



## 100TH GENERAL ASSEMBLY

### State of Illinois

2017 and 2018

HB0315

by Rep. Mark Batinick

#### SYNOPSIS AS INTRODUCED:

See Index

Amends the General Assembly, State Employee, State Universities, Downstate Teachers, and Judges Articles of the Illinois Pension Code. No later than January 1, 2018, requires each System to calculate the net present value of the pension benefits for each eligible person and to offer that eligible person the opportunity to elect to receive an accelerated pension benefit payment equal to 70% of the net present value of his or her pension benefits in lieu of receiving any pension benefit. Provides that the election must be made before July 1, 2018 and if a person elects to receive an accelerated pension benefit payment, his or her credits and creditable service under that Article shall be terminated upon receipt of the accelerated pension benefit payment; except that the terminated service credit shall be used for the purposes of determining participation and benefits under the State Employees Group Insurance Act of 1971. Makes other changes. Amends the State Employees Group Insurance Act of 1971 to make related changes. Amends the Illinois Finance Authority Act. Requires the Authority to issue bonds if the amount of the accelerated pension benefit payments exceed the amount appropriated to each System for those payments. Amends the General Obligation Bond Act. Authorizes \$250,000,000 in State Pension Obligation Acceleration Bonds to be sold to pay for accelerated pension benefit payments to eligible persons. Amends the State Pension Funds Continuing Appropriation Act to create a continuing appropriation for payments on those Bonds. Amends the State Finance Act to create the State Pension Obligation Acceleration Bond Fund. Effective immediately.

LRB100 06229 RPS 16264 b

FISCAL NOTE ACT  
MAY APPLY

PENSION IMPACT  
NOTE ACT MAY  
APPLY

STATE DEBT  
IMPACT NOTE ACT  
MAY APPLY

A BILL FOR

1 AN ACT concerning public employee benefits.

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

4 Section 5. The State Employees Group Insurance Act of 1971  
5 is amended by changing Sections 3 and 10 as follows:

6 (5 ILCS 375/3) (from Ch. 127, par. 523)

7 Sec. 3. Definitions. Unless the context otherwise  
8 requires, the following words and phrases as used in this Act  
9 shall have the following meanings. The Department may define  
10 these and other words and phrases separately for the purpose of  
11 implementing specific programs providing benefits under this  
12 Act.

13 (a) "Administrative service organization" means any  
14 person, firm or corporation experienced in the handling of  
15 claims which is fully qualified, financially sound and capable  
16 of meeting the service requirements of a contract of  
17 administration executed with the Department.

18 (b) "Annuitant" means (1) an employee who retires, or has  
19 retired, on or after January 1, 1966 on an immediate annuity  
20 under the provisions of Articles 2 (including an employee who  
21 meets the criteria for retirement, but in lieu of receiving an  
22 annuity under that Article has elected to receive an  
23 accelerated pension benefit payment under Section 2-154.5 of

1 that Article), 14 (including an employee who has elected to  
2 receive an alternative retirement cancellation payment under  
3 Section 14-108.5 of the Illinois Pension Code in lieu of an  
4 annuity or who meets the criteria for retirement, but in lieu  
5 of receiving an annuity under that Article has elected to  
6 receive an accelerated pension benefit payment under Section  
7 14-147.5 of that Article), 15 (including an employee who has  
8 retired under the optional retirement program established  
9 under Section 15-158.2 or who meets the criteria for retirement  
10 but in lieu of receiving an annuity under that Article has  
11 elected to receive an accelerated pension benefit payment under  
12 Section 15-185.5 of the Article), paragraphs (2), (3), or (5)  
13 of Section 16-106 (including an employee who meets the criteria  
14 for retirement, but in lieu of receiving an annuity under that  
15 Article has elected to receive an accelerated pension benefit  
16 payment under Section 16-190.5 of the Illinois Pension Code),  
17 or Article 18 (including an employee who meets the criteria for  
18 retirement, but in lieu of receiving an annuity under that  
19 Article, has elected to receive an accelerated pension benefit  
20 payment under Section 18-161.5 of that Article) of the Illinois  
21 Pension Code; (2) any person who was receiving group insurance  
22 coverage under this Act as of March 31, 1978 by reason of his  
23 status as an annuitant, even though the annuity in relation to  
24 which such coverage was provided is a proportional annuity  
25 based on less than the minimum period of service required for a  
26 retirement annuity in the system involved; (3) any person not

1 otherwise covered by this Act who has retired as a  
2 participating member under Article 2 of the Illinois Pension  
3 Code but is ineligible for the retirement annuity under Section  
4 2-119 of the Illinois Pension Code; (4) the spouse of any  
5 person who is receiving a retirement annuity under Article 18  
6 of the Illinois Pension Code and who is covered under a group  
7 health insurance program sponsored by a governmental employer  
8 other than the State of Illinois and who has irrevocably  
9 elected to waive his or her coverage under this Act and to have  
10 his or her spouse considered as the "annuitant" under this Act  
11 and not as a "dependent"; or (5) an employee who retires, or  
12 has retired, from a qualified position, as determined according  
13 to rules promulgated by the Director, under a qualified local  
14 government, a qualified rehabilitation facility, a qualified  
15 domestic violence shelter or service, or a qualified child  
16 advocacy center. (For definition of "retired employee", see (p)  
17 post).

18 (b-5) (Blank).

19 (b-6) (Blank).

20 (b-7) (Blank).

21 (c) "Carrier" means (1) an insurance company, a corporation  
22 organized under the Limited Health Service Organization Act or  
23 the Voluntary Health Services Plan Act, a partnership, or other  
24 nongovernmental organization, which is authorized to do group  
25 life or group health insurance business in Illinois, or (2) the  
26 State of Illinois as a self-insurer.

1           (d) "Compensation" means salary or wages payable on a  
2 regular payroll by the State Treasurer on a warrant of the  
3 State Comptroller out of any State, trust or federal fund, or  
4 by the Governor of the State through a disbursing officer of  
5 the State out of a trust or out of federal funds, or by any  
6 Department out of State, trust, federal or other funds held by  
7 the State Treasurer or the Department, to any person for  
8 personal services currently performed, and ordinary or  
9 accidental disability benefits under Articles 2, 14, 15  
10 (including ordinary or accidental disability benefits under  
11 the optional retirement program established under Section  
12 15-158.2), paragraphs (2), (3), or (5) of Section 16-106, or  
13 Article 18 of the Illinois Pension Code, for disability  
14 incurred after January 1, 1966, or benefits payable under the  
15 Workers' Compensation or Occupational Diseases Act or benefits  
16 payable under a sick pay plan established in accordance with  
17 Section 36 of the State Finance Act. "Compensation" also means  
18 salary or wages paid to an employee of any qualified local  
19 government, qualified rehabilitation facility, qualified  
20 domestic violence shelter or service, or qualified child  
21 advocacy center.

22           (e) "Commission" means the State Employees Group Insurance  
23 Advisory Commission authorized by this Act. Commencing July 1,  
24 1984, "Commission" as used in this Act means the Commission on  
25 Government Forecasting and Accountability as established by  
26 the Legislative Commission Reorganization Act of 1984.

1           (f) "Contributory", when referred to as contributory  
2 coverage, shall mean optional coverages or benefits elected by  
3 the member toward the cost of which such member makes  
4 contribution, or which are funded in whole or in part through  
5 the acceptance of a reduction in earnings or the foregoing of  
6 an increase in earnings by an employee, as distinguished from  
7 noncontributory coverage or benefits which are paid entirely by  
8 the State of Illinois without reduction of the member's salary.

9           (g) "Department" means any department, institution, board,  
10 commission, officer, court or any agency of the State  
11 government receiving appropriations and having power to  
12 certify payrolls to the Comptroller authorizing payments of  
13 salary and wages against such appropriations as are made by the  
14 General Assembly from any State fund, or against trust funds  
15 held by the State Treasurer and includes boards of trustees of  
16 the retirement systems created by Articles 2, 14, 15, 16 and 18  
17 of the Illinois Pension Code. "Department" also includes the  
18 Illinois Comprehensive Health Insurance Board, the Board of  
19 Examiners established under the Illinois Public Accounting  
20 Act, and the Illinois Finance Authority.

21           (h) "Dependent", when the term is used in the context of  
22 the health and life plan, means a member's spouse and any child  
23 (1) from birth to age 26 including an adopted child, a child  
24 who lives with the member from the time of the filing of a  
25 petition for adoption until entry of an order of adoption, a  
26 stepchild or adjudicated child, or a child who lives with the

1 member if such member is a court appointed guardian of the  
2 child or (2) age 19 or over who has a mental or physical  
3 disability from a cause originating prior to the age of 19 (age  
4 26 if enrolled as an adult child dependent). For the health  
5 plan only, the term "dependent" also includes (1) any person  
6 enrolled prior to the effective date of this Section who is  
7 dependent upon the member to the extent that the member may  
8 claim such person as a dependent for income tax deduction  
9 purposes and (2) any person who has received after June 30,  
10 2000 an organ transplant and who is financially dependent upon  
11 the member and eligible to be claimed as a dependent for income  
12 tax purposes. A member requesting to cover any dependent must  
13 provide documentation as requested by the Department of Central  
14 Management Services and file with the Department any and all  
15 forms required by the Department.

16 (i) "Director" means the Director of the Illinois  
17 Department of Central Management Services.

18 (j) "Eligibility period" means the period of time a member  
19 has to elect enrollment in programs or to select benefits  
20 without regard to age, sex or health.

21 (k) "Employee" means and includes each officer or employee  
22 in the service of a department who (1) receives his  
23 compensation for service rendered to the department on a  
24 warrant issued pursuant to a payroll certified by a department  
25 or on a warrant or check issued and drawn by a department upon  
26 a trust, federal or other fund or on a warrant issued pursuant

1 to a payroll certified by an elected or duly appointed officer  
2 of the State or who receives payment of the performance of  
3 personal services on a warrant issued pursuant to a payroll  
4 certified by a Department and drawn by the Comptroller upon the  
5 State Treasurer against appropriations made by the General  
6 Assembly from any fund or against trust funds held by the State  
7 Treasurer, and (2) is employed full-time or part-time in a  
8 position normally requiring actual performance of duty during  
9 not less than 1/2 of a normal work period, as established by  
10 the Director in cooperation with each department, except that  
11 persons elected by popular vote will be considered employees  
12 during the entire term for which they are elected regardless of  
13 hours devoted to the service of the State, and (3) except that  
14 "employee" does not include any person who is not eligible by  
15 reason of such person's employment to participate in one of the  
16 State retirement systems under Articles 2, 14, 15 (either the  
17 regular Article 15 system or the optional retirement program  
18 established under Section 15-158.2) or 18, or under paragraph  
19 (2), (3), or (5) of Section 16-106, of the Illinois Pension  
20 Code, but such term does include persons who are employed  
21 during the 6 month qualifying period under Article 14 of the  
22 Illinois Pension Code. Such term also includes any person who  
23 (1) after January 1, 1966, is receiving ordinary or accidental  
24 disability benefits under Articles 2, 14, 15 (including  
25 ordinary or accidental disability benefits under the optional  
26 retirement program established under Section 15-158.2),



1 paragraphs (2), (3), or (5) of Section 16-106, or Article 18 of  
2 the Illinois Pension Code, for disability incurred after  
3 January 1, 1966, (2) receives total permanent or total  
4 temporary disability under the Workers' Compensation Act or  
5 Occupational Disease Act as a result of injuries sustained or  
6 illness contracted in the course of employment with the State  
7 of Illinois, or (3) is not otherwise covered under this Act and  
8 has retired as a participating member under Article 2 of the  
9 Illinois Pension Code but is ineligible for the retirement  
10 annuity under Section 2-119 of the Illinois Pension Code.  
11 However, a person who satisfies the criteria of the foregoing  
12 definition of "employee" except that such person is made  
13 ineligible to participate in the State Universities Retirement  
14 System by clause (4) of subsection (a) of Section 15-107 of the  
15 Illinois Pension Code is also an "employee" for the purposes of  
16 this Act. "Employee" also includes any person receiving or  
17 eligible for benefits under a sick pay plan established in  
18 accordance with Section 36 of the State Finance Act. "Employee"  
19 also includes (i) each officer or employee in the service of a  
20 qualified local government, including persons appointed as  
21 trustees of sanitary districts regardless of hours devoted to  
22 the service of the sanitary district, (ii) each employee in the  
23 service of a qualified rehabilitation facility, (iii) each  
24 full-time employee in the service of a qualified domestic  
25 violence shelter or service, and (iv) each full-time employee  
26 in the service of a qualified child advocacy center, as

1 determined according to rules promulgated by the Director.

2 (l) "Member" means an employee, annuitant, retired  
3 employee or survivor. In the case of an annuitant or retired  
4 employee who first becomes an annuitant or retired employee on  
5 or after the effective date of this amendatory Act of the 97th  
6 General Assembly, the individual must meet the minimum vesting  
7 requirements of the applicable retirement system in order to be  
8 eligible for group insurance benefits under that system. In the  
9 case of a survivor who first becomes a survivor on or after the  
10 effective date of this amendatory Act of the 97th General  
11 Assembly, the deceased employee, annuitant, or retired  
12 employee upon whom the annuity is based must have been eligible  
13 to participate in the group insurance system under the  
14 applicable retirement system in order for the survivor to be  
15 eligible for group insurance benefits under that system.

16 (m) "Optional coverages or benefits" means those coverages  
17 or benefits available to the member on his or her voluntary  
18 election, and at his or her own expense.

19 (n) "Program" means the group life insurance, health  
20 benefits and other employee benefits designed and contracted  
21 for by the Director under this Act.

22 (o) "Health plan" means a health benefits program offered  
23 by the State of Illinois for persons eligible for the plan.

24 (p) "Retired employee" means any person who would be an  
25 annuitant as that term is defined herein but for the fact that  
26 such person retired prior to January 1, 1966. Such term also

1 includes any person formerly employed by the University of  
2 Illinois in the Cooperative Extension Service who would be an  
3 annuitant but for the fact that such person was made ineligible  
4 to participate in the State Universities Retirement System by  
5 clause (4) of subsection (a) of Section 15-107 of the Illinois  
6 Pension Code.

7 (q) "Survivor" means a person receiving an annuity as a  
8 survivor of an employee or of an annuitant. "Survivor" also  
9 includes: (1) the surviving dependent of a person who satisfies  
10 the definition of "employee" except that such person is made  
11 ineligible to participate in the State Universities Retirement  
12 System by clause (4) of subsection (a) of Section 15-107 of the  
13 Illinois Pension Code; (2) the surviving dependent of any  
14 person formerly employed by the University of Illinois in the  
15 Cooperative Extension Service who would be an annuitant except  
16 for the fact that such person was made ineligible to  
17 participate in the State Universities Retirement System by  
18 clause (4) of subsection (a) of Section 15-107 of the Illinois  
19 Pension Code; and (3) the surviving dependent of a person who  
20 was an annuitant under this Act by virtue of receiving an  
21 alternative retirement cancellation payment under Section  
22 14-108.5 of the Illinois Pension Code.

23 (q-2) "SERS" means the State Employees' Retirement System  
24 of Illinois, created under Article 14 of the Illinois Pension  
25 Code.

