



100TH GENERAL ASSEMBLY

State of Illinois

2017 and 2018

HB4064

by Rep. Jim Durkin

SYNOPSIS AS INTRODUCED:

See Index

Amends the General Assembly, State Employee, State Universities, Downstate Teacher, and Chicago Teacher Articles of the Illinois Pension Code. Requires active Tier 1 employees to elect either to (i) have automatic annual increases in retirement and survivor's annuities delayed and reduced or (ii) maintain their current benefit package with additional limitations on pensionable salary. Provides that a Tier 1 employee who elects item (i) is entitled to have future increases in income treated as pensionable income, have contributions reduced to a specified rate, and receive a consideration payment of 10% of contributions made prior to the election. Provides that a Tier 1 employee who elects item (ii) is not eligible to have future increases in income treated as pensionable income. Makes funding changes. Amends the State Pension Funds Continuing Appropriation Act to provide a continuing appropriation for the amounts of the consideration payments. Amends various Acts to make conforming changes. Amends the Illinois Educational Labor Relations Act and the Illinois Public Labor Relations Act to prohibit bargaining and interest arbitration regarding certain changes made by the amendatory Act and to provide that no action of the employer taken to implement that prohibition shall give rise to an unfair labor practice under those Acts; exempts certain existing agreements. Amends the State Mandates Act to require implementation without reimbursement. Makes other changes. Effective immediately.

LRB100 13138 RPS 27528 b

FISCAL NOTE ACT
MAY APPLY

PENSION IMPACT
NOTE ACT MAY
APPLY

STATE MANDATES
ACT MAY REQUIRE
REIMBURSEMENT

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 Illinois Public Labor Relations Act is
5 amended by changing Sections 10 and 15 and by adding Section
6 7.6 as follows:

7 (5 ILCS 315/7.6 new)

8 Sec. 7.6. No collective bargaining or interest arbitration
9 regarding certain changes to the Illinois Pension Code.

10 (a) Notwithstanding any other provision of this Act,
11 employers shall not be required to bargain over matters
12 affected by the changes, the impact of the changes, and the
13 implementation of the changes to Article 14, 15, 16, or 17 of
14 the Illinois Pension Code made by the addition of Section
15 14-106.5, 15-132.9, 16-122.9, or 17-115.5 of the Illinois
16 Pension Code, which are deemed to be prohibited subjects of
17 bargaining. Notwithstanding any provision of this Act, the
18 changes, impact of the changes, or implementation of the
19 changes to Article 14, 15, 16, or 17 of the Illinois Pension
20 Code made by the addition of Section 14-106.5, 15-132.9,
21 16-122.9, or 17-115.5 of the Illinois Pension Code shall not be
22 subject to interest arbitration or any award issued pursuant to
23 interest arbitration. The provisions of this Section shall not

1 apply to an employment contract or collective bargaining
2 agreement that is in effect on the effective date of this
3 amendatory Act of the 100th General Assembly. However, any such
4 contract or agreement that is modified, amended, renewed, or
5 superseded after the effective date of this amendatory Act of
6 the 100th General Assembly shall be subject to the provisions
7 of this Section. Each employer with active employees
8 participating in a retirement system or pension fund
9 established under Article 14, 15, 16, or 17 of the Illinois
10 Pension Code shall comply with and be subject to the provisions
11 of this amendatory Act of the 100th General Assembly. The
12 provisions of this Section shall not apply to the ability of
13 any employer and employee representative to bargain
14 collectively with regard to the pick up of employee
15 contributions pursuant to Section 14-133.1, 15-157.1,
16 16-152.1, 17-130.1, or 17-130.2 of the Illinois Pension Code.

17 (b) Subject to and except for the matters set forth in
18 subsection (a) of this Section that are deemed prohibited
19 subjects of bargaining, nothing in this Section shall be
20 construed as otherwise limiting any of the obligations and
21 requirements applicable to employers under any of the
22 provisions of this Act, including, but not limited to, the
23 requirement to bargain collectively with regard to policy
24 matters directly affecting wages, hours, and terms and
25 conditions of employment as well as the impact thereon upon
26 request by employee representatives. Subject to and except for

1 the matters set forth in subsection (a) of this Section that
2 are deemed prohibited subjects of bargaining, nothing in this
3 Section shall be construed as otherwise limiting any of the
4 rights of employees or employee representatives under the
5 provisions of this Act.

6 (c) In case of any conflict between this Section and any
7 other provisions of this Act or any other law, the provisions
8 of this Section shall control.

9 (5 ILCS 315/10) (from Ch. 48, par. 1610)

10 Sec. 10. Unfair labor practices.

11 (a) It shall be an unfair labor practice for an employer or
12 its agents:

13 (1) to interfere with, restrain or coerce public
14 employees in the exercise of the rights guaranteed in this
15 Act or to dominate or interfere with the formation,
16 existence or administration of any labor organization or
17 contribute financial or other support to it; provided, an
18 employer shall not be prohibited from permitting employees
19 to confer with him during working hours without loss of
20 time or pay;

21 (2) to discriminate in regard to hire or tenure of
22 employment or any term or condition of employment in order
23 to encourage or discourage membership in or other support
24 for any labor organization. Nothing in this Act or any
25 other law precludes a public employer from making an

1 agreement with a labor organization to require as a
2 condition of employment the payment of a fair share under
3 paragraph (e) of Section 6;

4 (3) to discharge or otherwise discriminate against a
5 public employee because he has signed or filed an
6 affidavit, petition or charge or provided any information
7 or testimony under this Act;

8 (4) subject to and except as provided in Section 7.6,
9 to refuse to bargain collectively in good faith with a
10 labor organization which is the exclusive representative
11 of public employees in an appropriate unit, including, but
12 not limited to, the discussing of grievances with the
13 exclusive representative; however, no actions of the
14 employer taken to implement or otherwise comply with the
15 provisions of subsection (a) of Section 7.6 shall
16 constitute or give rise to an unfair labor practice under
17 this Act;

18 (5) to violate any of the rules and regulations
19 established by the Board with jurisdiction over them
20 relating to the conduct of representation elections or the
21 conduct affecting the representation elections;

22 (6) to expend or cause the expenditure of public funds
23 to any external agent, individual, firm, agency,
24 partnership or association in any attempt to influence the
25 outcome of representational elections held pursuant to
26 Section 9 of this Act; provided, that nothing in this

1 subsection shall be construed to limit an employer's right
2 to internally communicate with its employees as provided in
3 subsection (c) of this Section, to be represented on any
4 matter pertaining to unit determinations, unfair labor
5 practice charges or pre-election conferences in any formal
6 or informal proceeding before the Board, or to seek or
7 obtain advice from legal counsel. Nothing in this paragraph
8 shall be construed to prohibit an employer from expending
9 or causing the expenditure of public funds on, or seeking
10 or obtaining services or advice from, any organization,
11 group, or association established by and including public
12 or educational employers, whether covered by this Act, the
13 Illinois Educational Labor Relations Act or the public
14 employment labor relations law of any other state or the
15 federal government, provided that such services or advice
16 are generally available to the membership of the
17 organization, group or association, and are not offered
18 solely in an attempt to influence the outcome of a
19 particular representational election; or

20 (7) to refuse to reduce a collective bargaining
21 agreement to writing or to refuse to sign such agreement.

22 (b) It shall be an unfair labor practice for a labor
23 organization or its agents:

24 (1) to restrain or coerce public employees in the
25 exercise of the rights guaranteed in this Act, provided,

26 (i) that this paragraph shall not impair the right of a

1 labor organization to prescribe its own rules with respect
2 to the acquisition or retention of membership therein or
3 the determination of fair share payments and (ii) that a
4 labor organization or its agents shall commit an unfair
5 labor practice under this paragraph in duty of fair
6 representation cases only by intentional misconduct in
7 representing employees under this Act;

8 (2) to restrain or coerce a public employer in the
9 selection of his representatives for the purposes of
10 collective bargaining or the settlement of grievances; or

11 (3) to cause, or attempt to cause, an employer to
12 discriminate against an employee in violation of
13 subsection (a) (2);

14 (4) to refuse to bargain collectively in good faith
15 with a public employer, if it has been designated in
16 accordance with the provisions of this Act as the exclusive
17 representative of public employees in an appropriate unit;

18 (5) to violate any of the rules and regulations
19 established by the boards with jurisdiction over them
20 relating to the conduct of representation elections or the
21 conduct affecting the representation elections;

22 (6) to discriminate against any employee because he has
23 signed or filed an affidavit, petition or charge or
24 provided any information or testimony under this Act;

25 (7) to picket or cause to be picketed, or threaten to
26 picket or cause to be picketed, any public employer where

1 an object thereof is forcing or requiring an employer to
2 recognize or bargain with a labor organization of the
3 representative of its employees, or forcing or requiring
4 the employees of an employer to accept or select such labor
5 organization as their collective bargaining
6 representative, unless such labor organization is
7 currently certified as the representative of such
8 employees:

9 (A) where the employer has lawfully recognized in
10 accordance with this Act any labor organization and a
11 question concerning representation may not
12 appropriately be raised under Section 9 of this Act;

13 (B) where within the preceding 12 months a valid
14 election under Section 9 of this Act has been
15 conducted; or

16 (C) where such picketing has been conducted
17 without a petition under Section 9 being filed within a
18 reasonable period of time not to exceed 30 days from
19 the commencement of such picketing; provided that when
20 such a petition has been filed the Board shall
21 forthwith, without regard to the provisions of
22 subsection (a) of Section 9 or the absence of a showing
23 of a substantial interest on the part of the labor
24 organization, direct an election in such unit as the
25 Board finds to be appropriate and shall certify the
26 results thereof; provided further, that nothing in

1 this subparagraph shall be construed to prohibit any
2 picketing or other publicity for the purpose of
3 truthfully advising the public that an employer does
4 not employ members of, or have a contract with, a labor
5 organization unless an effect of such picketing is to
6 induce any individual employed by any other person in
7 the course of his employment, not to pick up, deliver,
8 or transport any goods or not to perform any services;
9 or

10 (8) to refuse to reduce a collective bargaining
11 agreement to writing or to refuse to sign such agreement.

12 (c) The expressing of any views, argument, or opinion or
13 the dissemination thereof, whether in written, printed,
14 graphic, or visual form, shall not constitute or be evidence of
15 an unfair labor practice under any of the provisions of this
16 Act, if such expression contains no threat of reprisal or force
17 or promise of benefit.

18 (Source: P.A. 86-412; 87-736.)

19 (5 ILCS 315/15) (from Ch. 48, par. 1615)

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

22 Sec. 15. Act Takes Precedence.

23 (a) In case of any conflict between the provisions of this
24 Act and any other law (other than Section 5 of the State
25 Employees Group Insurance Act of 1971 and other than the

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

17 (b) Except as provided in subsection (a) above, any
18 collective bargaining contract between a public employer and a
19 labor organization executed pursuant to this Act shall
20 supersede any contrary statutes, charters, ordinances, rules
21 or regulations relating to wages, hours and conditions of
22 employment and employment relations adopted by the public
23 employer or its agents. Any collective bargaining agreement
24 entered into prior to the effective date of this Act shall
25 remain in full force during its duration.

26 (c) It is the public policy of this State, pursuant to

1 paragraphs (h) and (i) of Section 6 of Article VII of the
2 Illinois Constitution, that the provisions of this Act are the
3 exclusive exercise by the State of powers and functions which
4 might otherwise be exercised by home rule units. Such powers
5 and functions may not be exercised concurrently, either
6 directly or indirectly, by any unit of local government,
7 including any home rule unit, except as otherwise authorized by
8 this Act.

9 (d) Notwithstanding any other provision of law, no
10 collective bargaining agreement entered into, renewed, or
11 extended after the effective date of this amendatory Act of the
12 100th General Assembly or any arbitration award issued under
13 such collective bargaining agreement may violate or conflict
14 with the changes made by this amendatory Act of the 100th
15 General Assembly.

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

17 Section 10. The Attorney General Act is amended by adding
18 Section 5 as follows:

19 (15 ILCS 205/5 new)

20 Sec. 5. Future increases in income. The Office of the
21 Attorney General must not pay, offer, or agree to pay any
22 future increase in income, as that term is defined in Section
23 14-103.42 of the Illinois Pension Code, to any person in a
24 manner that violates Section 14-106.5 of the Illinois Pension

1 Code.

2 Section 15. The Secretary of State Merit Employment Code is
3 amended by adding Section 13a as follows:

4 (15 ILCS 310/13a new)

5 Sec. 13a. Future increases in income. The Office of the
6 Secretary of State must not pay, offer, or agree to pay any
7 future increase in income, as that term is defined in Section
8 14-103.42 of the Illinois Pension Code, to any person in a
9 manner that violates Section 14-106.5 of the Illinois Pension
10 Code.

11 Section 20. The Comptroller Merit Employment Code is
12 amended by adding Section 13a as follows:

13 (15 ILCS 410/13a new)

14 Sec. 13a. Future increases in income. The Office of the
15 Comptroller must not pay, offer, or agree to pay any future
16 increase in income, as that term is defined in Section
17 14-103.42 of the Illinois Pension Code, to any person in a
18 manner that violates Section 14-106.5 of the Illinois Pension
19 Code.

