other increases which may be provided by  
23 this Section, on January 1, 1981 any annuitant who was  
24 receiving a retirement annuity on or before January 1, 1971  
25 shall have his retirement annuity then being paid increased \$1  
26 per month for each year of creditable service. On January 1,

1 1982, any annuitant who began receiving a retirement annuity on  
2 or before January 1, 1977, shall have his retirement annuity  
3 then being paid increased \$1 per month for each year of  
4 creditable service.

5 On January 1, 1987, any annuitant who began receiving a  
6 retirement annuity on or before January 1, 1977, shall have the  
7 monthly retirement annuity increased by an amount equal to 8¢  
8 per year of creditable service times the number of years that  
9 have elapsed since the annuity began.

10 (e) Every person who receives the alternative retirement  
11 annuity under Section 14-110 and who is eligible to receive the  
12 3% increase under subsection (a) on January 1, 1986, shall also  
13 receive on that date a one-time increase in retirement annuity  
14 equal to the difference between (1) his actual retirement  
15 annuity on that date, including any increases received under  
16 subsection (a), and (2) the amount of retirement annuity he  
17 would have received on that date if the amendments to  
18 subsection (a) made by Public Act 84-162 had been in effect  
19 since the date of his retirement.

20 (Source: P.A. 91-927, eff. 12-14-00; 92-14, eff. 6-28-01;  
21 92-651, eff. 7-11-02.)

22 (40 ILCS 5/14-131)

23 Sec. 14-131. Contributions by State.

24 (a) The State shall make contributions to the System by  
25 appropriations of amounts which, together with other employer

1 contributions from trust, federal, and other funds, employee  
2 contributions, investment income, and other income, will be  
3 sufficient to meet the cost of maintaining and administering  
4 the System on a 100% ~~90%~~ funded basis in accordance with  
5 actuarial recommendations by the end of State fiscal year 2043.

6 For the purposes of this Section and Section 14-135.08,  
7 references to State contributions refer only to employer  
8 contributions and do not include employee contributions that  
9 are picked up or otherwise paid by the State or a department on  
10 behalf of the employee.

11 (b) The Board shall determine the total 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,  
14 using the formula in subsection (e).

15 The Board shall also determine a State contribution rate  
16 for each fiscal year, expressed as a percentage of payroll,  
17 based on the total required State contribution for that fiscal  
18 year (less the amount received by the System from  
19 appropriations under Section 8.12 of the State Finance Act and  
20 Section 1 of the State Pension Funds Continuing Appropriation  
21 Act, if any, for the fiscal year ending on the June 30  
22 immediately preceding the applicable November 15 certification  
23 deadline), the estimated payroll (including all forms of  
24 compensation) for personal services rendered by eligible  
25 employees, and the recommendations of the actuary.

26 For the purposes of this Section and Section 14.1 of the

1 State Finance Act, the term "eligible employees" includes  
2 employees who participate in the System, persons who may elect  
3 to participate in the System but have not so elected, persons  
4 who are serving a qualifying period that is required for  
5 participation, and annuitants employed by a department as  
6 described in subdivision (a) (1) or (a) (2) of Section 14-111.

7 (c) Contributions shall be made by the several departments  
8 for each pay period by warrants drawn by the State Comptroller  
9 against their respective funds or appropriations based upon  
10 vouchers stating the amount to be so contributed. These amounts  
11 shall be based on the full rate certified by the Board under  
12 Section 14-135.08 for that fiscal year. From the effective date  
13 of this amendatory Act of the 93rd General Assembly through the  
14 payment of the final payroll from fiscal year 2004  
15 appropriations, the several departments shall not make  
16 contributions for the remainder of fiscal year 2004 but shall  
17 instead make payments as required under subsection (a-1) of  
18 Section 14.1 of the State Finance Act. The several departments  
19 shall resume those contributions at the commencement of fiscal  
20 year 2005.

21 (c-1) Notwithstanding subsection (c) of this Section, for  
22 fiscal years 2010, 2012, and 2013 only, contributions by the  
23 several departments are not required to be made for General  
24 Revenue Funds payrolls processed by the Comptroller. Payrolls  
25 paid by the several departments from all other State funds must  
26 continue to be processed pursuant to subsection (c) of this

1 Section.

2 (c-2) For State fiscal years 2010, 2012, and 2013 only, on  
3 or as soon as possible after the 15th day of each month, the  
4 Board shall submit vouchers for payment of State contributions  
5 to the System, in a total monthly amount of one-twelfth of the  
6 fiscal year General Revenue Fund contribution as certified by  
7 the System pursuant to Section 14-135.08 of the Illinois  
8 Pension Code.

9 (d) If an employee is paid from trust funds or federal  
10 funds, the department or other employer shall pay employer  
11 contributions from those funds to the System at the certified  
12 rate, unless the terms of the trust or the federal-State  
13 agreement preclude the use of the funds for that purpose, in  
14 which case the required employer contributions shall be paid by  
15 the State. From the effective date of this amendatory Act of  
16 the 93rd General Assembly through the payment of the final  
17 payroll from fiscal year 2004 appropriations, the department or  
18 other employer shall not pay contributions for the remainder of  
19 fiscal year 2004 but shall instead make payments as required  
20 under subsection (a-1) of Section 14.1 of the State Finance  
21 Act. The department or other employer shall resume payment of  
22 contributions at the commencement of fiscal year 2005.

23 (e) For State fiscal years 2014 through 2043, the minimum  
24 contribution to the System to be made by the State for each  
25 fiscal year shall be an amount determined by the System to be  
26 equal to the sum of (1) the State's portion of the projected

1 normal cost for that fiscal year, plus (2) an amount sufficient  
2 to bring the total assets of the System up to 100% of the total  
3 actuarial liabilities of the System by the end of State fiscal  
4 year 2043. In making these determinations, the required State  
5 contribution shall be calculated each year as a level  
6 percentage of payroll over the years remaining to and including  
7 fiscal year 2043 and shall be determined under the projected  
8 unit credit actuarial cost method.

9 For State fiscal years 2012 and 2013 ~~through 2045~~, the minimum  
10 contribution to the System to be made by the State for each  
11 fiscal year shall be an amount determined by the System to be  
12 sufficient to bring the total assets of the System up to 90% of  
13 the total actuarial liabilities of the System by the end of  
14 State fiscal year 2045. In making these determinations, the  
15 required State contribution shall be calculated each year as a  
16 level percentage of payroll over the years remaining to and  
17 including fiscal year 2045 and shall be determined under the  
18 projected unit credit actuarial cost method.

19 For State fiscal years 1996 through 2005, the State  
20 contribution to the System, as a percentage of the applicable  
21 employee payroll, shall be increased in equal annual increments  
22 so that by State fiscal year 2011, the State is contributing at  
23 the rate required under this Section; except that (i) for State  
24 fiscal year 1998, for all purposes of this Code and any other  
25 law of this State, the certified percentage of the applicable  
26 employee payroll shall be 5.052% for employees earning eligible



1 creditable service under Section 14-110 and 6.500% for all  
2 other employees, notwithstanding any contrary certification  
3 made under Section 14-135.08 before the effective date of this  
4 amendatory Act of 1997, and (ii) in the following specified  
5 State fiscal years, the State contribution to the System shall  
6 not be less than the following indicated percentages of the  
7 applicable employee payroll, even if the indicated percentage  
8 will produce a State contribution in excess of the amount  
9 otherwise required under this subsection and subsection (a):  
10 9.8% in FY 1999; 10.0% in FY 2000; 10.2% in FY 2001; 10.4% in FY  
11 2002; 10.6% in FY 2003; and 10.8% in FY 2004.

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

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

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 General Revenue Fund contribution for  
26 State fiscal year 2010 is \$723,703,100 and shall be made from

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

8 Notwithstanding any other provision of this Article, the  
9 total required State General Revenue Fund contribution for  
10 State fiscal year 2011 is the amount recertified by the System  
11 on or before April 1, 2011 pursuant to Section 14-135.08 and  
12 shall be made from the proceeds of bonds sold in fiscal year  
13 2011 pursuant to Section 7.2 of the General Obligation Bond  
14 Act, less (i) the pro rata share of bond sale expenses  
15 determined by the System's share of total bond proceeds, (ii)  
16 any amounts received from the General Revenue Fund in fiscal  
17 year 2011, and (iii) any reduction in bond proceeds due to the  
18 issuance of discounted bonds, if applicable.

19 Beginning in State fiscal year 2044, the minimum State  
20 contribution for each fiscal year shall be the amount needed to  
21 maintain the total assets of the System at 100% of the total  
22 actuarial liabilities of the System.

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 100% ~~90%~~. A reference in this Article  
10 to the "required State contribution" or any substantially  
11 similar term does not include or apply to any amounts payable  
12 to the System under Section 25 of the Budget Stabilization Act.

13           Notwithstanding any other provision of this Code or the  
14 Budget Stabilization Act, amounts transferred to the System  
15 pursuant to the Budget Stabilization Act after the effective  
16 date of this amendatory Act of the 97th General Assembly do not  
17 reduce and do not constitute payment of any portion of the  
18 required State contribution under this Article in that fiscal  
19 year. Such amounts shall not reduce, and shall not be included  
20 in the calculation of, the required State contributions under  
21 this Article in any future year until the System has received  
22 payment of contributions pursuant to the Budget Stabilization  
23 Act.

24           Notwithstanding any other provision of this Section, the  
25 required State contribution for State fiscal year 2005 and for  
26 fiscal year 2008 and each fiscal year thereafter through State

1 fiscal year 2013, as calculated under this Section and  
2 certified under Section 14-135.08, shall not exceed an amount  
3 equal to (i) the amount of the required State contribution that  
4 would have been calculated under this Section for that fiscal  
5 year if the System had not received any payments under  
6 subsection (d) of Section 7.2 of the General Obligation Bond  
7 Act, minus (ii) the portion of the State's total debt service  
8 payments for that fiscal year on the bonds issued in fiscal  
9 year 2003 for the purposes of that Section 7.2, as determined  
10 and certified by the Comptroller, that is the same as the  
11 System's portion of the total moneys distributed under  
12 subsection (d) of Section 7.2 of the General Obligation Bond  
13 Act. In determining this maximum for State fiscal years 2008  
14 through 2010, however, the amount referred to in item (i) shall  
15 be increased, as a percentage of the applicable employee  
16 payroll, in equal increments calculated from the sum of the  
17 required State contribution for State fiscal year 2007 plus the  
18 applicable portion of the State's total debt service payments  
19 for fiscal year 2007 on the bonds issued in fiscal year 2003  
20 for the purposes of Section 7.2 of the General Obligation Bond  
21 Act, so that, by State fiscal year 2011, the State is  
22 contributing at the rate otherwise required under this Section.

23 (f) After the submission of all payments for eligible  
24 employees from personal services line items in fiscal year 2004  
25 have been made, the Comptroller shall provide to the System a  
26 certification of the sum of all fiscal year 2004 expenditures

1 for personal services that would have been covered by payments  
2 to the System under this Section if the provisions of this  
3 amendatory Act of the 93rd General Assembly had not been  
4 enacted. Upon receipt of the certification, the System shall  
5 determine the amount due to the System based on the full rate  
6 certified by the Board under Section 14-135.08 for fiscal year  
7 2004 in order to meet the State's obligation under this  
8 Section. The System shall compare this amount due to the amount  
9 received by the System in fiscal year 2004 through payments  
10 under this Section and under Section 6z-61 of the State Finance  
11 Act. If the amount due is more than the amount received, the  
12 difference shall be termed the "Fiscal Year 2004 Shortfall" for  
13 purposes of this Section, and the Fiscal Year 2004 Shortfall  
14 shall be satisfied under Section 1.2 of the State Pension Funds  
15 Continuing Appropriation Act. If the amount due is less than  
16 the amount received, the difference shall be termed the "Fiscal  
17 Year 2004 Overpayment" for purposes of this Section, and the  
18 Fiscal Year 2004 Overpayment shall be repaid by the System to  
19 the Pension Contribution Fund as soon as practicable after the  
20 certification.

21 (g) For purposes of determining the required State  
22 contribution to the System, the value of the System's assets  
23 shall be equal to the actuarial value of the System's assets,  
24 which shall be calculated as follows:

25 As of June 30, 2008, the actuarial value of the System's  
26 assets shall be equal to the market value of the assets as of

1 that date. In determining the actuarial value of the System's  
2 assets for fiscal years after June 30, 2008, any actuarial  
3 gains or losses from investment return incurred in a fiscal  
4 year shall be recognized in equal annual amounts over the  
5 5-year period following that fiscal year.

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

10 (i) After the submission of all payments for eligible  
11 employees from personal services line items paid from the  
12 General Revenue Fund in fiscal year 2010 have been made, the  
13 Comptroller shall provide to the System a certification of the  
14 sum of all fiscal year 2010 expenditures for personal services  
15 that would have been covered by payments to the System under  
16 this Section if the provisions of this amendatory Act of the  
17 96th General Assembly had not been enacted. Upon receipt of the  
18 certification, the System shall determine the amount due to the  
19 System based on the full rate certified by the Board under  
20 Section 14-135.08 for fiscal year 2010 in order to meet the  
21 State's obligation under this Section. The System shall compare  
22 this amount due to the amount received by the System in fiscal  
23 year 2010 through payments under this Section. If the amount  
24 due is more than the amount received, the difference shall be  
25 termed the "Fiscal Year 2010 Shortfall" for purposes of this  
26 Section, and the Fiscal Year 2010 Shortfall shall be satisfied

1 under Section 1.2 of the State Pension Funds Continuing  
2 Appropriation Act. If the amount due is less than the amount  
3 received, the difference shall be termed the "Fiscal Year 2010  
4 Overpayment" for purposes of this Section, and the Fiscal Year  
5 2010 Overpayment shall be repaid by the System to the General  
6 Revenue Fund as soon as practicable after the certification.

7 (j) After the submission of all payments for eligible  
8 employees from personal services line items paid from the  
9 General Revenue Fund in fiscal year 2011 have been made, the  
10 Comptroller shall provide to the System a certification of the  
11 sum of all fiscal year 2011 expenditures for personal services  
12 that would have been covered by payments to the System under  
13 this Section if the provisions of this amendatory Act of the  
14 96th General Assembly had not been enacted. Upon receipt of the  
15 certification, the System shall determine the amount due to the  
16 System based on the full rate certified by the Board under  
17 Section 14-135.08 for fiscal year 2011 in order to meet the  
18 State's obligation under this Section. The System shall compare  
19 this amount due to the amount received by the System in fiscal  
20 year 2011 through payments under this Section. If the amount  
21 due is more than the amount received, the difference shall be  
22 termed the "Fiscal Year 2011 Shortfall" for purposes of this  
23 Section, and the Fiscal Year 2011 Shortfall shall be satisfied  
24 under Section 1.2 of the State Pension Funds Continuing  
25 Appropriation Act. If the amount due is less than the amount  
26 received, the difference shall be termed the "Fiscal Year 2011

1 Overpayment" for purposes of this Section, and the Fiscal Year  
2 2011 Overpayment shall be repaid by the System to the General  
3 Revenue Fund as soon as practicable after the certification.

4 (k) For fiscal years 2012 and 2013 only, after the  
5 submission of all payments for eligible employees from personal  
6 services line items paid from the General Revenue Fund in the  
7 fiscal year have been made, the Comptroller shall provide to  
8 the System a certification of the sum of all expenditures in  
9 the fiscal year for personal services. Upon receipt of the  
10 certification, the System shall determine the amount due to the  
11 System based on the full rate certified by the Board under  
12 Section 14-135.08 for the fiscal year in order to meet the  
13 State's obligation under this Section. The System shall compare  
14 this amount due to the amount received by the System for the  
15 fiscal year. If the amount due is more than the amount  
16 received, the difference shall be termed the "Prior Fiscal Year  
17 Shortfall" for purposes of this Section, and the Prior Fiscal  
18 Year Shortfall shall be satisfied under Section 1.2 of the  
19 State Pension Funds Continuing Appropriation Act. If the amount  
20 due is less than the amount received, the difference shall be  
21 termed the "Prior Fiscal Year Overpayment" for purposes of this  
22 Section, and the Prior Fiscal Year Overpayment shall be repaid  
23 by the System to the General Revenue Fund as soon as  
24 practicable after the certification.