26 (q-3) "SURS" means the State Universities Retirement

1 System, created under Article 15 of the Illinois Pension Code.

2 (q-4) "TRS" means the Teachers' Retirement System of the  
3 State of Illinois, created under Article 16 of the Illinois  
4 Pension Code.

5 (q-5) (Blank).

6 (q-6) (Blank).

7 (q-7) (Blank).

8 (r) "Medical services" means the services provided within  
9 the scope of their licenses by practitioners in all categories  
10 licensed under the Medical Practice Act of 1987.

11 (s) "Unit of local government" means any county,  
12 municipality, township, school district (including a  
13 combination of school districts under the Intergovernmental  
14 Cooperation Act), special district or other unit, designated as  
15 a unit of local government by law, which exercises limited  
16 governmental powers or powers in respect to limited  
17 governmental subjects, any not-for-profit association with a  
18 membership that primarily includes townships and township  
19 officials, that has duties that include provision of research  
20 service, dissemination of information, and other acts for the  
21 purpose of improving township government, and that is funded  
22 wholly or partly in accordance with Section 85-15 of the  
23 Township Code; any not-for-profit corporation or association,  
24 with a membership consisting primarily of municipalities, that  
25 operates its own utility system, and provides research,  
26 training, dissemination of information, or other acts to

1 promote cooperation between and among municipalities that  
2 provide utility services and for the advancement of the goals  
3 and purposes of its membership; the Southern Illinois  
4 Collegiate Common Market, which is a consortium of higher  
5 education institutions in Southern Illinois; the Illinois  
6 Association of Park Districts; and any hospital provider that  
7 is owned by a county that has 100 or fewer hospital beds and  
8 has not already joined the program. "Qualified local  
9 government" means a unit of local government approved by the  
10 Director and participating in a program created under  
11 subsection (i) of Section 10 of this Act.

12 (t) "Qualified rehabilitation facility" means any  
13 not-for-profit organization that is accredited by the  
14 Commission on Accreditation of Rehabilitation Facilities or  
15 certified by the Department of Human Services (as successor to  
16 the Department of Mental Health and Developmental  
17 Disabilities) to provide services to persons with disabilities  
18 and which receives funds from the State of Illinois for  
19 providing those services, approved by the Director and  
20 participating in a program created under subsection (j) of  
21 Section 10 of this Act.

22 (u) "Qualified domestic violence shelter or service" means  
23 any Illinois domestic violence shelter or service and its  
24 administrative offices funded by the Department of Human  
25 Services (as successor to the Illinois Department of Public  
26 Aid), approved by the Director and participating in a program

1 created under subsection (k) of Section 10.

2 (v) "TRS benefit recipient" means a person who:

3 (1) is not a "member" as defined in this Section; and

4 (2) is receiving a monthly benefit or retirement  
5 annuity under Article 16 of the Illinois Pension Code; and

6 (3) either (i) has at least 8 years of creditable  
7 service under Article 16 of the Illinois Pension Code, or  
8 (ii) was enrolled in the health insurance program offered  
9 under that Article on January 1, 1996, or (iii) is the  
10 survivor of a benefit recipient who had at least 8 years of  
11 creditable service under Article 16 of the Illinois Pension  
12 Code or was enrolled in the health insurance program  
13 offered under that Article on the effective date of this  
14 amendatory Act of 1995, or (iv) is a recipient or survivor  
15 of a recipient of a disability benefit under Article 16 of  
16 the Illinois Pension Code.

17 (w) "TRS dependent beneficiary" means a person who:

18 (1) is not a "member" or "dependent" as defined in this  
19 Section; and

20 (2) is a TRS benefit recipient's: (A) spouse, (B)  
21 dependent parent who is receiving at least half of his or  
22 her support from the TRS benefit recipient, or (C) natural,  
23 step, adjudicated, or adopted child who is (i) under age  
24 26, (ii) was, on January 1, 1996, participating as a  
25 dependent beneficiary in the health insurance program  
26 offered under Article 16 of the Illinois Pension Code, or

1 (iii) age 19 or over who has a mental or physical  
2 disability from a cause originating prior to the age of 19  
3 (age 26 if enrolled as an adult child).

4 "TRS dependent beneficiary" does not include, as indicated  
5 under paragraph (2) of this subsection (w), a dependent of the  
6 survivor of a TRS benefit recipient who first becomes a  
7 dependent of a survivor of a TRS benefit recipient on or after  
8 the effective date of this amendatory Act of the 97th General  
9 Assembly unless that dependent would have been eligible for  
10 coverage as a dependent of the deceased TRS benefit recipient  
11 upon whom the survivor benefit is based.

12 (x) "Military leave" refers to individuals in basic  
13 training for reserves, special/advanced training, annual  
14 training, emergency call up, activation by the President of the  
15 United States, or any other training or duty in service to the  
16 United States Armed Forces.

17 (y) (Blank).

18 (z) "Community college benefit recipient" means a person  
19 who:

20 (1) is not a "member" as defined in this Section; and

21 (2) is receiving a monthly survivor's annuity or  
22 retirement annuity under Article 15 of the Illinois Pension  
23 Code; and

24 (3) either (i) was a full-time employee of a community  
25 college district or an association of community college  
26 boards created under the Public Community College Act

1 (other than an employee whose last employer under Article  
2 15 of the Illinois Pension Code was a community college  
3 district subject to Article VII of the Public Community  
4 College Act) and was eligible to participate in a group  
5 health benefit plan as an employee during the time of  
6 employment with a community college district (other than a  
7 community college district subject to Article VII of the  
8 Public Community College Act) or an association of  
9 community college boards, or (ii) is the survivor of a  
10 person described in item (i).

11 (aa) "Community college dependent beneficiary" means a  
12 person who:

13 (1) is not a "member" or "dependent" as defined in this  
14 Section; and

15 (2) is a community college benefit recipient's: (A)  
16 spouse, (B) dependent parent who is receiving at least half  
17 of his or her support from the community college benefit  
18 recipient, or (C) natural, step, adjudicated, or adopted  
19 child who is (i) under age 26, or (ii) age 19 or over and  
20 has a mental or physical disability from a cause  
21 originating prior to the age of 19 (age 26 if enrolled as  
22 an adult child).

23 "Community college dependent beneficiary" does not  
24 include, as indicated under paragraph (2) of this subsection  
25 (aa), a dependent of the survivor of a community college  
26 benefit recipient who first becomes a dependent of a survivor



1 of a community college benefit recipient on or after the  
2 effective date of this amendatory Act of the 97th General  
3 Assembly unless that dependent would have been eligible for  
4 coverage as a dependent of the deceased community college  
5 benefit recipient upon whom the survivor annuity is based.

6 (bb) "Qualified child advocacy center" means any Illinois  
7 child advocacy center and its administrative offices funded by  
8 the Department of Children and Family Services, as defined by  
9 the Children's Advocacy Center Act (55 ILCS 80/), approved by  
10 the Director and participating in a program created under  
11 subsection (n) of Section 10.

12 (Source: P.A. 98-488, eff. 8-16-13; 99-143, eff. 7-27-15.)

13 (5 ILCS 375/10) (from Ch. 127, par. 530)

14 Sec. 10. Contributions by the State and members.

15 (a) The State shall pay the cost of basic non-contributory  
16 group life insurance and, subject to member paid contributions  
17 set by the Department or required by this Section and except as  
18 provided in this Section, the basic program of group health  
19 benefits on each eligible member, except a member, not  
20 otherwise covered by this Act, who has retired as a  
21 participating member under Article 2 of the Illinois Pension  
22 Code but is ineligible for the retirement annuity under Section  
23 2-119 of the Illinois Pension Code, and part of each eligible  
24 member's and retired member's premiums for health insurance  
25 coverage for enrolled dependents as provided by Section 9. The

1 State shall pay the cost of the basic program of group health  
2 benefits only after benefits are reduced by the amount of  
3 benefits covered by Medicare for all members and dependents who  
4 are eligible for benefits under Social Security or the Railroad  
5 Retirement system or who had sufficient Medicare-covered  
6 government employment, except that such reduction in benefits  
7 shall apply only to those members and dependents who (1) first  
8 become eligible for such Medicare coverage on or after July 1,  
9 1992; or (2) are Medicare-eligible members or dependents of a  
10 local government unit which began participation in the program  
11 on or after July 1, 1992; or (3) remain eligible for, but no  
12 longer receive Medicare coverage which they had been receiving  
13 on or after July 1, 1992. The Department may determine the  
14 aggregate level of the State's contribution on the basis of  
15 actual cost of medical services adjusted for age, sex or  
16 geographic or other demographic characteristics which affect  
17 the costs of such programs.

18 The cost of participation in the basic program of group  
19 health benefits for the dependent or survivor of a living or  
20 deceased retired employee who was formerly employed by the  
21 University of Illinois in the Cooperative Extension Service and  
22 would be an annuitant but for the fact that he or she was made  
23 ineligible to participate in the State Universities Retirement  
24 System by clause (4) of subsection (a) of Section 15-107 of the  
25 Illinois Pension Code shall not be greater than the cost of  
26 participation that would otherwise apply to that dependent or

1 survivor if he or she were the dependent or survivor of an  
2 annuitant under the State Universities Retirement System.

3 (a-1) (Blank).

4 (a-2) (Blank).

5 (a-3) (Blank).

6 (a-4) (Blank).

7 (a-5) (Blank).

8 (a-6) (Blank).

9 (a-7) (Blank).

10 (a-8) Any annuitant, survivor, or retired employee may  
11 waive or terminate coverage in the program of group health  
12 benefits. Any such annuitant, survivor, or retired employee who  
13 has waived or terminated coverage may enroll or re-enroll in  
14 the program of group health benefits only during the annual  
15 benefit choice period, as determined by the Director; except  
16 that in the event of termination of coverage due to nonpayment  
17 of premiums, the annuitant, survivor, or retired employee may  
18 not re-enroll in the program.

19 (a-8.5) Beginning on the effective date of this amendatory  
20 Act of the 97th General Assembly, the Director of Central  
21 Management Services shall, on an annual basis, determine the  
22 amount that the State shall contribute toward the basic program  
23 of group health benefits on behalf of annuitants (including  
24 individuals who (i) participated in the General Assembly  
25 Retirement System, the State Employees' Retirement System of  
26 Illinois, the State Universities Retirement System, the

1 Teachers' Retirement System of the State of Illinois, or the  
2 Judges Retirement System of Illinois and (ii) qualify as  
3 annuitants under subsection (b) of Section 3 of this Act),  
4 survivors (including individuals who (i) receive an annuity as  
5 a survivor of an individual who participated in the General  
6 Assembly Retirement System, the State Employees' Retirement  
7 System of Illinois, the State Universities Retirement System,  
8 the Teachers' Retirement System of the State of Illinois, or  
9 the Judges Retirement System of Illinois and (ii) qualify as  
10 survivors under subsection (q) of Section 3 of this Act), and  
11 retired employees (as defined in subsection (p) of Section 3 of  
12 this Act). The remainder of the cost of coverage for each  
13 annuitant, survivor, or retired employee, as determined by the  
14 Director of Central Management Services, shall be the  
15 responsibility of that annuitant, survivor, or retired  
16 employee.

17 Contributions required of annuitants, survivors, and  
18 retired employees shall be the same for all retirement systems  
19 and shall also be based on whether an individual has made an  
20 election under Section 15-135.1 of the Illinois Pension Code.  
21 Contributions may be based on annuitants', survivors', or  
22 retired employees' Medicare eligibility, but may not be based  
23 on Social Security eligibility.

24 (a-9) No later than May 1 of each calendar year, the  
25 Director of Central Management Services shall certify in  
26 writing to the Executive Secretary of the State Employees'

1 Retirement System of Illinois the amounts of the Medicare  
2 supplement health care premiums and the amounts of the health  
3 care premiums for all other retirees who are not Medicare  
4 eligible.

5 A separate calculation of the premiums based upon the  
6 actual cost of each health care plan shall be so certified.

7 The Director of Central Management Services shall provide  
8 to the Executive Secretary of the State Employees' Retirement  
9 System of Illinois such information, statistics, and other data  
10 as he or she may require to review the premium amounts  
11 certified by the Director of Central Management Services.

12 The Department of Central Management Services, or any  
13 successor agency designated to procure healthcare contracts  
14 pursuant to this Act, is authorized to establish funds,  
15 separate accounts provided by any bank or banks as defined by  
16 the Illinois Banking Act, or separate accounts provided by any  
17 savings and loan association or associations as defined by the  
18 Illinois Savings and Loan Act of 1985 to be held by the  
19 Director, outside the State treasury, for the purpose of  
20 receiving the transfer of moneys from the Local Government  
21 Health Insurance Reserve Fund. The Department may promulgate  
22 rules further defining the methodology for the transfers. Any  
23 interest earned by moneys in the funds or accounts shall inure  
24 to the Local Government Health Insurance Reserve Fund. The  
25 transferred moneys, and interest accrued thereon, shall be used  
26 exclusively for transfers to administrative service

1 organizations or their financial institutions for payments of  
2 claims to claimants and providers under the self-insurance  
3 health plan. The transferred moneys, and interest accrued  
4 thereon, shall not be used for any other purpose including, but  
5 not limited to, reimbursement of administration fees due the  
6 administrative service organization pursuant to its contract  
7 or contracts with the Department.

8 (a-10) To the extent that participation, benefits, or  
9 premiums under this Act are based on a person's service credit  
10 under an Article of the Illinois Pension Code, service credit  
11 terminated in exchange for an accelerated pension benefit  
12 payment under Section 2-154.5, 14-147.5, 15-185.5, 16-190.5,  
13 or 18-161.5 of that Code shall be included in determining a  
14 person's service credit for the purposes of this Act.

15 (b) State employees who become eligible for this program on  
16 or after January 1, 1980 in positions normally requiring actual  
17 performance of duty not less than 1/2 of a normal work period  
18 but not equal to that of a normal work period, shall be given  
19 the option of participating in the available program. If the  
20 employee elects coverage, the State shall contribute on behalf  
21 of such employee to the cost of the employee's benefit and any  
22 applicable dependent supplement, that sum which bears the same  
23 percentage as that percentage of time the employee regularly  
24 works when compared to normal work period.

25 (c) The basic non-contributory coverage from the basic  
26 program of group health benefits shall be continued for each

1 employee not in pay status or on active service by reason of  
2 (1) leave of absence due to illness or injury, (2) authorized  
3 educational leave of absence or sabbatical leave, or (3)  
4 military leave. This coverage shall continue until expiration  
5 of authorized leave and return to active service, but not to  
6 exceed 24 months for leaves under item (1) or (2). This  
7 24-month limitation and the requirement of returning to active  
8 service shall not apply to persons receiving ordinary or  
9 accidental disability benefits or retirement benefits through  
10 the appropriate State retirement system or benefits under the  
11 Workers' Compensation or Occupational Disease Act.

12 (d) The basic group life insurance coverage shall continue,  
13 with full State contribution, where such person is (1) absent  
14 from active service by reason of disability arising from any  
15 cause other than self-inflicted, (2) on authorized educational  
16 leave of absence or sabbatical leave, or (3) on military leave.