20 Section 25. The State Treasurer Employment Code is amended
21 by adding Section 12a as follows:

1 (15 ILCS 510/12a new)

2 Sec. 12a. Future increases in income. The Office of the
3 State Treasurer must not pay, offer, or agree to pay any future
4 increase in income, as that term is defined in Section
5 14-103.42 of the Illinois Pension Code, to any person in a
6 manner that violates Section 14-106.5 of the Illinois Pension
7 Code.

8 Section 30. The Civil Administrative Code of Illinois is
9 amended by adding Section 5-647 as follows:

10 (20 ILCS 5/5-647 new)

11 Sec. 5-647. Future increases in income. A Department must
12 not pay, offer, or agree to pay any future increase in income,
13 as that term is defined in Section 14-103.42, 15-112.1, or
14 16-121.1 of the Illinois Pension Code, to any person in a
15 manner that violates Section 14-106.5, 15-132.9, or 16-122.9 of
16 the Illinois Pension Code.

17 Section 35. The Illinois Pension Code is amended by
18 changing Sections 2-108, 2-119.1, 2-124, 2-126, 2-134, 2-162,
19 14-103.10, 14-114, 14-131, 14-133, 14-135.08, 14-152.1,
20 15-108.1, 15-111, 15-136, 15-155, 15-157, 15-165, 15-198,
21 16-121, 16-133.1, 16-136.1, 16-152, 16-158, 16-203, 17-116,
22 17-129, and 17-130 and by adding 2-105.3, 2-107.9, 2-107.10,

1 2-110.3, 14-103.41, 14-103.42, 14-103.43, 14-106.5, 15-112.1,
2 15-112.2, 15-132.9, 16-107.1, 16-121.1, 16-121.2, 16-122.9,
3 17-106.05, 17-113.4, 17-113.5, 17-113.6, 17-115.5, and
4 17-119.2 as follows:

5 (40 ILCS 5/2-105.3 new)

6 Sec. 2-105.3. Tier 1 employee. "Tier 1 employee": A
7 participant who first became a participant before January 1,
8 2011.

9 (40 ILCS 5/2-107.9 new)

10 Sec. 2-107.9. Future increase in income. "Future increase
11 in income" means an increase to a Tier 1 employee's base pay
12 that is offered to the Tier 1 employee for service under this
13 Article after June 30, 2018 that qualifies as "salary", as
14 defined in Section 2-108, or would qualify as "salary" but for
15 the fact that it was offered to and accepted by the Tier 1
16 employee under the condition set forth in subsection (c) of
17 Section 2-110.3.

18 (40 ILCS 5/2-107.10 new)

19 Sec. 2-107.10. Base pay. As used in Section 2-107.9 of
20 this Code, "base pay" means the Tier 1 employee's annualized
21 rate of salary as of June 30, 2018. For a person returning to
22 active service as a Tier 1 employee after June 30, 2018,
23 however, "base pay" means the employee's annualized rate of

1 salary as of the employee's last date of service prior to July
2 1, 2018. The System shall calculate the base pay of each Tier 1
3 employee pursuant to this Section.

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

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

7 Sec. 2-108. Salary. "Salary":

8 (1) For members of the General Assembly, the total
9 compensation paid to the member by the State for one year of
10 service, including the additional amounts, if any, paid to the
11 member as an officer pursuant to Section 1 of "An Act in
12 relation to the compensation and emoluments of the members of
13 the General Assembly", approved December 6, 1907, as now or
14 hereafter amended.

15 (2) For the State executive officers specified in Section
16 2-105, the total compensation paid to the member for one year
17 of service.

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

24 However, in the event that federal law results in any
25 participant receiving imputed income based on the value of

1 group term life insurance provided by the State, such imputed
2 income shall not be included in salary for the purposes of this
3 Article.

4 Notwithstanding any other provision of this Section,
5 "salary" does not include any future increase in income that is
6 offered for service to a Tier 1 employee under this Article
7 pursuant to the condition set forth in subsection (c) of
8 Section 2-110.3 and accepted under that condition by a Tier 1
9 employee who has made the election under paragraph (2) of
10 subsection (a) of Section 2-110.3.

11 Notwithstanding any other provision of this Section,
12 "salary" does not include any consideration payment made to a
13 Tier 1 employee.

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

15 (40 ILCS 5/2-110.3 new)

16 Sec. 2-110.3. Election by Tier 1 employees.

17 (a) Each active Tier 1 employee shall make an irrevocable
18 election either:

19 (1) to agree to delay his or her eligibility for
20 automatic annual increases in retirement annuity as
21 provided in subsection (a-1) of Section 2-119.1 and to have
22 the amount of the automatic annual increases in his or her
23 retirement annuity and survivor's annuity that are
24 otherwise provided for in this Article calculated,
25 instead, as provided in subsection (a-1) of Section

1 2-119.1; or

2 (2) to not agree to paragraph (1) of this subsection.

3 The election required under this subsection (a) shall be
4 made by each active Tier 1 employee no earlier than January 1,
5 2018 and no later than March 31, 2018, except that a person who
6 returns to active service as a Tier 1 employee under this
7 Article on or after January 1, 2018 and has not yet made an
8 election under this Section must make the election under this
9 subsection (a) within 60 days after returning to active service
10 as a Tier 1 employee.

11 If a Tier 1 employee fails for any reason to make a
12 required election under this subsection within the time
13 specified, then the employee shall be deemed to have made the
14 election under paragraph (2) of this subsection.

15 (a-5) If this Section is enjoined or stayed by an Illinois
16 court or a court of competent jurisdiction pending the entry of
17 a final and unappealable decision, and this Section is
18 determined to be constitutional or otherwise valid by a final
19 unappealable decision of an Illinois court or a court of
20 competent jurisdiction, then the election procedure set forth
21 in subsection (a) of this Section shall commence on the 180th
22 calendar day after the date of the issuance of the final
23 unappealable decision and shall conclude at the end of the
24 270th calendar day after that date.

25 (a-10) All elections under subsection (a) that are made or
26 deemed to be made before July 1, 2018 shall take effect on July

1 1, 2018. Elections that are made or deemed to be made on or
2 after July 1, 2018 shall take effect on the first day of the
3 month following the month in which the election is made or
4 deemed to be made.

5 (b) As adequate and legal consideration provided under this
6 amendatory Act of the 100th General Assembly for making an
7 election under paragraph (1) of subsection (a) of this Section,
8 the State of Illinois shall be expressly and irrevocably
9 prohibited from offering any future increases in income to a
10 Tier 1 employee who has made an election under paragraph (1) of
11 subsection (a) of this Section on the condition of not
12 constituting salary under Section 2-108.

13 As adequate and legal consideration provided under this
14 amendatory Act of the 100th General Assembly for making an
15 election under paragraph (1) of subsection (a) of this Section,
16 each Tier 1 employee who has made an election under paragraph
17 (1) of subsection (a) of this Section shall receive a
18 consideration payment equal to 10% of the contributions made by
19 or on behalf of the employee under Section 2-126 before the
20 effective date of that election. The State Comptroller shall
21 pay the consideration payment to the Tier 1 employee out of
22 funds appropriated for that purpose under Section 1.9 of the
23 State Pension Funds Continuing Appropriation Act. The System
24 shall calculate the amount of each consideration payment and,
25 by July 1, 2018, shall certify to the State Comptroller the
26 amount of the consideration payment, together with the name,

1 address, and any other available payment information of the
2 Tier 1 employee as found in the records of the System. The
3 System shall make additional calculations and certifications
4 of consideration payments to the State Comptroller as the
5 System deems necessary.

6 (c) A Tier 1 employee who makes the election under
7 paragraph (2) of subsection (a) of this Section shall not be
8 subject to paragraph (1) of subsection (a) of this Section.
9 However, each future increase in income offered for service as
10 a member under this Article to a Tier 1 employee who has made
11 the election under paragraph (2) of subsection (a) of this
12 Section shall be offered expressly and irrevocably on the
13 condition of not constituting salary under Section 2-108 and
14 that the Tier 1 employee's acceptance of the offered future
15 increase in income shall constitute his or her agreement to
16 that condition.

17 (d) The System shall make a good faith effort to contact
18 each Tier 1 employee subject to this Section. The System shall
19 mail information describing the required election to each Tier
20 1 employee by United States Postal Service mail to his or her
21 last known address on file with the System. If the Tier 1
22 employee is not responsive to other means of contact, it is
23 sufficient for the System to publish the details of any
24 required elections on its website or to publish those details
25 in a regularly published newsletter or other existing public
26 forum.

1 Tier 1 employees who are subject to this Section shall be
2 provided with an election packet containing information
3 regarding their options, as well as the forms necessary to make
4 the required election. Upon request, the System shall offer
5 Tier 1 employees an opportunity to receive information from the
6 System before making the required election. The information may
7 be provided through video materials, group presentations,
8 individual consultation with a member or authorized
9 representative of the System in person or by telephone or other
10 electronic means, or any combination of those methods. The
11 System shall not provide advice or counseling with respect to
12 which election a Tier 1 employee should make or specific to the
13 legal or tax circumstances of or consequences to the Tier 1
14 employee.

15 The System shall inform Tier 1 employees in the election
16 packet required under this subsection that the Tier 1 employee
17 may also wish to obtain information and counsel relating to the
18 election required under this Section from any other available
19 source, including, but not limited to, labor organizations and
20 private counsel.

21 In no event shall the System, its staff, or the Board be
22 held liable for any information given to a member regarding the
23 elections under this Section. The System shall coordinate with
24 the Illinois Department of Central Management Services and each
25 other retirement system administering an election in
26 accordance with this amendatory Act of the 100th General

1 Assembly to provide information concerning the impact of the
2 election set forth in this Section.

3 (e) Notwithstanding any other provision of law, each future
4 increase in income offered by the State of Illinois for service
5 as a member must be offered expressly and irrevocably on the
6 condition of not constituting "salary" under Section 2-108 to
7 any Tier 1 employee who has made an election under paragraph
8 (2) of subsection (a) of this Section. The offer shall also
9 provide that the Tier 1 employee's acceptance of the offered
10 future increase in income shall constitute his or her agreement
11 to the condition set forth in this subsection.

12 For purposes of legislative intent, the condition set forth
13 in this subsection shall be construed in a manner that ensures
14 that the condition is not violated or circumvented through any
15 contrivance of any kind.

16 (f) A member's election under this Section is not a
17 prohibited election under subdivision (j)(1) of Section 1-119
18 of this Code.

19 (g) No provision of this Section shall be interpreted in a
20 way that would cause the System to cease to be a qualified plan
21 under Section 401(a) of the Internal Revenue Code of 1986. The
22 provisions of this Section shall be subject to and implemented
23 in a manner that complies with Section 11 of Article IV of the
24 Illinois Constitution.

25 (h) If an election created by this amendatory Act in any
26 other Article of this Code or any change deriving from that

1 election is determined to be unconstitutional or otherwise
2 invalid by a final unappealable decision of an Illinois court
3 or a court of competent jurisdiction, the invalidity of that
4 provision shall not in any way affect the validity of this
5 Section or the changes deriving from the election required
6 under this Section.

7 (40 ILCS 5/2-119.1) (from Ch. 108 1/2, par. 2-119.1)

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

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

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

25 (a-1) Notwithstanding any other provision of this Article,

1 for a Tier 1 employee who made the election under paragraph (1)
2 of subsection (a) of Section 2-110.3:

3 (1) The initial increase in retirement annuity under
4 this Section shall occur on the January 1 occurring either
5 on or after the attainment of age 67 or the fifth
6 anniversary of the annuity start date, whichever is
7 earlier.

8 (2) The amount of each automatic annual increase in
9 retirement annuity or survivor's annuity occurring on or
10 after the effective date of that election shall be
11 calculated as a percentage of the originally granted
12 retirement annuity or survivor's annuity, equal to 3% or
13 one-half the annual unadjusted percentage increase (but
14 not less than zero) in the consumer price index-u for the
15 12 months ending with the September preceding each November
16 1, whichever is less. If the annual unadjusted percentage
17 change in the consumer price index-u for the 12 months
18 ending with the September preceding each November 1 is zero
19 or there is a decrease, then the annuity shall not be
20 increased.

21 For the purposes of this Section, "consumer price index-u"
22 means the index published by the Bureau of Labor Statistics of
23 the United States Department of Labor that measures the average
24 change in prices of goods and services purchased by all urban
25 consumers, United States city average, all items, 1982-84 =
26 100. The new amount resulting from each annual adjustment shall

1 be determined by the Public Pension Division of the Department
2 of Insurance and made available to the board of the retirement
3 system by November 1 of each year.

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

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

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

1 each year thereafter, but in no event prior to age 67, have the
2 amount of the retirement annuity then being paid increased by
3 3% or the annual unadjusted percentage increase in the Consumer
4 Price Index for All Urban Consumers as determined by the Public
5 Pension Division of the Department of Insurance under
6 subsection (a) of Section 2-108.1, whichever is less.

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

17 (d) A participant who terminated service prior to July 1,
18 1967, with at least 14 years of service is entitled to an
19 increase in retirement annuity beginning January, 1976, and to
20 additional increases in January of each year thereafter.