25 (Source: P.A. 96-43, eff. 7-15-09; 96-45, eff. 7-15-09;  
26 96-1000, eff. 7-2-10; 96-1497, eff. 1-14-11; 96-1511, eff.



1 1-27-11; 96-1554, eff. 3-18-11; 97-72, eff. 7-1-11; 97-732,  
2 eff. 6-30-12.)

3 (40 ILCS 5/14-132) (from Ch. 108 1/2, par. 14-132)

4 Sec. 14-132. Obligations of State; funding guarantee.

5 (a) The payment of the required department contributions,  
6 all allowances, annuities, benefits granted under this  
7 Article, and all expenses of administration of the system are  
8 obligations of the State of Illinois to the extent specified in  
9 this Article.

10 (b) All income of the system shall be credited to a  
11 separate account for this system in the State treasury and  
12 shall be used to pay allowances, annuities, benefits and  
13 administration expense.

14 (c) Beginning July 1, 2013, the State shall be  
15 contractually obligated to contribute to the System under  
16 Section 14-131 in each State fiscal year an amount not less  
17 than the sum of (i) the State's normal cost for that year and  
18 (ii) the portion of the unfunded accrued liability assigned to  
19 that year by law in accordance with a schedule that distributes  
20 payments equitably over a reasonable period of time and in  
21 accordance with accepted actuarial practices. The obligations  
22 created under this subsection (c) are contractual obligations  
23 protected and enforceable under Article I, Section 16 and  
24 Article XIII, Section 5 of the Illinois Constitution.

25 Notwithstanding any other provision of law, if the State

1 fails to pay in a State fiscal year the amount guaranteed under  
2 this subsection, the System may bring a mandamus action in the  
3 Circuit Court of Sangamon County to compel the State to make  
4 that payment, irrespective of other remedies that may be  
5 available to the System. In ordering the State to make the  
6 required payment, the court may order a reasonable payment  
7 schedule to enable the State to make the required payment  
8 without significantly imperiling the public health, safety, or  
9 welfare.

10 (Source: P.A. 80-841.)

11 (40 ILCS 5/14-133) (from Ch. 108 1/2, par. 14-133)

12 Sec. 14-133. Contributions on behalf of members.

13 (a) Each participating employee shall make contributions  
14 to the System, based on the employee's compensation, as  
15 follows:

16 (1) Covered employees, except as indicated below, 3.5%  
17 for retirement annuity, and 0.5% for a widow or survivors  
18 annuity;

19 (2) Noncovered employees, except as indicated below,  
20 7% for retirement annuity and 1% for a widow or survivors  
21 annuity;

22 (3) Noncovered employees serving in a position in which  
23 "eligible creditable service" as defined in Section 14-110  
24 may be earned, 1% for a widow or survivors annuity plus the  
25 following amount for retirement annuity: 8.5% through

1 December 31, 2001; 9.5% in 2002; 10.5% in 2003; and 11.5%  
2 in 2004 and thereafter;

3 (4) Covered employees serving in a position in which  
4 "eligible creditable service" as defined in Section 14-110  
5 may be earned, 0.5% for a widow or survivors annuity plus  
6 the following amount for retirement annuity: 5% through  
7 December 31, 2001; 6% in 2002; 7% in 2003; and 8% in 2004  
8 and thereafter;

9 (5) Each security employee of the Department of  
10 Corrections or of the Department of Human Services who is a  
11 covered employee, 0.5% for a widow or survivors annuity  
12 plus the following amount for retirement annuity: 5%  
13 through December 31, 2001; 6% in 2002; 7% in 2003; and 8%  
14 in 2004 and thereafter;

15 (6) Each security employee of the Department of  
16 Corrections or of the Department of Human Services who is  
17 not a covered employee, 1% for a widow or survivors annuity  
18 plus the following amount for retirement annuity: 8.5%  
19 through December 31, 2001; 9.5% in 2002; 10.5% in 2003; and  
20 11.5% in 2004 and thereafter.

21 (a-5) In addition to the contributions otherwise required  
22 under this Article, each Tier I member shall also make the  
23 following contributions for retirement annuity from each  
24 payment of compensation:

25 (1) beginning July 1, 2013 and through June 30, 2014,  
26 1% of compensation; and

1           (2) beginning on July 1, 2014, 2% of compensation.

2           (b) Contributions shall be in the form of a deduction from  
3 compensation and shall be made notwithstanding that the  
4 compensation paid in cash to the employee shall be reduced  
5 thereby below the minimum prescribed by law or regulation. Each  
6 member is deemed to consent and agree to the deductions from  
7 compensation provided for in this Article, and shall receipt in  
8 full for salary or compensation.

9           (Source: P.A. 92-14, eff. 6-28-01.)

10           (40 ILCS 5/14-135.08) (from Ch. 108 1/2, par. 14-135.08)

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

12           (a) To certify to the Governor and to each department, on  
13 or before November 15 of each year through ~~until~~ November 15,  
14 2011, the required rate for State contributions to the System  
15 for the next State fiscal year, as determined under subsection  
16 (b) of Section 14-131. The certification to the Governor under  
17 this subsection (a) shall include a copy of the actuarial  
18 recommendations upon which the rate is based ~~and shall~~  
19 ~~specifically identify the System's projected State normal cost~~  
20 ~~for that fiscal year.~~

21           (a-5) On or before November 1 of each year, beginning  
22 November 1, 2012, the Board shall submit to the State Actuary,  
23 the Governor, and the General Assembly a proposed certification  
24 of the amount of the required State contribution to the System  
25 for the next fiscal year, along with all of the actuarial

1 assumptions, calculations, and data upon which that proposed  
2 certification is based. On or before January 1 of each year,  
3 beginning January 1, 2013, the State Actuary shall issue a  
4 preliminary report concerning the proposed certification and  
5 identifying, if necessary, recommended changes in actuarial  
6 assumptions that the Board must consider before finalizing its  
7 certification of the required State contributions.

8 On or before January 15, 2013 and each January 15  
9 thereafter, the Board shall certify to the Governor and the  
10 General Assembly the amount of the required State contribution  
11 for the next fiscal year. The certification shall include a  
12 copy of the actuarial recommendations upon which it is based  
13 and shall specifically identify the System's projected State  
14 normal cost for that fiscal year. The Board's certification  
15 must note any deviations from the State Actuary's recommended  
16 changes, the reason or reasons for not following the State  
17 Actuary's recommended changes, and the fiscal impact of not  
18 following the State Actuary's recommended changes on the  
19 required State contribution.

20 (b) The certifications under subsections (a) and (a-5)  
21 shall include an additional amount necessary to pay all  
22 principal of and interest on those general obligation bonds due  
23 the next fiscal year authorized by Section 7.2(a) of the  
24 General Obligation Bond Act and issued to provide the proceeds  
25 deposited by the State with the System in July 2003,  
26 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 April 1, 2011, 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. 96-1497, eff. 1-14-11; 96-1511, eff. 1-27-11;  
7 97-694, eff. 6-18-12.)

8 (40 ILCS 5/14-152.1)

9 Sec. 14-152.1. Application and expiration of new benefit  
10 increases.

11 (a) As used in this Section, "new benefit increase" means  
12 an increase in the amount of any benefit provided under this  
13 Article, or an expansion of the conditions of eligibility for  
14 any benefit under this Article, that results from an amendment  
15 to this Code that takes effect after June 1, 2005 (the  
16 effective date of Public Act 94-4). "New benefit increase",  
17 however, does not include any benefit increase resulting from  
18 the changes made to this Article by Public Act 96-37 or by this  
19 amendatory Act of the 97th ~~96th~~ General Assembly.

20 (b) Notwithstanding any other provision of this Code or any  
21 subsequent amendment to this Code, every new benefit increase  
22 is subject to this Section and shall be deemed to be granted  
23 only in conformance with and contingent upon compliance with  
24 the provisions of this Section.

25 (c) The Public Act enacting a new benefit increase must

1 identify and provide for payment to the System of additional  
2 funding at least sufficient to fund the resulting annual  
3 increase in cost to the System as it accrues.

4 Every new benefit increase is contingent upon the General  
5 Assembly providing the additional funding required under this  
6 subsection. The Commission on Government Forecasting and  
7 Accountability shall analyze whether adequate additional  
8 funding has been provided for the new benefit increase and  
9 shall report its analysis to the Public Pension Division of the  
10 Department of Financial and Professional Regulation. A new  
11 benefit increase created by a Public Act that does not include  
12 the additional funding required under this subsection is null  
13 and void. If the Public Pension Division determines that the  
14 additional funding provided for a new benefit increase under  
15 this subsection is or has become inadequate, it may so certify  
16 to the Governor and the State Comptroller and, in the absence  
17 of corrective action by the General Assembly, the new benefit  
18 increase shall expire at the end of the fiscal year in which  
19 the certification is made.

20 (d) Every new benefit increase shall expire 5 years after  
21 its effective date or on such earlier date as may be specified  
22 in the language enacting the new benefit increase or provided  
23 under subsection (c). This does not prevent the General  
24 Assembly from extending or re-creating a new benefit increase  
25 by law.

26 (e) Except as otherwise provided in the language creating



1 the new benefit increase, a new benefit increase that expires  
2 under this Section continues to apply to persons who applied  
3 and qualified for the affected benefit while the new benefit  
4 increase was in effect and to the affected beneficiaries and  
5 alternate payees of such persons, but does not apply to any  
6 other person, including without limitation a person who  
7 continues in service after the expiration date and did not  
8 apply and qualify for the affected benefit while the new  
9 benefit increase was in effect.

10 (Source: P.A. 96-37, eff. 7-13-09.)

11 (40 ILCS 5/15-106) (from Ch. 108 1/2, par. 15-106)

12 Sec. 15-106. Employer. "Employer": The University of  
13 Illinois, Southern Illinois University, Chicago State  
14 University, Eastern Illinois University, Governors State  
15 University, Illinois State University, Northeastern Illinois  
16 University, Northern Illinois University, Western Illinois  
17 University, the State Board of Higher Education, the Illinois  
18 Mathematics and Science Academy, the University Civil Service  
19 Merit Board, the Board of Trustees of the State Universities  
20 Retirement System, the Illinois Community College Board,  
21 community college boards, any association of community college  
22 boards organized under Section 3-55 of the Public Community  
23 College Act, the Board of Examiners established under the  
24 Illinois Public Accounting Act, and, only during the period for  
25 which employer contributions required under Section 15-155 are

1 paid, the following organizations: the alumni associations,  
2 the foundations and the athletic associations which are  
3 affiliated with the universities and colleges included in this  
4 Section as employers. An individual that begins employment  
5 after the effective date of this amendatory Act of the 97th  
6 General Assembly with an entity not defined as an employer in  
7 this Section shall not be deemed an employee for the purposes  
8 of this Article with respect to that employment and shall not  
9 be eligible to participate in the System with respect to that  
10 employment; provided, however, that those individuals who are  
11 both employed and already participants in the System on the  
12 effective date of this amendatory Act of the 97th General  
13 Assembly shall be allowed to continue as participants in the  
14 System for the duration of that employment.

15 Notwithstanding any provision of law to the contrary, an  
16 individual who begins employment with any of the following  
17 employers on or after the effective date of this amendatory Act  
18 of the 97th General Assembly shall not be deemed an employee  
19 and shall not be eligible to participate in the System with  
20 respect to that employment: any association of community  
21 college boards organized under Section 3-55 of the Public  
22 Community College Act, the Association of Illinois  
23 Middle-Grade Schools, the Illinois Association of School  
24 Administrators, the Illinois Association for Supervision and  
25 Curriculum Development, the Illinois Principals Association,  
26 the Illinois Association of School Business Officials, or the

1 Illinois Special Olympics; provided, however, that those  
2 individuals who are both employed and already participants in  
3 the System on the effective date of this amendatory Act of the  
4 97th General Assembly shall be allowed to continue as  
5 participants in the System for the duration of that employment.

6 A department as defined in Section 14-103.04 is an employer  
7 for any person appointed by the Governor under the Civil  
8 Administrative Code of Illinois who is a participating employee  
9 as defined in Section 15-109. The Department of Central  
10 Management Services is an employer with respect to persons  
11 employed by the State Board of Higher Education in positions  
12 with the Illinois Century Network as of June 30, 2004 who  
13 remain continuously employed after that date by the Department  
14 of Central Management Services in positions with the Illinois  
15 Century Network, the Bureau of Communication and Computer  
16 Services, or, if applicable, any successor bureau.

17 The cities of Champaign and Urbana shall be considered  
18 employers, but only during the period for which contributions  
19 are required to be made under subsection (b-1) of Section  
20 15-155 and only with respect to individuals described in  
21 subsection (h) of Section 15-107.

22 (Source: P.A. 95-369, eff. 8-23-07; 95-728, eff. 7-1-08 - See  
23 Sec. 999.)

24 (40 ILCS 5/15-107) (from Ch. 108 1/2, par. 15-107)

25 Sec. 15-107. Employee.

1           (a) "Employee" means any member of the educational,  
2 administrative, secretarial, clerical, mechanical, labor or  
3 other staff of an employer whose employment is permanent and  
4 continuous or who is employed in a position in which services  
5 are expected to be rendered on a continuous basis for at least  
6 4 months or one academic term, whichever is less, who (A)  
7 receives payment for personal services on a warrant issued  
8 pursuant to a payroll voucher certified by an employer and  
9 drawn by the State Comptroller upon the State Treasurer or by  
10 an employer upon trust, federal or other funds, or (B) is on a  
11 leave of absence without pay. Employment which is irregular,  
12 intermittent or temporary shall not be considered continuous  
13 for purposes of this paragraph.

14           However, a person is not an "employee" if he or she:

15           (1) is a student enrolled in and regularly attending  
16 classes in a college or university which is an employer,  
17 and is employed on a temporary basis at less than full  
18 time;

19           (2) is currently receiving a retirement annuity or a  
20 disability retirement annuity under Section 15-153.2 from  
21 this System;

22           (3) is on a military leave of absence;

23           (4) is eligible to participate in the Federal Civil  
24 Service Retirement System and is currently making  
25 contributions to that system based upon earnings paid by an  
26 employer;

1           (5) is on leave of absence without pay for more than 60  
2           days immediately following termination of disability  
3           benefits under this Article;

4           (6) is hired after June 30, 1979 as a public service  
5           employment program participant under the Federal  
6           Comprehensive Employment and Training Act and receives  
7           earnings in whole or in part from funds provided under that  
8           Act; or

9           (7) is employed on or after July 1, 1991 to perform  
10          services that are excluded by subdivision (a)(7)(f) or  
11          (a)(19) of Section 210 of the federal Social Security Act  
12          from the definition of employment given in that Section (42  
13          U.S.C. 410).

14          (b) Any employer may, by filing a written notice with the  
15          board, exclude from the definition of "employee" all persons  
16          employed pursuant to a federally funded contract entered into  
17          after July 1, 1982 with a federal military department in a  
18          program providing training in military courses to federal  
19          military personnel on a military site owned by the United  
20          States Government, if this exclusion is not prohibited by the  
21          federally funded contract or federal laws or rules governing  
22          the administration of the contract.

23          (c) Any person appointed by the Governor under the Civil  
24          Administrative Code of the State is an employee, if he or she  
25          is a participant in this system on the effective date of the  
26          appointment.

1           (d) A participant on lay-off status under civil service  
2 rules is considered an employee for not more than 120 days from  
3 the date of the lay-off.