17 (e) Where the person is in non-pay status for a period in  
18 excess of 30 days or on leave of absence, other than by reason  
19 of disability, educational or sabbatical leave, or military  
20 leave, such person may continue coverage only by making  
21 personal payment equal to the amount normally contributed by  
22 the State on such person's behalf. Such payments and coverage  
23 may be continued: (1) until such time as the person returns to  
24 a status eligible for coverage at State expense, but not to  
25 exceed 24 months or (2) until such person's employment or  
26 annuitant status with the State is terminated (exclusive of any

1 additional service imposed pursuant to law).

2 (f) The Department shall establish by rule the extent to  
3 which other employee benefits will continue for persons in  
4 non-pay status or who are not in active service.

5 (g) The State shall not pay the cost of the basic  
6 non-contributory group life insurance, program of health  
7 benefits and other employee benefits for members who are  
8 survivors as defined by paragraphs (1) and (2) of subsection  
9 (q) of Section 3 of this Act. The costs of benefits for these  
10 survivors shall be paid by the survivors or by the University  
11 of Illinois Cooperative Extension Service, or any combination  
12 thereof. However, the State shall pay the amount of the  
13 reduction in the cost of participation, if any, resulting from  
14 the amendment to subsection (a) made by this amendatory Act of  
15 the 91st General Assembly.

16 (h) Those persons occupying positions with any department  
17 as a result of emergency appointments pursuant to Section 8b.8  
18 of the Personnel Code who are not considered employees under  
19 this Act shall be given the option of participating in the  
20 programs of group life insurance, health benefits and other  
21 employee benefits. Such persons electing coverage may  
22 participate only by making payment equal to the amount normally  
23 contributed by the State for similarly situated employees. Such  
24 amounts shall be determined by the Director. Such payments and  
25 coverage may be continued until such time as the person becomes  
26 an employee pursuant to this Act or such person's appointment



1 is terminated.

2 (i) Any unit of local government within the State of  
3 Illinois may apply to the Director to have its employees,  
4 annuitants, and their dependents provided group health  
5 coverage under this Act on a non-insured basis. To participate,  
6 a unit of local government must agree to enroll all of its  
7 employees, who may select coverage under either the State group  
8 health benefits plan or a health maintenance organization that  
9 has contracted with the State to be available as a health care  
10 provider for employees as defined in this Act. A unit of local  
11 government must remit the entire cost of providing coverage  
12 under the State group health benefits plan or, for coverage  
13 under a health maintenance organization, an amount determined  
14 by the Director based on an analysis of the sex, age,  
15 geographic location, or other relevant demographic variables  
16 for its employees, except that the unit of local government  
17 shall not be required to enroll those of its employees who are  
18 covered spouses or dependents under this plan or another group  
19 policy or plan providing health benefits as long as (1) an  
20 appropriate official from the unit of local government attests  
21 that each employee not enrolled is a covered spouse or  
22 dependent under this plan or another group policy or plan, and  
23 (2) at least 50% of the employees are enrolled and the unit of  
24 local government remits the entire cost of providing coverage  
25 to those employees, except that a participating school district  
26 must have enrolled at least 50% of its full-time employees who

1 have not waived coverage under the district's group health plan  
2 by participating in a component of the district's cafeteria  
3 plan. A participating school district is not required to enroll  
4 a full-time employee who has waived coverage under the  
5 district's health plan, provided that an appropriate official  
6 from the participating school district attests that the  
7 full-time employee has waived coverage by participating in a  
8 component of the district's cafeteria plan. For the purposes of  
9 this subsection, "participating school district" includes a  
10 unit of local government whose primary purpose is education as  
11 defined by the Department's rules.

12 Employees of a participating unit of local government who  
13 are not enrolled due to coverage under another group health  
14 policy or plan may enroll in the event of a qualifying change  
15 in status, special enrollment, special circumstance as defined  
16 by the Director, or during the annual Benefit Choice Period. A  
17 participating unit of local government may also elect to cover  
18 its annuitants. Dependent coverage shall be offered on an  
19 optional basis, with the costs paid by the unit of local  
20 government, its employees, or some combination of the two as  
21 determined by the unit of local government. The unit of local  
22 government shall be responsible for timely collection and  
23 transmission of dependent premiums.

24 The Director shall annually determine monthly rates of  
25 payment, subject to the following constraints:

26 (1) In the first year of coverage, the rates shall be

1 equal to the amount normally charged to State employees for  
2 elected optional coverages or for enrolled dependents  
3 coverages or other contributory coverages, or contributed  
4 by the State for basic insurance coverages on behalf of its  
5 employees, adjusted for differences between State  
6 employees and employees of the local government in age,  
7 sex, geographic location or other relevant demographic  
8 variables, plus an amount sufficient to pay for the  
9 additional administrative costs of providing coverage to  
10 employees of the unit of local government and their  
11 dependents.

12 (2) In subsequent years, a further adjustment shall be  
13 made to reflect the actual prior years' claims experience  
14 of the employees of the unit of local government.

15 In the case of coverage of local government employees under  
16 a health maintenance organization, the Director shall annually  
17 determine for each participating unit of local government the  
18 maximum monthly amount the unit may contribute toward that  
19 coverage, based on an analysis of (i) the age, sex, geographic  
20 location, and other relevant demographic variables of the  
21 unit's employees and (ii) the cost to cover those employees  
22 under the State group health benefits plan. The Director may  
23 similarly determine the maximum monthly amount each unit of  
24 local government may contribute toward coverage of its  
25 employees' dependents under a health maintenance organization.

26 Monthly payments by the unit of local government or its

1 employees for group health benefits plan or health maintenance  
2 organization coverage shall be deposited in the Local  
3 Government Health Insurance Reserve Fund.

4 The Local Government Health Insurance Reserve Fund is  
5 hereby created as a nonappropriated trust fund to be held  
6 outside the State Treasury, with the State Treasurer as  
7 custodian. The Local Government Health Insurance Reserve Fund  
8 shall be a continuing fund not subject to fiscal year  
9 limitations. The Local Government Health Insurance Reserve  
10 Fund is not subject to administrative charges or charge-backs,  
11 including but not limited to those authorized under Section 8h  
12 of the State Finance Act. All revenues arising from the  
13 administration of the health benefits program established  
14 under this Section shall be deposited into the Local Government  
15 Health Insurance Reserve Fund. Any interest earned on moneys in  
16 the Local Government Health Insurance Reserve Fund shall be  
17 deposited into the Fund. All expenditures from this Fund shall  
18 be used for payments for health care benefits for local  
19 government and rehabilitation facility employees, annuitants,  
20 and dependents, and to reimburse the Department or its  
21 administrative service organization for all expenses incurred  
22 in the administration of benefits. No other State funds may be  
23 used for these purposes.

24 A local government employer's participation or desire to  
25 participate in a program created under this subsection shall  
26 not limit that employer's duty to bargain with the

1 representative of any collective bargaining unit of its  
2 employees.

3 (j) Any rehabilitation facility within the State of  
4 Illinois may apply to the Director to have its employees,  
5 annuitants, and their eligible dependents provided group  
6 health coverage under this Act on a non-insured basis. To  
7 participate, a rehabilitation facility must agree to enroll all  
8 of its employees and remit the entire cost of providing such  
9 coverage for its employees, except that the rehabilitation  
10 facility shall not be required to enroll those of its employees  
11 who are covered spouses or dependents under this plan or  
12 another group policy or plan providing health benefits as long  
13 as (1) an appropriate official from the rehabilitation facility  
14 attests that each employee not enrolled is a covered spouse or  
15 dependent under this plan or another group policy or plan, and  
16 (2) at least 50% of the employees are enrolled and the  
17 rehabilitation facility remits the entire cost of providing  
18 coverage to those employees. Employees of a participating  
19 rehabilitation facility who are not enrolled due to coverage  
20 under another group health policy or plan may enroll in the  
21 event of a qualifying change in status, special enrollment,  
22 special circumstance as defined by the Director, or during the  
23 annual Benefit Choice Period. A participating rehabilitation  
24 facility may also elect to cover its annuitants. Dependent  
25 coverage shall be offered on an optional basis, with the costs  
26 paid by the rehabilitation facility, its employees, or some

1 combination of the 2 as determined by the rehabilitation  
2 facility. The rehabilitation facility shall be responsible for  
3 timely collection and transmission of dependent premiums.

4 The Director shall annually determine quarterly rates of  
5 payment, subject to the following constraints:

6 (1) In the first year of coverage, the rates shall be  
7 equal to the amount normally charged to State employees for  
8 elected optional coverages or for enrolled dependents  
9 coverages or other contributory coverages on behalf of its  
10 employees, adjusted for differences between State  
11 employees and employees of the rehabilitation facility in  
12 age, sex, geographic location or other relevant  
13 demographic variables, plus an amount sufficient to pay for  
14 the additional administrative costs of providing coverage  
15 to employees of the rehabilitation facility and their  
16 dependents.

17 (2) In subsequent years, a further adjustment shall be  
18 made to reflect the actual prior years' claims experience  
19 of the employees of the rehabilitation facility.

20 Monthly payments by the rehabilitation facility or its  
21 employees for group health benefits shall be deposited in the  
22 Local Government Health Insurance Reserve Fund.

23 (k) Any domestic violence shelter or service within the  
24 State of Illinois may apply to the Director to have its  
25 employees, annuitants, and their dependents provided group  
26 health coverage under this Act on a non-insured basis. To

1 participate, a domestic violence shelter or service must agree  
2 to enroll all of its employees and pay the entire cost of  
3 providing such coverage for its employees. The domestic  
4 violence shelter shall not be required to enroll those of its  
5 employees who are covered spouses or dependents under this plan  
6 or another group policy or plan providing health benefits as  
7 long as (1) an appropriate official from the domestic violence  
8 shelter attests that each employee not enrolled is a covered  
9 spouse or dependent under this plan or another group policy or  
10 plan and (2) at least 50% of the employees are enrolled and the  
11 domestic violence shelter remits the entire cost of providing  
12 coverage to those employees. Employees of a participating  
13 domestic violence shelter who are not enrolled due to coverage  
14 under another group health policy or plan may enroll in the  
15 event of a qualifying change in status, special enrollment, or  
16 special circumstance as defined by the Director or during the  
17 annual Benefit Choice Period. A participating domestic  
18 violence shelter may also elect to cover its annuitants.  
19 Dependent coverage shall be offered on an optional basis, with  
20 employees, or some combination of the 2 as determined by the  
21 domestic violence shelter or service. The domestic violence  
22 shelter or service shall be responsible for timely collection  
23 and transmission of dependent premiums.

24 The Director shall annually determine rates of payment,  
25 subject to the following constraints:

26 (1) In the first year of coverage, the rates shall be

1 equal to the amount normally charged to State employees for  
2 elected optional coverages or for enrolled dependents  
3 coverages or other contributory coverages on behalf of its  
4 employees, adjusted for differences between State  
5 employees and employees of the domestic violence shelter or  
6 service in age, sex, geographic location or other relevant  
7 demographic variables, plus an amount sufficient to pay for  
8 the additional administrative costs of providing coverage  
9 to employees of the domestic violence shelter or service  
10 and their dependents.

11 (2) In subsequent years, a further adjustment shall be  
12 made to reflect the actual prior years' claims experience  
13 of the employees of the domestic violence shelter or  
14 service.

15 Monthly payments by the domestic violence shelter or  
16 service or its employees for group health insurance shall be  
17 deposited in the Local Government Health Insurance Reserve  
18 Fund.

19 (1) A public community college or entity organized pursuant  
20 to the Public Community College Act may apply to the Director  
21 initially to have only annuitants not covered prior to July 1,  
22 1992 by the district's health plan provided health coverage  
23 under this Act on a non-insured basis. The community college  
24 must execute a 2-year contract to participate in the Local  
25 Government Health Plan. Any annuitant may enroll in the event  
26 of a qualifying change in status, special enrollment, special



1 circumstance as defined by the Director, or during the annual  
2 Benefit Choice Period.

3 The Director shall annually determine monthly rates of  
4 payment subject to the following constraints: for those  
5 community colleges with annuitants only enrolled, first year  
6 rates shall be equal to the average cost to cover claims for a  
7 State member adjusted for demographics, Medicare  
8 participation, and other factors; and in the second year, a  
9 further adjustment of rates shall be made to reflect the actual  
10 first year's claims experience of the covered annuitants.

11 (l-5) The provisions of subsection (l) become inoperative  
12 on July 1, 1999.

13 (m) The Director shall adopt any rules deemed necessary for  
14 implementation of this amendatory Act of 1989 (Public Act  
15 86-978).

16 (n) Any child advocacy center within the State of Illinois  
17 may apply to the Director to have its employees, annuitants,  
18 and their dependents provided group health coverage under this  
19 Act on a non-insured basis. To participate, a child advocacy  
20 center must agree to enroll all of its employees and pay the  
21 entire cost of providing coverage for its employees. The child  
22 advocacy center shall not be required to enroll those of its  
23 employees who are covered spouses or dependents under this plan  
24 or another group policy or plan providing health benefits as  
25 long as (1) an appropriate official from the child advocacy  
26 center attests that each employee not enrolled is a covered

1 spouse or dependent under this plan or another group policy or  
2 plan and (2) at least 50% of the employees are enrolled and the  
3 child advocacy center remits the entire cost of providing  
4 coverage to those employees. Employees of a participating child  
5 advocacy center who are not enrolled due to coverage under  
6 another group health policy or plan may enroll in the event of  
7 a qualifying change in status, special enrollment, or special  
8 circumstance as defined by the Director or during the annual  
9 Benefit Choice Period. A participating child advocacy center  
10 may also elect to cover its annuitants. Dependent coverage  
11 shall be offered on an optional basis, with the costs paid by  
12 the child advocacy center, its employees, or some combination  
13 of the 2 as determined by the child advocacy center. The child  
14 advocacy center shall be responsible for timely collection and  
15 transmission of dependent premiums.

16 The Director shall annually determine rates of payment,  
17 subject to the following constraints:

18 (1) In the first year of coverage, the rates shall be  
19 equal to the amount normally charged to State employees for  
20 elected optional coverages or for enrolled dependents  
21 coverages or other contributory coverages on behalf of its  
22 employees, adjusted for differences between State  
23 employees and employees of the child advocacy center in  
24 age, sex, geographic location, or other relevant  
25 demographic variables, plus an amount sufficient to pay for  
26 the additional administrative costs of providing coverage

1 to employees of the child advocacy center and their  
2 dependents.

3 (2) In subsequent years, a further adjustment shall be  
4 made to reflect the actual prior years' claims experience  
5 of the employees of the child advocacy center.

6 Monthly payments by the child advocacy center or its  
7 employees for group health insurance shall be deposited into  
8 the Local Government Health Insurance Reserve Fund.

9 (Source: P.A. 97-695, eff. 7-1-12; 98-488, eff. 8-16-13.)

10 Section 10. The Illinois Finance Authority Act is amended  
11 by changing Section 801-40 as follows:

12 (20 ILCS 3501/801-40)

13 Sec. 801-40. In addition to the powers otherwise authorized  
14 by law and in addition to the foregoing general corporate  
15 powers, the Authority shall also have the following additional  
16 specific powers to be exercised in furtherance of the purposes  
17 of this Act.