21 The initial increase shall be 1 1/2% of the originally
22 granted retirement annuity multiplied by the number of full
23 years that the annuitant was in receipt of such annuity prior
24 to January 1, 1972, plus 2% of the originally granted
25 retirement annuity for each year after that date. The
26 subsequent annual increases shall be at the rate of 2% of the

1 originally granted retirement annuity for each year through
2 1979 and at the rate of 3% for 1980 and thereafter.

3 (e) Beginning January 1, 1990, and except as provided in
4 subsection (a-1), all automatic annual increases payable under
5 this Section shall be calculated as a percentage of the total
6 annuity payable at the time of the increase, including previous
7 increases granted under this Article.

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

9 (40 ILCS 5/2-124) (from Ch. 108 1/2, par. 2-124)

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

12 Sec. 2-124. Contributions by State.

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

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

24 (c) For State fiscal years 2012 through 2045 (except as
25 otherwise provided for fiscal year 2019), the minimum

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

10 For State fiscal year 2019:

11 (1) The initial calculation and certification shall be
12 based on the amount determined above.

13 (2) For purposes of the recertification due on or
14 before May 1, 2018, the recalculation of the required State
15 contribution for fiscal year 2019 shall take into account
16 the effect on the System's liabilities of the elections
17 made under Section 2-110.3.

18 (3) For purposes of the recertification due on or
19 before October 1, 2018, the total required State
20 contribution for fiscal year 2019 shall be reduced by the
21 amount of the consideration payments made to Tier 1
22 employees who made the election under paragraph (1) of
23 subsection (a) of Section 2-110.3.

24 If Section 2-110.3 is determined to be unconstitutional or
25 otherwise invalid by a final unappealable decision of an
26 Illinois court or a court of competent jurisdiction, then the

1 changes made to this Section by this amendatory Act of the
2 100th General Assembly shall not take effect and are repealed
3 by operation of law.

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

9 Notwithstanding any other provision of this Article, the
10 total required State contribution for State fiscal year 2006 is
11 \$4,157,000.

12 Notwithstanding any other provision of this Article, the
13 total required State contribution for State fiscal year 2007 is
14 \$5,220,300.

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

21 Notwithstanding any other provision of this Article, the
22 total required State contribution for State fiscal year 2010 is
23 \$10,454,000 and shall be made from the proceeds of bonds sold
24 in fiscal year 2010 pursuant to Section 7.2 of the General
25 Obligation Bond Act, less (i) the pro rata share of bond sale
26 expenses determined by the System's share of total bond

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

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

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

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

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

6 Notwithstanding any other provision of this Section, the
7 required State contribution for State fiscal year 2005 and for
8 fiscal year 2008 and each fiscal year thereafter, as calculated
9 under this Section and certified under Section 2-134, shall not
10 exceed an amount equal to (i) the amount of the required State
11 contribution that would have been calculated under this Section
12 for that fiscal year if the System had not received any
13 payments under subsection (d) of Section 7.2 of the General
14 Obligation Bond Act, minus (ii) the portion of the State's
15 total debt service payments for that fiscal year on the bonds
16 issued in fiscal year 2003 for the purposes of that Section
17 7.2, as determined and certified by the Comptroller, that is
18 the same as the System's portion of the total moneys
19 distributed under subsection (d) of Section 7.2 of the General
20 Obligation Bond Act. In determining this maximum for State
21 fiscal years 2008 through 2010, however, the amount referred to
22 in item (i) shall be increased, as a percentage of the
23 applicable employee payroll, in equal increments calculated
24 from the sum of the required State contribution for State
25 fiscal year 2007 plus the applicable portion of the State's
26 total debt service payments for fiscal year 2007 on the bonds

1 issued in fiscal year 2003 for the purposes of Section 7.2 of
2 the General Obligation Bond Act, so that, by State fiscal year
3 2011, the State is contributing at the rate otherwise required
4 under this Section.

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

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

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

20 (Source: P.A. 96-43, eff. 7-15-09; 96-1497, eff. 1-14-11;
21 96-1511, eff. 1-27-11; 96-1554, eff. 3-18-11; 97-813, eff.
22 7-13-12.)

23 (40 ILCS 5/2-126) (from Ch. 108 1/2, par. 2-126)

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

1 Sec. 2-126. Contributions by participants.

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

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

13 A participant who has no eligible survivor's annuity
14 beneficiary may elect to cease making contributions for
15 survivor's annuity under this subsection. A survivor's annuity
16 shall not be payable upon the death of a person who has made
17 this election, unless prior to that death the election has been
18 revoked and the amount of the contributions that would have
19 been paid under this subsection in the absence of the election
20 is paid to the System, together with interest at the rate of 4%
21 per year from the date the contributions would have been made
22 to the date of payment.

23 (c) Beginning July 1, 1967, each participant shall
24 contribute 1% of salary towards the cost of automatic increase
25 in annuity provided in Section 2-119.1. These contributions
26 shall be made concurrently with contributions for retirement

1 annuity purposes.

2 (d) In addition, each participant serving as an officer of
3 the General Assembly shall contribute, for the same purposes
4 and at the same rates as are required of a regular participant,
5 on each additional payment received as an officer. If the
6 participant serves as an officer for at least 2 but less than 4
7 years, he or she shall contribute an amount equal to the amount
8 that would have been contributed had the participant served as
9 an officer for 4 years. Persons who serve as officers in the
10 87th General Assembly but cannot receive the additional payment
11 to officers because of the ban on increases in salary during
12 their terms may nonetheless make contributions based on those
13 additional payments for the purpose of having the additional
14 payments included in their highest salary for annuity purposes;
15 however, persons electing to make these additional
16 contributions must also pay an amount representing the
17 corresponding employer contributions, as calculated by the
18 System.

19 (e) Notwithstanding any other provision of this Article,
20 the required contribution of a participant who first becomes a
21 participant on or after January 1, 2011 shall not exceed the
22 contribution that would be due under this Article if that
23 participant's highest salary for annuity purposes were
24 \$106,800, plus any increases in that amount under Section
25 2-108.1.

26 (f) Beginning July 1, 2018 or the effective date of the

1 Tier 1 employee's election under paragraph (1) of subsection
2 (a) of Section 2-110.3, whichever is later, in lieu of the
3 contributions otherwise required under this Section, each Tier
4 1 employee who made the election under paragraph (1) of
5 subsection (a) of Section 2-110.3 shall contribute 8.5% of each
6 payment of salary toward the cost of his or her retirement
7 annuity and 1.85% of each payment of salary toward the cost of
8 the survivor's annuity.

9 (g) Notwithstanding subsection (f) of this Section,
10 beginning July 1, 2018 or the effective date of the Tier 1
11 employee's election under paragraph (1) of subsection (a) of
12 Section 2-110.3, whichever is later, in lieu of the
13 contributions otherwise required under this Section, each Tier
14 1 employee who made the election under paragraph (1) of
15 subsection (a) of Section 2-110.3 and has elected to cease
16 making contributions for survivor's annuity under subsection
17 (b) of this Section, shall contribute 8.55% of each payment of
18 salary toward the cost of his or her retirement annuity.

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

20 (40 ILCS 5/2-134) (from Ch. 108 1/2, par. 2-134)

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

23 Sec. 2-134. To certify required State contributions and
24 submit vouchers.

25 (a) The Board shall certify to the Governor on or before

1 December 15 of each year until December 15, 2011 the amount of
2 the required State contribution to the System for the next
3 fiscal year and shall specifically identify the System's
4 projected State normal cost for that fiscal year. The
5 certification shall include a copy of the actuarial
6 recommendations upon which it is based and shall specifically
7 identify the System's projected State normal cost for that
8 fiscal year.

9 On or before November 1 of each year, beginning November 1,
10 2012, the Board shall submit to the State Actuary, the
11 Governor, and the General Assembly a proposed certification of
12 the amount of the required State contribution to the System for
13 the next fiscal year, along with all of the actuarial
14 assumptions, calculations, and data upon which that proposed
15 certification is based. On or before January 1 of each year
16 beginning January 1, 2013, the State Actuary shall issue a
17 preliminary report concerning the proposed certification and
18 identifying, if necessary, recommended changes in actuarial
19 assumptions that the Board must consider before finalizing its
20 certification of the required State contributions. On or before
21 January 15, 2013 and every January 15 thereafter, the Board
22 shall certify to the Governor and the General Assembly the
23 amount of the required State contribution for the next fiscal
24 year. The Board's certification must note any deviations from
25 the State Actuary's recommended changes, the reason or reasons
26 for not following the State Actuary's recommended changes, and

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

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

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

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

20 On or before May 1, 2018, the Board shall recalculate and
21 recertify to the Governor and the General Assembly the amount
22 of the required State contribution to the System for State
23 fiscal year 2019, taking into account the effect on the
24 System's liabilities of the elections made under Section
25 2-110.3.

26 On or before October 1, 2018, the Board shall recalculate

1 and recertify to the Governor and the General Assembly the
2 amount of the required State contribution to the System for
3 State fiscal year 2019, taking into account the reduction
4 specified under item (3) of subsection (c) of Section 2-124.

5 (b) Beginning in State fiscal year 1996, on or as soon as
6 possible after the 15th day of each month the Board shall
7 submit vouchers for payment of State contributions to the
8 System, in a total monthly amount of one-twelfth of the
9 required annual State contribution certified under subsection
10 (a). From the effective date of this amendatory Act of the 93rd
11 General Assembly through June 30, 2004, the Board shall not
12 submit vouchers for the remainder of fiscal year 2004 in excess
13 of the fiscal year 2004 certified contribution amount
14 determined under this Section after taking into consideration
15 the transfer to the System under subsection (d) of Section
16 6z-61 of the State Finance Act. These vouchers shall be paid by
17 the State Comptroller and Treasurer by warrants drawn on the
18 funds appropriated to the System for that fiscal year. If in
19 any month the amount remaining unexpended from all other
20 appropriations to the System for the applicable fiscal year
21 (including the appropriations to the System under Section 8.12
22 of the State Finance Act and Section 1 of the State Pension
23 Funds Continuing Appropriation Act) is less than the amount
24 lawfully vouchered under this Section, the difference shall be
25 paid from the General Revenue Fund under the continuing
26 appropriation authority provided in Section 1.1 of the State

1 Pension Funds Continuing Appropriation Act.

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

9 (Source: P.A. 96-1497, eff. 1-14-11; 96-1511, eff. 1-27-11;
10 97-694, eff. 6-18-12.)

11 (40 ILCS 5/2-162)

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

14 Sec. 2-162. 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 the effective date of this
21 amendatory Act of the 94th General Assembly. "New benefit
22 increase", however, does not include any benefit increase
23 resulting from the changes made to this Article by this
24 amendatory Act of the 100th General Assembly.

25 (b) Notwithstanding any other provision of this Code or any

1 subsequent amendment to this Code, every new benefit increase
2 is subject to this Section and shall be deemed to be granted
3 only in conformance with and contingent upon compliance with
4 the provisions of this Section.

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

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

25 (d) Every new benefit increase shall expire 5 years after
26 its effective date or on such earlier date as may be specified

1 in the language enacting the new benefit increase or provided
2 under subsection (c). This does not prevent the General
3 Assembly from extending or re-creating a new benefit increase
4 by law.

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

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

16 (40 ILCS 5/14-103.10) (from Ch. 108 1/2, par. 14-103.10)

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

19 Sec. 14-103.10. Compensation.

20 (a) For periods of service prior to January 1, 1978, the
21 full rate of salary or wages payable to an employee for
22 personal services performed if he worked the full normal
23 working period for his position, subject to the following
24 maximum amounts: (1) prior to July 1, 1951, \$400 per month or
25 \$4,800 per year; (2) between July 1, 1951 and June 30, 1957

1 inclusive, \$625 per month or \$7,500 per year; (3) beginning
2 July 1, 1957, no limitation.

3 In the case of service of an employee in a position
4 involving part-time employment, compensation shall be
5 determined according to the employees' earnings record.

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

- 13 (1) for vacation,
14 (2) for accumulated unused sick leave,
15 (3) upon discharge or dismissal,
16 (4) for approved holidays.

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

22 (d) For periods of service after September 30, 1985,
23 compensation also includes any remuneration for personal
24 services not included as "wages" under the Social Security
25 Enabling Act, which is deducted for purposes of participation
26 in a program established pursuant to Section 125 of the

1 Internal Revenue Code or its successor laws.

2 (e) For members for which Section 1-160 applies for periods
3 of service on and after January 1, 2011, all remuneration for
4 personal services performed defined as "wages" under the Social
5 Security Enabling Act, excluding remuneration that is in excess
6 of the annual earnings, salary, or wages of a member or
7 participant, as provided in subsection (b-5) of Section 1-160,
8 but including any benefits received by an employee under a sick
9 pay plan in effect before January 1, 1981. Compensation shall
10 exclude lump sum salary payments:

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

15 (f) Notwithstanding the other provisions of this Section,
16 for service on or after July 1, 2013, "compensation" does not
17 include any stipend payable to an employee for service on a
18 board or commission.