4           (e) A participant is considered an employee during (1) the  
5 first 60 days of disability leave, (2) the period, not to  
6 exceed one year, in which his or her eligibility for disability  
7 benefits is being considered by the board or reviewed by the  
8 courts, and (3) the period he or she receives disability  
9 benefits under the provisions of Section 15-152, workers'  
10 compensation or occupational disease benefits, or disability  
11 income under an insurance contract financed wholly or partially  
12 by the employer.

13           (f) Absences without pay, other than formal leaves of  
14 absence, of less than 30 calendar days, are not considered as  
15 an interruption of a person's status as an employee. If such  
16 absences during any period of 12 months exceed 30 work days,  
17 the employee status of the person is considered as interrupted  
18 as of the 31st work day.

19           (g) A staff member whose employment contract requires  
20 services during an academic term is to be considered an  
21 employee during the summer and other vacation periods, unless  
22 he or she declines an employment contract for the succeeding  
23 academic term or his or her employment status is otherwise  
24 terminated, and he or she receives no earnings during these  
25 periods.

26           (h) An individual who was a participating employee employed

1 in the fire department of the University of Illinois's  
2 Champaign-Urbana campus immediately prior to the elimination  
3 of that fire department and who immediately after the  
4 elimination of that fire department became employed by the fire  
5 department of the City of Urbana or the City of Champaign shall  
6 continue to be considered as an employee for purposes of this  
7 Article for so long as the individual remains employed as a  
8 firefighter by the City of Urbana or the City of Champaign. The  
9 individual shall cease to be considered an employee under this  
10 subsection (h) upon the first termination of the individual's  
11 employment as a firefighter by the City of Urbana or the City  
12 of Champaign.

13 (i) An individual who is employed on a full-time basis as  
14 an officer or employee of a statewide teacher organization that  
15 serves System participants or an officer of a national teacher  
16 organization that serves System participants may participate  
17 in the System and shall be deemed an employee, provided that  
18 (1) the individual has previously earned creditable service  
19 under this Article, (2) the individual files with the System an  
20 irrevocable election to become a participant before the  
21 effective date of this amendatory Act of the 97th General  
22 Assembly, (3) the individual does not receive credit for that  
23 employment under any other Article of this Code, and (4) the  
24 individual first became a full-time employee of the teacher  
25 organization and becomes a participant before the effective  
26 date of this amendatory Act of the 97th General Assembly. An

1 employee under this subsection (i) is responsible for paying to  
2 the System both (A) employee contributions based on the actual  
3 compensation received for service with the teacher  
4 organization and (B) employer contributions equal to the normal  
5 costs (as defined in Section 15-155) resulting from that  
6 service; all or any part of these contributions may be paid on  
7 the employee's behalf or picked up for tax purposes (if  
8 authorized under federal law) by the teacher organization.

9 A person who is an employee as defined in this subsection  
10 (i) may establish service credit for similar employment prior  
11 to becoming an employee under this subsection by paying to the  
12 System for that employment the contributions specified in this  
13 subsection, plus interest at the effective rate from the date  
14 of service to the date of payment. However, credit shall not be  
15 granted under this subsection for any such prior employment for  
16 which the applicant received credit under any other provision  
17 of this Code, or during which the applicant was on a leave of  
18 absence under Section 15-113.2.

19 (j) A person employed by the State Board of Higher  
20 Education in a position with the Illinois Century Network as of  
21 June 30, 2004 shall be considered to be an employee for so long  
22 as he or she remains continuously employed after that date by  
23 the Department of Central Management Services in a position  
24 with the Illinois Century Network, the Bureau of Communication  
25 and Computer Services, or, if applicable, any successor bureau  
26 and meets the requirements of subsection (a).



1       (k) In the case of doubt as to whether any person is an  
2 employee within the meaning of this Section, the decision of  
3 the Board shall be final.

4       (Source: P.A. 97-651, eff. 1-5-12.)

5       (40 ILCS 5/15-107.1 new)

6       Sec. 15-107.1. Tier I participant. "Tier I participant": A  
7 participant under this Article, other than a participant in the  
8 self-managed plan under Section 15-158.2, who first became a  
9 member or participant before January 1, 2011 under any  
10 reciprocal retirement system or pension fund established under  
11 this Code other than a retirement system or pension fund  
12 established under Article 2, 3, 4, 5, 6, or 18 of this Code.

13       (40 ILCS 5/15-107.2 new)

14       Sec. 15-107.2. Tier I retiree. "Tier I retiree": A former  
15 Tier I participant who is receiving a retirement annuity.

16       A person does not become a Tier I retiree by virtue of  
17 receiving a reversionary, survivors, beneficiary, or  
18 disability annuity.

19       (40 ILCS 5/15-111) (from Ch. 108 1/2, par. 15-111)

20       Sec. 15-111. Earnings. "Earnings": An amount paid for  
21 personal services equal to the sum of the basic compensation  
22 plus extra compensation for summer teaching, overtime or other  
23 extra service. For periods for which an employee receives

1 service credit under subsection (c) of Section 15-113.1 or  
2 Section 15-113.2, earnings are equal to the basic compensation  
3 on which contributions are paid by the employee during such  
4 periods. Compensation for employment which is irregular,  
5 intermittent and temporary shall not be considered earnings,  
6 unless the participant is also receiving earnings from the  
7 employer as an employee under Section 15-107.

8 With respect to transition pay paid by the University of  
9 Illinois to a person who was a participating employee employed  
10 in the fire department of the University of Illinois's  
11 Champaign-Urbana campus immediately prior to the elimination  
12 of that fire department:

13 (1) "Earnings" includes transition pay paid to the  
14 employee on or after the effective date of this amendatory  
15 Act of the 91st General Assembly.

16 (2) "Earnings" includes transition pay paid to the  
17 employee before the effective date of this amendatory Act  
18 of the 91st General Assembly only if (i) employee  
19 contributions under Section 15-157 have been withheld from  
20 that transition pay or (ii) the employee pays to the System  
21 before January 1, 2001 an amount representing employee  
22 contributions under Section 15-157 on that transition pay.  
23 Employee contributions under item (ii) may be paid in a  
24 lump sum, by withholding from additional transition pay  
25 accruing before January 1, 2001, or in any other manner  
26 approved by the System. Upon payment of the employee

1 contributions on transition pay, the corresponding  
2 employer contributions become an obligation of the State.

3 Notwithstanding any other provision of this Code, the  
4 earnings of a Tier I participant for the purposes of this Code  
5 shall not exceed, for periods of service on or after the  
6 effective date of this amendatory Act of the 97th General  
7 Assembly, the greater of (i) the annual contribution and  
8 benefit base established for the applicable year by the  
9 Commissioner of Social Security under the federal Social  
10 Security Act or (ii) the annual earnings of the participant  
11 during the 365 days immediately preceding the effective date of  
12 this Section; except that this limitation does not apply to a  
13 participant's earnings that are determined under an employment  
14 contract or collective bargaining agreement that is in effect  
15 on the effective date of this amendatory Act of the 97th  
16 General Assembly and has not been amended or renewed after that  
17 date.

18 (Source: P.A. 91-887, eff. 7-6-00.)

19 (40 ILCS 5/15-113.2) (from Ch. 108 1/2, par. 15-113.2)

20 Sec. 15-113.2. Service for leaves of absence. "Service for  
21 leaves of absence" includes those periods of leaves of absence  
22 at less than 50% pay, except military leave and periods of  
23 disability leave in excess of 60 days, for which the employee  
24 pays the contributions required under Section 15-157 in  
25 accordance with rules prescribed by the board based upon the

1 employee's basic compensation on the date the leave begins, or  
2 in the case of leave for service with a teacher organization,  
3 based upon the actual compensation received by the employee for  
4 such service after January 26, 1988, if the employee so elects  
5 within 30 days of that date or the date the leave for service  
6 with a teacher organization begins, whichever is later;  
7 provided that the employee (1) returns to employment covered by  
8 this system at the expiration of the leave, or within 30 days  
9 after the termination of a disability which occurs during the  
10 leave and continues this employment at a percentage of time  
11 equal to or greater than the percentage of time immediately  
12 preceding the leave of absence for at least 8 consecutive  
13 months or a period equal to the period of the leave, whichever  
14 is less, or (2) is precluded from meeting the foregoing  
15 conditions because of disability or death. If service credit is  
16 denied because the employee fails to meet these conditions, the  
17 contributions covering the leave of absence shall be refunded  
18 without interest. The return to employment condition does not  
19 apply if the leave of absence is for service with a teacher  
20 organization.

21 Service credit provided under this Section shall not exceed  
22 3 years in any period of 10 years, unless the employee is on  
23 special leave granted by the employer for service with a  
24 teacher organization. Commencing with the fourth year in any  
25 period of 10 years, a participant on such special leave is also  
26 required to pay employer contributions equal to the normal cost

1 as defined in Section 15-155, based upon the employee's basic  
2 compensation on the date the leave begins, or based upon the  
3 actual compensation received by the employee for service with a  
4 teacher organization if the employee has so elected.

5 Notwithstanding any other provision of this Article, a  
6 participant shall not be eligible to make contributions or  
7 receive service credit for a leave of absence for service with  
8 a teacher organization if that leave of absence for service  
9 with a teacher organization begins on or after the effective  
10 date of this amendatory Act of the 97th General Assembly.

11 (Source: P.A. 90-65, eff. 7-7-97; 90-511, eff. 8-22-97.)

12 (40 ILCS 5/15-136) (from Ch. 108 1/2, par. 15-136)

13 Sec. 15-136. Retirement annuities - Amount. The provisions  
14 of this Section 15-136 apply only to those participants who are  
15 participating in the traditional benefit package or the  
16 portable benefit package and do not apply to participants who  
17 are participating in the self-managed plan.

18 (a) The amount of a participant's retirement annuity,  
19 expressed in the form of a single-life annuity, shall be  
20 determined by whichever of the following rules is applicable  
21 and provides the largest annuity:

22 Rule 1: The retirement annuity shall be 1.67% of final rate  
23 of earnings for each of the first 10 years of service, 1.90%  
24 for each of the next 10 years of service, 2.10% for each year  
25 of service in excess of 20 but not exceeding 30, and 2.30% for

1 each year in excess of 30; or for persons who retire on or  
2 after January 1, 1998, 2.2% of the final rate of earnings for  
3 each year of service.

4 Rule 2: The retirement annuity shall be the sum of the  
5 following, determined from amounts credited to the participant  
6 in accordance with the actuarial tables and the effective rate  
7 of interest in effect at the time the retirement annuity  
8 begins:

9 (i) the normal annuity which can be provided on an  
10 actuarially equivalent basis, by the accumulated normal  
11 contributions as of the date the annuity begins;

12 (ii) an annuity from employer contributions of an  
13 amount equal to that which can be provided on an  
14 actuarially equivalent basis from the accumulated normal  
15 contributions made by the participant under Section  
16 15-113.6 and Section 15-113.7 plus 1.4 times all other  
17 accumulated normal contributions made by the participant;  
18 and

19 (iii) the annuity that can be provided on an  
20 actuarially equivalent basis from the entire contribution  
21 made by the participant under Section 15-113.3.

22 For the purpose of calculating an annuity under this Rule  
23 2, the contribution required under subsection (c-5) of Section  
24 15-157 shall not be considered when determining the  
25 participant's accumulated normal contributions under clause  
26 (i) or the employer contribution under clause (ii).

1           With respect to a police officer or firefighter who retires  
2 on or after August 14, 1998, the accumulated normal  
3 contributions taken into account under clauses (i) and (ii) of  
4 this Rule 2 shall include the additional normal contributions  
5 made by the police officer or firefighter under Section  
6 15-157(a).

7           The amount of a retirement annuity calculated under this  
8 Rule 2 shall be computed solely on the basis of the  
9 participant's accumulated normal contributions, as specified  
10 in this Rule and defined in Section 15-116. Neither an employee  
11 or employer contribution for early retirement under Section  
12 15-136.2 nor any other employer contribution shall be used in  
13 the calculation of the amount of a retirement annuity under  
14 this Rule 2.

15           This amendatory Act of the 91st General Assembly is a  
16 clarification of existing law and applies to every participant  
17 and annuitant without regard to whether status as an employee  
18 terminates before the effective date of this amendatory Act.

19           This Rule 2 does not apply to a person who first becomes an  
20 employee under this Article on or after July 1, 2005.

21           Rule 3: The retirement annuity of a participant who is  
22 employed at least one-half time during the period on which his  
23 or her final rate of earnings is based, shall be equal to the  
24 participant's years of service not to exceed 30, multiplied by  
25 (1) \$96 if the participant's final rate of earnings is less  
26 than \$3,500, (2) \$108 if the final rate of earnings is at least

1 \$3,500 but less than \$4,500, (3) \$120 if the final rate of  
2 earnings is at least \$4,500 but less than \$5,500, (4) \$132 if  
3 the final rate of earnings is at least \$5,500 but less than  
4 \$6,500, (5) \$144 if the final rate of earnings is at least  
5 \$6,500 but less than \$7,500, (6) \$156 if the final rate of  
6 earnings is at least \$7,500 but less than \$8,500, (7) \$168 if  
7 the final rate of earnings is at least \$8,500 but less than  
8 \$9,500, and (8) \$180 if the final rate of earnings is \$9,500 or  
9 more, except that the annuity for those persons having made an  
10 election under Section 15-154(a-1) shall be calculated and  
11 payable under the portable retirement benefit program pursuant  
12 to the provisions of Section 15-136.4.

13 Rule 4: A participant who is at least age 50 and has 25 or  
14 more years of service as a police officer or firefighter, and a  
15 participant who is age 55 or over and has at least 20 but less  
16 than 25 years of service as a police officer or firefighter,  
17 shall be entitled to a retirement annuity of 2 1/4% of the  
18 final rate of earnings for each of the first 10 years of  
19 service as a police officer or firefighter, 2 1/2% for each of  
20 the next 10 years of service as a police officer or  
21 firefighter, and 2 3/4% for each year of service as a police  
22 officer or firefighter in excess of 20. The retirement annuity  
23 for all other service shall be computed under Rule 1.

24 For purposes of this Rule 4, a participant's service as a  
25 firefighter shall also include the following:

26 (i) service that is performed while the person is an



1 employee under subsection (h) of Section 15-107; and

2 (ii) in the case of an individual who was a  
3 participating employee employed in the fire department of  
4 the University of Illinois's Champaign-Urbana campus  
5 immediately prior to the elimination of that fire  
6 department and who immediately after the elimination of  
7 that fire department transferred to another job with the  
8 University of Illinois, service performed as an employee of  
9 the University of Illinois in a position other than police  
10 officer or firefighter, from the date of that transfer  
11 until the employee's next termination of service with the  
12 University of Illinois.

13 Rule 5: The retirement annuity of a participant who elected  
14 early retirement under the provisions of Section 15-136.2 and  
15 who, on or before February 16, 1995, brought administrative  
16 proceedings pursuant to the administrative rules adopted by the  
17 System to challenge the calculation of his or her retirement  
18 annuity shall be the sum of the following, determined from  
19 amounts credited to the participant in accordance with the  
20 actuarial tables and the prescribed rate of interest in effect  
21 at the time the retirement annuity begins:

22 (i) the normal annuity which can be provided on an  
23 actuarially equivalent basis, by the accumulated normal  
24 contributions as of the date the annuity begins; and

25 (ii) an annuity from employer contributions of an  
26 amount equal to that which can be provided on an

1 actuarially equivalent basis from the accumulated normal  
2 contributions made by the participant under Section  
3 15-113.6 and Section 15-113.7 plus 1.4 times all other  
4 accumulated normal contributions made by the participant;  
5 and

6 (iii) an annuity which can be provided on an  
7 actuarially equivalent basis from the employee  
8 contribution for early retirement under Section 15-136.2,  
9 and an annuity from employer contributions of an amount  
10 equal to that which can be provided on an actuarially  
11 equivalent basis from the employee contribution for early  
12 retirement under Section 15-136.2.