18 (a) The Authority shall have power (i) to accept grants,  
19 loans or appropriations from the federal government or the  
20 State, or any agency or instrumentality thereof, to be used for  
21 the operating expenses of the Authority, or for any purposes of  
22 the Authority, including the making of direct loans of such  
23 funds with respect to projects, and (ii) to enter into any  
24 agreement with the federal government or the State, or any

1 agency or instrumentality thereof, in relationship to such  
2 grants, loans or appropriations.

3 (b) The Authority shall have power to procure and enter  
4 into contracts for any type of insurance and indemnity  
5 agreements covering loss or damage to property from any cause,  
6 including loss of use and occupancy, or covering any other  
7 insurable risk.

8 (c) The Authority shall have the continuing power to issue  
9 bonds for its corporate purposes. Bonds may be issued by the  
10 Authority in one or more series and may provide for the payment  
11 of any interest deemed necessary on such bonds, of the costs of  
12 issuance of such bonds, of any premium on any insurance, or of  
13 the cost of any guarantees, letters of credit or other similar  
14 documents, may provide for the funding of the reserves deemed  
15 necessary in connection with such bonds, and may provide for  
16 the refunding or advance refunding of any bonds or for accounts  
17 deemed necessary in connection with any purpose of the  
18 Authority. The bonds may bear interest payable at any time or  
19 times and at any rate or rates, notwithstanding any other  
20 provision of law to the contrary, and such rate or rates may be  
21 established by an index or formula which may be implemented or  
22 established by persons appointed or retained therefor by the  
23 Authority, or may bear no interest or may bear interest payable  
24 at maturity or upon redemption prior to maturity, may bear such  
25 date or dates, may be payable at such time or times and at such  
26 place or places, may mature at any time or times not later than

1 40 years from the date of issuance, may be sold at public or  
2 private sale at such time or times and at such price or prices,  
3 may be secured by such pledges, reserves, guarantees, letters  
4 of credit, insurance contracts or other similar credit support  
5 or liquidity instruments, may be executed in such manner, may  
6 be subject to redemption prior to maturity, may provide for the  
7 registration of the bonds, and may be subject to such other  
8 terms and conditions all as may be provided by the resolution  
9 or indenture authorizing the issuance of such bonds. The holder  
10 or holders of any bonds issued by the Authority may bring suits  
11 at law or proceedings in equity to compel the performance and  
12 observance by any person or by the Authority or any of its  
13 agents or employees of any contract or covenant made with the  
14 holders of such bonds and to compel such person or the  
15 Authority and any of its agents or employees to perform any  
16 duties required to be performed for the benefit of the holders  
17 of any such bonds by the provision of the resolution  
18 authorizing their issuance, and to enjoin such person or the  
19 Authority and any of its agents or employees from taking any  
20 action in conflict with any such contract or covenant.  
21 Notwithstanding the form and tenor of any such bonds and in the  
22 absence of any express recital on the face thereof that it is  
23 non-negotiable, all such bonds shall be negotiable  
24 instruments. Pending the preparation and execution of any such  
25 bonds, temporary bonds may be issued as provided by the  
26 resolution. The bonds shall be sold by the Authority in such

1 manner as it shall determine. The bonds may be secured as  
2 provided in the authorizing resolution by the receipts,  
3 revenues, income and other available funds of the Authority and  
4 by any amounts derived by the Authority from the loan agreement  
5 or lease agreement with respect to the project or projects; and  
6 bonds may be issued as general obligations of the Authority  
7 payable from such revenues, funds and obligations of the  
8 Authority as the bond resolution shall provide, or may be  
9 issued as limited obligations with a claim for payment solely  
10 from such revenues, funds and obligations as the bond  
11 resolution shall provide. The Authority may grant a specific  
12 pledge or assignment of and lien on or security interest in  
13 such rights, revenues, income, or amounts and may grant a  
14 specific pledge or assignment of and lien on or security  
15 interest in any reserves, funds or accounts established in the  
16 resolution authorizing the issuance of bonds. Any such pledge,  
17 assignment, lien or security interest for the benefit of the  
18 holders of the Authority's bonds shall be valid and binding  
19 from the time the bonds are issued without any physical  
20 delivery or further act, and shall be valid and binding as  
21 against and prior to the claims of all other parties having  
22 claims against the Authority or any other person irrespective  
23 of whether the other parties have notice of the pledge,  
24 assignment, lien or security interest. As evidence of such  
25 pledge, assignment, lien and security interest, the Authority  
26 may execute and deliver a mortgage, trust agreement, indenture

1 or security agreement or an assignment thereof. A remedy for  
2 any breach or default of the terms of any such agreement by the  
3 Authority may be by mandamus proceedings in any court of  
4 competent jurisdiction to compel the performance and  
5 compliance therewith, but the agreement may prescribe by whom  
6 or on whose behalf such action may be instituted. It is  
7 expressly understood that the Authority may, but need not,  
8 acquire title to any project with respect to which it exercises  
9 its authority.

10 (c-5) The Authority shall have the power to issue State  
11 Pension Obligation Acceleration Bonds if in any fiscal year the  
12 amount appropriated for all accelerated pension benefit  
13 payments is less than the amount required for those payments.  
14 The proceeds from the State Pension Obligation Acceleration  
15 Bonds issued under this subsection may only be used to pay for  
16 accelerated pension benefit payments for the fiscal year in  
17 which the State Pension Obligation Acceleration Bonds are  
18 issued.

19 The Authority shall not have outstanding at any one time  
20 State Pension Obligation Acceleration Bonds for any of the  
21 purposes of this subsection in an aggregate principal amount  
22 exceeding \$250,000,000, excluding bonds issued to refund  
23 outstanding State Pension Obligation Acceleration Bonds.

24 (d) With respect to the powers granted by this Act, the  
25 Authority may adopt rules and regulations prescribing the  
26 procedures by which persons may apply for assistance under this

1 Act. Nothing herein shall be deemed to preclude the Authority,  
2 prior to the filing of any formal application, from conducting  
3 preliminary discussions and investigations with respect to the  
4 subject matter of any prospective application.

5 (e) The Authority shall have power to acquire by purchase,  
6 lease, gift or otherwise any property or rights therein from  
7 any person useful for its purposes, whether improved for the  
8 purposes of any prospective project, or unimproved. The  
9 Authority may also accept any donation of funds for its  
10 purposes from any such source. The Authority shall have no  
11 independent power of condemnation but may acquire any property  
12 or rights therein obtained upon condemnation by any other  
13 authority, governmental entity or unit of local government with  
14 such power.

15 (f) The Authority shall have power to develop, construct  
16 and improve either under its own direction, or through  
17 collaboration with any approved applicant, or to acquire  
18 through purchase or otherwise, any project, using for such  
19 purpose the proceeds derived from the sale of its bonds or from  
20 governmental loans or grants, and to hold title in the name of  
21 the Authority to such projects.

22 (g) The Authority shall have power to lease pursuant to a  
23 lease agreement any project so developed and constructed or  
24 acquired to the approved tenant on such terms and conditions as  
25 may be appropriate to further the purposes of this Act and to  
26 maintain the credit of the Authority. Any such lease may



1 provide for either the Authority or the approved tenant to  
2 assume initially, in whole or in part, the costs of  
3 maintenance, repair and improvements during the leasehold  
4 period. In no case, however, shall the total rentals from any  
5 project during any initial leasehold period or the total loan  
6 repayments to be made pursuant to any loan agreement, be less  
7 than an amount necessary to return over such lease or loan  
8 period (1) all costs incurred in connection with the  
9 development, construction, acquisition or improvement of the  
10 project and for repair, maintenance and improvements thereto  
11 during the period of the lease or loan; provided, however, that  
12 the rentals or loan repayments need not include costs met  
13 through the use of funds other than those obtained by the  
14 Authority through the issuance of its bonds or governmental  
15 loans; (2) a reasonable percentage additive to be agreed upon  
16 by the Authority and the borrower or tenant to cover a properly  
17 allocable portion of the Authority's general expenses,  
18 including, but not limited to, administrative expenses,  
19 salaries and general insurance, and (3) an amount sufficient to  
20 pay when due all principal of, interest and premium, if any on,  
21 any bonds issued by the Authority with respect to the project.  
22 The portion of total rentals payable under clause (3) of this  
23 subsection (g) shall be deposited in such special accounts,  
24 including all sinking funds, acquisition or construction  
25 funds, debt service and other funds as provided by any  
26 resolution, mortgage or trust agreement of the Authority

1 pursuant to which any bond is issued.

2 (h) The Authority has the power, upon the termination of  
3 any leasehold period of any project, to sell or lease for a  
4 further term or terms such project on such terms and conditions  
5 as the Authority shall deem reasonable and consistent with the  
6 purposes of the Act. The net proceeds from all such sales and  
7 the revenues or income from such leases shall be used to  
8 satisfy any indebtedness of the Authority with respect to such  
9 project and any balance may be used to pay any expenses of the  
10 Authority or be used for the further development, construction,  
11 acquisition or improvement of projects. In the event any  
12 project is vacated by a tenant prior to the termination of the  
13 initial leasehold period, the Authority shall sell or lease the  
14 facilities of the project on the most advantageous terms  
15 available. The net proceeds of any such disposition shall be  
16 treated in the same manner as the proceeds from sales or the  
17 revenues or income from leases subsequent to the termination of  
18 any initial leasehold period.

19 (i) The Authority shall have the power to make loans to  
20 persons to finance a project, to enter into loan agreements  
21 with respect thereto, and to accept guarantees from persons of  
22 its loans or the resultant evidences of obligations of the  
23 Authority.

24 (j) The Authority may fix, determine, charge and collect  
25 any premiums, fees, charges, costs and expenses, including,  
26 without limitation, any application fees, commitment fees,

1 program fees, financing charges or publication fees from any  
2 person in connection with its activities under this Act.

3 (k) In addition to the funds established as provided  
4 herein, the Authority shall have the power to create and  
5 establish such reserve funds and accounts as may be necessary  
6 or desirable to accomplish its purposes under this Act and to  
7 deposit its available monies into the funds and accounts.

8 (l) At the request of the governing body of any unit of  
9 local government, the Authority is authorized to market such  
10 local government's revenue bond offerings by preparing bond  
11 issues for sale, advertising for sealed bids, receiving bids at  
12 its offices, making the award to the bidder that offers the  
13 most favorable terms or arranging for negotiated placements or  
14 underwritings of such securities. The Authority may, at its  
15 discretion, offer for concurrent sale the revenue bonds of  
16 several local governments. Sales by the Authority of revenue  
17 bonds under this Section shall in no way imply State guarantee  
18 of such debt issue. The Authority may require such financial  
19 information from participating local governments as it deems  
20 necessary in order to carry out the purposes of this subsection  
21 (1).

22 (m) The Authority may make grants to any county to which  
23 Division 5-37 of the Counties Code is applicable to assist in  
24 the financing of capital development, construction and  
25 renovation of new or existing facilities for hospitals and  
26 health care facilities under that Act. Such grants may only be

1 made from funds appropriated for such purposes from the Build  
2 Illinois Bond Fund.

3 (n) The Authority may establish an urban development action  
4 grant program for the purpose of assisting municipalities in  
5 Illinois which are experiencing severe economic distress to  
6 help stimulate economic development activities needed to aid in  
7 economic recovery. The Authority shall determine the types of  
8 activities and projects for which the urban development action  
9 grants may be used, provided that such projects and activities  
10 are broadly defined to include all reasonable projects and  
11 activities the primary objectives of which are the development  
12 of viable urban communities, including decent housing and a  
13 suitable living environment, and expansion of economic  
14 opportunity, principally for persons of low and moderate  
15 incomes. The Authority shall enter into grant agreements from  
16 monies appropriated for such purposes from the Build Illinois  
17 Bond Fund. The Authority shall monitor the use of the grants,  
18 and shall provide for audits of the funds as well as recovery  
19 by the Authority of any funds determined to have been spent in  
20 violation of this subsection (n) or any rule or regulation  
21 promulgated hereunder. The Authority shall provide technical  
22 assistance with regard to the effective use of the urban  
23 development action grants. The Authority shall file an annual  
24 report to the General Assembly concerning the progress of the  
25 grant program.

26 (o) The Authority may establish a Housing Partnership

1 Program whereby the Authority provides zero-interest loans to  
2 municipalities for the purpose of assisting in the financing of  
3 projects for the rehabilitation of affordable multi-family  
4 housing for low and moderate income residents. The Authority  
5 may provide such loans only upon a municipality's providing  
6 evidence that it has obtained private funding for the  
7 rehabilitation project. The Authority shall provide 3 State  
8 dollars for every 7 dollars obtained by the municipality from  
9 sources other than the State of Illinois. The loans shall be  
10 made from monies appropriated for such purpose from the Build  
11 Illinois Bond Fund. The total amount of loans available under  
12 the Housing Partnership Program shall not exceed \$30,000,000.  
13 State loan monies under this subsection shall be used only for  
14 the acquisition and rehabilitation of existing buildings  
15 containing 4 or more dwelling units. The terms of any loan made  
16 by the municipality under this subsection shall require  
17 repayment of the loan to the municipality upon any sale or  
18 other transfer of the project.

19 (p) The Authority may award grants to universities and  
20 research institutions, research consortiums and other  
21 not-for-profit entities for the purposes of: remodeling or  
22 otherwise physically altering existing laboratory or research  
23 facilities, expansion or physical additions to existing  
24 laboratory or research facilities, construction of new  
25 laboratory or research facilities or acquisition of modern  
26 equipment to support laboratory or research operations

1 provided that such grants (i) be used solely in support of  
2 project and equipment acquisitions which enhance technology  
3 transfer, and (ii) not constitute more than 60 percent of the  
4 total project or acquisition cost.

5 (q) Grants may be awarded by the Authority to units of  
6 local government for the purpose of developing the appropriate  
7 infrastructure or defraying other costs to the local government  
8 in support of laboratory or research facilities provided that  
9 such grants may not exceed 40% of the cost to the unit of local  
10 government.

11 (r) The Authority may establish a Direct Loan Program to  
12 make loans to individuals, partnerships or corporations for the  
13 purpose of an industrial project, as defined in Section 801-10  
14 of this Act. For the purposes of such program and not by way of  
15 limitation on any other program of the Authority, the Authority  
16 shall have the power to issue bonds, notes, or other evidences  
17 of indebtedness including commercial paper for purposes of  
18 providing a fund of capital from which it may make such loans.  
19 The Authority shall have the power to use any appropriations  
20 from the State made especially for the Authority's Direct Loan  
21 Program for additional capital to make such loans or for the  
22 purposes of reserve funds or pledged funds which secure the  
23 Authority's obligations of repayment of any bond, note or other  
24 form of indebtedness established for the purpose of providing  
25 capital for which it intends to make such loans under the  
26 Direct Loan Program. For the purpose of obtaining such capital,

1 the Authority may also enter into agreements with financial  
2 institutions and other persons for the purpose of selling loans  
3 and developing a secondary market for such loans. Loans made  
4 under the Direct Loan Program may be in an amount not to exceed  
5 \$300,000 and shall be made for a portion of an industrial  
6 project which does not exceed 50% of the total project. No loan  
7 may be made by the Authority unless approved by the affirmative  
8 vote of at least 8 members of the board. The Authority shall  
9 establish procedures and publish rules which shall provide for  
10 the submission, review, and analysis of each direct loan  
11 application and which shall preserve the ability of each board  
12 member to reach an individual business judgment regarding the  
13 propriety of making each direct loan. The collective discretion  
14 of the board to approve or disapprove each loan shall be  
15 unencumbered. The Authority may establish and collect such fees  
16 and charges, determine and enforce such terms and conditions,  
17 and charge such interest rates as it determines to be necessary  
18 and appropriate to the successful administration of the Direct  
19 Loan Program. The Authority may require such interests in  
20 collateral and such guarantees as it determines are necessary  
21 to protect the Authority's interest in the repayment of the  
22 principal and interest of each loan made under the Direct Loan  
23 Program.