19 (g) Notwithstanding any other provision of this Section,
20 "compensation" does not include any future increase in income
21 that is offered for service by a department to a Tier 1
22 employee under this Article pursuant to the condition set forth
23 in subsection (c) of Section 14-106.5 and accepted under that
24 condition by a Tier 1 employee who has made the election under
25 paragraph (2) of subsection (a) of Section 14-106.5.

26 (h) Notwithstanding any other provision of this Section,

1 "compensation" does not include any consideration payment made
2 to a Tier 1 employee.

3 (Source: P.A. 98-449, eff. 8-16-13.)

4 (40 ILCS 5/14-103.41 new)

5 Sec. 14-103.41. Tier 1 employee. "Tier 1 employee": An
6 employee under this Article who first became a member or
7 participant before January 1, 2011 under any reciprocal
8 retirement system or pension fund established under this Code
9 other than a retirement system or pension fund established
10 under Article 2, 3, 4, 5, 6, or 18 of this Code.

11 (40 ILCS 5/14-103.42 new)

12 Sec. 14-103.42. Future increase in income. "Future
13 increase in income" means an increase to a Tier 1 employee's
14 base pay that is offered by a department to the Tier 1 employee
15 for service under this Article after June 30, 2019 that
16 qualifies as "compensation", as defined in Section 14-103.10,
17 or would qualify as "compensation" but for the fact that it was
18 offered to and accepted by the Tier 1 employee under the
19 condition set forth in subsection (c) of Section 14-106.5. The
20 term "future increase in income" includes an increase to a Tier
21 1 employee's base pay that is paid to the Tier 1 employee
22 pursuant to an extension, amendment, or renewal of any
23 employment contract or collective bargaining agreement after
24 the effective date of this Section.

1 (40 ILCS 5/14-103.43 new)

2 Sec. 14-103.43. Base pay. As used in Section 14-103.42 of
3 this Code, "base pay" means the greater of either (i) the Tier
4 1 employee's annualized rate of compensation as of June 30,
5 2019, or (ii) the Tier 1 employee's annualized rate of
6 compensation immediately preceding the expiration, renewal, or
7 amendment of an employment contract or collective bargaining
8 agreement in effect on the effective date of this Section. For
9 a person returning to active service as a Tier 1 employee after
10 June 30, 2019, however, "base pay" means the employee's
11 annualized rate of compensation as of the employee's last date
12 of service prior to July 1, 2019. The System shall calculate
13 the base pay of each Tier 1 employee pursuant to this Section.

14 (40 ILCS 5/14-106.5 new)

15 Sec. 14-106.5. Election by Tier 1 employees.

16 (a) Each active Tier 1 employee shall make an irrevocable
17 election either:

18 (1) to agree to delay his or her eligibility for
19 automatic annual increases in retirement annuity as
20 provided in subsection (a-1) of Section 14-114 and to have
21 the amount of the automatic annual increases in his or her
22 retirement annuity and survivors or widow's annuity that
23 are otherwise provided for in this Article calculated,
24 instead, as provided in subsection (a-1) of Section 14-114;

1 or

2 (2) to not agree to paragraph (1) of this subsection.

3 The election required under this subsection (a) shall be
4 made by each active Tier 1 employee no earlier than January 1,
5 2019 and no later than March 31, 2019, except that:

6 (i) a person who becomes a Tier 1 employee under this
7 Article on or after January 1, 2019 must make the election
8 under this subsection (a) within 60 days after becoming a
9 Tier 1 employee; and

10 (ii) a person who returns to active service as a Tier 1
11 employee under this Article on or after January 1, 2019 and
12 has not yet made an election under this Section must make
13 the election under this subsection (a) within 60 days after
14 returning to active service as a Tier 1 employee.

15 If a Tier 1 employee fails for any reason to make a
16 required election under this subsection within the time
17 specified, then the employee shall be deemed to have made the
18 election under paragraph (2) of this subsection.

19 (a-5) If this Section is enjoined or stayed by an Illinois
20 court or a court of competent jurisdiction pending the entry of
21 a final and unappealable decision, and this Section is
22 determined to be constitutional or otherwise valid by a final
23 unappealable decision of an Illinois court or a court of
24 competent jurisdiction, then the election procedure set forth
25 in subsection (a) of this Section shall commence on the 180th
26 calendar day after the date of the issuance of the final

1 unappealable decision and shall conclude at the end of the
2 270th calendar day after that date.

3 (a-10) All elections under subsection (a) that are made or
4 deemed to be made before July 1, 2019 shall take effect on July
5 1, 2019. Elections that are made or deemed to be made on or
6 after July 1, 2019 shall take effect on the first day of the
7 month following the month in which the election is made or
8 deemed to be made.

9 (b) As adequate and legal consideration provided under this
10 amendatory Act of the 100th General Assembly for making an
11 election under paragraph (1) of subsection (a) of this Section,
12 the department shall be expressly and irrevocably prohibited
13 from offering any future increases in income to a Tier 1
14 employee who has made an election under paragraph (1) of
15 subsection (a) of this Section on the condition of not
16 constituting compensation under Section 14-103.10.

17 As adequate and legal consideration provided under this
18 amendatory Act of the 100th General Assembly for making an
19 election under paragraph (1) of subsection (a) of this Section,
20 each Tier 1 employee who has made an election under paragraph
21 (1) of subsection (a) of this Section shall receive a
22 consideration payment equal to 10% of the contributions made by
23 or on behalf of the employee before the effective date of that
24 election. The State Comptroller shall pay the consideration
25 payment to the Tier 1 employee out of funds appropriated for
26 that purpose under Section 1.9 of the State Pension Funds

1 Continuing Appropriation Act. The System shall calculate the
2 amount of each consideration payment and, by July 1, 2019,
3 shall certify to the State Comptroller the amount of the
4 consideration payment, together with the name, address, and any
5 other available payment information of the Tier 1 employee as
6 found in the records of the System. The System shall make
7 additional calculations and certifications of consideration
8 payments to the State Comptroller as it deems necessary.

9 (c) A Tier 1 employee who makes the election under
10 paragraph (2) of subsection (a) of this Section shall not be
11 subject to paragraph (1) of subsection (a) of this Section.
12 However, each future increase in income offered by a department
13 under this Article to a Tier 1 employee who has made the
14 election under paragraph (2) of subsection (a) of this Section
15 shall be offered by the department expressly and irrevocably on
16 the condition of not constituting compensation under Section
17 14-103.10 and that the Tier 1 employee's acceptance of the
18 offered future increase in income shall constitute his or her
19 agreement to that condition.

20 (d) The System shall make a good faith effort to contact
21 each Tier 1 employee subject to this Section. The System shall
22 mail information describing the required election to each Tier
23 1 employee by United States Postal Service mail to his or her
24 last known address on file with the System. If the Tier 1
25 employee is not responsive to other means of contact, it is
26 sufficient for the System to publish the details of any

1 required elections on its website or to publish those details
2 in a regularly published newsletter or other existing public
3 forum.

4 Tier 1 employees who are subject to this Section shall be
5 provided with an election packet containing information
6 regarding their options, as well as the forms necessary to make
7 the required election. Upon request, the System shall offer
8 Tier 1 employees an opportunity to receive information from the
9 System before making the required election. The information may
10 consist of video materials, group presentations, individual
11 consultation with a member or authorized representative of the
12 System in person or by telephone or other electronic means, or
13 any combination of those methods. The System shall not provide
14 advice or counseling with respect to which election a Tier 1
15 employee should make or specific to the legal or tax
16 circumstances of or consequences to the Tier 1 employee.

17 The System shall inform Tier 1 employees in the election
18 packet required under this subsection that the Tier 1 employee
19 may also wish to obtain information and counsel relating to the
20 election required under this Section from any other available
21 source, including, but not limited to, labor organizations and
22 private counsel.

23 In no event shall the System, its staff, or the Board be
24 held liable for any information given to a member regarding the
25 elections under this Section. The System shall coordinate with
26 the Illinois Department of Central Management Services and each

1 other retirement system administering an election in
2 accordance with this amendatory Act of the 100th General
3 Assembly to provide information concerning the impact of the
4 election set forth in this Section.

5 (e) Notwithstanding any other provision of law, a
6 department under this Article is required to offer each future
7 increase in income expressly and irrevocably on the condition
8 of not constituting "compensation" under Section 14-103.10 to
9 any Tier 1 employee who has made an election under paragraph
10 (2) of subsection (a) of this Section. The offer shall also
11 provide that the Tier 1 employee's acceptance of the offered
12 future increase in income shall constitute his or her agreement
13 to the condition set forth in this subsection.

14 For purposes of legislative intent, the condition set forth
15 in this subsection shall be construed in a manner that ensures
16 that the condition is not violated or circumvented through any
17 contrivance of any kind.

18 (f) A member's election under this Section is not a
19 prohibited election under subdivision (j)(1) of Section 1-119
20 of this Code.

21 (g) No provision of this Section shall be interpreted in a
22 way that would cause the System to cease to be a qualified plan
23 under Section 401(a) of the Internal Revenue Code of 1986. The
24 provisions of this Section shall be subject to and implemented
25 in a manner that complies with Section 21 of Article V of the
26 Illinois Constitution.

1 (h) If an election created by this amendatory Act in any
2 other Article of this Code or any change deriving from that
3 election is determined to be unconstitutional or otherwise
4 invalid by a final unappealable decision of an Illinois court
5 or a court of competent jurisdiction, the invalidity of that
6 provision shall not in any way affect the validity of this
7 Section or the changes deriving from the election required
8 under this Section.

9 (40 ILCS 5/14-114) (from Ch. 108 1/2, par. 14-114)

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

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

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

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

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

22 Beginning January 1, 1990, and except as provided in
23 subsection (a-1), all automatic annual increases payable under
24 this Section shall be calculated as a percentage of the total
25 annuity payable at the time of the increase, including previous
26 increases granted under this Article.

1 (a-1) Notwithstanding any other provision of this Article,
2 for a Tier 1 employee who made the election under paragraph (1)
3 of subsection (a) of Section 14-106.5:

4 (1) The initial increase in retirement annuity under
5 this Section shall occur on the January 1 occurring either
6 on or after the attainment of age 67 or the fifth
7 anniversary of the annuity start date, whichever is
8 earlier.

9 (2) The amount of each automatic annual increase in
10 retirement annuity or survivors or widow's annuity
11 occurring on or after the effective date of that election
12 shall be calculated as a percentage of the originally
13 granted retirement annuity or survivors or widow's
14 annuity, equal to 3% or one-half the annual unadjusted
15 percentage increase (but not less than zero) in the
16 consumer price index-u for the 12 months ending with the
17 September preceding each November 1, whichever is less. If
18 the annual unadjusted percentage change in the consumer
19 price index-u for the 12 months ending with the September
20 preceding each November 1 is zero or there is a decrease,
21 then the annuity shall not be increased.

22 For the purposes of this Section, "consumer price index-u"
23 means the index published by the Bureau of Labor Statistics of
24 the United States Department of Labor that measures the average
25 change in prices of goods and services purchased by all urban
26 consumers, United States city average, all items, 1982-84 =

1 100. The new amount resulting from each annual adjustment shall
2 be determined by the Public Pension Division of the Department
3 of Insurance and made available to the board of the retirement
4 system by November 1 of each year.

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

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

20 (d) In addition to other increases which may be provided by
21 this Section, on January 1, 1981 any annuitant who was
22 receiving a retirement annuity on or before January 1, 1971
23 shall have his retirement annuity then being paid increased \$1
24 per month for each year of creditable service. On January 1,
25 1982, any annuitant who began receiving a retirement annuity on
26 or before January 1, 1977, shall have his retirement annuity

1 then being paid increased \$1 per month for each year of
2 creditable service.

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

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

18 (Source: P.A. 91-927, eff. 12-14-00; 92-14, eff. 6-28-01;
19 92-651, eff. 7-11-02.)

20 (40 ILCS 5/14-131)

21 Sec. 14-131. Contributions by State.

22 (a) The State shall make contributions to the System by
23 appropriations of amounts which, together with other employer
24 contributions from trust, federal, and other funds, employee
25 contributions, investment income, and other income, will be

1 sufficient to meet the cost of maintaining and administering
2 the System on a 90% funded basis in accordance with actuarial
3 recommendations.

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

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

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

24 For the purposes of this Section and Section 14.1 of the
25 State Finance Act, the term "eligible employees" includes
26 employees who participate in the System, persons who may elect

1 to participate in the System but have not so elected, persons
2 who are serving a qualifying period that is required for
3 participation, and annuitants employed by a department as
4 described in subdivision (a) (1) or (a) (2) of Section 14-111.

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

19 (c-1) Notwithstanding subsection (c) of this Section, for
20 fiscal years 2010, 2012, 2013, 2014, 2015, 2016, and 2017 only,
21 contributions by the several departments are not required to be
22 made for General Revenue Funds payrolls processed by the
23 Comptroller. Payrolls paid by the several departments from all
24 other State funds must continue to be processed pursuant to
25 subsection (c) of this Section.

26 (c-2) For State fiscal years 2010, 2012, 2013, 2014, 2015,

1 2016, and 2017 only, on or as soon as possible after the 15th
2 day of each month, the Board shall submit vouchers for payment
3 of State contributions to the System, in a total monthly amount
4 of one-twelfth of the fiscal year General Revenue Fund
5 contribution as certified by the System pursuant to Section
6 14-135.08 of the Illinois Pension Code.