13 In no event shall a retirement annuity under this Rule 5 be  
14 lower than the amount obtained by adding (1) the monthly amount  
15 obtained by dividing the combined employee and employer  
16 contributions made under Section 15-136.2 by the System's  
17 annuity factor for the age of the participant at the beginning  
18 of the annuity payment period and (2) the amount equal to the  
19 participant's annuity if calculated under Rule 1, reduced under  
20 Section 15-136(b) as if no contributions had been made under  
21 Section 15-136.2.

22 With respect to a participant who is qualified for a  
23 retirement annuity under this Rule 5 whose retirement annuity  
24 began before the effective date of this amendatory Act of the  
25 91st General Assembly, and for whom an employee contribution  
26 was made under Section 15-136.2, the System shall recalculate

1 the retirement annuity under this Rule 5 and shall pay any  
2 additional amounts due in the manner provided in Section  
3 15-186.1 for benefits mistakenly set too low.

4 The amount of a retirement annuity calculated under this  
5 Rule 5 shall be computed solely on the basis of those  
6 contributions specifically set forth in this Rule 5. Except as  
7 provided in clause (iii) of this Rule 5, neither an employee  
8 nor employer contribution for early retirement under Section  
9 15-136.2, nor any other employer contribution, shall be used in  
10 the calculation of the amount of a retirement annuity under  
11 this Rule 5.

12 The General Assembly has adopted the changes set forth in  
13 Section 25 of this amendatory Act of the 91st General Assembly  
14 in recognition that the decision of the Appellate Court for the  
15 Fourth District in *Mattis v. State Universities Retirement*  
16 *System et al.* might be deemed to give some right to the  
17 plaintiff in that case. The changes made by Section 25 of this  
18 amendatory Act of the 91st General Assembly are a legislative  
19 implementation of the decision of the Appellate Court for the  
20 Fourth District in *Mattis v. State Universities Retirement*  
21 *System et al.* with respect to that plaintiff.

22 The changes made by Section 25 of this amendatory Act of  
23 the 91st General Assembly apply without regard to whether the  
24 person is in service as an employee on or after its effective  
25 date.

26 (b) The retirement annuity provided under Rules 1 and 3

1 above shall be reduced by 1/2 of 1% for each month the  
2 participant is under age 60 at the time of retirement. However,  
3 this reduction shall not apply in the following cases:

4 (1) For a disabled participant whose disability  
5 benefits have been discontinued because he or she has  
6 exhausted eligibility for disability benefits under clause  
7 (6) of Section 15-152;

8 (2) For a participant who has at least the number of  
9 years of service required to retire at any age under  
10 subsection (a) of Section 15-135; or

11 (3) For that portion of a retirement annuity which has  
12 been provided on account of service of the participant  
13 during periods when he or she performed the duties of a  
14 police officer or firefighter, if these duties were  
15 performed for at least 5 years immediately preceding the  
16 date the retirement annuity is to begin.

17 (c) The maximum retirement annuity provided under Rules 1,  
18 2, 4, and 5 shall be the lesser of (1) the annual limit of  
19 benefits as specified in Section 415 of the Internal Revenue  
20 Code of 1986, as such Section may be amended from time to time  
21 and as such benefit limits shall be adjusted by the  
22 Commissioner of Internal Revenue, and (2) 80% of final rate of  
23 earnings.

24 (d) Subject to the provisions of subsections (d-1) and  
25 (d-2), an ~~An~~ annuitant whose status as an employee terminates  
26 after August 14, 1969 shall receive automatic increases in his

1 or her retirement annuity as follows:

2       Effective January 1 immediately following the date the  
3 retirement annuity begins, the annuitant shall receive an  
4 increase in his or her monthly retirement annuity of 0.125% of  
5 the monthly retirement annuity provided under Rule 1, Rule 2,  
6 Rule 3, Rule 4, or Rule 5, contained in this Section,  
7 multiplied by the number of full months which elapsed from the  
8 date the retirement annuity payments began to January 1, 1972,  
9 plus 0.1667% of such annuity, multiplied by the number of full  
10 months which elapsed from January 1, 1972, or the date the  
11 retirement annuity payments began, whichever is later, to  
12 January 1, 1978, plus 0.25% of such annuity multiplied by the  
13 number of full months which elapsed from January 1, 1978, or  
14 the date the retirement annuity payments began, whichever is  
15 later, to the effective date of the increase.

16       The annuitant shall receive an increase in his or her  
17 monthly retirement annuity on each January 1 thereafter during  
18 the annuitant's life of 3% of the monthly annuity provided  
19 under Rule 1, Rule 2, Rule 3, Rule 4, or Rule 5 contained in  
20 this Section. The change made under this subsection by P.A.  
21 81-970 is effective January 1, 1980 and applies to each  
22 annuitant whose status as an employee terminates before or  
23 after that date.

24       Beginning January 1, 1990 and except as provided in  
25 subsections (d-1) and (d-2), all automatic annual increases  
26 payable under this Section shall be calculated as a percentage

1 of the total annuity payable at the time of the increase,  
2 including all increases previously granted under this Article.

3 The change made in this subsection by P.A. 85-1008 is  
4 effective January 26, 1988, and is applicable without regard to  
5 whether status as an employee terminated before that date.

6 (d-1) Notwithstanding any other provision of this Article,  
7 for a Tier I retiree, the amount of each automatic increase in  
8 retirement annuity occurring on or after the effective date of  
9 this amendatory Act of the 97th General Assembly shall be the  
10 lesser of (i) \$750 or (ii) 3% of the total annuity payable at  
11 the time of the increase, including previous increases granted.

12 (d-2) Notwithstanding any other provision of this Article,  
13 the System shall not grant any new or additional automatic  
14 increase in retirement annuity to a Tier I retiree on or after  
15 the effective date of this amendatory Act of the 97th General  
16 Assembly and before January 1, 2020.

17 Notwithstanding any other provision of this Article, the  
18 System shall not grant any new or additional automatic increase  
19 in retirement annuity to a Tier I retiree who has not yet  
20 attained the age of 67, regardless of any age augmentation  
21 granted under this Article as an early retirement incentive.

22 If on the effective date of this amendatory Act of the 97th  
23 General Assembly a Tier I retiree has already received an  
24 annual increase under this Section but does not yet meet the  
25 new eligibility requirements of this subsection, the annual  
26 increases already received shall continue in force, but no

1 additional annual increase shall be granted until the Tier I  
2 retiree meets the new eligibility requirements.

3 (d-3) Notwithstanding Section 1-103.1, subsections (d-1)  
4 and (d-2) apply without regard to whether or not the Tier I  
5 retiree is in active service under this Article on or after the  
6 effective date of this amendatory Act of the 97th General  
7 Assembly.

8 (e) If, on January 1, 1987, or the date the retirement  
9 annuity payment period begins, whichever is later, the sum of  
10 the retirement annuity provided under Rule 1 or Rule 2 of this  
11 Section and the automatic annual increases provided under the  
12 preceding subsection or Section 15-136.1, amounts to less than  
13 the retirement annuity which would be provided by Rule 3, the  
14 retirement annuity shall be increased as of January 1, 1987, or  
15 the date the retirement annuity payment period begins,  
16 whichever is later, to the amount which would be provided by  
17 Rule 3 of this Section. Such increased amount shall be  
18 considered as the retirement annuity in determining benefits  
19 provided under other Sections of this Article. This paragraph  
20 applies without regard to whether status as an employee  
21 terminated before the effective date of this amendatory Act of  
22 1987, provided that the annuitant was employed at least  
23 one-half time during the period on which the final rate of  
24 earnings was based.

25 (f) A participant is entitled to such additional annuity as  
26 may be provided on an actuarially equivalent basis, by any

1 accumulated additional contributions to his or her credit.  
2 However, the additional contributions made by the participant  
3 toward the automatic increases in annuity provided under this  
4 Section and the contributions made under subsection (c-5) of  
5 Section 15-157 by this amendatory Act of the 97th General  
6 Assembly shall not be taken into account in determining the  
7 amount of such additional annuity.

8 (g) If, (1) by law, a function of a governmental unit, as  
9 defined by Section 20-107 of this Code, is transferred in whole  
10 or in part to an employer, and (2) a participant transfers  
11 employment from such governmental unit to such employer within  
12 6 months after the transfer of the function, and (3) the sum of  
13 (A) the annuity payable to the participant under Rule 1, 2, or  
14 3 of this Section (B) all proportional annuities payable to the  
15 participant by all other retirement systems covered by Article  
16 20, and (C) the initial primary insurance amount to which the  
17 participant is entitled under the Social Security Act, is less  
18 than the retirement annuity which would have been payable if  
19 all of the participant's pension credits validated under  
20 Section 20-109 had been validated under this system, a  
21 supplemental annuity equal to the difference in such amounts  
22 shall be payable to the participant.

23 (h) On January 1, 1981, an annuitant who was receiving a  
24 retirement annuity on or before January 1, 1971 shall have his  
25 or her retirement annuity then being paid increased \$1 per  
26 month for each year of creditable service. On January 1, 1982,



1 an annuitant whose retirement annuity began on or before  
2 January 1, 1977, shall have his or her retirement annuity then  
3 being paid increased \$1 per month for each year of creditable  
4 service.

5 (i) On January 1, 1987, any annuitant whose retirement  
6 annuity began on or before January 1, 1977, shall have the  
7 monthly retirement annuity increased by an amount equal to 8¢  
8 per year of creditable service times the number of years that  
9 have elapsed since the annuity began.

10 (Source: P.A. 97-933, eff. 8-10-12; 97-968, eff. 8-16-12.)

11 (40 ILCS 5/15-155) (from Ch. 108 1/2, par. 15-155)

12 Sec. 15-155. Employer contributions.

13 (a) The State of Illinois shall make contributions by  
14 appropriations of amounts which, together with the other  
15 employer contributions from trust, federal, and other funds,  
16 employee contributions, income from investments, and other  
17 income of this System, will be sufficient to meet the cost of  
18 maintaining and administering the System on a 100% ~~90%~~ funded  
19 basis in accordance with actuarial recommendations by the end  
20 of State fiscal year 2043.

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

1           (a-1) For State fiscal years 2014 through 2043, the minimum  
2 contribution to the System to be made by the State for each  
3 fiscal year shall be an amount determined by the System to be  
4 equal to the sum of (1) the State's portion of the projected  
5 normal cost for that fiscal year, plus (2) an amount sufficient  
6 to bring the total assets of the System up to 100% of the total  
7 actuarial liabilities of the System by the end of State fiscal  
8 year 2043. In making these determinations, the required State  
9 contribution shall be calculated each year as a level  
10 percentage of payroll over the years remaining to and including  
11 fiscal year 2043 and shall be determined under the projected  
12 unit credit actuarial cost method.

13           For State fiscal year 2044 and thereafter, the minimum  
14 State contribution for each fiscal year shall be the amount  
15 needed to maintain the total assets of the System at 100% of  
16 the total actuarial liabilities of the System.

17           For State fiscal years 2012 and 2013 ~~through 2045~~, the  
18 minimum contribution to the System to be made by the State for  
19 each fiscal year shall be an amount determined by the System to  
20 be sufficient to bring the total assets of the System up to 90%  
21 of the total actuarial liabilities of the System by the end of  
22 State fiscal year 2045. In making these determinations, the  
23 required State contribution shall be calculated each year as a  
24 level percentage of payroll over the years remaining to and  
25 including fiscal year 2045 and shall be determined under the  
26 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 \$166,641,900.

9           Notwithstanding any other provision of this Article, the  
10 total required State contribution for State fiscal year 2007 is  
11 \$252,064,100.

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 \$702,514,000 and shall be made from the State Pensions Fund and  
21 proceeds of bonds sold in fiscal year 2010 pursuant to Section  
22 7.2 of the General Obligation Bond Act, less (i) the pro rata  
23 share of bond sale expenses determined by the System's share of  
24 total bond proceeds, (ii) any amounts received from the General  
25 Revenue Fund in fiscal year 2010, (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 April 1, 2011  
5 pursuant to Section 15-165 and shall be made from the State  
6 Pensions Fund and proceeds of bonds sold in fiscal year 2011  
7 pursuant to Section 7.2 of the General Obligation Bond Act,  
8 less (i) the pro rata share of bond sale expenses determined by  
9 the System's share of total bond proceeds, (ii) any amounts  
10 received from the General Revenue Fund in fiscal year 2011, and  
11 (iii) any reduction in bond proceeds due to the issuance of  
12 discounted bonds, if 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 100% ~~90%~~. A reference in this Article  
26 to the "required State contribution" or any substantially

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

3 Notwithstanding any other provision of this Code or the  
4 Budget Stabilization Act, amounts transferred to the System  
5 pursuant to the Budget Stabilization Act after the effective  
6 date of this amendatory Act of the 97th General Assembly do not  
7 reduce and do not constitute payment of any portion of the  
8 required State contribution under this Article in that fiscal  
9 year. Such amounts shall not reduce, and shall not be included  
10 in the calculation of, the required State contributions under  
11 this Article in any future year until the System has received  
12 payment of contributions pursuant to the Budget Stabilization  
13 Act.

14 Notwithstanding any other provision of this Section, the  
15 required State contribution for State fiscal year 2005 and for  
16 fiscal year 2008 and each fiscal year thereafter through State  
17 fiscal year 2013, as calculated under this Section and  
18 certified under Section 15-165, shall not exceed an amount  
19 equal to (i) the amount of the required State contribution that  
20 would have been calculated under this Section for that fiscal  
21 year if the System had not received any payments under  
22 subsection (d) of Section 7.2 of the General Obligation Bond  
23 Act, minus (ii) the portion of the State's total debt service  
24 payments for that fiscal year on the bonds issued in fiscal  
25 year 2003 for the purposes of that Section 7.2, as determined  
26 and certified by the Comptroller, that is the same as the

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

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

1 Article.

2 (b-1) The City of Urbana and the City of Champaign shall  
3 each make employer contributions to this System for their  
4 respective firefighter employees who participate in this  
5 System pursuant to subsection (h) of Section 15-107. The rate  
6 of contributions to be made by those municipalities shall be  
7 determined annually by the Board on the basis of the actuarial  
8 assumptions adopted by the Board and the recommendations of the  
9 actuary, and shall be expressed as a percentage of salary for  
10 each such employee. The Board shall certify the rate to the  
11 affected municipalities as soon as may be practical. The  
12 employer contributions required under this subsection shall be  
13 remitted by the municipality to the System at the same time and  
14 in the same manner as employee contributions.

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

26 (d) Beginning in State fiscal year 1996, the required State

1 contributions to the System shall be appropriated directly to  
2 the System and shall be payable through vouchers issued in  
3 accordance with subsection (c) of Section 15-165, except as  
4 provided in subsection (g).

5 (e) The State Comptroller shall draw warrants payable to  
6 the System upon proper certification by the System or by the  
7 employer in accordance with the appropriation laws and this  
8 Code.

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

17 (g) If the amount of a participant's earnings for any  
18 academic year used to determine the final rate of earnings,  
19 determined on a full-time equivalent basis, exceeds the amount  
20 of his or her earnings with the same employer for the previous  
21 academic year, determined on a full-time equivalent basis, by  
22 more than 6%, the participant's employer shall pay to the  
23 System, in addition to all other payments required under this  
24 Section and in accordance with guidelines established by the  
25 System, the present value of the increase in benefits resulting  
26 from the portion of the increase in earnings that is in excess



1 of 6%. This present value shall be computed by the System on  
2 the basis of the actuarial assumptions and tables used in the  
3 most recent actuarial valuation of the System that is available  
4 at the time of the computation. The System may require the  
5 employer to provide any pertinent information or  
6 documentation.

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

22 The employer contributions required under this subsection  
23 (g) ~~(f)~~ may be paid in the form of a lump sum within 90 days  
24 after receipt of the bill. If the employer contributions are  
25 not paid within 90 days after receipt of the bill, then  
26 interest will be charged at a rate equal to the System's annual

1 actuarially assumed rate of return on investment compounded  
2 annually from the 91st day after receipt of the bill. Payments  
3 must be concluded within 3 years after the employer's receipt  
4 of the bill.