24 (s) The Authority may guarantee private loans to third  
25 parties up to a specified dollar amount in order to promote  
26 economic development in this State.

1           (t) The Authority may adopt rules and regulations as may be  
2 necessary or advisable to implement the powers conferred by  
3 this Act.

4           (u) The Authority shall have the power to issue bonds,  
5 notes or other evidences of indebtedness, which may be used to  
6 make loans to units of local government which are authorized to  
7 enter into loan agreements and other documents and to issue  
8 bonds, notes and other evidences of indebtedness for the  
9 purpose of financing the protection of storm sewer outfalls,  
10 the construction of adequate storm sewer outfalls, and the  
11 provision for flood protection of sanitary sewage treatment  
12 plans, in counties that have established a stormwater  
13 management planning committee in accordance with Section  
14 5-1062 of the Counties Code. Any such loan shall be made by the  
15 Authority pursuant to the provisions of Section 820-5 to 820-60  
16 of this Act. The unit of local government shall pay back to the  
17 Authority the principal amount of the loan, plus annual  
18 interest as determined by the Authority. The Authority shall  
19 have the power, subject to appropriations by the General  
20 Assembly, to subsidize or buy down a portion of the interest on  
21 such loans, up to 4% per annum.

22           (v) The Authority may accept security interests as provided  
23 in Sections 11-3 and 11-3.3 of the Illinois Public Aid Code.

24           (w) Moral Obligation. In the event that the Authority  
25 determines that monies of the Authority will not be sufficient  
26 for the payment of the principal of and interest on its bonds



1 during the next State fiscal year, the Chairperson, as soon as  
2 practicable, shall certify to the Governor the amount required  
3 by the Authority to enable it to pay such principal of and  
4 interest on the bonds. The Governor shall submit the amount so  
5 certified to the General Assembly as soon as practicable, but  
6 no later than the end of the current State fiscal year. This  
7 subsection shall apply only to any bonds or notes as to which  
8 the Authority shall have determined, in the resolution  
9 authorizing the issuance of the bonds or notes, that this  
10 subsection shall apply. Whenever the Authority makes such a  
11 determination, that fact shall be plainly stated on the face of  
12 the bonds or notes and that fact shall also be reported to the  
13 Governor. In the event of a withdrawal of moneys from a reserve  
14 fund established with respect to any issue or issues of bonds  
15 of the Authority to pay principal or interest on those bonds,  
16 the Chairperson of the Authority, as soon as practicable, shall  
17 certify to the Governor the amount required to restore the  
18 reserve fund to the level required in the resolution or  
19 indenture securing those bonds. The Governor shall submit the  
20 amount so certified to the General Assembly as soon as  
21 practicable, but no later than the end of the current State  
22 fiscal year. The Authority shall obtain written approval from  
23 the Governor for any bonds and notes to be issued under this  
24 Section. In addition to any other bonds authorized to be issued  
25 under Sections 825-60, 825-65(e), 830-25 and 845-5, the  
26 principal amount of Authority bonds outstanding issued under

1 this Section 801-40(w) or under 20 ILCS 3850/1-80 or 30 ILCS  
2 360/2-6(c), which have been assumed by the Authority, shall not  
3 exceed \$150,000,000. This subsection (w) shall in no way be  
4 applied to any bonds issued by the Authority on behalf of the  
5 Illinois Power Agency under Section 825-90 of this Act.

6 (x) The Authority may enter into agreements or contracts  
7 with any person necessary or appropriate to place the payment  
8 obligations of the Authority under any of its bonds in whole or  
9 in part on any interest rate basis, cash flow basis, or other  
10 basis desired by the Authority, including without limitation  
11 agreements or contracts commonly known as "interest rate swap  
12 agreements", "forward payment conversion agreements", and  
13 "futures", or agreements or contracts to exchange cash flows or  
14 a series of payments, or agreements or contracts, including  
15 without limitation agreements or contracts commonly known as  
16 "options", "puts", or "calls", to hedge payment, rate spread,  
17 or similar exposure; provided that any such agreement or  
18 contract shall not constitute an obligation for borrowed money  
19 and shall not be taken into account under Section 845-5 of this  
20 Act or any other debt limit of the Authority or the State of  
21 Illinois.

22 (y) The Authority shall publish summaries of projects and  
23 actions approved by the members of the Authority on its  
24 website. These summaries shall include, but not be limited to,  
25 information regarding the:

26 (1) project;

- 1 (2) Board's action or actions;
- 2 (3) purpose of the project;
- 3 (4) Authority's program and contribution;
- 4 (5) volume cap;
- 5 (6) jobs retained;
- 6 (7) projected new jobs;
- 7 (8) construction jobs created;
- 8 (9) estimated sources and uses of funds;
- 9 (10) financing summary;
- 10 (11) project summary;
- 11 (12) business summary;
- 12 (13) ownership or economic disclosure statement;
- 13 (14) professional and financial information;
- 14 (15) service area; and
- 15 (16) legislative district.

16 The disclosure of information pursuant to this subsection  
17 shall comply with the Freedom of Information Act.

18 (Source: P.A. 95-470, eff. 8-27-07; 95-481, eff. 8-28-07;  
19 95-876, eff. 8-21-08; 96-795, eff. 7-1-10 (see Section 5 of  
20 P.A. 96-793 for the effective date of changes made by P.A.  
21 96-795).)

22 Section 15. The State Finance Act is amended by adding  
23 Section 5.878 as follows:

24 (30 ILCS 105/5.878 new)

1           Sec. 5.878. The State Pension Obligation Acceleration Bond  
2           Fund.

3           Section 20. The General Obligation Bond Act is amended by  
4           changing Sections 2, 2.5, 9, 11, 12, and 13 and by adding  
5           Section 7.6 as follows:

6           (30 ILCS 330/2) (from Ch. 127, par. 652)

7           Sec. 2. Authorization for Bonds. The State of Illinois is  
8           authorized to issue, sell and provide for the retirement of  
9           General Obligation Bonds of the State of Illinois for the  
10          categories and specific purposes expressed in Sections 2  
11          through 8 of this Act, in the total amount of \$50,167,925,743  
12          ~~\$49,917,925,743~~.

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

15          Of the total amount of Bonds authorized in this Act, up to  
16          \$2,200,000,000 in aggregate original principal amount may be  
17          issued and sold in accordance with the Baccalaureate Savings  
18          Act in the form of General Obligation College Savings Bonds.

19          Of the total amount of Bonds authorized in this Act, up to  
20          \$300,000,000 in aggregate original principal amount may be  
21          issued and sold in accordance with the Retirement Savings Act  
22          in the form of General Obligation Retirement Savings Bonds.

23          Of the total amount of Bonds authorized in this Act, the  
24          additional \$10,000,000,000 authorized by Public Act 93-2, the

1 \$3,466,000,000 authorized by Public Act 96-43, and the  
2 \$4,096,348,300 authorized by Public Act 96-1497 shall be used  
3 solely as provided in Section 7.2.

4 Of the total amount of Bonds authorized in this Act, the  
5 additional \$250,000,000 authorized by this amendatory Act of  
6 the 100th General Assembly shall be used solely as provided in  
7 Section 7.6.

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

16 (Source: P.A. 97-333, eff. 8-12-11; 97-771, eff. 7-10-12;  
17 97-813, eff. 7-13-12; 98-94, eff. 7-17-13; 98-463, eff.  
18 8-16-13; 98-781, eff. 7-22-14.)

19 (30 ILCS 330/2.5)

20 Sec. 2.5. Limitation on issuance of Bonds.

21 (a) Except as provided in subsection (b), no Bonds may be  
22 issued if, after the issuance, in the next State fiscal year  
23 after the issuance of the Bonds, the amount of debt service  
24 (including principal, whether payable at maturity or pursuant  
25 to mandatory sinking fund installments, and interest) on all

1 then-outstanding Bonds, other than (i) Bonds authorized by this  
2 amendatory Act of the 100th General Assembly, (ii) Bonds  
3 authorized by Public Act 96-43, and (iii) ~~other than~~ Bonds  
4 authorized by Public Act 96-1497, would exceed 7% of the  
5 aggregate appropriations from the general funds (which consist  
6 of the General Revenue Fund, the Common School Fund, the  
7 General Revenue Common School Special Account Fund, and the  
8 Education Assistance Fund) and the Road Fund for the fiscal  
9 year immediately prior to the fiscal year of the issuance.

10 (b) If the Comptroller and Treasurer each consent in  
11 writing, Bonds may be issued even if the issuance does not  
12 comply with subsection (a). In addition, \$2,000,000,000 in  
13 Bonds for the purposes set forth in Sections 3, 4, 5, 6, and 7,  
14 and \$2,000,000,000 in Refunding Bonds under Section 16, may be  
15 issued during State fiscal year 2017 without complying with  
16 subsection (a).

17 (Source: P.A. 99-523, eff. 6-30-16.)

18 (30 ILCS 330/7.6 new)

19 Sec. 7.6. State Pension Obligation Acceleration Bonds.

20 (a) As used in this Act, "State Pension Obligation  
21 Acceleration Bonds" means Bonds authorized by this amendatory  
22 Act of the 100th General Assembly and used for the purposes set  
23 forth in subsection (c-5) of Section 801-40 of the Illinois  
24 Finance Authority Act.

25 (b) State Pension Obligation Acceleration Bonds in the

1 amount of \$250,000,000 are hereby authorized to be used for the  
2 purposes set forth in subsection (c-5) of Section 801-40 of the  
3 Illinois Finance Authority Act.

4 (c) The proceeds of State Pension Obligation Acceleration  
5 Bonds authorized in subsection (b) of this Section, less the  
6 amounts authorized in the Bond Sale Order to be directly paid  
7 out for bond sale expenses under Section 8, shall be deposited  
8 directly into the State Pension Obligation Acceleration Bond  
9 Fund, and the Comptroller and the Treasurer shall, as soon as  
10 practical, make payments as contemplated by subsection (c-5) of  
11 Section 801-40 of the Illinois Finance Authority Act.

12 (d) There is created the State Pension Obligation  
13 Acceleration Bond Fund as a special fund in the State Treasury.  
14 Funds deposited in the State Pension Obligation Acceleration  
15 Bond Fund may only be used for the purposes set forth in  
16 subsection (c-5) of Section 801-40 of the Illinois Finance  
17 Authority Act or for the payment of principal and interest due  
18 on State Pension Obligation Acceleration Bonds.

19 (30 ILCS 330/9) (from Ch. 127, par. 659)

20 Sec. 9. Conditions for Issuance and Sale of Bonds -  
21 Requirements for Bonds.

22 (a) Except as otherwise provided in this subsection and  
23 subsection (h), Bonds shall be issued and sold from time to  
24 time, in one or more series, in such amounts and at such prices  
25 as may be directed by the Governor, upon recommendation by the

1 Director of the Governor's Office of Management and Budget.  
2 Bonds shall be in such form (either coupon, registered or book  
3 entry), in such denominations, payable within 25 years from  
4 their date, subject to such terms of redemption with or without  
5 premium, bear interest payable at such times and at such fixed  
6 or variable rate or rates, and be dated as shall be fixed and  
7 determined by the Director of the Governor's Office of  
8 Management and Budget in the order authorizing the issuance and  
9 sale of any series of Bonds, which order shall be approved by  
10 the Governor and is herein called a "Bond Sale Order"; provided  
11 however, that interest payable at fixed or variable rates shall  
12 not exceed that permitted in the Bond Authorization Act, as now  
13 or hereafter amended. Bonds shall be payable at such place or  
14 places, within or without the State of Illinois, and may be  
15 made registrable as to either principal or as to both principal  
16 and interest, as shall be specified in the Bond Sale Order.  
17 Bonds may be callable or subject to purchase and retirement or  
18 tender and remarketing as fixed and determined in the Bond Sale  
19 Order. Bonds, other than Bonds issued under Section 3 of this  
20 Act for the costs associated with the purchase and  
21 implementation of information technology, (i) except for  
22 refunding Bonds satisfying the requirements of Section 16 of  
23 this Act and sold during fiscal year 2009, 2010, 2011, or 2017  
24 must be issued with principal or mandatory redemption amounts  
25 in equal amounts, with the first maturity issued occurring  
26 within the fiscal year in which the Bonds are issued or within



1 the next succeeding fiscal year and (ii) must mature or be  
2 subject to mandatory redemption each fiscal year thereafter up  
3 to 25 years, except for refunding Bonds satisfying the  
4 requirements of Section 16 of this Act and sold during fiscal  
5 year 2009, 2010, or 2011 which must mature or be subject to  
6 mandatory redemption each fiscal year thereafter up to 16  
7 years. Bonds issued under Section 3 of this Act for the costs  
8 associated with the purchase and implementation of information  
9 technology must be issued with principal or mandatory  
10 redemption amounts in equal amounts, with the first maturity  
11 issued occurring with the fiscal year in which the respective  
12 bonds are issued or with the next succeeding fiscal year, with  
13 the respective bonds issued maturing or subject to mandatory  
14 redemption each fiscal year thereafter up to 10 years.  
15 Notwithstanding any provision of this Act to the contrary, the  
16 Bonds authorized by Public Act 96-43 shall be payable within 5  
17 years from their date and must be issued with principal or  
18 mandatory redemption amounts in equal amounts, with payment of  
19 principal or mandatory redemption beginning in the first fiscal  
20 year following the fiscal year in which the Bonds are issued.

21 Notwithstanding any provision of this Act to the contrary,  
22 the Bonds authorized by Public Act 96-1497 shall be payable  
23 within 8 years from their date and shall be issued with payment  
24 of maturing principal or scheduled mandatory redemptions in  
25 accordance with the following schedule, except the following  
26 amounts shall be prorated if less than the total additional

1 amount of Bonds authorized by Public Act 96-1497 are issued:

2	Fiscal Year After Issuance	Amount
3	1-2	\$0
4	3	\$110,712,120
5	4	\$332,136,360
6	5	\$664,272,720
7	6-8	\$996,409,080

8 In the case of any series of Bonds bearing interest at a  
9 variable interest rate ("Variable Rate Bonds"), in lieu of  
10 determining the rate or rates at which such series of Variable  
11 Rate Bonds shall bear interest and the price or prices at which  
12 such Variable Rate Bonds shall be initially sold or remarketed  
13 (in the event of purchase and subsequent resale), the Bond Sale  
14 Order may provide that such interest rates and prices may vary  
15 from time to time depending on criteria established in such  
16 Bond Sale Order, which criteria may include, without  
17 limitation, references to indices or variations in interest  
18 rates as may, in the judgment of a remarketing agent, be  
19 necessary to cause Variable Rate Bonds of such series to be  
20 remarketable from time to time at a price equal to their  
21 principal amount, and may provide for appointment of a bank,  
22 trust company, investment bank, or other financial institution  
23 to serve as remarketing agent in that connection. The Bond Sale  
24 Order may provide that alternative interest rates or provisions  
25 for establishing alternative interest rates, different  
26 security or claim priorities, or different call or amortization

1 provisions will apply during such times as Variable Rate Bonds  
2 of any series are held by a person providing credit or  
3 liquidity enhancement arrangements for such Bonds as  
4 authorized in subsection (b) of this Section. The Bond Sale  
5 Order may also provide for such variable interest rates to be  
6 established pursuant to a process generally known as an auction  
7 rate process and may provide for appointment of one or more  
8 financial institutions to serve as auction agents and  
9 broker-dealers in connection with the establishment of such  
10 interest rates and the sale and remarketing of such Bonds.