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

21 (e) For State fiscal years 2012 through 2045 (except as
22 otherwise provided for fiscal year 2020), the minimum
23 contribution to the System to be made by the State for each
24 fiscal year shall be an amount determined by the System to be
25 sufficient to bring the total assets of the System up to 90% of
26 the total actuarial liabilities of the System by the end of

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

6 For State fiscal year 2020:

7 (1) The initial calculation and certification shall be
8 based on the amount determined above.

9 (2) For purposes of the recertification due on or
10 before May 1, 2019, the recalculation of the required State
11 contribution for fiscal year 2020 shall take into account
12 the effect on the System's liabilities of the elections
13 made under Section 14-106.5.

14 (3) For purposes of the recertification due on or
15 before October 1, 2019, the total required State
16 contribution for fiscal year 2020 shall be reduced by the
17 amount of the consideration payments made to Tier 1
18 employees who made the election under paragraph (1) of
19 subsection (a) of Section 14-106.5.

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

1 employee payroll shall be 5.052% for employees earning eligible
2 creditable service under Section 14-110 and 6.500% for all
3 other employees, notwithstanding any contrary certification
4 made under Section 14-135.08 before the effective date of this
5 amendatory Act of 1997, and (ii) in the following specified
6 State fiscal years, the State contribution to the System shall
7 not be less than the following indicated percentages of the
8 applicable employee payroll, even if the indicated percentage
9 will produce a State contribution in excess of the amount
10 otherwise required under this subsection and subsection (a):
11 9.8% in FY 1999; 10.0% in FY 2000; 10.2% in FY 2001; 10.4% in FY
12 2002; 10.6% in FY 2003; and 10.8% in FY 2004.

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

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

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

25 Notwithstanding any other provision of this Article, the
26 total required State General Revenue Fund contribution for

1 State fiscal year 2010 is \$723,703,100 and shall be made from
2 the proceeds of bonds sold in fiscal year 2010 pursuant to
3 Section 7.2 of the General Obligation Bond Act, less (i) the
4 pro rata share of bond sale expenses determined by the System's
5 share of total bond proceeds, (ii) any amounts received from
6 the General Revenue Fund in fiscal year 2010, and (iii) any
7 reduction in bond proceeds due to the issuance of discounted
8 bonds, if applicable.

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

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

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

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

10 Notwithstanding any other provision of this Section, the
11 required State contribution for State fiscal year 2005 and for
12 fiscal year 2008 and each fiscal year thereafter, as calculated
13 under this Section and certified under Section 14-135.08, shall
14 not exceed an amount equal to (i) the amount of the required
15 State contribution that would have been calculated under this
16 Section for that fiscal year if the System had not received any
17 payments under subsection (d) of Section 7.2 of the General
18 Obligation Bond Act, minus (ii) the portion of the State's
19 total debt service payments for that fiscal year on the bonds
20 issued in fiscal year 2003 for the purposes of that Section
21 7.2, as determined and certified by the Comptroller, that is
22 the same as the System's portion of the total moneys
23 distributed under subsection (d) of Section 7.2 of the General
24 Obligation Bond Act. In determining this maximum for State
25 fiscal years 2008 through 2010, however, the amount referred to
26 in item (i) shall be increased, as a percentage of the

1 applicable employee payroll, in equal increments calculated
2 from the sum of the required State contribution for State
3 fiscal year 2007 plus the applicable portion of the State's
4 total debt service payments for fiscal year 2007 on the bonds
5 issued in fiscal year 2003 for the purposes of Section 7.2 of
6 the General Obligation Bond Act, so that, by State fiscal year
7 2011, the State is contributing at the rate otherwise required
8 under this Section.

9 (f) After the submission of all payments for eligible
10 employees from personal services line items in fiscal year 2004
11 have been made, the Comptroller shall provide to the System a
12 certification of the sum of all fiscal year 2004 expenditures
13 for personal services that would have been covered by payments
14 to the System under this Section if the provisions of this
15 amendatory Act of the 93rd General Assembly had not been
16 enacted. Upon receipt of the certification, the System shall
17 determine the amount due to the System based on the full rate
18 certified by the Board under Section 14-135.08 for fiscal year
19 2004 in order to meet the State's obligation under this
20 Section. The System shall compare this amount due to the amount
21 received by the System in fiscal year 2004 through payments
22 under this Section and under Section 6z-61 of the State Finance
23 Act. If the amount due is more than the amount received, the
24 difference shall be termed the "Fiscal Year 2004 Shortfall" for
25 purposes of this Section, and the Fiscal Year 2004 Shortfall
26 shall be satisfied under Section 1.2 of the State Pension Funds

1 Continuing Appropriation Act. If the amount due is less than
2 the amount received, the difference shall be termed the "Fiscal
3 Year 2004 Overpayment" for purposes of this Section, and the
4 Fiscal Year 2004 Overpayment shall be repaid by the System to
5 the Pension Contribution Fund as soon as practicable after the
6 certification.

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

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

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

22 (i) After the submission of all payments for eligible
23 employees from personal services line items paid from the
24 General Revenue Fund in fiscal year 2010 have been made, the
25 Comptroller shall provide to the System a certification of the
26 sum of all fiscal year 2010 expenditures for personal services

1 that would have been covered by payments to the System under
2 this Section if the provisions of this amendatory Act of the
3 96th General Assembly had not been enacted. Upon receipt of the
4 certification, the System shall determine the amount due to the
5 System based on the full rate certified by the Board under
6 Section 14-135.08 for fiscal year 2010 in order to meet the
7 State's obligation under this Section. The System shall compare
8 this amount due to the amount received by the System in fiscal
9 year 2010 through payments under this Section. If the amount
10 due is more than the amount received, the difference shall be
11 termed the "Fiscal Year 2010 Shortfall" for purposes of this
12 Section, and the Fiscal Year 2010 Shortfall shall be satisfied
13 under Section 1.2 of the State Pension Funds Continuing
14 Appropriation Act. If the amount due is less than the amount
15 received, the difference shall be termed the "Fiscal Year 2010
16 Overpayment" for purposes of this Section, and the Fiscal Year
17 2010 Overpayment shall be repaid by the System to the General
18 Revenue Fund as soon as practicable after the certification.

19 (j) After the submission of all payments for eligible
20 employees from personal services line items paid from the
21 General Revenue Fund in fiscal year 2011 have been made, the
22 Comptroller shall provide to the System a certification of the
23 sum of all fiscal year 2011 expenditures for personal services
24 that would have been covered by payments to the System under
25 this Section if the provisions of this amendatory Act of the
26 96th General Assembly had not been enacted. Upon receipt of the

1 certification, the System shall determine the amount due to the
2 System based on the full rate certified by the Board under
3 Section 14-135.08 for fiscal year 2011 in order to meet the
4 State's obligation under this Section. The System shall compare
5 this amount due to the amount received by the System in fiscal
6 year 2011 through payments under this Section. If the amount
7 due is more than the amount received, the difference shall be
8 termed the "Fiscal Year 2011 Shortfall" for purposes of this
9 Section, and the Fiscal Year 2011 Shortfall shall be satisfied
10 under Section 1.2 of the State Pension Funds Continuing
11 Appropriation Act. If the amount due is less than the amount
12 received, the difference shall be termed the "Fiscal Year 2011
13 Overpayment" for purposes of this Section, and the Fiscal Year
14 2011 Overpayment shall be repaid by the System to the General
15 Revenue Fund as soon as practicable after the certification.

16 (k) For fiscal years 2012 through 2017 only, after the
17 submission of all payments for eligible employees from personal
18 services line items paid from the General Revenue Fund in the
19 fiscal year have been made, the Comptroller shall provide to
20 the System a certification of the sum of all expenditures in
21 the fiscal year for personal services. Upon receipt of the
22 certification, the System shall determine the amount due to the
23 System based on the full rate certified by the Board under
24 Section 14-135.08 for the fiscal year in order to meet the
25 State's obligation under this Section. The System shall compare
26 this amount due to the amount received by the System for the

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

11 (Source: P.A. 98-24, eff. 6-19-13; 98-674, eff. 6-30-14; 99-8,
12 eff. 7-9-15; 99-523, eff. 6-30-16.)

13 (40 ILCS 5/14-133) (from Ch. 108 1/2, par. 14-133)

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

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

17 (a) Except as provided in subsection (a-5), each ~~Each~~
18 participating employee shall make contributions to the System,
19 based on the employee's compensation, as follows:

20 (1) Covered employees, except as indicated below, 3.5%
21 for retirement annuity, and 0.5% for a widow or survivors
22 annuity;

23 (2) Noncovered employees, except as indicated below,
24 7% for retirement annuity and 1% for a widow or survivors
25 annuity;

1 (3) Noncovered employees serving in a position in which
2 "eligible creditable service" as defined in Section 14-110
3 may be earned, 1% for a widow or survivors annuity plus the
4 following amount for retirement annuity: 8.5% through
5 December 31, 2001; 9.5% in 2002; 10.5% in 2003; and 11.5%
6 in 2004 and thereafter;

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

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

19 (6) Each security employee of the Department of
20 Corrections or of the Department of Human Services who is
21 not a covered employee, 1% for a widow or survivors annuity
22 plus the following amount for retirement annuity: 8.5%
23 through December 31, 2001; 9.5% in 2002; 10.5% in 2003; and
24 11.5% in 2004 and thereafter.

25 (a-5) Beginning July 1, 2019 or the effective date of the
26 Tier 1 employee's election under paragraph (1) of subsection

1 (a) of Section 14-106.5, whichever is later, in lieu of the
2 contributions otherwise required under subsection (a), each
3 Tier 1 employee who made the election under paragraph (1) of
4 subsection (a) of Section 14-106.5 who is a participating
5 employee shall make contributions to the System, based on his
6 or her compensation, as follows:

7 (1) Covered employees, except as indicated below,
8 3.15% for retirement annuity, and 0.45% for a widow or
9 survivors annuity;

10 (2) Noncovered employees, except as indicated below,
11 6.3% for retirement annuity and 0.9% for a widow or
12 survivors annuity;

13 (3) Noncovered employees serving in a position in which
14 "eligible creditable service" as defined in Section 14-110
15 may be earned, 10.35% for retirement annuity and 0.9% for a
16 widow or survivors annuity;

17 (4) Covered employees serving in a position in which
18 "eligible creditable service" as defined in Section 14-110
19 may be earned, 7.2% for retirement annuity and 0.45% for a
20 widow or survivors annuity;

21 (5) Each security employee of the Department of
22 Corrections or of the Department of Human Services who is a
23 covered employee, 10.8% for retirement annuity and 0.45%
24 for a widow or survivors annuity;

25 (6) Each security employee of the Department of
26 Corrections or of the Department of Human Services who is

1 not a covered employee, 10.35% for retirement annuity and
2 0.9% for a widow or survivors annuity.

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

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

11 (40 ILCS 5/14-135.08) (from Ch. 108 1/2, par. 14-135.08)

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

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

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

24 (a-5) On or before November 1 of each year, beginning
25 November 1, 2012, the Board shall submit to the State Actuary,

1 the Governor, and the General Assembly a proposed certification
2 of the amount of the required State contribution to the System
3 for the next fiscal year, along with all of the actuarial
4 assumptions, calculations, and data upon which that proposed
5 certification is based. On or before January 1 of each year
6 beginning January 1, 2013, the State Actuary shall issue a
7 preliminary report concerning the proposed certification and
8 identifying, if necessary, recommended changes in actuarial
9 assumptions that the Board must consider before finalizing its
10 certification of the required State contributions. On or before
11 January 15, 2013 and each January 15 thereafter, the Board
12 shall certify to the Governor and the General Assembly the
13 amount of the required State contribution for the next fiscal
14 year. The Board's certification must note any deviations from
15 the State Actuary's recommended changes, the reason or reasons
16 for not following the State Actuary's recommended changes, and
17 the fiscal impact of not following the State Actuary's
18 recommended changes on the required State contribution.

19 (b) The certifications under subsections (a) and (a-5)
20 shall include an additional amount necessary to pay all
21 principal of and interest on those general obligation bonds due
22 the next fiscal year authorized by Section 7.2(a) of the
23 General Obligation Bond Act and issued to provide the proceeds
24 deposited by the State with the System in July 2003,
25 representing deposits other than amounts reserved under
26 Section 7.2(c) of the General Obligation Bond Act. For State

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

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

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

25 On or before April 1, 2011, the Board shall recalculate and
26 recertify to the Governor and to each department the amount of

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

5 On or before May 1, 2019, the Board shall recalculate and
6 recertify to the Governor and the General Assembly the amount
7 of the required State contribution to the System for State
8 fiscal year 2020, taking into account the effect on the
9 System's liabilities of the elections made under Section
10 14-106.5.

11 On or before October 1, 2019, the Board shall recalculate
12 and recertify to the Governor and the General Assembly the
13 amount of the required State contribution to the System for
14 State fiscal year 2020, taking into account the reduction
15 specified under item (3) of subsection (e) of Section 14-131.