5 (h) This subsection (h) applies only to payments made or  
6 salary increases given on or after June 1, 2005 but before July  
7 1, 2011. The changes made by Public Act 94-1057 shall not  
8 require the System to refund any payments received before July  
9 31, 2006 (the effective date of Public Act 94-1057).

10 When assessing payment for any amount due under subsection  
11 (g), the System shall exclude earnings increases paid to  
12 participants under contracts or collective bargaining  
13 agreements entered into, amended, or renewed before June 1,  
14 2005.

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

19 When assessing payment for any amount due under subsection  
20 (g), the System shall exclude earnings increases resulting from  
21 overload work, including a contract for summer teaching, or  
22 overtime when the employer has certified to the System, and the  
23 System has approved the certification, that: (i) in the case of  
24 overloads (A) the overload work is for the sole purpose of  
25 academic instruction in excess of the standard number of  
26 instruction hours for a full-time employee occurring during the

1 academic year that the overload is paid and (B) the earnings  
2 increases are equal to or less than the rate of pay for  
3 academic instruction computed using the participant's current  
4 salary rate and work schedule; and (ii) in the case of  
5 overtime, the overtime was necessary for the educational  
6 mission.

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

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

1 Notwithstanding any other provision of this Section, any  
2 payments made or salary increases given after June 30, 2014  
3 shall be used in assessing payment for any amount due under  
4 subsection (g) of this Section.

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

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

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

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

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

20 (k) The Illinois Community College Board shall adopt rules  
21 for recommending lists of promotional positions submitted to  
22 the Board by community colleges and for reviewing the  
23 promotional lists on an annual basis. When recommending  
24 promotional lists, the Board shall consider the similarity of  
25 the positions submitted to those positions recognized for State  
26 universities by the State Universities Civil Service System.

1 The Illinois Community College Board shall file a copy of its  
2 findings with the System. The System shall consider the  
3 findings of the Illinois Community College Board when making  
4 determinations under this Section. The System shall not exclude  
5 any earnings increases resulting from a promotion when the  
6 promotion was not submitted by a community college. Nothing in  
7 this subsection (k) shall require any community college to  
8 submit any information to the Community College Board.

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

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

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

24 (Source: P.A. 96-43, eff. 7-15-09; 96-1497, eff. 1-14-11;  
25 96-1511, eff. 1-27-11; 96-1554, eff. 3-18-11; 97-813, eff.  
26 7-13-12; revised 10-17-12.)

1 (40 ILCS 5/15-156) (from Ch. 108 1/2, par. 15-156)

2 Sec. 15-156. Obligations of State; funding guarantees.

3 (a) The payment of (1) the required State contributions,  
4 (2) all benefits granted under this system and (3) all expenses  
5 in connection with the administration and operation thereof are  
6 obligations of the State of Illinois to the extent specified in  
7 this Article. The accumulated employee normal, additional and  
8 survivors insurance contributions credited to the accounts of  
9 active and inactive participants shall not be used to pay the  
10 State's share of the obligations.

11 (b) Beginning July 1, 2013, the State shall be  
12 contractually obligated to contribute to the System under  
13 Section 15-155 in each State fiscal year an amount not less  
14 than the sum of (i) the State's normal cost for that year and  
15 (ii) the portion of the unfunded accrued liability assigned to  
16 that year by law in accordance with a schedule that distributes  
17 payments equitably over a reasonable period of time and in  
18 accordance with accepted actuarial practices. The obligations  
19 created under this subsection (b) are contractual obligations  
20 protected and enforceable under Article I, Section 16 and  
21 Article XIII, Section 5 of the Illinois Constitution.

22 Notwithstanding any other provision of law, if the State  
23 fails to pay in a State fiscal year the amount guaranteed under  
24 this subsection, the System may bring a mandamus action in the  
25 Circuit Court of Sangamon County to compel the State to make

1 that payment, irrespective of other remedies that may be  
2 available to the System. In ordering the State to make the  
3 required payment, the court may order a reasonable payment  
4 schedule to enable the State to make the required payment  
5 without significantly imperiling the public health, safety, or  
6 welfare.

7 (Source: P.A. 83-1440.)

8 (40 ILCS 5/15-157) (from Ch. 108 1/2, par. 15-157)

9 Sec. 15-157. Employee Contributions.

10 (a) Each participating employee shall make contributions  
11 towards the retirement benefits payable under the retirement  
12 program applicable to the employee from each payment of  
13 earnings applicable to employment under this system on and  
14 after the date of becoming a participant as follows: Prior to  
15 September 1, 1949, 3 1/2% of earnings; from September 1, 1949  
16 to August 31, 1955, 5%; from September 1, 1955 to August 31,  
17 1969, 6%; from September 1, 1969, 6 1/2%. These contributions  
18 are to be considered as normal contributions for purposes of  
19 this Article.

20 Each participant who is a police officer or firefighter  
21 shall make normal contributions of 8% of each payment of  
22 earnings applicable to employment as a police officer or  
23 firefighter under this system on or after September 1, 1981,  
24 unless he or she files with the board within 60 days after the  
25 effective date of this amendatory Act of 1991 or 60 days after

1 the board receives notice that he or she is employed as a  
2 police officer or firefighter, whichever is later, a written  
3 notice waiving the retirement formula provided by Rule 4 of  
4 Section 15-136. This waiver shall be irrevocable. If a  
5 participant had met the conditions set forth in Section  
6 15-132.1 prior to the effective date of this amendatory Act of  
7 1991 but failed to make the additional normal contributions  
8 required by this paragraph, he or she may elect to pay the  
9 additional contributions plus compound interest at the  
10 effective rate. If such payment is received by the board, the  
11 service shall be considered as police officer service in  
12 calculating the retirement annuity under Rule 4 of Section  
13 15-136. While performing service described in clause (i) or  
14 (ii) of Rule 4 of Section 15-136, a participating employee  
15 shall be deemed to be employed as a firefighter for the purpose  
16 of determining the rate of employee contributions under this  
17 Section.

18 (b) Starting September 1, 1969, each participating  
19 employee shall make additional contributions of 1/2 of 1% of  
20 earnings to finance a portion of the cost of the annual  
21 increases in retirement annuity provided under Section 15-136,  
22 except that with respect to participants in the self-managed  
23 plan this additional contribution shall be used to finance the  
24 benefits obtained under that retirement program.

25 (c) In addition to the amounts described in subsections (a)  
26 and (b) of this Section, each participating employee shall make



1 contributions of 1% of earnings applicable under this system on  
2 and after August 1, 1959. The contributions made under this  
3 subsection (c) shall be considered as survivor's insurance  
4 contributions for purposes of this Article if the employee is  
5 covered under the traditional benefit package, and such  
6 contributions shall be considered as additional contributions  
7 for purposes of this Article if the employee is participating  
8 in the self-managed plan or has elected to participate in the  
9 portable benefit package and has completed the applicable  
10 one-year waiting period. Contributions in excess of \$80 during  
11 any fiscal year beginning before August 31, 1969 and in excess  
12 of \$120 during any fiscal year thereafter until September 1,  
13 1971 shall be considered as additional contributions for  
14 purposes of this Article.

15 (c-5) In addition to the contributions otherwise required  
16 under this Article, each Tier I participant shall also make the  
17 following contributions toward the retirement benefits payable  
18 under the retirement program applicable to the employee from  
19 each payment of earnings applicable to employment under this  
20 system:

21 (1) beginning July 1, 2013 and through June 30, 2014,  
22 1% of earnings; and

23 (2) beginning on July 1, 2014, 2% of earnings.

24 Except as otherwise specified, these contributions are to  
25 be considered as normal contributions for purposes of this  
26 Article.

1 (d) If the board by board rule so permits and subject to  
2 such conditions and limitations as may be specified in its  
3 rules, a participant may make other additional contributions of  
4 such percentage of earnings or amounts as the participant shall  
5 elect in a written notice thereof received by the board.

6 (e) That fraction of a participant's total accumulated  
7 normal contributions, the numerator of which is equal to the  
8 number of years of service in excess of that which is required  
9 to qualify for the maximum retirement annuity, and the  
10 denominator of which is equal to the total service of the  
11 participant, shall be considered as accumulated additional  
12 contributions. The determination of the applicable maximum  
13 annuity and the adjustment in contributions required by this  
14 provision shall be made as of the date of the participant's  
15 retirement.

16 (f) Notwithstanding the foregoing, a participating  
17 employee shall not be required to make contributions under this  
18 Section after the date upon which continuance of such  
19 contributions would otherwise cause his or her retirement  
20 annuity to exceed the maximum retirement annuity as specified  
21 in clause (1) of subsection (c) of Section 15-136.

22 (g) A participating employee may make contributions for the  
23 purchase of service credit under this Article.

24 (Source: P.A. 90-32, eff. 6-27-97; 90-65, eff. 7-7-97; 90-448,  
25 eff. 8-16-97; 90-511, eff. 8-22-97; 90-576, eff. 3-31-98;  
26 90-655, eff. 7-30-98; 90-766, eff. 8-14-98.)

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

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

3 (a) The Board shall certify to the Governor on or before  
4 November 15 of each year through ~~until~~ November 15, 2011 the  
5 appropriation required from State funds for the purposes of  
6 this System for the following fiscal year. The certification  
7 under this subsection (a) shall include a copy of the actuarial  
8 recommendations upon which it is based ~~and shall specifically~~  
9 ~~identify the System's projected State normal cost for that~~  
10 ~~fiscal year and the projected State cost for the self-managed~~  
11 ~~plan for that fiscal year.~~

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

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

23 On or before April 1, 2011, the Board shall recalculate and  
24 recertify to the Governor the amount of the required State  
25 contribution to the System for State fiscal year 2011, applying

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

4 (a-5) On or before November 1 of each year, beginning  
5 November 1, 2012, the Board shall submit to the State Actuary,  
6 the Governor, and the General Assembly a proposed certification  
7 of the amount of the required State contribution to the System  
8 for the next fiscal year, along with all of the actuarial  
9 assumptions, calculations, and data upon which that proposed  
10 certification is based. On or before January 1 of each year,  
11 beginning January 1, 2013, the State Actuary shall issue a  
12 preliminary report concerning the proposed certification and  
13 identifying, if necessary, recommended changes in actuarial  
14 assumptions that the Board must consider before finalizing its  
15 certification of the required State contributions.

16 On or before January 15, 2013 and each January 15  
17 thereafter, the Board shall certify to the Governor and the  
18 General Assembly the amount of the required State contribution  
19 for the next fiscal year. The certification shall include a  
20 copy of the actuarial recommendations upon which it is based  
21 and shall specifically identify the System's projected State  
22 normal cost for that fiscal year and the projected State cost  
23 for the self-managed plan for that fiscal year. The Board's  
24 certification must note, in a written response to the State  
25 Actuary, any deviations from the State Actuary's recommended  
26 changes, the reason or reasons for not following the State

1 Actuary's recommended changes, and the fiscal impact of not  
2 following the State Actuary's recommended changes on the  
3 required State contribution.

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

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

22 If in any month the amount remaining unexpended from all  
23 other appropriations to the System for the applicable fiscal  
24 year (including the appropriations to the System under Section  
25 8.12 of the State Finance Act and Section 1 of the State  
26 Pension Funds Continuing Appropriation Act) is less than the

1 amount lawfully vouchered under this Section, the difference  
2 shall be paid from the General Revenue Fund under the  
3 continuing appropriation authority provided in Section 1.1 of  
4 the State Pension Funds Continuing Appropriation Act.

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

14 (e) In the event that the System does not receive, as a  
15 result of legislative enactment or otherwise, payments  
16 sufficient to fully fund the employer contribution to the  
17 self-managed plan established under Section 15-158.2 and to  
18 fully fund that portion of the employer's portion of the normal  
19 costs of the System, as calculated in accordance with Section  
20 15-155(a-1), then any payments received shall be applied  
21 proportionately to the optional retirement program established  
22 under Section 15-158.2 and to the employer's portion of the  
23 normal costs of the System, as calculated in accordance with  
24 Section 15-155(a-1).

25 (Source: P.A. 96-1497, eff. 1-14-11; 96-1511, eff. 1-27-11;  
26 97-694, eff. 6-18-12.)

1 (40 ILCS 5/15-198)

2 Sec. 15-198. Application and expiration of new benefit  
3 increases.

4 (a) As used in this Section, "new benefit increase" means  
5 an increase in the amount of any benefit provided under this  
6 Article, or an expansion of the conditions of eligibility for  
7 any benefit under this Article or Article 1, that results from  
8 an amendment to this Code that takes effect after the effective  
9 date of this amendatory Act of the 94th General Assembly. "New  
10 benefit increase", however, does not include any benefit  
11 increase resulting from the changes made to this Article or  
12 Article 1 by this amendatory Act of the 97th General Assembly.

13 (b) Notwithstanding any other provision of this Code or any  
14 subsequent amendment to this Code, every new benefit increase  
15 is subject to this Section and shall be deemed to be granted  
16 only in conformance with and contingent upon compliance with  
17 the provisions of this Section.

18 (c) The Public Act enacting a new benefit increase must  
19 identify and provide for payment to the System of additional  
20 funding at least sufficient to fund the resulting annual  
21 increase in cost to the System as it accrues.

22 Every new benefit increase is contingent upon the General  
23 Assembly providing the additional funding required under this  
24 subsection. The Commission on Government Forecasting and  
25 Accountability shall analyze whether adequate additional

1 funding has been provided for the new benefit increase and  
2 shall report its analysis to the Public Pension Division of the  
3 Department of Financial and Professional Regulation. A new  
4 benefit increase created by a Public Act that does not include  
5 the additional funding required under this subsection is null  
6 and void. If the Public Pension Division determines that the  
7 additional funding provided for a new benefit increase under  
8 this subsection is or has become inadequate, it may so certify  
9 to the Governor and the State Comptroller and, in the absence  
10 of corrective action by the General Assembly, the new benefit  
11 increase shall expire at the end of the fiscal year in which  
12 the certification is made.

13 (d) Every new benefit increase shall expire 5 years after  
14 its effective date or on such earlier date as may be specified  
15 in the language enacting the new benefit increase or provided  
16 under subsection (c). This does not prevent the General  
17 Assembly from extending or re-creating a new benefit increase  
18 by law.

19 (e) Except as otherwise provided in the language creating  
20 the new benefit increase, a new benefit increase that expires  
21 under this Section continues to apply to persons who applied  
22 and qualified for the affected benefit while the new benefit  
23 increase was in effect and to the affected beneficiaries and  
24 alternate payees of such persons, but does not apply to any  
25 other person, including without limitation a person who  
26 continues in service after the expiration date and did not



1 apply and qualify for the affected benefit while the new  
2 benefit increase was in effect.

3 (Source: P.A. 94-4, eff. 6-1-05.)