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

1 would bear in the absence of such arrangements.

2 The State may, with respect to Bonds issued or anticipated  
3 to be issued, participate in and enter into arrangements with  
4 respect to interest rate protection or exchange agreements,  
5 guarantees, or financial futures contracts for the purpose of  
6 limiting, reducing, or managing interest rate exposure. The  
7 authority granted under this paragraph, however, shall not  
8 increase the principal amount of Bonds authorized to be issued  
9 by law. The arrangements may be executed and delivered by the  
10 Director of the Governor's Office of Management and Budget on  
11 behalf of the State. Net payments for such arrangements shall  
12 constitute interest on the Bonds and shall be paid from the  
13 General Obligation Bond Retirement and Interest Fund. The  
14 Director of the Governor's Office of Management and Budget  
15 shall at least annually certify to the Governor and the State  
16 Comptroller his or her estimate of the amounts of such net  
17 payments to be included in the calculation of interest required  
18 to be paid by the State.

19 (c) Prior to the issuance of any Variable Rate Bonds  
20 pursuant to subsection (a), the Director of the Governor's  
21 Office of Management and Budget shall adopt an interest rate  
22 risk management policy providing that the amount of the State's  
23 variable rate exposure with respect to Bonds shall not exceed  
24 20%. This policy shall remain in effect while any Bonds are  
25 outstanding and the issuance of Bonds shall be subject to the  
26 terms of such policy. The terms of this policy may be amended

1 from time to time by the Director of the Governor's Office of  
2 Management and Budget but in no event shall any amendment cause  
3 the permitted level of the State's variable rate exposure with  
4 respect to Bonds to exceed 20%.

5 (d) "Build America Bonds" in this Section means Bonds  
6 authorized by Section 54AA of the Internal Revenue Code of  
7 1986, as amended ("Internal Revenue Code"), and bonds issued  
8 from time to time to refund or continue to refund "Build  
9 America Bonds".

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

1 interest payable at fixed or variable rates, if any, shall not  
2 exceed that permitted in the Bond Authorization Act, as now or  
3 hereafter amended. Qualified School Construction Bonds shall  
4 be payable at such place or places, within or without the State  
5 of Illinois, and may be made registrable as to either principal  
6 or as to both principal and interest, as shall be specified in  
7 the Bond Sale Order. Qualified School Construction Bonds may be  
8 callable or subject to purchase and retirement or tender and  
9 remarketing as fixed and determined in the Bond Sale Order.  
10 Qualified School Construction Bonds must be issued with  
11 principal or mandatory redemption amounts or sinking fund  
12 payments into the General Obligation Bond Retirement and  
13 Interest Fund (or subaccount therefor) in equal amounts, with  
14 the first maturity issued, mandatory redemption payment or  
15 sinking fund payment occurring within the fiscal year in which  
16 the Qualified School Construction Bonds are issued or within  
17 the next succeeding fiscal year, with Qualified School  
18 Construction Bonds issued maturing or subject to mandatory  
19 redemption or with sinking fund payments thereof deposited each  
20 fiscal year thereafter up to 25 years. Sinking fund payments  
21 set forth in this subsection shall be permitted only to the  
22 extent authorized in Section 54F of the Internal Revenue Code  
23 or as otherwise determined by the Director of the Governor's  
24 Office of Management and Budget. "Qualified School  
25 Construction Bonds" in this subsection means Bonds authorized  
26 by Section 54F of the Internal Revenue Code and for bonds

1 issued from time to time to refund or continue to refund such  
2 "Qualified School Construction Bonds".

3 (f) Beginning with the next issuance by the Governor's  
4 Office of Management and Budget to the Procurement Policy Board  
5 of a request for quotation for the purpose of formulating a new  
6 pool of qualified underwriting banks list, all entities  
7 responding to such a request for quotation for inclusion on  
8 that list shall provide a written report to the Governor's  
9 Office of Management and Budget and the Illinois Comptroller.  
10 The written report submitted to the Comptroller shall (i) be  
11 published on the Comptroller's Internet website and (ii) be  
12 used by the Governor's Office of Management and Budget for the  
13 purposes of scoring such a request for quotation. The written  
14 report, at a minimum, shall:

15 (1) disclose whether, within the past 3 months,  
16 pursuant to its credit default swap market-making  
17 activities, the firm has entered into any State of Illinois  
18 credit default swaps ("CDS");

19 (2) include, in the event of State of Illinois CDS  
20 activity, disclosure of the firm's cumulative notional  
21 volume of State of Illinois CDS trades and the firm's  
22 outstanding gross and net notional amount of State of  
23 Illinois CDS, as of the end of the current 3-month period;

24 (3) indicate, pursuant to the firm's proprietary  
25 trading activities, disclosure of whether the firm, within  
26 the past 3 months, has entered into any proprietary trades

1 for its own account in State of Illinois CDS;

2 (4) include, in the event of State of Illinois  
3 proprietary trades, disclosure of the firm's outstanding  
4 gross and net notional amount of proprietary State of  
5 Illinois CDS and whether the net position is short or long  
6 credit protection, as of the end of the current 3-month  
7 period;

8 (5) list all time periods during the past 3 months  
9 during which the firm held net long or net short State of  
10 Illinois CDS proprietary credit protection positions, the  
11 amount of such positions, and whether those positions were  
12 net long or net short credit protection positions; and

13 (6) indicate whether, within the previous 3 months, the  
14 firm released any publicly available research or marketing  
15 reports that reference State of Illinois CDS and include  
16 those research or marketing reports as attachments.

17 (g) All entities included on a Governor's Office of  
18 Management and Budget's pool of qualified underwriting banks  
19 list shall, as soon as possible after March 18, 2011 (the  
20 effective date of Public Act 96-1554), but not later than  
21 January 21, 2011, and on a quarterly fiscal basis thereafter,  
22 provide a written report to the Governor's Office of Management  
23 and Budget and the Illinois Comptroller. The written reports  
24 submitted to the Comptroller shall be published on the  
25 Comptroller's Internet website. The written reports, at a  
26 minimum, shall:



1           (1) disclose whether, within the past 3 months,  
2           pursuant to its credit default swap market-making  
3           activities, the firm has entered into any State of Illinois  
4           credit default swaps ("CDS");

5           (2) include, in the event of State of Illinois CDS  
6           activity, disclosure of the firm's cumulative notional  
7           volume of State of Illinois CDS trades and the firm's  
8           outstanding gross and net notional amount of State of  
9           Illinois CDS, as of the end of the current 3-month period;

10          (3) indicate, pursuant to the firm's proprietary  
11          trading activities, disclosure of whether the firm, within  
12          the past 3 months, has entered into any proprietary trades  
13          for its own account in State of Illinois CDS;

14          (4) include, in the event of State of Illinois  
15          proprietary trades, disclosure of the firm's outstanding  
16          gross and net notional amount of proprietary State of  
17          Illinois CDS and whether the net position is short or long  
18          credit protection, as of the end of the current 3-month  
19          period;

20          (5) list all time periods during the past 3 months  
21          during which the firm held net long or net short State of  
22          Illinois CDS proprietary credit protection positions, the  
23          amount of such positions, and whether those positions were  
24          net long or net short credit protection positions; and

25          (6) indicate whether, within the previous 3 months, the  
26          firm released any publicly available research or marketing

1 reports that reference State of Illinois CDS and include  
2 those research or marketing reports as attachments.

3 (h) Notwithstanding any other provision of this Section,  
4 for purposes of maximizing market efficiencies and cost  
5 savings, State Pension Obligation Acceleration Bonds may be  
6 issued and sold from time to time, in one or more series, in  
7 such amounts and at such prices as may be directed by the  
8 Governor, upon recommendation by the Director of the Governor's  
9 Office of Management and Budget. State Pension Obligation  
10 Acceleration Bonds shall be in such form, either coupon,  
11 registered, or book entry, in such denominations, shall bear  
12 interest payable at such times and at such fixed or variable  
13 rate or rates, and be dated as shall be fixed and determined by  
14 the Director of the Governor's Office of Management and Budget  
15 in the order authorizing the issuance and sale of any series of  
16 State Pension Obligation Acceleration Bonds, which order shall  
17 be approved by the Governor and is herein called a "Bond Sale  
18 Order"; provided, however, that interest payable at fixed or  
19 variable rates shall not exceed that permitted in the Bond  
20 Authorization Act. State Pension Obligation Acceleration Bonds  
21 shall be payable at such place or places, within or without the  
22 State of Illinois, and may be made registrable as to either  
23 principal or as to both principal and interest, as shall be  
24 specified in the Bond Sale Order. State Pension Obligation  
25 Acceleration Bonds may be callable or subject to purchase and  
26 retirement or tender and remarketing as fixed and determined in

1 the Bond Sale Order.

2 (Source: P.A. 99-523, eff. 6-30-16.)

3 (30 ILCS 330/11) (from Ch. 127, par. 661)

4 Sec. 11. Sale of Bonds. Except as otherwise provided in  
5 this Section, Bonds shall be sold from time to time pursuant to  
6 notice of sale and public bid or by negotiated sale in such  
7 amounts and at such times as is directed by the Governor, upon  
8 recommendation by the Director of the Governor's Office of  
9 Management and Budget. At least 25%, based on total principal  
10 amount, of all Bonds issued each fiscal year shall be sold  
11 pursuant to notice of sale and public bid. At all times during  
12 each fiscal year, no more than 75%, based on total principal  
13 amount, of the Bonds issued each fiscal year, shall have been  
14 sold by negotiated sale. Failure to satisfy the requirements in  
15 the preceding 2 sentences shall not affect the validity of any  
16 previously issued Bonds; provided that all Bonds authorized by  
17 Public Act 96-43 and Public Act 96-1497 shall not be included  
18 in determining compliance for any fiscal year with the  
19 requirements of the preceding 2 sentences; and further provided  
20 that refunding Bonds satisfying the requirements of Section 16  
21 of this Act and sold during fiscal year 2009, 2010, 2011, or  
22 2017 shall not be subject to the requirements in the preceding  
23 2 sentences.

24 If any Bonds, including refunding Bonds, are to be sold by  
25 negotiated sale, the Director of the Governor's Office of

1 Management and Budget shall comply with the competitive request  
2 for proposal process set forth in the Illinois Procurement Code  
3 and all other applicable requirements of that Code.

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

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

22 All State Pension Obligation Acceleration Bonds shall  
23 comply with this Section. Notwithstanding anything to the  
24 contrary, however, for purposes of complying with this Section,  
25 State Pension Obligation Acceleration Bonds, regardless of the  
26 number of series or issuances sold thereunder, shall be

1 considered a single issue or series. Furthermore, for purposes  
2 of complying with the competitive bidding requirements of this  
3 Section, the words "at all times" shall not apply to any such  
4 sale of the State Pension Obligation Acceleration Bonds. The  
5 Director of the Governor's Office of Management and Budget  
6 shall determine the time and manner of any competitive sale of  
7 the State Pension Obligation Acceleration Bonds; however, that  
8 sale shall under no circumstances take place later than 60 days  
9 after the State closes the sale of 75% of the State Pension  
10 Obligation Acceleration Bonds by negotiated sale.

11 (Source: P.A. 98-44, eff. 6-28-13; 99-523, eff. 6-30-16.)

12 (30 ILCS 330/12) (from Ch. 127, par. 662)

13 Sec. 12. Allocation of Proceeds from Sale of Bonds.

14 (a) Proceeds from the sale of Bonds, authorized by Section  
15 3 of this Act, shall be deposited in the separate fund known as  
16 the Capital Development Fund.

17 (b) Proceeds from the sale of Bonds, authorized by  
18 paragraph (a) of Section 4 of this Act, shall be deposited in  
19 the separate fund known as the Transportation Bond, Series A  
20 Fund.

21 (c) Proceeds from the sale of Bonds, authorized by  
22 paragraphs (b) and (c) of Section 4 of this Act, shall be  
23 deposited in the separate fund known as the Transportation  
24 Bond, Series B Fund.

25 (c-1) Proceeds from the sale of Bonds, authorized by

1 paragraph (d) of Section 4 of this Act, shall be deposited into  
2 the Transportation Bond Series D Fund, which is hereby created.

3 (d) Proceeds from the sale of Bonds, authorized by Section  
4 5 of this Act, shall be deposited in the separate fund known as  
5 the School Construction Fund.

6 (e) Proceeds from the sale of Bonds, authorized by Section  
7 6 of this Act, shall be deposited in the separate fund known as  
8 the Anti-Pollution Fund.

9 (f) Proceeds from the sale of Bonds, authorized by Section  
10 7 of this Act, shall be deposited in the separate fund known as  
11 the Coal Development Fund.

12 (f-2) Proceeds from the sale of Bonds, authorized by  
13 Section 7.2 of this Act, shall be deposited as set forth in  
14 Section 7.2.

15 (f-5) Proceeds from the sale of Bonds, authorized by  
16 Section 7.5 of this Act, shall be deposited as set forth in  
17 Section 7.5.

18 (f-7) Proceeds from the sale of Bonds, authorized by  
19 Section 7.6 of this Act, shall be deposited as set forth in  
20 Section 7.6.

21 (g) Proceeds from the sale of Bonds, authorized by Section  
22 8 of this Act, shall be deposited in the Capital Development  
23 Fund.

24 (h) Subsequent to the issuance of any Bonds for the  
25 purposes described in Sections 2 through 8 of this Act, the  
26 Governor and the Director of the Governor's Office of

1 Management and Budget may provide for the reallocation of  
2 unspent proceeds of such Bonds to any other purposes authorized  
3 under said Sections of this Act, subject to the limitations on  
4 aggregate principal amounts contained therein. Upon any such  
5 reallocation, such unspent proceeds shall be transferred to the  
6 appropriate funds as determined by reference to paragraphs (a)  
7 through (g) of this Section.

8 (Source: P.A. 96-36, eff. 7-13-09.)