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

18 (40 ILCS 5/14-152.1)

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

21 Sec. 14-152.1. Application and expiration of new benefit
22 increases.

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

1 any benefit under this Article, that results from an amendment
2 to this Code that takes effect after June 1, 2005 (the
3 effective date of Public Act 94-4). "New benefit increase",
4 however, does not include any benefit increase resulting from
5 the changes made to this Article by Public Act 96-37 or by this
6 amendatory Act of the 100th General Assembly ~~this amendatory~~
7 ~~Act of the 96th General Assembly~~.

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

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

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

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

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

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

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

24 (40 ILCS 5/15-108.1)

25 Sec. 15-108.1. Tier 1 member; Tier 1 employee.

1 "Tier 1 member": A participant or an annuitant of a
2 retirement annuity under this Article, other than a participant
3 in the self-managed plan under Section 15-158.2, who first
4 became a participant or member before January 1, 2011 under any
5 reciprocal retirement system or pension fund established under
6 this Code, other than a retirement system or pension fund
7 established under Articles 2, 3, 4, 5, 6, or 18 of this Code.
8 "Tier 1 member" includes a person who first became a
9 participant under this System before January 1, 2011 and who
10 accepts a refund and is subsequently reemployed by an employer
11 on or after January 1, 2011.

12 "Tier 1 employee": A Tier 1 member who is a participating
13 employee, unless he or she is a disability benefit recipient
14 under Section 15-150. However, for the purposes of the election
15 under Section 15-132.9, "Tier 1 employee" does not include an
16 individual who has made an irrevocable election on or before
17 June 1, 2017 to retire from service pursuant to the terms of an
18 employment contract or a collective bargaining agreement in
19 effect on June 1, 2017, excluding any extension, amendment, or
20 renewal of that agreement on or after that date, and has
21 notified the System of that election.

22 (Source: P.A. 98-92, eff. 7-16-13.)

23 (40 ILCS 5/15-111) (from Ch. 108 1/2, par. 15-111)

24 Sec. 15-111. Earnings.

25 (a) "Earnings": Subject to Section 15-111.5, an amount paid

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

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

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

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

1 lump sum, by withholding from additional transition pay
2 accruing before January 1, 2001, or in any other manner
3 approved by the System. Upon payment of the employee
4 contributions on transition pay, the corresponding
5 employer contributions become an obligation of the State.

6 (a-5) Notwithstanding any other provision of this Section,
7 "earnings" does not include any future increase in income that
8 is offered for service by an employer to a Tier 1 employee
9 under this Article pursuant to the condition set forth in
10 subsection (c) of Section 15-132.9 and accepted under that
11 condition by a Tier 1 employee who has made the election under
12 paragraph (2) of subsection (a) of Section 15-132.9.

13 (a-10) Notwithstanding any other provision of this
14 Section, "earnings" does not include any consideration payment
15 made to a Tier 1 employee.

16 (b) For a Tier 2 member, the annual earnings shall not
17 exceed \$106,800; however, that amount shall annually
18 thereafter be increased by the lesser of (i) 3% of that amount,
19 including all previous adjustments, or (ii) one half the annual
20 unadjusted percentage increase (but not less than zero) in the
21 consumer price index-u for the 12 months ending with the
22 September preceding each November 1, including all previous
23 adjustments.

24 For the purposes of this Section, "consumer price index u"
25 means the index published by the Bureau of Labor Statistics of
26 the United States Department of Labor that measures the average

1 change in prices of goods and services purchased by all urban
2 consumers, United States city average, all items, 1982-84 =
3 100. The new amount resulting from each annual adjustment shall
4 be determined by the Public Pension Division of the Department
5 of Insurance and made available to the boards of the retirement
6 systems and pension funds by November 1 of each year.

7 (c) With each submission of payroll information in the
8 manner prescribed by the System, the employer shall certify
9 that the payroll information is correct and complies with all
10 applicable State and federal laws.

11 (Source: P.A. 98-92, eff. 7-16-13; 99-897, eff. 1-1-17.)

12 (40 ILCS 5/15-112.1 new)

13 Sec. 15-112.1. Future increase in income. "Future increase
14 in income" means an increase to a Tier 1 employee's base pay
15 that is offered by an employer to the Tier 1 employee for
16 service under this Article after June 30, 2018 that qualifies
17 as "earnings", as defined in Section 15-111, or would qualify
18 as "earnings" but for the fact that it was offered to and
19 accepted by the Tier 1 employee under the condition set forth
20 in subsection (c) of Section 15-132.9. The term "future
21 increase in income" includes an increase to a Tier 1 employee's
22 base pay that is paid to the Tier 1 employee pursuant to an
23 extension, amendment, or renewal of any such employment
24 contract or collective bargaining agreement after the
25 effective date of this Section.

1 (40 ILCS 5/15-112.2 new)

2 Sec. 15-112.2. Base pay. As used in Section 15-112.1 of
3 this Code, "base pay" means the greater of either (i) the Tier
4 1 employee's annualized rate of earnings as of June 30, 2018,
5 or (ii) the Tier 1 employee's annualized rate of earnings
6 immediately preceding the expiration, renewal, or amendment of
7 an employment contract or collective bargaining agreement in
8 effect on the effective date of this Section. For a person
9 returning to participating employee status as a Tier 1 employee
10 after June 30, 2018, however, "base pay" means the employee's
11 annualized rate of earnings as of the employee's last date of
12 service prior to July 1, 2018. The System shall calculate the
13 base pay of each Tier 1 employee pursuant to this Section.

14 (40 ILCS 5/15-132.9 new)

15 Sec. 15-132.9. Election by Tier 1 employees.

16 (a) Each Tier 1 employee shall make an irrevocable election
17 either:

18 (1) to agree to delay his or her eligibility for
19 automatic annual increases in retirement annuity as
20 provided in subsection (d-1) of Section 15-136 and to have
21 the amount of the automatic annual increases in his or her
22 retirement annuity and survivor annuity that are otherwise
23 provided for in this Article calculated, instead, as
24 provided in subsection (d-1) of Section 15-136; or

1 (2) to not agree to the provisions of paragraph (1) of
2 this subsection.

3 The election required under this subsection (a) shall be
4 made by each Tier 1 employee no earlier than January 1, 2018
5 and no later than March 31, 2018, except that:

6 (i) a person who becomes a Tier 1 employee under this
7 Article on or after January 1, 2018 must make the election
8 under this subsection (a) within 60 days after becoming a
9 Tier 1 employee;

10 (ii) a person who returns to participating employee
11 status as a Tier 1 employee under this Article on or after
12 January 1, 2018 and has not yet made an election under this
13 Section must make the election under this subsection (a)
14 within 60 days after returning to participating employee
15 status as a Tier 1 employee; and

16 (iii) a person who returns to participating employee
17 status as a Tier 1 employee under this Article but who has
18 not made an election under Section 15-134.5 must make the
19 election under this subsection (a) at the same time as the
20 election under Section 15-134.5 and within the timeframes
21 required by that Section.

22 If a Tier 1 employee fails for any reason to make a
23 required election under this subsection within the time
24 specified, then the employee shall be deemed to have made the
25 election under paragraph (2) of this subsection.

26 (a-5) If this Section is enjoined or stayed by an Illinois

1 court or a court of competent jurisdiction pending the entry of
2 a final and unappealable decision, and this Section is
3 determined to be constitutional or otherwise valid by a final
4 unappealable decision of an Illinois court or a court of
5 competent jurisdiction, then the election procedure set forth
6 in subsection (a) of this Section shall commence on the 180th
7 calendar day after the date of the issuance of the final
8 unappealable decision and shall conclude at the end of the
9 270th calendar day after that date.

10 (a-10) All elections under subsection (a) that are made or
11 deemed to be made before July 1, 2018 shall take effect on July
12 1, 2018. Elections that are made or deemed to be made on or
13 after July 1, 2018 shall take effect on the first day of the
14 month following the month in which the election is made or
15 deemed to be made.

16 (b) As adequate and legal consideration provided under this
17 amendatory Act of the 100th General Assembly for making an
18 election under paragraph (1) of subsection (a) of this Section,
19 the employer shall be expressly and irrevocably prohibited from
20 offering any future increases in income to a Tier 1 employee
21 who has made an election under paragraph (1) of subsection (a)
22 of this Section on the condition of not constituting earnings
23 under Section 15-111.

24 As adequate and legal consideration provided under this
25 amendatory Act of the 100th General Assembly for making an
26 election under paragraph (1) of subsection (a) of this Section,

1 each Tier 1 employee who has made an election under paragraph
2 (1) of subsection (a) of this Section shall receive a
3 consideration payment equal to 10% of the contributions made by
4 or on behalf of the employee under Section 15-157 before the
5 effective date of that election. The State Comptroller shall
6 pay the consideration payment to the Tier 1 employee out of
7 funds appropriated for that purpose under Section 1.9 of the
8 State Pension Funds Continuing Appropriation Act. The System
9 shall calculate the amount of each consideration payment and,
10 by July 1, 2018, shall certify to the State Comptroller the
11 amount of the consideration payment, together with the name,
12 address, and any other available payment information of the
13 Tier 1 employee as found in the records of the System. The
14 System shall make additional calculations and certifications
15 of consideration payments to the State Comptroller as the
16 System deems necessary.

17 (c) A Tier 1 employee who makes the election under
18 paragraph (2) of subsection (a) of this Section shall not be
19 subject to paragraph (1) of subsection (a) of this Section.
20 However, each future increase in income offered by an employer
21 under this Article to a Tier 1 employee who has made the
22 election under paragraph (2) of subsection (a) of this Section
23 shall be offered by the employer expressly and irrevocably on
24 the condition of not constituting earnings under Section 15-111
25 and that the Tier 1 employee's acceptance of the offered future
26 increase in income shall constitute his or her agreement to

1 that condition.

2 (d) The System shall make a good faith effort to contact
3 each Tier 1 employee subject to this Section. The System shall
4 mail information describing the required election to each Tier
5 1 employee by United States Postal Service mail to his or her
6 last known address on file with the System. If the Tier 1
7 employee is not responsive to other means of contact, it is
8 sufficient for the System to publish the details of any
9 required elections on its website or to publish those details
10 in a regularly published newsletter or other existing public
11 forum.

12 Tier 1 employees who are subject to this Section shall be
13 provided with an election packet containing information
14 regarding their options, as well as the forms necessary to make
15 the required election. Upon request, the System shall offer
16 Tier 1 employees an opportunity to receive information from the
17 System before making the required election. The information may
18 consist of video materials, benefit estimators, group
19 presentations, individual consultation with a member or
20 authorized representative of the System in person or by
21 telephone or other electronic means, or any combination of
22 these methods. The System shall not provide advice or
23 counseling with respect to which election a Tier 1 employee
24 should make or specific to the legal or tax circumstances of or
25 consequences to the Tier 1 employee.

26 The System shall inform Tier 1 employees in the election

1 packet required under this subsection that the Tier 1 employee
2 may also wish to obtain information and counsel relating to the
3 election required under this Section from any other available
4 source, including, but not limited to, labor organizations and
5 private counsel.

6 In no event shall the System, its staff, or the Board be
7 held liable for any information given to a member regarding the
8 elections under this Section. The System shall coordinate with
9 the Illinois Department of Central Management Services and each
10 other retirement system administering an election in
11 accordance with this amendatory Act of the 100th General
12 Assembly to provide information concerning the impact of the
13 election set forth in this Section.

14 (e) Notwithstanding any other provision of law, an employer
15 under this Article is required to offer each future increase in
16 income expressly and irrevocably on the condition of not
17 constituting "earnings" under Section 15-111 to any Tier 1
18 employee who has made an election under paragraph (2) of
19 subsection (a) of this Section. The offer shall also provide
20 that the Tier 1 employee's acceptance of the offered future
21 increase in income shall constitute his or her agreement to the
22 condition set forth in this subsection.

23 For purposes of legislative intent, the condition set forth
24 in this subsection shall be construed in a manner that ensures
25 that the condition is not violated or circumvented through any
26 contrivance of any kind.

1 (f) A member's election under this Section is not a
2 prohibited election under subdivision (j)(1) of Section 1-119
3 of this Code.

4 (g) No provision of this Section shall be interpreted in a
5 way that would cause the System to cease to be a qualified plan
6 under Section 401(a) of the Internal Revenue Code of 1986.

7 (h) If an election created by this amendatory Act in any
8 other Article of this Code or any change deriving from that
9 election is determined to be unconstitutional or otherwise
10 invalid by a final unappealable decision of an Illinois court
11 or a court of competent jurisdiction, the invalidity of that
12 provision shall not in any way affect the validity of this
13 Section or the changes deriving from the election required
14 under this Section.

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

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

18 Sec. 15-136. Retirement annuities - Amount. The provisions
19 of this Section 15-136 apply only to those participants who are
20 participating in the traditional benefit package or the
21 portable benefit package and do not apply to participants who
22 are participating in the self-managed plan.

23 (a) The amount of a participant's retirement annuity,
24 expressed in the form of a single-life annuity, shall be
25 determined by whichever of the following rules is applicable

1 and provides the largest annuity:

2 Rule 1: The retirement annuity shall be 1.67% of final rate
3 of earnings for each of the first 10 years of service, 1.90%
4 for each of the next 10 years of service, 2.10% for each year
5 of service in excess of 20 but not exceeding 30, and 2.30% for
6 each year in excess of 30; or for persons who retire on or
7 after January 1, 1998, 2.2% of the final rate of earnings for
8 each year of service.