4 (40 ILCS 5/16-106) (from Ch. 108 1/2, par. 16-106)

5 Sec. 16-106. Teacher. "Teacher": The following  
6 individuals, provided that, for employment prior to July 1,  
7 1990, they are employed on a full-time basis, or if not  
8 full-time, on a permanent and continuous basis in a position in  
9 which services are expected to be rendered for at least one  
10 school term:

11 (1) Any educational, administrative, professional or  
12 other staff employed in the public common schools included  
13 within this system in a position requiring certification  
14 under the law governing the certification of teachers;

15 (2) Any educational, administrative, professional or  
16 other staff employed in any facility of the Department of  
17 Children and Family Services or the Department of Human  
18 Services, in a position requiring certification under the  
19 law governing the certification of teachers, and any person  
20 who (i) works in such a position for the Department of  
21 Corrections, (ii) was a member of this System on May 31,  
22 1987, and (iii) did not elect to become a member of the  
23 State Employees' Retirement System pursuant to Section  
24 14-108.2 of this Code; except that "teacher" does not  
25 include any person who (A) becomes a security employee of

1 the Department of Human Services, as defined in Section  
2 14-110, after June 28, 2001 (the effective date of Public  
3 Act 92-14), or (B) becomes a member of the State Employees'  
4 Retirement System pursuant to Section 14-108.2c of this  
5 Code;

6 (3) Any regional superintendent of schools, assistant  
7 regional superintendent of schools, State Superintendent  
8 of Education; any person employed by the State Board of  
9 Education as an executive; any executive of the boards  
10 engaged in the service of public common school education in  
11 school districts covered under this system of which the  
12 State Superintendent of Education is an ex-officio member;

13 (4) Any employee of a school board association  
14 operating in compliance with Article 23 of the School Code  
15 who is certificated under the law governing the  
16 certification of teachers, provided that he or she becomes  
17 such an employee before the effective date of this  
18 amendatory Act of the 97th General Assembly;

19 (5) Any person employed by the retirement system who:

20 (i) was an employee of and a participant in the  
21 system on August 17, 2001 (the effective date of Public  
22 Act 92-416), or

23 (ii) becomes an employee of the system on or after  
24 August 17, 2001;

25 (6) Any educational, administrative, professional or  
26 other staff employed by and under the supervision and

1 control of a regional superintendent of schools, provided  
2 such employment position requires the person to be  
3 certificated under the law governing the certification of  
4 teachers and is in an educational program serving 2 or more  
5 districts in accordance with a joint agreement authorized  
6 by the School Code or by federal legislation;

7 (7) Any educational, administrative, professional or  
8 other staff employed in an educational program serving 2 or  
9 more school districts in accordance with a joint agreement  
10 authorized by the School Code or by federal legislation and  
11 in a position requiring certification under the laws  
12 governing the certification of teachers;

13 (8) Any officer or employee of a statewide teacher  
14 organization or officer of a national teacher organization  
15 who is certified under the law governing certification of  
16 teachers, provided: (i) the individual had previously  
17 established creditable service under this Article, (ii)  
18 the individual files with the system an irrevocable  
19 election to become a member before the effective date of  
20 this amendatory Act of the 97th General Assembly, (iii) the  
21 individual does not receive credit for such service under  
22 any other Article of this Code, and (iv) the individual  
23 first became an officer or employee of the teacher  
24 organization and becomes a member before the effective date  
25 of this amendatory Act of the 97th General Assembly;

26 (9) Any educational, administrative, professional, or

1 other staff employed in a charter school operating in  
2 compliance with the Charter Schools Law who is certificated  
3 under the law governing the certification of teachers; ~~;~~

4 (10) Any person employed, on the effective date of this  
5 amendatory Act of the 94th General Assembly, by the  
6 Macon-Piatt Regional Office of Education in a  
7 birth-through-age-three pilot program receiving funds  
8 under Section 2-389 of the School Code who is required by  
9 the Macon-Piatt Regional Office of Education to hold a  
10 teaching certificate, provided that the Macon-Piatt  
11 Regional Office of Education makes an election, within 6  
12 months after the effective date of this amendatory Act of  
13 the 94th General Assembly, to have the person participate  
14 in the system. Any service established prior to the  
15 effective date of this amendatory Act of the 94th General  
16 Assembly for service as an employee of the Macon-Piatt  
17 Regional Office of Education in a birth-through-age-three  
18 pilot program receiving funds under Section 2-389 of the  
19 School Code shall be considered service as a teacher if  
20 employee and employer contributions have been received by  
21 the system and the system has not refunded those  
22 contributions.

23 An annuitant receiving a retirement annuity under this  
24 Article or under Article 17 of this Code who is employed by a  
25 board of education or other employer as permitted under Section  
26 16-118 or 16-150.1 is not a "teacher" for purposes of this

1 Article. A person who has received a single-sum retirement  
2 benefit under Section 16-136.4 of this Article is not a  
3 "teacher" for purposes of this Article.

4 (Source: P.A. 97-651, eff. 1-5-12; revised 8-3-12.)

5 (40 ILCS 5/16-106.4 new)

6 Sec. 16-106.4. Tier I member. "Tier I member": A member  
7 under this Article who first became a member or participant  
8 before January 1, 2011 under any reciprocal retirement system  
9 or pension fund established under this Code other than a  
10 retirement system or pension fund established under Article 2,  
11 3, 4, 5, 6, or 18 of this Code.

12 (40 ILCS 5/16-106.5 new)

13 Sec. 16-106.5. Tier I retiree. "Tier I retiree": A former  
14 Tier I member who is receiving a retirement annuity.

15 (40 ILCS 5/16-121) (from Ch. 108 1/2, par. 16-121)

16 Sec. 16-121. Salary. "Salary": The actual compensation  
17 received by a teacher during any school year and recognized by  
18 the system in accordance with rules of the board. For purposes  
19 of this Section, "school year" includes the regular school term  
20 plus any additional period for which a teacher is compensated  
21 and such compensation is recognized by the rules of the board.

22 Notwithstanding any other provision of this Code, the  
23 salary of a Tier I member for the purposes of this Code shall

1 not exceed, for periods of service on or after the effective  
2 date of this amendatory Act of the 97th General Assembly, the  
3 greater of (i) the annual contribution and benefit base  
4 established for the applicable year by the Commissioner of  
5 Social Security under the federal Social Security Act or (ii)  
6 the annual salary of the member during the 365 days immediately  
7 preceding the effective date of this Section; except that this  
8 limitation does not apply to a member's salary that is  
9 determined under an employment contract or collective  
10 bargaining agreement that is in effect on the effective date of  
11 this amendatory Act of the 97th General Assembly and has not  
12 been amended or renewed after that date.

13 (Source: P.A. 84-1028.)

14 (40 ILCS 5/16-127) (from Ch. 108 1/2, par. 16-127)

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

16 (a) Each member shall receive regular credit for all  
17 service as a teacher from the date membership begins, for which  
18 satisfactory evidence is supplied and all contributions have  
19 been paid.

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

24 (1) Prior service as a teacher.

25 (2) Service in a capacity essentially similar or

1 equivalent to that of a teacher, in the public common  
2 schools in school districts in this State not included  
3 within the provisions of this System, or of any other  
4 State, territory, dependency or possession of the United  
5 States, or in schools operated by or under the auspices of  
6 the United States, or under the auspices of any agency or  
7 department of any other State, and service during any  
8 period of professional speech correction or special  
9 education experience for a public agency within this State  
10 or any other State, territory, dependency or possession of  
11 the United States, and service prior to February 1, 1951 as  
12 a recreation worker for the Illinois Department of Public  
13 Safety, for a period not exceeding the lesser of 2/5 of the  
14 total creditable service of the member or 10 years. The  
15 maximum service of 10 years which is allowable under this  
16 paragraph shall be reduced by the service credit which is  
17 validated by other retirement systems under paragraph (i)  
18 of Section 15-113 and paragraph 1 of Section 17-133. Credit  
19 granted under this paragraph may not be used in  
20 determination of a retirement annuity or disability  
21 benefits unless the member has at least 5 years of  
22 creditable service earned subsequent to this employment  
23 with one or more of the following systems: Teachers'  
24 Retirement System of the State of Illinois, State  
25 Universities Retirement System, and the Public School  
26 Teachers' Pension and Retirement Fund of Chicago. Whenever

1 such service credit exceeds the maximum allowed for all  
2 purposes of this Article, the first service rendered in  
3 point of time shall be considered. The changes to this  
4 subdivision (b)(2) made by Public Act 86-272 shall apply  
5 not only to persons who on or after its effective date  
6 (August 23, 1989) are in service as a teacher under the  
7 System, but also to persons whose status as such a teacher  
8 terminated prior to such effective date, whether or not  
9 such person is an annuitant on that date.

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

26 The changes to this Section and Section 16-128 relating



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

23 Credit for military service shall be determined as  
24 follows: if entry occurs during the months of July, August,  
25 or September and the member was a teacher at the end of the  
26 immediately preceding school term, credit shall be granted

1 from July 1 of the year in which he or she entered service;  
2 if entry occurs during the school term and the teacher was  
3 in teaching service at the beginning of the school term,  
4 credit shall be granted from July 1 of such year. In all  
5 other cases where credit for military service is allowed,  
6 credit shall be granted from the date of entry into the  
7 service.

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

23 (4) Any periods served as a member of the General  
24 Assembly.

25 (5) (i) Any periods for which a teacher, as defined in  
26 Section 16-106, is granted a leave of absence, provided he

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

24 Any qualified member or annuitant may apply for credit  
25 under item (iii) or (iv) of this paragraph (5) without  
26 regard to whether service was terminated before the

1 effective date of this amendatory Act of 1997. In the case  
2 of an annuitant who establishes credit under item (iii) or  
3 (iv), the annuity shall be recalculated to include the  
4 additional service credit. The increase in annuity shall  
5 take effect on the date the System receives written  
6 notification of the annuitant's intent to purchase the  
7 credit, if the required evidence is submitted and the  
8 required contribution paid within 60 days of that  
9 notification, otherwise on the first annuity payment date  
10 following the System's receipt of the required evidence and  
11 contribution. The increase in an annuity recalculated  
12 under this provision shall be included in the calculation  
13 of automatic annual increases in the annuity accruing after  
14 the effective date of the recalculation.

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

1 remainder of the purchase cost of the optional credit shall  
2 be paid on or before April 1, 1992.

3 The change in this paragraph made by Public Act 86-273  
4 shall be applicable to teachers who retire after June 1,  
5 1989, as well as to teachers who are in service on that  
6 date.

7 (6) Any days of unused and uncompensated accumulated  
8 sick leave earned by a teacher who first became a  
9 participant in the System before the effective date of this  
10 amendatory Act of the 97th General Assembly. The service  
11 credit granted under this paragraph shall be the ratio of  
12 the number of unused and uncompensated accumulated sick  
13 leave days to 170 days, subject to a maximum of 2 years of  
14 service credit. Prior to the member's retirement, each  
15 former employer shall certify to the System the number of  
16 unused and uncompensated accumulated sick leave days  
17 credited to the member at the time of termination of  
18 service. The period of unused sick leave shall not be  
19 considered in determining the effective date of  
20 retirement. A member is not required to make contributions  
21 in order to obtain service credit for unused sick leave.

22 Credit for sick leave shall, at retirement, be granted  
23 by the System for any retiring regional or assistant  
24 regional superintendent of schools who first became a  
25 participant in this System before the effective date of  
26 this amendatory Act of the 97th General Assembly at the

1 rate of 6 days per year of creditable service or portion  
2 thereof established while serving as such superintendent  
3 or assistant superintendent.

4 Service credit is not available for unused sick leave  
5 accumulated by a teacher who first becomes a participant in  
6 this System on or after the effective date of this amendatory  
7 Act of the 97th General Assembly.

8 (7) Periods prior to February 1, 1987 served as an  
9 employee of the Illinois Mathematics and Science Academy  
10 for which credit has not been terminated under Section  
11 15-113.9 of this Code.

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

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

16 (10) Up to 2 years of employment with Southern Illinois  
17 University - Carbondale from September 1, 1959 to August  
18 31, 1961, or with Governors State University from September  
19 1, 1972 to August 31, 1974, for which the teacher has no  
20 credit under Article 15. To receive credit under this item  
21 (10), a teacher must apply in writing to the Board and pay  
22 the required contributions before May 1, 1993 and have at  
23 least 12 years of service credit under this Article.

24 (b-1) A member may establish optional credit for up to 2  
25 years of service as a teacher or administrator employed by a  
26 private school recognized by the Illinois State Board of

1 Education, provided that the teacher (i) was certified under  
2 the law governing the certification of teachers at the time the  
3 service was rendered, (ii) applies in writing on or after  
4 August 1, 2009 and on or before August 1, 2012, (iii) supplies  
5 satisfactory evidence of the employment, (iv) completes at  
6 least 10 years of contributing service as a teacher as defined  
7 in Section 16-106, and (v) pays the contribution required in  
8 subsection (d-5) of Section 16-128. The member may apply for  
9 credit under this subsection and pay the required contribution  
10 before completing the 10 years of contributing service required  
11 under item (iv), but the credit may not be used until the item  
12 (iv) contributing service requirement has been met.

13 (c) The service credits specified in this Section shall be  
14 granted only if: (1) such service credits are not used for  
15 credit in any other statutory tax-supported public employee  
16 retirement system other than the federal Social Security  
17 program; and (2) the member makes the required contributions as  
18 specified in Section 16-128. Except as provided in subsection  
19 (b-1) of this Section, the service credit shall be effective as  
20 of the date the required contributions are completed.

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

23 Credit may not be granted under this Section covering any  
24 period for which an age retirement or disability retirement  
25 allowance has been paid.

26 (Source: P.A. 96-546, eff. 8-17-09.)

1 (40 ILCS 5/16-133) (from Ch. 108 1/2, par. 16-133)

2 Sec. 16-133. Retirement annuity; amount.

3 (a) The amount of the retirement annuity shall be (i) in  
4 the case of a person who first became a teacher under this  
5 Article before July 1, 2005, the larger of the amounts  
6 determined under paragraphs (A) and (B) below, or (ii) in the  
7 case of a person who first becomes a teacher under this Article  
8 on or after July 1, 2005, the amount determined under the  
9 applicable provisions of paragraph (B):

10 (A) An amount consisting of the sum of the following:

11 (1) An amount that can be provided on an  
12 actuarially equivalent basis by the member's  
13 accumulated contributions at the time of retirement;  
14 and

15 (2) The sum of (i) the amount that can be provided  
16 on an actuarially equivalent basis by the member's  
17 accumulated contributions representing service prior  
18 to July 1, 1947, and (ii) the amount that can be  
19 provided on an actuarially equivalent basis by the  
20 amount obtained by multiplying 1.4 times the member's  
21 accumulated contributions covering service subsequent  
22 to June 30, 1947; and

23 (3) If there is prior service, 2 times the amount  
24 that would have been determined under subparagraph (2)  
25 of paragraph (A) above on account of contributions



1           which would have been made during the period of prior  
2           service creditable to the member had the System been in  
3           operation and had the member made contributions at the  
4           contribution rate in effect prior to July 1, 1947.

5           For the purpose of calculating the sum provided under  
6           this paragraph (A), the contribution required under  
7           subsection (a-5) of Section 16-152 shall not be considered  
8           when determining the amount of the member's accumulated  
9           contributions under subparagraph (1) or (2).

10           This paragraph (A) does not apply to a person who first  
11           becomes a teacher under this Article on or after July 1,  
12           2005.

13           (B) An amount consisting of the greater of the  
14           following:

15           (1) For creditable service earned before July 1,  
16           1998 that has not been augmented under Section  
17           16-129.1: 1.67% of final average salary for each of the  
18           first 10 years of creditable service, 1.90% of final  
19           average salary for each year in excess of 10 but not  
20           exceeding 20, 2.10% of final average salary for each  
21           year in excess of 20 but not exceeding 30, and 2.30% of  
22           final average salary for each year in excess of 30; and

23           For creditable service earned on or after July 1,  
24           1998 by a member who has at least 24 years of  
25           creditable service on July 1, 1998 and who does not  
26           elect to augment service under Section 16-129.1: 2.2%

1 of final average salary for each year of creditable  
2 service earned on or after July 1, 1998 but before the  
3 member reaches a total of 30 years of creditable  
4 service and 2.3% of final average salary for each year  
5 of creditable service earned on or after July 1, 1998  
6 and after the member reaches a total of 30 years of  
7 creditable service; and

8 For all other creditable service: 2.2% of final  
9 average salary for each year of creditable service; or

10 (2) 1.5% of final average salary for each year of  
11 creditable service plus the sum \$7.50 for each of the  
12 first 20 years of creditable service.