9 (30 ILCS 330/13) (from Ch. 127, par. 663)

10 Sec. 13. Appropriation of Proceeds from Sale of Bonds.

11 (a) At all times, the proceeds from the sale of Bonds  
12 issued pursuant to this Act are subject to appropriation by the  
13 General Assembly and, except as provided in Sections 7.2 and  
14 7.6 ~~Section 7.2~~, may be obligated or expended only with the  
15 written approval of the Governor, in such amounts, at such  
16 times, and for such purposes as the respective State agencies,  
17 as defined in Section 1-7 of the Illinois State Auditing Act,  
18 as amended, deem necessary or desirable for the specific  
19 purposes contemplated in Sections 2 through 8 of this Act.  
20 Notwithstanding any other provision of this Act, proceeds from  
21 the sale of Bonds issued pursuant to this Act appropriated by  
22 the General Assembly to the Architect of the Capitol may be  
23 obligated or expended by the Architect of the Capitol without  
24 the written approval of the Governor.

25 (b) Proceeds from the sale of Bonds for the purpose of

1 development of coal and alternative forms of energy shall be  
2 expended in such amounts and at such times as the Department of  
3 Commerce and Economic Opportunity, with the advice and  
4 recommendation of the Illinois Coal Development Board for coal  
5 development projects, may deem necessary and desirable for the  
6 specific purpose contemplated by Section 7 of this Act. In  
7 considering the approval of projects to be funded, the  
8 Department of Commerce and Economic Opportunity shall give  
9 special consideration to projects designed to remove sulfur and  
10 other pollutants in the preparation and utilization of coal,  
11 and in the use and operation of electric utility generating  
12 plants and industrial facilities which utilize Illinois coal as  
13 their primary source of fuel.

14 (c) Except as directed in subsection (c-1) or (c-2), any  
15 monies received by any officer or employee of the state  
16 representing a reimbursement of expenditures previously paid  
17 from general obligation bond proceeds shall be deposited into  
18 the General Obligation Bond Retirement and Interest Fund  
19 authorized in Section 14 of this Act.

20 (c-1) Any money received by the Department of  
21 Transportation as reimbursement for expenditures for high  
22 speed rail purposes pursuant to appropriations from the  
23 Transportation Bond, Series B Fund for (i) CREATE (Chicago  
24 Region Environmental and Transportation Efficiency), (ii) High  
25 Speed Rail, or (iii) AMTRAK projects authorized by the federal  
26 government under the provisions of the American Recovery and



1 Reinvestment Act of 2009 or the Safe Accountable Flexible  
2 Efficient Transportation Equity Act—A Legacy for Users  
3 (SAFETEA-LU), or any successor federal transportation  
4 authorization Act, shall be deposited into the Federal High  
5 Speed Rail Trust Fund.

6 (c-2) Any money received by the Department of  
7 Transportation as reimbursement for expenditures for transit  
8 capital purposes pursuant to appropriations from the  
9 Transportation Bond, Series B Fund for projects authorized by  
10 the federal government under the provisions of the American  
11 Recovery and Reinvestment Act of 2009 or the Safe Accountable  
12 Flexible Efficient Transportation Equity Act—A Legacy for  
13 Users (SAFETEA-LU), or any successor federal transportation  
14 authorization Act, shall be deposited into the Federal Mass  
15 Transit Trust Fund.

16 (Source: P.A. 98-674, eff. 6-30-14.)

17 Section 25. The Illinois Pension Code is amended by adding  
18 Sections 2-154.5, 2-154.6, 14-147.5, 14-147.6, 15-185.5,  
19 15-185.6, 16-190.5, 16-190.6, 18-161.5, and 18-161.6 and  
20 amending Sections 2-162, 14-152.1, 15-198, 16-203, and 18-169  
21 as follows:

22 (40 ILCS 5/2-154.5 new)

23 Sec. 2-154.5. Accelerated pension benefit payment.

24 (a) As used in this Section:

1 "Eligible person" means a person who:

2 (1) has terminated service;

3 (2) has accrued sufficient service credit to be  
4 eligible to receive a retirement annuity under this  
5 Article;

6 (3) has not received any retirement annuity under this  
7 Article; and

8 (4) does not have a QILDRO in effect against him or her  
9 under this Article.

10 "Pension benefit" means the benefits under this Article, or  
11 Article 1 as it relates to those benefits, including any  
12 anticipated annual increases, that an eligible person is  
13 entitled to upon attainment of the applicable retirement age.

14 "Pension benefit" also includes applicable survivor's or  
15 disability benefits.

16 (b) Before January 1, 2018, the System shall calculate,  
17 using actuarial tables and other assumptions adopted by the  
18 Board, the net present value of pension benefits for each  
19 eligible person and shall offer each eligible person the  
20 opportunity to irrevocably elect to receive an amount  
21 determined by the System to be equal to 70% of the net present  
22 value of his or her pension benefits in lieu of receiving any  
23 pension benefit. The offer shall specify the dollar amount that  
24 the eligible person will receive if he or she so elects and  
25 shall expire when a subsequent offer is made to an eligible  
26 person. The System shall make a good faith effort to contact

1 every eligible person to notify him or her of the election and  
2 of the amount of the accelerated pension benefit payment.

3 Beginning January 1, 2018 and until July 1, 2018, an  
4 eligible person may irrevocably elect to receive an accelerated  
5 pension benefit payment in the amount that the System offers  
6 under this subsection in lieu of receiving any pension benefit.  
7 A person who elects to receive an accelerated pension benefit  
8 payment under this Section may not elect to proceed under the  
9 Retirement Systems Reciprocal Act with respect to service under  
10 this Article.

11 (c) A person's credits and creditable service under this  
12 Article shall be terminated upon the person's receipt of an  
13 accelerated pension benefit payment under this Section, and no  
14 other benefit shall be paid under this Article based on those  
15 terminated credits and creditable service, including any  
16 retirement, survivor, or other benefit; except that to the  
17 extent that participation, benefits, or premiums under the  
18 State Employees Group Insurance Act of 1971 are based on the  
19 amount of service credit, the terminated service credit shall  
20 be used for that purpose.

21 (d) If a person who has received an accelerated pension  
22 benefit payment under this Section returns to active service  
23 under this Article, then:

24 (1) Any benefits under the System earned as a result of  
25 that return to active service shall be based solely on the  
26 person's credits and creditable service arising from the

1       return to active service.

2           (2) The accelerated pension benefit payment may not be  
3       repaid to the System, and the terminated credits and  
4       creditable service may not under any circumstances be  
5       reinstated.

6           (e) As a condition of receiving an accelerated pension  
7       benefit payment, an eligible person must have another  
8       retirement plan or account qualified under the Internal Revenue  
9       Code of 1986, as amended, for the accelerated pension benefit  
10       payment to be rolled into. The accelerated pension benefit  
11       payment under this Section may be subject to withholding or  
12       payment of applicable taxes, but to the extent permitted by  
13       federal law, a person who receives an accelerated pension  
14       benefit payment under this Section must direct the System to  
15       pay all of that payment as a rollover into another retirement  
16       plan or account qualified under the Internal Revenue Code of  
17       1986, as amended.

18           (f) Before January 1, 2019, the Board shall certify to the  
19       Illinois Finance Authority and the General Assembly the amount  
20       by which the total amount of accelerated pension benefit  
21       payments made under this Section exceed the amount appropriated  
22       to the System for the purpose of making those payments.

23           (g) The Board shall adopt any rules necessary to implement  
24       this Section.

25           (h) No provision of this Section shall be interpreted in a  
26       way that would cause the applicable System to cease to be a

1 qualified plan under the Internal Revenue Code of 1986.

2 (40 ILCS 5/2-162)

3 (Text of Section WITHOUT the changes made by P.A. 98-599,  
4 which has been held unconstitutional)

5 Sec. 2-162. Application and expiration of new benefit  
6 increases.

7 (a) As used in this Section, "new benefit increase" means  
8 an increase in the amount of any benefit provided under this  
9 Article, or an expansion of the conditions of eligibility for  
10 any benefit under this Article, that results from an amendment  
11 to this Code that takes effect after June 1, 2005 (the  
12 effective date of Public Act 94-4). "New benefit increase",  
13 however, does not include any benefit increase resulting from  
14 the changes made to this Article by this amendatory Act of the  
15 100th General Assembly ~~the effective date of this amendatory~~  
16 ~~Act of the 94th General Assembly.~~

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

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

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

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

23 (e) Except as otherwise provided in the language creating  
24 the new benefit increase, a new benefit increase that expires  
25 under this Section continues to apply to persons who applied  
26 and qualified for the affected benefit while the new benefit

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

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

8 (40 ILCS 5/14-147.5 new)

9 Sec. 14-147.5. Accelerated pension benefit payment.

10 (a) As used in this Section:

11 "Eligible person" means a person who:

12 (1) has terminated service;

13 (2) has accrued sufficient service credit to be  
14 eligible to receive a retirement annuity under this  
15 Article;

16 (3) has not received any retirement annuity under this  
17 Article; and

18 (4) does not have a QILDRO in effect against him or her  
19 under this Article.

20 "Pension benefit" means the benefits under this Article, or  
21 Article 1 as it relates to those benefits, including any  
22 anticipated annual increases, that an eligible person is  
23 entitled to upon attainment of the applicable retirement age.

24 "Pension benefit" also includes applicable survivor's or  
25 disability benefits.

1       (b) Before January 1, 2018, the System shall calculate,  
2       using actuarial tables and other assumptions adopted by the  
3       Board, the net present value of pension benefits for each  
4       eligible person and shall offer each eligible person the  
5       opportunity to irrevocably elect to receive an amount  
6       determined by the System to be equal to 70% of the net present  
7       value of his or her pension benefits in lieu of receiving any  
8       pension benefit. The offer shall specify the dollar amount that  
9       the eligible person will receive if he or she so elects and  
10       shall expire when a subsequent offer is made to an eligible  
11       person. The System shall make a good faith effort to contact  
12       every eligible person to notify him or her of the election and  
13       of the amount of the accelerated pension benefit payment.

14       Beginning January 1, 2018 and until July 1, 2018, an  
15       eligible person may irrevocably elect to receive an accelerated  
16       pension benefit payment in the amount that the System offers  
17       under this subsection in lieu of receiving any pension benefit.  
18       A person who elects to receive an accelerated pension benefit  
19       payment under this Section may not elect to proceed under the  
20       Retirement Systems Reciprocal Act with respect to service under  
21       this Article.

22       (c) A person's credits and creditable service under this  
23       Article shall be terminated upon the person's receipt of an  
24       accelerated pension benefit payment under this Section, and no  
25       other benefit shall be paid under this Article based on those  
26       terminated credits and creditable service, including any



1 retirement, survivor, or other benefit; except that to the  
2 extent that participation, benefits, or premiums under the  
3 State Employees Group Insurance Act of 1971 are based on the  
4 amount of service credit, the terminated service credit shall  
5 be used for that purpose.

6 (d) If a person who has received an accelerated pension  
7 benefit payment under this Section returns to active service  
8 under this Article, then:

9 (1) Any benefits under the System earned as a result of  
10 that return to active service shall be based solely on the  
11 person's credits and creditable service arising from the  
12 return to active service.

13 (2) The accelerated pension benefit payment may not be  
14 repaid to the System, and the terminated credits and  
15 creditable service may not under any circumstances be  
16 reinstated.

17 (e) As a condition of receiving an accelerated pension  
18 benefit payment, an eligible person must have another  
19 retirement plan or account qualified under the Internal Revenue  
20 Code of 1986, as amended, for the accelerated pension benefit  
21 payment to be rolled into. The accelerated pension benefit  
22 payment under this Section may be subject to withholding or  
23 payment of applicable taxes, but to the extent permitted by  
24 federal law, a person who receives an accelerated pension  
25 benefit payment under this Section must direct the System to  
26 pay all of that payment as a rollover into another retirement

1 plan or account qualified under the Internal Revenue Code of  
2 1986, as amended.

3 (f) Before January 1, 2019, the Board shall certify to the  
4 Illinois Finance Authority and the General Assembly the amount  
5 by which the total amount of accelerated pension benefit  
6 payments made under this Section exceed the amount appropriated  
7 to the System for the purpose of making those payments.

8 (g) The Board shall adopt any rules necessary to implement  
9 this Section.

10 (h) No provision of this Section shall be interpreted in a  
11 way that would cause the applicable System to cease to be a  
12 qualified plan under the Internal Revenue Code of 1986.

13 (40 ILCS 5/14-152.1)

14 (Text of Section WITHOUT the changes made by P.A. 98-599,  
15 which has been held unconstitutional)

16 Sec. 14-152.1. Application and expiration of new benefit  
17 increases.

18 (a) As used in this Section, "new benefit increase" means  
19 an increase in the amount of any benefit provided under this  
20 Article, or an expansion of the conditions of eligibility for  
21 any benefit under this Article, that results from an amendment  
22 to this Code that takes effect after June 1, 2005 (the  
23 effective date of Public Act 94-4). "New benefit increase",  
24 however, does not include any benefit increase resulting from  
25 the changes made to this Article by Public Act 96-37 or by this

1 amendatory Act of the 100th General Assembly ~~this amendatory~~  
2 ~~Act of the 96th General Assembly.~~

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

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

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

1 the certification is made.

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

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

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

19 (40 ILCS 5/15-185.5 new)

20 Sec. 15-185.5. Accelerated pension benefit payment.

21 (a) As used in this Section:

22 "Eligible person" means a person who:

23 (1) has terminated service;

24 (2) has accrued sufficient service credit to be  
25 eligible to receive a retirement annuity under this

1       Article;

2           (3) has not received any retirement annuity under this

3       Article;

4           (4) does not have a QILDRO in effect against him or her  
5       under this Article; and

6           (5) is not a participant in the self-managed plan under  
7       Section 15-158.2.

8       "Pension benefit" means the benefits under this Article, or  
9       Article 1 as it relates to those benefits, including any  
10       anticipated annual increases, that an eligible person is  
11       entitled to upon attainment of the applicable retirement age.

12       "Pension benefit" also includes applicable survivor's or  
13       disability benefits.

14       (b) Before January 1, 2018, the System shall calculate,  
15       using actuarial tables and other assumptions adopted by the  
16       Board, the net present value of pension benefits for each  
17       eligible person and shall offer each eligible person the  
18       opportunity to irrevocably elect to receive an amount  
19       determined by the System to be equal to 70% of the net present  
20       value of his or her pension benefits in lieu of receiving any  
21       pension benefit. The offer shall specify the dollar amount that  
22       the eligible person will receive if he or she so elects and  
23       shall expire when a subsequent offer is made to an eligible  
24       person. The System shall make a good faith effort to contact  
25       every eligible person to notify him or her of the election and  
26       of the amount of the accelerated pension benefit payment.

1 Beginning January 1, 2018 and until July 1, 2018, an  
2 eligible person may irrevocably elect to receive an accelerated  
3 pension benefit payment in the amount that the System offers  
4 under this subsection in lieu of receiving any pension benefit.  
5 A person who elects to receive an accelerated pension benefit  
6 payment under this Section may not elect to proceed under the  
7 Retirement Systems Reciprocal Act with respect to service under  
8 this Article.

9 (c) A person's credits and creditable service under this  
10 Article shall be terminated upon the person's receipt of an  
11 accelerated pension benefit payment under this Section, and no  
12 other benefit shall be paid under this Article based on those  
13 terminated credits and creditable service, including any  
14 retirement, survivor, or other benefit; except that to the  
15 extent that participation, benefits, or premiums under the  
16 State Employees Group Insurance Act of 1971 are based on the  
17 amount of service credit, the terminated service credit shall  
18 be used for that purpose.