9 Rule 2: The retirement annuity shall be the sum of the
10 following, determined from amounts credited to the participant
11 in accordance with the actuarial tables and the effective rate
12 of interest in effect at the time the retirement annuity
13 begins:

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

17 (ii) an annuity from employer contributions of an
18 amount equal to that which can be provided on an
19 actuarially equivalent basis from the accumulated normal
20 contributions made by the participant under Section
21 15-113.6 and Section 15-113.7 plus 1.4 times all other
22 accumulated normal contributions made by the participant;
23 and

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

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

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

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

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

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

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

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

1 this Rule 4 in addition to the applicable age requirement under
2 subsection (a-5) of Section 15-135.

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

5 (i) service that is performed while the person is an
6 employee under subsection (h) of Section 15-107; and

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

18 (b) For a Tier 1 member, the retirement annuity provided
19 under Rules 1 and 3 above shall be reduced by 1/2 of 1% for each
20 month the participant is under age 60 at the time of
21 retirement. However, this reduction shall not apply in the
22 following cases:

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

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

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

10 (b-5) The retirement annuity of a Tier 2 member who is
11 retiring after attaining age 62 with at least 10 years of
12 service credit shall be reduced by 1/2 of 1% for each full
13 month that the member's age is under age 67.

14 (c) The maximum retirement annuity provided under Rules 1,
15 2, 4, and 5 shall be the lesser of (1) the annual limit of
16 benefits as specified in Section 415 of the Internal Revenue
17 Code of 1986, as such Section may be amended from time to time
18 and as such benefit limits shall be adjusted by the
19 Commissioner of Internal Revenue, and (2) 80% of final rate of
20 earnings.

21 (d) Subject to the provisions of subsection (d-1), a ~~A~~ Tier
22 1 member whose status as an employee terminates after August
23 14, 1969 shall receive automatic increases in his or her
24 retirement annuity as follows:

25 Effective January 1 immediately following the date the
26 retirement annuity begins, the annuitant shall receive an

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

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

21 Beginning January 1, 1990, and except as provided in
22 subsection (d-1), all automatic annual increases payable under
23 this Section shall be calculated as a percentage of the total
24 annuity payable at the time of the increase, including all
25 increases previously granted under this Article.

26 The change made in this subsection by P.A. 85-1008 is

1 effective January 26, 1988, and is applicable without regard to
2 whether status as an employee terminated before that date.

3 (d-1) Notwithstanding any other provision of this Article,
4 for a Tier 1 employee who made the election under paragraph (1)
5 of subsection (a) of Section 15-132.9:

6 (1) The initial increase in retirement annuity under
7 this Section shall occur on the January 1 occurring either
8 on or after the attainment of age 67 or the fifth
9 anniversary of the annuity start date, whichever is
10 earlier.

11 (2) The amount of each automatic annual increase in
12 retirement annuity or survivor annuity occurring on or
13 after the effective date of that election shall be
14 calculated as a percentage of the originally granted
15 retirement annuity or survivor annuity, equal to 3% or
16 one-half the annual unadjusted percentage increase (but
17 not less than zero) in the consumer price index-u for the
18 12 months ending with the September preceding each November
19 1, whichever is less. If the annual unadjusted percentage
20 change in the consumer price index-u for the 12 months
21 ending with the September preceding each November 1 is zero
22 or there is a decrease, then the annuity shall not be
23 increased.

24 For the purposes of this Section, "consumer price index-u"
25 means the index published by the Bureau of Labor Statistics of
26 the United States Department of Labor that measures the average

1 change in prices of goods and services purchased by all urban
2 consumers, United States city average, all items, 1982-84 =
3 100. The new amount resulting from each annual adjustment shall
4 be determined by the Public Pension Division of the Department
5 of Insurance and made available to the board of the retirement
6 system by November 1 of each year.

7 (d-5) A retirement annuity of a Tier 2 member shall receive
8 annual increases on the January 1 occurring either on or after
9 the attainment of age 67 or the first anniversary of the
10 annuity start date, whichever is later. Each annual increase
11 shall be calculated at 3% or one half the annual unadjusted
12 percentage increase (but not less than zero) in the consumer
13 price index-u for the 12 months ending with the September
14 preceding each November 1, whichever is less, of the originally
15 granted retirement annuity. If the annual unadjusted
16 percentage change in the consumer price index-u for the 12
17 months ending with the September preceding each November 1 is
18 zero or there is a decrease, then the annuity shall not be
19 increased.

20 (e) If, on January 1, 1987, or the date the retirement
21 annuity payment period begins, whichever is later, the sum of
22 the retirement annuity provided under Rule 1 or Rule 2 of this
23 Section and the automatic annual increases provided under the
24 preceding subsection or Section 15-136.1, amounts to less than
25 the retirement annuity which would be provided by Rule 3, the
26 retirement annuity shall be increased as of January 1, 1987, or

1 the date the retirement annuity payment period begins,
2 whichever is later, to the amount which would be provided by
3 Rule 3 of this Section. Such increased amount shall be
4 considered as the retirement annuity in determining benefits
5 provided under other Sections of this Article. This paragraph
6 applies without regard to whether status as an employee
7 terminated before the effective date of this amendatory Act of
8 1987, provided that the annuitant was employed at least
9 one-half time during the period on which the final rate of
10 earnings was based.

11 (f) A participant is entitled to such additional annuity as
12 may be provided on an actuarially equivalent basis, by any
13 accumulated additional contributions to his or her credit.
14 However, the additional contributions made by the participant
15 toward the automatic increases in annuity provided under this
16 Section shall not be taken into account in determining the
17 amount of such additional annuity.

18 (g) If, (1) by law, a function of a governmental unit, as
19 defined by Section 20-107 of this Code, is transferred in whole
20 or in part to an employer, and (2) a participant transfers
21 employment from such governmental unit to such employer within
22 6 months after the transfer of the function, and (3) the sum of
23 (A) the annuity payable to the participant under Rule 1, 2, or
24 3 of this Section (B) all proportional annuities payable to the
25 participant by all other retirement systems covered by Article
26 20, and (C) the initial primary insurance amount to which the

1 participant is entitled under the Social Security Act, is less
2 than the retirement annuity which would have been payable if
3 all of the participant's pension credits validated under
4 Section 20-109 had been validated under this system, a
5 supplemental annuity equal to the difference in such amounts
6 shall be payable to the participant.

7 (h) On January 1, 1981, an annuitant who was receiving a
8 retirement annuity on or before January 1, 1971 shall have his
9 or her retirement annuity then being paid increased \$1 per
10 month for each year of creditable service. On January 1, 1982,
11 an annuitant whose retirement annuity began on or before
12 January 1, 1977, shall have his or her retirement annuity then
13 being paid increased \$1 per month for each year of creditable
14 service.

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

20 (Source: P.A. 97-933, eff. 8-10-12; 97-968, eff. 8-16-12;
21 98-92, eff. 7-16-13.)

22 (40 ILCS 5/15-155) (from Ch. 108 1/2, par. 15-155)

23 Sec. 15-155. Employer contributions.

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

1 employer contributions from trust, federal, and other funds,
2 employee contributions, income from investments, and other
3 income of this System, will be sufficient to meet the cost of
4 maintaining and administering the System on a 90% funded basis
5 in accordance with actuarial recommendations.

6 The Board shall determine the amount of State contributions
7 required for each fiscal year on the basis of the actuarial
8 tables and other assumptions adopted by the Board and the
9 recommendations of the actuary, using the formula in subsection
10 (a-1).

11 (a-1) For State fiscal years 2012 through 2045 (except as
12 otherwise provided for fiscal year 2019), the minimum
13 contribution to the System to be made by the State for each
14 fiscal year shall be an amount determined by the System to be
15 sufficient to bring the total assets of the System up to 90% of
16 the total actuarial liabilities of the System by the end of
17 State fiscal year 2045. In making these determinations, the
18 required State contribution shall be calculated each year as a
19 level percentage of payroll over the years remaining to and
20 including fiscal year 2045 and shall be determined under the
21 projected unit credit actuarial cost method.

22 For State fiscal year 2019:

23 (1) The initial calculation and certification shall be
24 based on the amount determined above.

25 (2) For purposes of the recertification due on or
26 before May 1, 2018, the recalculation of the required State

1 contribution for fiscal year 2019 shall take into account
2 the effect on the System's liabilities of the elections
3 made under Section 15-132.9.

4 (3) For purposes of the recertification due on or
5 before October 1, 2018, the total required State
6 contribution for fiscal year 2019 shall be reduced by the
7 amount of the consideration payments made to Tier 1
8 employees who made the election under paragraph (1) of
9 subsection (a) of Section 15-132.9.

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

15 Notwithstanding any other provision of this Article, the
16 total required State contribution for State fiscal year 2006 is
17 \$166,641,900.

18 Notwithstanding any other provision of this Article, the
19 total required State contribution for State fiscal year 2007 is
20 \$252,064,100.

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

1 Notwithstanding any other provision of this Article, the
2 total required State contribution for State fiscal year 2010 is
3 \$702,514,000 and shall be made from the State Pensions Fund and
4 proceeds of bonds sold in fiscal year 2010 pursuant to Section
5 7.2 of the General Obligation Bond Act, less (i) the pro rata
6 share of bond sale expenses determined by the System's share of
7 total bond proceeds, (ii) any amounts received from the General
8 Revenue Fund in fiscal year 2010, (iii) any reduction in bond
9 proceeds due to the issuance of discounted bonds, if
10 applicable.

11 Notwithstanding any other provision of this Article, the
12 total required State contribution for State fiscal year 2011 is
13 the amount recertified by the System on or before April 1, 2011
14 pursuant to Section 15-165 and shall be made from the State
15 Pensions Fund and proceeds of bonds sold in fiscal year 2011
16 pursuant to Section 7.2 of the General Obligation Bond Act,
17 less (i) the pro rata share of bond sale expenses determined by
18 the System's share of total bond proceeds, (ii) any amounts
19 received from the General Revenue Fund in fiscal year 2011, and
20 (iii) any reduction in bond proceeds due to the issuance of
21 discounted bonds, if applicable.

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

26 Amounts received by the System pursuant to Section 25 of

1 the Budget Stabilization Act or Section 8.12 of the State
2 Finance Act in any fiscal year do not reduce and do not
3 constitute payment of any portion of the minimum State
4 contribution required under this Article in that fiscal year.
5 Such amounts shall not reduce, and shall not be included in the
6 calculation of, the required State contributions under this
7 Article in any future year until the System has reached a
8 funding ratio of at least 90%. A reference in this Article to
9 the "required State contribution" or any substantially similar
10 term does not include or apply to any amounts payable to the
11 System under Section 25 of the Budget Stabilization Act.

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

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

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

26 (b-1) The City of Urbana and the City of Champaign shall

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

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

24 (d) Beginning in State fiscal year 1996, the required State
25 contributions to the System shall be appropriated directly to
26 the System and shall be payable through vouchers issued in

1 accordance with subsection (c) of Section 15-165, except as
2 provided in subsection (g).

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

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

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

1 most recent actuarial valuation of the System that is available
2 at the time of the computation. The System may require the
3 employer to provide any pertinent information or
4 documentation.

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

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

1 concluded within 3 years after the employer's receipt of the
2 bill.

3 When assessing payment for any amount due under this
4 subsection (g), the System shall include earnings, to the
5 extent not established by a participant under Section 15-113.11
6 or 15-113.12, that would have been paid to the participant had
7 the participant not taken (i) periods of voluntary or
8 involuntary furlough occurring on or after July 1, 2015 and on
9 or before June 30, 2017 or (ii) periods of voluntary pay
10 reduction in lieu of furlough occurring on or after July 1,
11 2015 and on or before June 30, 2017. Determining earnings that
12 would have been paid to a participant had the participant not
13 taken periods of voluntary or involuntary furlough or periods
14 of voluntary pay reduction shall be the responsibility of the
15 employer, and shall be reported in a manner prescribed by the
16 System.

17 (h) This subsection (h) applies only to payments made or
18 salary increases given on or after June 1, 2005 but before July
19 1, 2011. The changes made by Public Act 94-1057 shall not
20 require the System to refund any payments received before July
21 31, 2006 (the effective date of Public Act 94-1057).

22 When assessing payment for any amount due under subsection
23 (g), the System shall exclude earnings increases paid to
24 participants under contracts or collective bargaining
25 agreements entered into, amended, or renewed before June 1,
26 2005.

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

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

19 When assessing payment for any amount due under subsection
20 (g), the System shall exclude any earnings increase resulting
21 from (i) a promotion for which the employee moves from one
22 classification to a higher classification under the State
23 Universities Civil Service System, (ii) a promotion in academic
24 rank for a tenured or tenure-track faculty position, or (iii) a
25 promotion that the Illinois Community College Board has
26 recommended in accordance with subsection (k) of this Section.

1 These earnings increases shall be excluded only if the
2 promotion is to a position that has existed and been filled by
3 a member for no less than one complete academic year and the
4 earnings increase as a result of the promotion is an increase
5 that results in an amount no greater than the average salary
6 paid for other similar positions.