13 The amount of the retirement annuity determined under this  
14 paragraph (B) shall be reduced by 1/2 of 1% for each month  
15 that the member is less than age 60 at the time the  
16 retirement annuity begins. However, this reduction shall  
17 not apply (i) if the member has at least 35 years of  
18 creditable service, or (ii) if the member retires on  
19 account of disability under Section 16-149.2 of this  
20 Article with at least 20 years of creditable service, or  
21 (iii) if the member (1) has earned during the period  
22 immediately preceding the last day of service at least one  
23 year of contributing creditable service as an employee of a  
24 department as defined in Section 14-103.04, (2) has earned  
25 at least 5 years of contributing creditable service as an  
26 employee of a department as defined in Section 14-103.04,

1 (3) retires on or after January 1, 2001, and (4) retires  
2 having attained an age which, when added to the number of  
3 years of his or her total creditable service, equals at  
4 least 85. Portions of years shall be counted as decimal  
5 equivalents.

6 (b) For purposes of this Section, final average salary  
7 shall be the average salary for the highest 4 consecutive years  
8 within the last 10 years of creditable service as determined  
9 under rules of the board. The minimum final average salary  
10 shall be considered to be \$2,400 per year.

11 In the determination of final average salary for members  
12 other than elected officials and their appointees when such  
13 appointees are allowed by statute, that part of a member's  
14 salary for any year beginning after June 30, 1979 which exceeds  
15 the member's annual full-time salary rate with the same  
16 employer for the preceding year by more than 20% shall be  
17 excluded. The exclusion shall not apply in any year in which  
18 the member's creditable earnings are less than 50% of the  
19 preceding year's mean salary for downstate teachers as  
20 determined by the survey of school district salaries provided  
21 in Section 2-3.103 of the School Code.

22 (c) In determining the amount of the retirement annuity  
23 under paragraph (B) of this Section, a fractional year shall be  
24 granted proportional credit.

25 (d) The retirement annuity determined under paragraph (B)  
26 of this Section shall be available only to members who render

1 teaching service after July 1, 1947 for which member  
2 contributions are required, and to annuitants who re-enter  
3 under the provisions of Section 16-150.

4 (e) The maximum retirement annuity provided under  
5 paragraph (B) of this Section shall be 75% of final average  
6 salary.

7 (f) A member retiring after the effective date of this  
8 amendatory Act of 1998 shall receive a pension equal to 75% of  
9 final average salary if the member is qualified to receive a  
10 retirement annuity equal to at least 74.6% of final average  
11 salary under this Article or as proportional annuities under  
12 Article 20 of this Code.

13 (Source: P.A. 94-4, eff. 6-1-05.)

14 (40 ILCS 5/16-133.1) (from Ch. 108 1/2, par. 16-133.1)

15 Sec. 16-133.1. Automatic annual increase in annuity.

16 (a) Each member with creditable service and retiring on or  
17 after August 26, 1969 is entitled to the automatic annual  
18 increases in annuity provided under this Section while  
19 receiving a retirement annuity or disability retirement  
20 annuity from the system.

21 An annuitant shall first be entitled to an initial increase  
22 under this Section on the January 1 next following the first  
23 anniversary of retirement, or January 1 of the year next  
24 following attainment of age 61, whichever is later. At such  
25 time, the system shall pay an initial increase determined as

1 follows or as provided in subsections (a-1) and (a-2):

2 (1) 1.5% of the originally granted retirement annuity  
3 or disability retirement annuity multiplied by the number  
4 of years elapsed, if any, from the date of retirement until  
5 January 1, 1972, plus

6 (2) 2% of the originally granted annuity multiplied by  
7 the number of years elapsed, if any, from the date of  
8 retirement or January 1, 1972, whichever is later, until  
9 January 1, 1978, plus

10 (3) 3% of the originally granted annuity multiplied by  
11 the number of years elapsed from the date of retirement or  
12 January 1, 1978, whichever is later, until the effective  
13 date of the initial increase.

14 However, the initial annual increase calculated under this  
15 Section for the recipient of a disability retirement annuity  
16 granted under Section 16-149.2 shall be reduced by an amount  
17 equal to the total of all increases in that annuity received  
18 under Section 16-149.5 (but not exceeding 100% of the amount of  
19 the initial increase otherwise provided under this Section).

20 Following the initial increase, automatic annual increases  
21 in annuity shall be payable on each January 1 thereafter during  
22 the lifetime of the annuitant, determined as a percentage of  
23 the originally granted retirement annuity or disability  
24 retirement annuity for increases granted prior to January 1,  
25 1990, and calculated as a percentage of the total amount of  
26 annuity, including previous increases under this Section, for

1 increases granted on or after January 1, 1990, as follows: 1.5%  
2 for periods prior to January 1, 1972, 2% for periods after  
3 December 31, 1971 and prior to January 1, 1978, and 3% for  
4 periods after December 31, 1977, or as provided in subsections  
5 (a-1) and (a-2).

6 (a-1) Notwithstanding any other provision of this Article,  
7 for a Tier I retiree, the amount of each automatic increase in  
8 retirement annuity occurring on or after the effective date of  
9 this amendatory Act of the 97th General Assembly shall be the  
10 lesser of (i) \$750 or (ii) 3% of the total annuity payable at  
11 the time of the increase, including previous increases granted.

12 (a-2) Notwithstanding any other provision of this Article,  
13 the System shall not grant any new or additional automatic  
14 increase in retirement annuity to a Tier I retiree on or after  
15 the effective date of this amendatory Act of the 97th General  
16 Assembly and before January 1, 2020.

17 Notwithstanding any other provision of this Article, the  
18 System shall not grant any new or additional automatic increase  
19 in retirement annuity to a Tier I retiree who has not yet  
20 attained the age of 67, regardless of any age augmentation  
21 granted under this Article as an early retirement incentive.

22 If on the effective date of this amendatory Act of the 97th  
23 General Assembly a Tier I retiree has already received an  
24 annual increase under this Section but does not yet meet the  
25 new eligibility requirements of this subsection, the annual  
26 increases already received shall continue in force, but no

1 additional annual increase shall be granted until the Tier I  
2 retiree meets the new eligibility requirements.

3 (a-3) Notwithstanding Section 1-103.1, subsections (a-1)  
4 and (a-2) apply without regard to whether or not the Tier I  
5 retiree is in active service under this Article on or after the  
6 effective date of this amendatory Act of the 97th General  
7 Assembly.

8 (b) The automatic annual increases in annuity provided  
9 under this Section shall not be applicable unless a member has  
10 made contributions toward such increases for a period  
11 equivalent to one full year of creditable service. If a member  
12 contributes for service performed after August 26, 1969 but the  
13 member becomes an annuitant before such contributions amount to  
14 one full year's contributions based on the salary at the date  
15 of retirement, he or she may pay the necessary balance of the  
16 contributions to the system and be eligible for the automatic  
17 annual increases in annuity provided under this Section.

18 (c) Each member shall make contributions toward the cost of  
19 the automatic annual increases in annuity as provided under  
20 Section 16-152.

21 (d) An annuitant receiving a retirement annuity or  
22 disability retirement annuity on July 1, 1969, who subsequently  
23 re-enters service as a teacher is eligible for the automatic  
24 annual increases in annuity provided under this Section if he  
25 or she renders at least one year of creditable service  
26 following the latest re-entry.

1           (e) In addition to the automatic annual increases in  
2 annuity provided under this Section, an annuitant who meets the  
3 service requirements of this Section and whose retirement  
4 annuity or disability retirement annuity began on or before  
5 January 1, 1971 shall receive, on January 1, 1981, an increase  
6 in the annuity then being paid of one dollar per month for each  
7 year of creditable service. On January 1, 1982, an annuitant  
8 whose retirement annuity or disability retirement annuity  
9 began on or before January 1, 1977 shall receive an increase in  
10 the annuity then being paid of one dollar per month for each  
11 year of creditable service.

12           On January 1, 1987, any annuitant whose retirement annuity  
13 began on or before January 1, 1977, shall receive an increase  
14 in the monthly retirement annuity equal to 8¢ per year of  
15 creditable service times the number of years that have elapsed  
16 since the annuity began.

17           (Source: P.A. 91-927, eff. 12-14-00.)

18           (40 ILCS 5/16-152) (from Ch. 108 1/2, par. 16-152)

19           Sec. 16-152. Contributions by members.

20           (a) Each member shall make contributions for membership  
21 service to this System as follows:

22                 (1) Effective July 1, 1998, contributions of 7.50% of  
23 salary towards the cost of the retirement annuity. Such  
24 contributions shall be deemed "normal contributions".

25                 (2) Effective July 1, 1969, contributions of 1/2 of 1%



1 of salary toward the cost of the automatic annual increase  
2 in retirement annuity provided under Section 16-133.1.

3 (3) Effective July 24, 1959, contributions of 1% of  
4 salary towards the cost of survivor benefits. Such  
5 contributions shall not be credited to the individual  
6 account of the member and shall not be subject to refund  
7 except as provided under Section 16-143.2.

8 (4) Effective July 1, 2005, contributions of 0.40% of  
9 salary toward the cost of the early retirement without  
10 discount option provided under Section 16-133.2. This  
11 contribution shall cease upon termination of the early  
12 retirement without discount option as provided in Section  
13 16-176.

14 (a-5) In addition to the contributions otherwise required  
15 under this Article, each Tier I member shall also make the  
16 following contributions toward the cost of the retirement  
17 annuity from each payment of salary:

18 (1) beginning July 1, 2013 and through June 30, 2014,  
19 1% of salary; and

20 (2) beginning on July 1, 2014, 2% of salary.

21 Except as otherwise specified, these contributions are to  
22 be considered as normal contributions for purposes of this  
23 Article.

24 (b) The minimum required contribution for any year of  
25 full-time teaching service shall be \$192.

26 (c) Contributions shall not be required of any annuitant

1 receiving a retirement annuity who is given employment as  
2 permitted under Section 16-118 or 16-150.1.

3 (d) A person who (i) was a member before July 1, 1998, (ii)  
4 retires with more than 34 years of creditable service, and  
5 (iii) does not elect to qualify for the augmented rate under  
6 Section 16-129.1 shall be entitled, at the time of retirement,  
7 to receive a partial refund of contributions made under this  
8 Section for service occurring after the later of June 30, 1998  
9 or attainment of 34 years of creditable service, in an amount  
10 equal to 1.00% of the salary upon which those contributions  
11 were based.

12 (e) A member's contributions toward the cost of early  
13 retirement without discount made under item (a)(4) of this  
14 Section shall not be refunded if the member has elected early  
15 retirement without discount under Section 16-133.2 and has  
16 begun to receive a retirement annuity under this Article  
17 calculated in accordance with that election. Otherwise, a  
18 member's contributions toward the cost of early retirement  
19 without discount made under item (a)(4) of this Section shall  
20 be refunded according to whichever one of the following  
21 circumstances occurs first:

22 (1) The contributions shall be refunded to the member,  
23 without interest, within 120 days after the member's  
24 retirement annuity commences, if the member does not elect  
25 early retirement without discount under Section 16-133.2.

26 (2) The contributions shall be included, without

1 interest, in any refund claimed by the member under Section  
2 16-151.

3 (3) The contributions shall be refunded to the member's  
4 designated beneficiary (or if there is no beneficiary, to  
5 the member's estate), without interest, if the member dies  
6 without having begun to receive a retirement annuity under  
7 this Article.

8 (4) The contributions shall be refunded to the member,  
9 without interest, within 120 days after the early  
10 retirement without discount option provided under Section  
11 16-133.2 is terminated under Section 16-176.

12 (Source: P.A. 93-320, eff. 7-23-03; 94-4, eff. 6-1-05.)

13 (40 ILCS 5/16-158) (from Ch. 108 1/2, par. 16-158)

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

16 (a) The State shall make contributions to the System by  
17 means of appropriations from the Common School Fund and other  
18 State funds of amounts which, together with other employer  
19 contributions, employee contributions, investment income, and  
20 other income, will be sufficient to meet the cost of  
21 maintaining and administering the System on a 100% ~~90%~~ funded  
22 basis in accordance with actuarial recommendations by the end  
23 of State fiscal year 2043.

24 The Board shall determine the amount of State contributions  
25 required for each fiscal year on the basis of the actuarial

1 tables and other assumptions adopted by the Board and the  
2 recommendations of the actuary, using the formula in subsection  
3 (b-3).

4 (a-1) Annually, on or before November 15 through ~~until~~  
5 November 15, 2011, the Board shall certify to the Governor the  
6 amount of the required State contribution for the coming fiscal  
7 year. The certification under this subsection (a-1) shall  
8 include a copy of the actuarial recommendations upon which it  
9 is based ~~and shall specifically identify the System's projected~~  
10 ~~State normal cost for that fiscal year.~~

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 April 1, 2011, 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 (a-5) On or before November 1 of each year, beginning  
3 November 1, 2012, the Board shall submit to the State Actuary,  
4 the Governor, and the General Assembly a proposed certification  
5 of the amount of the required State contribution to the System  
6 for the next fiscal year, along with all of the actuarial  
7 assumptions, calculations, and data upon which that proposed  
8 certification is based. On or before January 1 of each year,  
9 beginning January 1, 2013, the State Actuary shall issue a  
10 preliminary report concerning the proposed certification and  
11 identifying, if necessary, recommended changes in actuarial  
12 assumptions that the Board must consider before finalizing its  
13 certification of the required State contributions.

14 On or before January 15, 2013 and each January 15  
15 thereafter, the Board shall certify to the Governor and the  
16 General Assembly the amount of the required State contribution  
17 for the next fiscal year. The certification shall include a  
18 copy of the actuarial recommendations upon which it is based  
19 and shall specifically identify the System's projected State  
20 normal cost for that fiscal year. The Board's certification  
21 must note any deviations from the State Actuary's recommended  
22 changes, the reason or reasons for not following the State  
23 Actuary's recommended changes, and the fiscal impact of not  
24 following the State Actuary's recommended changes on the  
25 required State contribution.

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 2014 through 2043, 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 equal to the sum of (1) the State's portion of the projected  
7 normal cost for that fiscal year, plus (2) an amount sufficient  
8 to bring the total assets of the System up to 100% of the total  
9 actuarial liabilities of the System by the end of State fiscal  
10 year 2043. In making these determinations, the required State  
11 contribution shall be calculated each year as a level  
12 percentage of payroll over the years remaining to and including  
13 fiscal year 2043 and shall be determined under the projected  
14 unit credit actuarial cost method.

15 For State fiscal year 2044 and thereafter, the minimum  
16 State contribution for each fiscal year shall be the amount  
17 needed to maintain the total assets of the System at 100% of  
18 the total actuarial liabilities of the System.

19 For State fiscal years 2012 and 2013 ~~through 2045~~, the  
20 minimum contribution to the System to be made by the State for  
21 each fiscal year shall be an amount determined by the System to  
22 be sufficient to bring the total assets of the System up to 90%  
23 of the total actuarial liabilities of the System by the end of  
24 State fiscal year 2045. In making these determinations, the  
25 required State contribution shall be calculated each year as a  
26 level percentage of payroll over the years remaining to and

1 including fiscal year 2045 and shall be determined under the  
2 projected unit credit actuarial cost method.

3 For State fiscal years 1996 through 2005, the State  
4 contribution to the System, as a percentage of the applicable  
5 employee payroll, shall be increased in equal annual increments  
6 so that by State fiscal year 2011, the State is contributing at  
7 the rate required under this Section; except that in the  
8 following specified State fiscal years, the State contribution  
9 to the System shall not be less than the following indicated  
10 percentages of the applicable employee payroll, even if the  
11 indicated percentage will produce a State contribution in  
12 excess of the amount otherwise required under this subsection  
13 and subsection (a), and notwithstanding any contrary  
14 certification made under subsection (a-1) before the effective  
15 date of this amendatory Act of 1998: 10.02% in FY 1999; 10.77%  
16 in FY 2000; 11.47% in FY 2001; 12.16% in FY 2002; 12.86% in FY  
17 2003; and 13.56% in FY 2004.

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

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

24 For each of State fiscal years 2008 through 2009, the State  
25 contribution to the System, as a percentage of the applicable  
26 employee payroll, shall be increased in equal annual increments



1 from the required State contribution for State fiscal year  
2 2007, so that by State fiscal year 2011, the State is  
3 contributing at the rate otherwise required under this Section.