19 (d) If a person who has received an accelerated pension  
20 benefit payment under this Section returns to active service  
21 under this Article, then:

22 (1) Any benefits under the System earned as a result of  
23 that return to active service shall be based solely on the  
24 person's credits and creditable service arising from the  
25 return to active service.

26 (2) The accelerated pension benefit payment may not be

1       repaid to the System, and the terminated credits and  
2       creditable service may not under any circumstances be  
3       reinstated.

4       (e) As a condition of receiving an accelerated pension  
5       benefit payment, an eligible person must have another  
6       retirement plan or account qualified under the Internal Revenue  
7       Code of 1986, as amended, for the accelerated pension benefit  
8       payment to be rolled into. The accelerated pension benefit  
9       payment under this Section may be subject to withholding or  
10      payment of applicable taxes, but to the extent permitted by  
11      federal law, a person who receives an accelerated pension  
12      benefit payment under this Section must direct the System to  
13      pay all of that payment as a rollover into another retirement  
14      plan or account qualified under the Internal Revenue Code of  
15      1986, as amended.

16      (f) Before January 1, 2019, the Board shall certify to the  
17      Illinois Finance Authority and the General Assembly the amount  
18      by which the total amount of accelerated pension benefit  
19      payments made under this Section exceed the amount appropriated  
20      to the System for the purpose of making those payments.

21      (g) The Board shall adopt any rules necessary to implement  
22      this Section.

23      (h) No provision of this Section shall be interpreted in a  
24      way that would cause the applicable System to cease to be a  
25      qualified plan under the Internal Revenue Code of 1986.

1 (40 ILCS 5/15-198)

2 (Text of Section WITHOUT the changes made by P.A. 98-599,  
3 which has been held unconstitutional)

4 Sec. 15-198. Application and expiration of new benefit  
5 increases.

6 (a) As used in this Section, "new benefit increase" means  
7 an increase in the amount of any benefit provided under this  
8 Article, or an expansion of the conditions of eligibility for  
9 any benefit under this Article, that results from an amendment  
10 to this Code that takes effect after June 1, 2005 (the  
11 effective date of Public Act 94-4). "New benefit increase",  
12 however, does not include any benefit increase resulting from  
13 the changes made to this Article by this amendatory Act of the  
14 100th General Assembly ~~the effective date of this amendatory~~  
15 ~~Act of the 94th General Assembly.~~

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

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

25 Every new benefit increase is contingent upon the General  
26 Assembly providing the additional funding required under this



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

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

21 (e) Except as otherwise provided in the language creating  
22 the new benefit increase, a new benefit increase that expires  
23 under this Section continues to apply to persons who applied  
24 and qualified for the affected benefit while the new benefit  
25 increase was in effect and to the affected beneficiaries and  
26 alternate payees of such persons, but does not apply to any

1 other person, including without limitation a person who  
2 continues in service after the expiration date and did not  
3 apply and qualify for the affected benefit while the new  
4 benefit increase was in effect.

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

6 (40 ILCS 5/16-190.5 new)

7 Sec. 16-190.5. Accelerated pension benefit payment.

8 (a) As used in this Section:

9 "Eligible person" means a person who:

10 (1) has terminated service;

11 (2) has accrued sufficient service credit to be  
12 eligible to receive a retirement annuity under this  
13 Article;

14 (3) has not received any retirement annuity under this  
15 Article; and

16 (4) does not have a QILDRO in effect against him or her  
17 under this Article.

18 "Pension benefit" means the benefits under this Article, or  
19 Article 1 as it relates to those benefits, including any  
20 anticipated annual increases, that an eligible person is  
21 entitled to upon attainment of the applicable retirement age.

22 "Pension benefit" also includes applicable survivor's or  
23 disability benefits.

24 (b) Before January 1, 2018, the System shall calculate,  
25 using actuarial tables and other assumptions adopted by the

1 Board, the net present value of pension benefits for each  
2 eligible person and shall offer each eligible person the  
3 opportunity to irrevocably elect to receive an amount  
4 determined by the System to be equal to 70% of the net present  
5 value of his or her pension benefits in lieu of receiving any  
6 pension benefit. The offer shall specify the dollar amount that  
7 the eligible person will receive if he or she so elects and  
8 shall expire when a subsequent offer is made to an eligible  
9 person. The System shall make a good faith effort to contact  
10 every eligible person to notify him or her of the election and  
11 of the amount of the accelerated pension benefit payment.

12 Beginning January 1, 2018 and until July 1, 2018, an  
13 eligible person may irrevocably elect to receive an accelerated  
14 pension benefit payment in the amount that the System offers  
15 under this subsection in lieu of receiving any pension benefit.  
16 A person who elects to receive an accelerated pension benefit  
17 payment under this Section may not elect to proceed under the  
18 Retirement Systems Reciprocal Act with respect to service under  
19 this Article.

20 (c) A person's credits and creditable service under this  
21 Article shall be terminated upon the person's receipt of an  
22 accelerated pension benefit payment under this Section, and no  
23 other benefit shall be paid under this Article based on those  
24 terminated credits and creditable service, including any  
25 retirement, survivor, or other benefit; except that to the  
26 extent that participation, benefits, or premiums under the

1 State Employees Group Insurance Act of 1971 are based on the  
2 amount of service credit, the terminated service credit shall  
3 be used for that purpose.

4 (d) If a person who has received an accelerated pension  
5 benefit payment under this Section returns to active service  
6 under this Article, then:

7 (1) Any benefits under the System earned as a result of  
8 that return to active service shall be based solely on the  
9 person's credits and creditable service arising from the  
10 return to active service.

11 (2) The accelerated pension benefit payment may not be  
12 repaid to the System, and the terminated credits and  
13 creditable service may not under any circumstances be  
14 reinstated.

15 (e) As a condition of receiving an accelerated pension  
16 benefit payment, an eligible person must have another  
17 retirement plan or account qualified under the Internal Revenue  
18 Code of 1986, as amended, for the accelerated pension benefit  
19 payment to be rolled into. The accelerated pension benefit  
20 payment under this Section may be subject to withholding or  
21 payment of applicable taxes, but to the extent permitted by  
22 federal law, a person who receives an accelerated pension  
23 benefit payment under this Section must direct the System to  
24 pay all of that payment as a rollover into another retirement  
25 plan or account qualified under the Internal Revenue Code of  
26 1986, as amended.

1       (f) Before January 1, 2019, the Board shall certify to the  
2       Illinois Finance Authority and the General Assembly the amount  
3       by which the total amount of accelerated pension benefit  
4       payments made under this Section exceed the amount appropriated  
5       to the System for the purpose of making those payments.

6       (g) The Board shall adopt any rules necessary to implement  
7       this Section.

8       (h) No provision of this Section shall be interpreted in a  
9       way that would cause the applicable System to cease to be a  
10       qualified plan under the Internal Revenue Code of 1986.

11       (40 ILCS 5/16-203)

12       (Text of Section WITHOUT the changes made by P.A. 98-599,  
13       which has been held unconstitutional)

14       Sec. 16-203. Application and expiration of new benefit  
15       increases.

16       (a) As used in this Section, "new benefit increase" means  
17       an increase in the amount of any benefit provided under this  
18       Article, or an expansion of the conditions of eligibility for  
19       any benefit under this Article, that results from an amendment  
20       to this Code that takes effect after June 1, 2005 (the  
21       effective date of Public Act 94-4). "New benefit increase",  
22       however, does not include any benefit increase resulting from  
23       the changes made to this Article by Public Act 95-910 or by  
24       this amendatory Act of the 100th General Assembly ~~this~~  
25       ~~amendatory Act of the 95th General Assembly.~~

1           (b) Notwithstanding any other provision of this Code or any  
2 subsequent amendment to this Code, every new benefit increase  
3 is subject to this Section and shall be deemed to be granted  
4 only in conformance with and contingent upon compliance with  
5 the provisions of this Section.

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

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

26           (d) Every new benefit increase shall expire 5 years after

1 its effective date or on such earlier date as may be specified  
2 in the language enacting the new benefit increase or provided  
3 under subsection (c). This does not prevent the General  
4 Assembly from extending or re-creating a new benefit increase  
5 by law.

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

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

17 (40 ILCS 5/18-161.5 new)

18 Sec. 18-161.5. Accelerated pension benefit payment.

19 (a) As used in this Section:

20 "Eligible person" means a person who:

21 (1) has terminated service;

22 (2) has accrued sufficient service credit to be  
23 eligible to receive a retirement annuity under this  
24 Article;

25 (3) has not received any retirement annuity under this

1 Article; and

2 (4) does not have a QILDRO in effect against him or her  
3 under this Article.

4 "Pension benefit" means the benefits under this Article, or  
5 Article 1 as it relates to those benefits, including any  
6 anticipated annual increases, that an eligible person is  
7 entitled to upon attainment of the applicable retirement age.  
8 "Pension benefit" also includes applicable survivor's or  
9 disability benefits.

10 (b) Before January 1, 2018, the System shall calculate,  
11 using actuarial tables and other assumptions adopted by the  
12 Board, the net present value of pension benefits for each  
13 eligible person and shall offer each eligible person the  
14 opportunity to irrevocably elect to receive an amount  
15 determined by the System to be equal to 70% of the net present  
16 value of his or her pension benefits in lieu of receiving any  
17 pension benefit. The offer shall specify the dollar amount that  
18 the eligible person will receive if he or she so elects and  
19 shall expire when a subsequent offer is made to an eligible  
20 person. The System shall make a good faith effort to contact  
21 every eligible person to notify him or her of the election and  
22 of the amount of the accelerated pension benefit payment.

23 Beginning January 1, 2018 and until July 1, 2018, an  
24 eligible person may irrevocably elect to receive an accelerated  
25 pension benefit payment in the amount that the System offers  
26 under this subsection in lieu of receiving any pension benefit.



1 A person who elects to receive an accelerated pension benefit  
2 payment under this Section may not elect to proceed under the  
3 Retirement Systems Reciprocal Act with respect to service under  
4 this Article.

5 (c) A person's credits and creditable service under this  
6 Article shall be terminated upon the person's receipt of an  
7 accelerated pension benefit payment under this Section, and no  
8 other benefit shall be paid under this Article based on those  
9 terminated credits and creditable service, including any  
10 retirement, survivor, or other benefit; except that to the  
11 extent that participation, benefits, or premiums under the  
12 State Employees Group Insurance Act of 1971 are based on the  
13 amount of service credit, the terminated service credit shall  
14 be used for that purpose.

15 (d) If a person who has received an accelerated pension  
16 benefit payment under this Section returns to active service  
17 under this Article, then:

18 (1) Any benefits under the System earned as a result of  
19 that return to active service shall be based solely on the  
20 person's credits and creditable service arising from the  
21 return to active service.

22 (2) The accelerated pension benefit payment may not be  
23 repaid to the System, and the terminated credits and  
24 creditable service may not under any circumstances be  
25 reinstated.

26 (e) As a condition of receiving an accelerated pension

1 benefit payment, an eligible person must have another  
2 retirement plan or account qualified under the Internal Revenue  
3 Code of 1986, as amended, for the accelerated pension benefit  
4 payment to be rolled into. The accelerated pension benefit  
5 payment under this Section may be subject to withholding or  
6 payment of applicable taxes, but to the extent permitted by  
7 federal law, a person who receives an accelerated pension  
8 benefit payment under this Section must direct the System to  
9 pay all of that payment as a rollover into another retirement  
10 plan or account qualified under the Internal Revenue Code of  
11 1986, as amended.

12 (f) Before January 1, 2019, the Board shall certify to the  
13 Illinois Finance Authority and the General Assembly the amount  
14 by which the total amount of accelerated pension benefit  
15 payments made under this Section exceed the amount appropriated  
16 to the System for the purpose of making those payments.

17 (g) The Board shall adopt any rules necessary to implement  
18 this Section.

19 (h) No provision of this Section shall be interpreted in a  
20 way that would cause the applicable System to cease to be a  
21 qualified plan under the Internal Revenue Code of 1986.

22 (40 ILCS 5/18-169)

23 Sec. 18-169. Application and expiration of new benefit  
24 increases.

25 (a) As used in this Section, "new benefit increase" means

1 an increase in the amount of any benefit provided under this  
2 Article, or an expansion of the conditions of eligibility for  
3 any benefit under this Article, that results from an amendment  
4 to this Code that takes effect after June 1, 2005 (the  
5 effective date of Public Act 94-4). "New benefit increase",  
6 however, does not include any benefit increase resulting from  
7 the changes made to this Article by this amendatory Act of the  
8 100th General Assembly ~~the effective date of this amendatory~~  
9 ~~Act of the 94th General Assembly.~~

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

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

19 Every new benefit increase is contingent upon the General  
20 Assembly providing the additional funding required under this  
21 subsection. The Commission on Government Forecasting and  
22 Accountability shall analyze whether adequate additional  
23 funding has been provided for the new benefit increase and  
24 shall report its analysis to the Public Pension Division of the  
25 Department of Financial and Professional Regulation. A new  
26 benefit increase created by a Public Act that does not include

1 the additional funding required under this subsection is null  
2 and void. If the Public Pension Division determines that the  
3 additional funding provided for a new benefit increase under  
4 this subsection is or has become inadequate, it may so certify  
5 to the Governor and the State Comptroller and, in the absence  
6 of corrective action by the General Assembly, the new benefit  
7 increase shall expire at the end of the fiscal year in which  
8 the certification is made.

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

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

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

1           Section 30. The State Pension Funds Continuing  
2           Appropriation Act is amended by adding Section 1.9 as follows:

3           (40 ILCS 15/1.9 new)

4           Sec. 1.9. Appropriations for State Pension Obligation  
5           Acceleration Bonds. If for any reason the aggregate  
6           appropriations made available are insufficient to meet the  
7           levels required for the payment of principal and interest due  
8           on State Pension Obligation Acceleration Bonds under Section  
9           7.6 of the General Obligation Bond Act, this Section shall  
10           constitute a continuing appropriation of all amounts necessary  
11           for those purposes.

12           Section 99. Effective date. This Act takes effect upon  
13           becoming law.

	INDEX	
1		
2	Statutes amended in order of appearance	
3	5 ILCS 375/3	from Ch. 127, par. 523
4	5 ILCS 375/10	from Ch. 127, par. 530
5	20 ILCS 3501/801-40	
6	30 ILCS 105/5.878 new	
7	30 ILCS 330/2	from Ch. 127, par. 652
8	30 ILCS 330/2.5	
9	30 ILCS 330/7.6 new	
10	30 ILCS 330/9	from Ch. 127, par. 659
11	30 ILCS 330/11	from Ch. 127, par. 661
12	30 ILCS 330/12	from Ch. 127, par. 662
13	30 ILCS 330/13	from Ch. 127, par. 663
14	40 ILCS 5/2-154.5 new	
15	40 ILCS 5/2-162	
16	40 ILCS 5/14-147.5 new	
17	40 ILCS 5/14-152.1	
18	40 ILCS 5/15-185.5 new	
19	40 ILCS 5/15-198	
20	40 ILCS 5/16-190.5 new	
21	40 ILCS 5/16-203	
22	40 ILCS 5/18-161.5 new	
23	40 ILCS 5/18-169	
24	40 ILCS 15/1.9 new	