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

13 Notwithstanding any other provision of this Article, the  
14 total required State contribution for State fiscal year 2011 is  
15 the amount recertified by the System on or before April 1, 2011  
16 pursuant to subsection (a-1) of this Section and shall be made  
17 from the proceeds of bonds sold in fiscal year 2011 pursuant to  
18 Section 7.2 of the General Obligation Bond Act, less (i) the  
19 pro rata share of bond sale expenses determined by the System's  
20 share of total bond proceeds, (ii) any amounts received from  
21 the Common School Fund in fiscal year 2011, and (iii) any  
22 reduction in bond proceeds due to the issuance of discounted  
23 bonds, if applicable. This amount shall include, in addition to  
24 the amount certified by the System, an amount necessary to meet  
25 employer contributions required by the State as an employer  
26 under paragraph (e) of this Section, which may also be used by

1 the System for contributions required by paragraph (a) of  
2 Section 16-127.

3 ~~Beginning in State fiscal year 2046, the minimum State~~  
4 ~~contribution for each fiscal year shall be the amount needed to~~  
5 ~~maintain the total assets of the System at 90% of the total~~  
6 ~~actuarial liabilities of the System.~~

7 Amounts received by the System pursuant to Section 25 of  
8 the Budget Stabilization Act or Section 8.12 of the State  
9 Finance Act in any fiscal year do not reduce and do not  
10 constitute payment of any portion of the minimum State  
11 contribution required under this Article in that fiscal year.  
12 Such amounts shall not reduce, and shall not be included in the  
13 calculation of, the required State contributions under this  
14 Article in any future year until the System has reached a  
15 funding ratio of at least 100% ~~90%~~. A reference in this Article  
16 to the "required State contribution" or any substantially  
17 similar term does not include or apply to any amounts payable  
18 to the System under Section 25 of the Budget Stabilization Act.

19 Notwithstanding any other provision of this Code or the  
20 Budget Stabilization Act, amounts transferred to the System  
21 pursuant to the Budget Stabilization Act after the effective  
22 date of this amendatory Act of the 97th General Assembly do not  
23 reduce and do not constitute payment of any portion of the  
24 required State contribution under this Article in that fiscal  
25 year. Such amounts shall not reduce, and shall not be included  
26 in the calculation of, the required State contributions under

1 this Article in any future year until the System has received  
2 payment of contributions pursuant to the Budget Stabilization  
3 Act.

4 Notwithstanding any other provision of this Section, the  
5 required State contribution for State fiscal year 2005 and for  
6 fiscal year 2008 and each fiscal year thereafter through State  
7 fiscal year 2013, as calculated under this Section and  
8 certified under subsection (a-1), shall not exceed an amount  
9 equal to (i) the amount of the required State contribution that  
10 would have been calculated under this Section for that fiscal  
11 year if the System had not received any payments under  
12 subsection (d) of Section 7.2 of the General Obligation Bond  
13 Act, minus (ii) the portion of the State's total debt service  
14 payments for that fiscal year on the bonds issued in fiscal  
15 year 2003 for the purposes of that Section 7.2, as determined  
16 and certified by the Comptroller, that is the same as the  
17 System's portion of the total moneys distributed under  
18 subsection (d) of Section 7.2 of the General Obligation Bond  
19 Act. In determining this maximum for State fiscal years 2008  
20 through 2010, however, the amount referred to in item (i) shall  
21 be increased, as a percentage of the applicable employee  
22 payroll, in equal increments calculated from the sum of the  
23 required State contribution for State fiscal year 2007 plus the  
24 applicable portion of the State's total debt service payments  
25 for fiscal year 2007 on the bonds issued in fiscal year 2003  
26 for the purposes of Section 7.2 of the General Obligation Bond

1 Act, so that, by State fiscal year 2011, the State is  
2 contributing at the rate otherwise 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. 96-43, eff. 7-15-09; 96-1497, eff. 1-14-11;  
2 96-1511, eff. 1-27-11; 96-1554, eff. 3-18-11; 97-694, eff.  
3 6-18-12; 97-813, eff. 7-13-12.)

4 (40 ILCS 5/16-158.2 new)

5 Sec. 16-158.2. Obligations of State; funding guarantee.

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

11 (b) Beginning July 1, 2013, the State shall be  
12 contractually obligated to contribute to the System under  
13 Section 16-158 in each State fiscal year an amount not less  
14 than the sum of (i) the State's normal cost for that year and  
15 (ii) the portion of the unfunded accrued liability assigned to  
16 that year by law in accordance with a schedule that distributes  
17 payments equitably over a reasonable period of time and in  
18 accordance with accepted actuarial practices. The obligations  
19 created under this subsection (b) are contractual obligations  
20 protected and enforceable under Article I, Section 16 and  
21 Article XIII, Section 5 of the Illinois Constitution.

22 Notwithstanding any other provision of law, if the State  
23 fails to pay in a State fiscal year the amount guaranteed under  
24 this subsection, the System may bring a mandamus action in the  
25 Circuit Court of Sangamon County to compel the State to make

1 that payment, irrespective of other remedies that may be  
2 available to the System. In ordering the State to make the  
3 required payment, the court may order a reasonable payment  
4 schedule to enable the State to make the required payment  
5 without significantly imperiling the public health, safety, or  
6 welfare.

7 (40 ILCS 5/16-203)

8 Sec. 16-203. Application and expiration of new benefit  
9 increases.

10 (a) As used in this Section, "new benefit increase" means  
11 an increase in the amount of any benefit provided under this  
12 Article, or an expansion of the conditions of eligibility for  
13 any benefit under this Article, that results from an amendment  
14 to this Code that takes effect after June 1, 2005 (the  
15 effective date of Public Act 94-4). "New benefit increase",  
16 however, does not include any benefit increase resulting from  
17 the changes made to this Article or Article 1 by Public Act  
18 95-910 or this amendatory Act of the 97th ~~95th~~ General  
19 Assembly.

20 (b) Notwithstanding any other provision of this Code or any  
21 subsequent amendment to this Code, every new benefit increase  
22 is subject to this Section and shall be deemed to be granted  
23 only in conformance with and contingent upon compliance with  
24 the provisions of this Section.

25 (c) The Public Act enacting a new benefit increase must

1 identify and provide for payment to the System of additional  
2 funding at least sufficient to fund the resulting annual  
3 increase in cost to the System as it accrues.

4 Every new benefit increase is contingent upon the General  
5 Assembly providing the additional funding required under this  
6 subsection. The Commission on Government Forecasting and  
7 Accountability shall analyze whether adequate additional  
8 funding has been provided for the new benefit increase and  
9 shall report its analysis to the Public Pension Division of the  
10 Department of Financial and Professional Regulation. A new  
11 benefit increase created by a Public Act that does not include  
12 the additional funding required under this subsection is null  
13 and void. If the Public Pension Division determines that the  
14 additional funding provided for a new benefit increase under  
15 this subsection is or has become inadequate, it may so certify  
16 to the Governor and the State Comptroller and, in the absence  
17 of corrective action by the General Assembly, the new benefit  
18 increase shall expire at the end of the fiscal year in which  
19 the certification is made.

20 (d) Every new benefit increase shall expire 5 years after  
21 its effective date or on such earlier date as may be specified  
22 in the language enacting the new benefit increase or provided  
23 under subsection (c). This does not prevent the General  
24 Assembly from extending or re-creating a new benefit increase  
25 by law.

26 (e) Except as otherwise provided in the language creating

1 the new benefit increase, a new benefit increase that expires  
2 under this Section continues to apply to persons who applied  
3 and qualified for the affected benefit while the new benefit  
4 increase was in effect and to the affected beneficiaries and  
5 alternate payees of such persons, but does not apply to any  
6 other person, including without limitation a person who  
7 continues in service after the expiration date and did not  
8 apply and qualify for the affected benefit while the new  
9 benefit increase was in effect.

10 (Source: P.A. 94-4, eff. 6-1-05; 95-910, eff. 8-26-08.)

11 (40 ILCS 5/18-131) (from Ch. 108 1/2, par. 18-131)

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

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

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

24 (c) For State fiscal years 2012 through 2045, the minimum  
25 contribution to the System to be made by the State for each

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

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

14 Notwithstanding any other provision of this Article, the  
15 total required State contribution for State fiscal year 2006 is  
16 \$29,189,400.

17 Notwithstanding any other provision of this Article, the  
18 total required State contribution for State fiscal year 2007 is  
19 \$35,236,800.

20 For each of State fiscal years 2008 through 2009, the State  
21 contribution to the System, as a percentage of the applicable  
22 employee payroll, shall be increased in equal annual increments  
23 from the required State contribution for State fiscal year  
24 2007, so that by State fiscal year 2011, the State is  
25 contributing at the rate otherwise required under this Section.

26 Notwithstanding any other provision of this Article, the



1 total required State contribution for State fiscal year 2010 is  
2 \$78,832,000 and shall be made from the proceeds of bonds sold  
3 in fiscal year 2010 pursuant to Section 7.2 of the General  
4 Obligation Bond Act, less (i) the pro rata share of bond sale  
5 expenses determined by the System's share of total bond  
6 proceeds, (ii) any amounts received from the General Revenue  
7 Fund in fiscal year 2010, and (iii) any reduction in bond  
8 proceeds due to the issuance of discounted bonds, if  
9 applicable.

10 Notwithstanding any other provision of this Article, the  
11 total required State contribution for State fiscal year 2011 is  
12 the amount recertified by the System on or before April 1, 2011  
13 pursuant to Section 18-140 and shall be made from the proceeds  
14 of bonds sold in fiscal year 2011 pursuant to Section 7.2 of  
15 the General Obligation Bond Act, less (i) the pro rata share of  
16 bond sale expenses determined by the System's share of total  
17 bond proceeds, (ii) any amounts received from the General  
18 Revenue Fund in fiscal year 2011, and (iii) any reduction in  
19 bond proceeds due to the issuance of discounted bonds, if  
20 applicable.

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

25 Amounts received by the System pursuant to Section 25 of  
26 the Budget Stabilization Act or Section 8.12 of the State

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

11 Notwithstanding any other provision of this Code or the  
12 Budget Stabilization Act, amounts transferred to the System  
13 pursuant to the Budget Stabilization Act after the effective  
14 date of this amendatory Act of the 97th General Assembly do not  
15 reduce and do not constitute payment of any portion of the  
16 required State contribution under this Article in that fiscal  
17 year. Such amounts shall not reduce, and shall not be included  
18 in the calculation of, the required State contributions under  
19 this Article in any future year until the System has received  
20 payment of contributions pursuant to the Budget Stabilization  
21 Act.

22 Notwithstanding any other provision of this Section, the  
23 required State contribution for State fiscal year 2005 and for  
24 fiscal year 2008 and each fiscal year thereafter, as calculated  
25 under this Section and certified under Section 18-140, shall  
26 not exceed an amount equal to (i) the amount of the required

1 State contribution that would have been calculated under this  
2 Section for that fiscal year if the System had not received any  
3 payments under subsection (d) of Section 7.2 of the General  
4 Obligation Bond Act, minus (ii) the portion of the State's  
5 total debt service payments for that fiscal year on the bonds  
6 issued in fiscal year 2003 for the purposes of that Section  
7 7.2, as determined and certified by the Comptroller, that is  
8 the same as the System's portion of the total moneys  
9 distributed under subsection (d) of Section 7.2 of the General  
10 Obligation Bond Act. In determining this maximum for State  
11 fiscal years 2008 through 2010, however, the amount referred to  
12 in item (i) shall be increased, as a percentage of the  
13 applicable employee payroll, in equal increments calculated  
14 from the sum of the required State contribution for State  
15 fiscal year 2007 plus the applicable portion of the State's  
16 total debt service payments for fiscal year 2007 on the bonds  
17 issued in fiscal year 2003 for the purposes of Section 7.2 of  
18 the General Obligation Bond Act, so that, by State fiscal year  
19 2011, the State is contributing at the rate otherwise required  
20 under this Section.

21 (d) For purposes of determining the required State  
22 contribution to the System, the value of the System's assets  
23 shall be equal to the actuarial value of the System's assets,  
24 which shall be calculated as follows:

25 As of June 30, 2008, the actuarial value of the System's  
26 assets shall be equal to the market value of the assets as of

1 that date. In determining the actuarial value of the System's  
2 assets for fiscal years after June 30, 2008, any actuarial  
3 gains or losses from investment return incurred in a fiscal  
4 year shall be recognized in equal annual amounts over the  
5 5-year period following that fiscal year.

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

10 (Source: P.A. 96-43, eff. 7-15-09; 96-1497, eff. 1-14-11;  
11 96-1511, eff. 1-27-11; 96-1554, eff. 3-18-11; 97-813, eff.  
12 7-13-12.)

13 Section 25. The Illinois Educational Labor Relations Act is  
14 amended by changing Sections 4 and 17 as follows:

15 (115 ILCS 5/4) (from Ch. 48, par. 1704)

16 Sec. 4. Employer rights. Employers shall not be required to  
17 bargain over matters of inherent managerial policy, which shall  
18 include such areas of discretion or policy as the functions of  
19 the employer, standards of services, its overall budget, the  
20 organizational structure and selection of new employees and  
21 direction of employees. Employers, however, shall be required  
22 to bargain collectively with regard to policy matters directly  
23 affecting wages, hours and terms and conditions of employment  
24 as well as the impact thereon upon request by employee

1 representatives, but excluding the changes, the impact of  
2 changes, and the implementation of the changes set forth in  
3 this amendatory Act of the 97th General Assembly. To preserve  
4 the rights of employers and exclusive representatives which  
5 have established collective bargaining relationships or  
6 negotiated collective bargaining agreements prior to the  
7 effective date of this Act, employers shall be required to  
8 bargain collectively with regard to any matter concerning  
9 wages, hours or conditions of employment about which they have  
10 bargained for and agreed to in a collective bargaining  
11 agreement prior to the effective date of this Act, but  
12 excluding the changes, the impact of changes, and the  
13 implementation of the changes set forth in this amendatory Act  
14 of the 97th General Assembly.

15 (Source: P.A. 83-1014.)

16 (115 ILCS 5/17) (from Ch. 48, par. 1717)

17 Sec. 17. Effect on other laws. In case of any conflict  
18 between the provisions of this Act and any other law (other  
19 than the changes, the impact of changes, and the implementation  
20 of the changes made to the Illinois Pension Code by this  
21 amendatory Act of the 97th General Assembly), executive order  
22 or administrative regulation, the provisions of this Act shall  
23 prevail and control. The provisions of this Act are subject to  
24 the changes made by this amendatory Act of the 97th General  
25 Assembly. Nothing in this Act shall be construed to replace or

1 diminish the rights of employees established by Section 36d of  
2 "An Act to create the State Universities Civil Service System",  
3 approved May 11, 1905, as amended or modified.

4 (Source: P.A. 83-1014.)

5 Section 90. The State Mandates Act is amended by adding  
6 Section 8.36 as follows:

7 (30 ILCS 805/8.36 new)

8 Sec. 8.36. Exempt mandate. Notwithstanding Sections 6 and 8  
9 of this Act, no reimbursement by the State is required for the  
10 implementation of any mandate created by this amendatory Act of  
11 the 97th General Assembly.

12 Section 97. Severability and inseverability. The changes  
13 made by this Act to Acts other than the Illinois Pension Code  
14 are severable from the other changes made by this Act. The  
15 changes made by this Act to an Article of the Illinois Pension  
16 Code are severable from the changes made by this Act to another  
17 Article of the Illinois Pension Code. However, the changes made  
18 by this Act in an Article of the Illinois Pension Code that  
19 relate to (i) automatic annual increases, (ii) employee or  
20 member contributions, (iii) State or employer contributions,  
21 (iv) State funding guarantees, or (v) salary, earnings, or  
22 compensation are mutually dependent and inseverable.

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