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

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

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

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

26 (3) The total amount the System received from each

1 employer as a result of the changes made to this Section by
2 Public Act 94-4.

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

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

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

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

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

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

10 (n) If Section 15-132.9 is determined to be
11 unconstitutional or otherwise invalid by a final unappealable
12 decision of an Illinois court or a court of competent
13 jurisdiction, then the changes made to this Section by this
14 amendatory Act of the 100th General Assembly shall not take
15 effect and are repealed by operation of law.

16 (Source: P.A. 98-92, eff. 7-16-13; 98-463, eff. 8-16-13;
17 99-897, eff. 1-1-17.)

18 (40 ILCS 5/15-157) (from Ch. 108 1/2, par. 15-157)

19 Sec. 15-157. Employee Contributions.

20 (a) Each participating employee shall make contributions
21 towards the retirement benefits payable under the retirement
22 program applicable to the employee from each payment of
23 earnings applicable to employment under this system on and
24 after the date of becoming a participant as follows: Prior to
25 September 1, 1949, 3 1/2% of earnings; from September 1, 1949

1 to August 31, 1955, 5%; from September 1, 1955 to August 31,
2 1969, 6%; from September 1, 1969, 6 1/2%. These contributions
3 are to be considered as normal contributions for purposes of
4 this Article.

5 Each participant who is a police officer or firefighter
6 shall make normal contributions of 8% of each payment of
7 earnings applicable to employment as a police officer or
8 firefighter under this system on or after September 1, 1981,
9 unless he or she files with the board within 60 days after the
10 effective date of this amendatory Act of 1991 or 60 days after
11 the board receives notice that he or she is employed as a
12 police officer or firefighter, whichever is later, a written
13 notice waiving the retirement formula provided by Rule 4 of
14 Section 15-136. This waiver shall be irrevocable. If a
15 participant had met the conditions set forth in Section
16 15-132.1 prior to the effective date of this amendatory Act of
17 1991 but failed to make the additional normal contributions
18 required by this paragraph, he or she may elect to pay the
19 additional contributions plus compound interest at the
20 effective rate. If such payment is received by the board, the
21 service shall be considered as police officer service in
22 calculating the retirement annuity under Rule 4 of Section
23 15-136. While performing service described in clause (i) or
24 (ii) of Rule 4 of Section 15-136, a participating employee
25 shall be deemed to be employed as a firefighter for the purpose
26 of determining the rate of employee contributions under this

1 Section.

2 (b) Starting September 1, 1969, each participating
3 employee shall make additional contributions of 1/2 of 1% of
4 earnings to finance a portion of the cost of the annual
5 increases in retirement annuity provided under Section 15-136,
6 except that with respect to participants in the self-managed
7 plan this additional contribution shall be used to finance the
8 benefits obtained under that retirement program. Beginning
9 July 1, 2018 or the effective date of the Tier 1 employee's
10 election under paragraph (1) of subsection (a) of Section
11 15-132.9, whichever is later, each Tier 1 employee who made the
12 election under paragraph (1) of subsection (a) of Section
13 15-132.9 is no longer required to make contributions under this
14 subsection.

15 (c) Except as provided in subsection (c-5), in ~~In~~ addition
16 to the amounts described in subsections (a) and (b) of this
17 Section, each participating employee shall make contributions
18 of 1% of earnings applicable under this system on and after
19 August 1, 1959. The contributions made under this subsection
20 (c) shall be considered as survivor's insurance contributions
21 for purposes of this Article if the employee is covered under
22 the traditional benefit package, and such contributions shall
23 be considered as additional contributions for purposes of this
24 Article if the employee is participating in the self-managed
25 plan or has elected to participate in the portable benefit
26 package and has completed the applicable one-year waiting

1 period. Contributions in excess of \$80 during any fiscal year
2 beginning before August 31, 1969 and in excess of \$120 during
3 any fiscal year thereafter until September 1, 1971 shall be
4 considered as additional contributions for purposes of this
5 Article.

6 (c-5) Beginning July 1, 2018 or the effective date of the
7 Tier 1 employee's election under paragraph (1) of subsection
8 (a) of Section 15-132.9, whichever is later, in lieu of the
9 contributions otherwise required under subsection (c), each
10 Tier 1 employee who made the election under paragraph (1) of
11 subsection (a) of Section 15-132.9 shall make contributions of
12 0.7% of earnings applicable under this System and each Tier 1
13 employee who is a police officer or firefighter who makes
14 normal contributions of 8% of each payment of earnings
15 applicable to employment as a police officer or firefighter
16 under this System and who made the election under paragraph (1)
17 of subsection (a) of Section 15-132.9 shall make contributions
18 of 0.55% of earnings applicable under this System. The
19 contributions made under this subsection (c-5) shall be
20 considered as survivor's insurance contributions for purposes
21 of this Article and such contributions shall be considered as
22 additional contributions for purposes of this Article if the
23 employee has elected to participate in the portable benefit
24 package and has completed the applicable one-year waiting
25 period.

26 (d) If the board by board rule so permits and subject to

1 such conditions and limitations as may be specified in its
2 rules, a participant may make other additional contributions of
3 such percentage of earnings or amounts as the participant shall
4 elect in a written notice thereof received by the board.

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

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

21 (g) A participant may make contributions for the purchase
22 of service credit under this Article; however, only a
23 participating employee may make optional contributions under
24 subsection (b) of Section 15-157.1 of this Article.

25 (h) A Tier 2 member shall not make contributions on
26 earnings that exceed the limitation as prescribed under

1 subsection (b) of Section 15-111 of this Article.

2 (Source: P.A. 98-92, eff. 7-16-13; 99-450, eff. 8-24-15.)

3 (40 ILCS 5/15-165) (from Ch. 108 1/2, par. 15-165)

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

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

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

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

22 On or before July 1, 2005, the Board shall recalculate and
23 recertify to the Governor the amount of the required State
24 contribution to the System for State fiscal year 2006, taking
25 into account the changes in required State contributions made

1 by this amendatory Act of the 94th General Assembly.

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

8 (a-5) On or before November 1 of each year, beginning
9 November 1, 2012, the Board shall submit to the State Actuary,
10 the Governor, and the General Assembly a proposed certification
11 of the amount of the required State contribution to the System
12 for the next fiscal year, along with all of the actuarial
13 assumptions, calculations, and data upon which that proposed
14 certification is based. On or before January 1 of each year,
15 beginning January 1, 2013, the State Actuary shall issue a
16 preliminary report concerning the proposed certification and
17 identifying, if necessary, recommended changes in actuarial
18 assumptions that the Board must consider before finalizing its
19 certification of the required State contributions. On or before
20 January 15, 2013 and each January 15 thereafter, the Board
21 shall certify to the Governor and the General Assembly the
22 amount of the required State contribution for the next fiscal
23 year. The Board's certification must note, in a written
24 response to the State Actuary, any deviations from the State
25 Actuary's recommended changes, the reason or reasons for not
26 following the State Actuary's recommended changes, and the

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

3 (a-10) On or before May 1, 2018, the Board shall
4 recalculate and recertify to the Governor and the General
5 Assembly the amount of the required State contribution to the
6 System for State fiscal year 2019, taking into account the
7 effect on the System's liabilities of the elections made under
8 Section 15-132.9.

9 On or before October 1, 2018, the Board shall recalculate
10 and recertify to the Governor and the General Assembly the
11 amount of the required State contribution to the System for
12 State fiscal year 2019, taking into account the reduction
13 specified under item (3) of subsection (a-1) of Section 15-155.

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

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

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

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

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

24 (e) In the event that the System does not receive, as a
25 result of legislative enactment or otherwise, payments
26 sufficient to fully fund the employer contribution to the

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

9 (Source: P.A. 97-694, eff. 6-18-12; 98-92, eff. 7-16-13.)

10 (40 ILCS 5/15-198)

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

13 Sec. 15-198. Application and expiration of new benefit
14 increases.

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

24 (b) Notwithstanding any other provision of this Code or any
25 subsequent amendment to this Code, every new benefit increase

1 is subject to this Section and shall be deemed to be granted
2 only in conformance with and contingent upon compliance with
3 the provisions of this Section.

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

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

24 (d) Every new benefit increase shall expire 5 years after
25 its effective date or on such earlier date as may be specified
26 in the language enacting the new benefit increase or provided

1 under subsection (c). This does not prevent the General
2 Assembly from extending or re-creating a new benefit increase
3 by law.

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

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

15 (40 ILCS 5/16-107.1 new)

16 Sec. 16-107.1. Tier 1 employee. "Tier 1 employee": A
17 teacher under this Article who first became a member or
18 participant before January 1, 2011 under any reciprocal
19 retirement system or pension fund established under this Code
20 other than a retirement system or pension fund established
21 under Article 2, 3, 4, 5, 6, or 18 of this Code. However, for
22 the purposes of the election under Section 16-122.9, "Tier 1
23 employee" does not include a teacher under this Article who
24 would qualify as a Tier 1 employee but who has made an
25 irrevocable election on or before June 1, 2017 to retire from

1 service pursuant to the terms of an employment contract or a
2 collective bargaining agreement in effect on June 1, 2017,
3 excluding any extension, amendment, or renewal of that
4 agreement after that date, and has notified the System of that
5 election.

6 (40 ILCS 5/16-121) (from Ch. 108 1/2, par. 16-121)

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

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

15 Notwithstanding any other provision of this Section,
16 "salary" does not include any future increase in income that is
17 offered by an employer for service as a Tier 1 employee under
18 this Article pursuant to the condition set forth in subsection
19 (c) of Section 16-122.9 and accepted under that condition by a
20 Tier 1 employee who has made the election under paragraph (2)
21 of subsection (a) of Section 16-122.9.

22 Notwithstanding any other provision of this Section,
23 "salary" does not include any consideration payment made to a
24 Tier 1 employee.

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

1 (40 ILCS 5/16-121.1 new)

2 Sec. 16-121.1. Future increase in income. "Future increase
3 in income" means an increase to a Tier 1 employee's base pay
4 that is offered by an employer to the Tier 1 employee for
5 service under this Article after June 30, 2018 that qualifies
6 as "salary", as defined in Section 16-121, or would qualify as
7 "salary" but for the fact that it was offered to and accepted
8 by the Tier 1 employee under the condition set forth in
9 subsection (c) of Section 16-122.9. The term "future increase
10 in income" includes an increase to a Tier 1 employee's base pay
11 that is paid to the Tier 1 employee pursuant to an extension,
12 amendment, or renewal of any such employment contract or
13 collective bargaining agreement after the effective date of
14 this Section.

15 (40 ILCS 5/16-121.2 new)

16 Sec. 16-121.2. Base pay. As used in Section 16-121.1 of
17 this Code, "base pay" means the greater of either (i) the Tier
18 1 employee's annualized rate of salary as of June 30, 2018, or
19 (ii) the Tier 1 employee's annualized rate of salary
20 immediately preceding the expiration, renewal, or amendment of
21 an employment contract or collective bargaining agreement in
22 effect on the effective date of this Section. For a person
23 returning to active service as a Tier 1 employee after June 30,
24 2018, however, "base pay" means the employee's annualized rate

1 of salary as of the employee's last date of service prior to
2 July 1, 2018. The System shall calculate the base pay of each
3 Tier 1 employee pursuant to this Section.

4 (40 ILCS 5/16-122.9 new)

5 Sec. 16-122.9. Election by Tier 1 employees.

6 (a) Each active Tier 1 employee shall make an irrevocable
7 election either:

8 (1) to agree to delay his or her eligibility for
9 automatic annual increases in retirement annuity as
10 provided in subsection (a-1) of Section 16-133.1 or
11 subsection (b-1) of Section 16-136.1, whichever is
12 applicable, and to have the amount of the automatic annual
13 increases in his or her retirement annuity and survivor
14 benefit that are otherwise provided for in this Article
15 calculated, instead, as provided in subsection (a-1) of
16 Section 16-133.1 or subsection (b-1) of Section 16-136.1,
17 whichever is applicable; or

18 (2) to not agree to paragraph (1) of this subsection.

19 The election required under this subsection (a) shall be
20 made by each active Tier 1 employee no earlier than January 1,
21 2018 and no later than March 31, 2018, except that:

22 (i) a person who becomes a Tier 1 employee under this
23 Article on or after February 1, 2018 must make the election
24 under this subsection (a) within 60 days after becoming a
25 Tier 1 employee; and

1 (ii) a person who returns to active service as a Tier 1
2 employee under this Article on or after February 1, 2018
3 and has not yet made an election under this Section must
4 make the election under this subsection (a) within 60 days
5 after returning to active service as a Tier 1 employee.

6 If a Tier 1 employee fails for any reason to make a
7 required election under this subsection within the time
8 specified, then the employee shall be deemed to have made the
9 election under paragraph (2) of this subsection.

10 (a-5) If this Section is enjoined or stayed by an Illinois
11 court or a court of competent jurisdiction pending the entry of
12 a final and unappealable decision, and this Section is
13 determined to be constitutional or otherwise valid by a final
14 unappealable decision of an Illinois court or a court of
15 competent jurisdiction, then the election procedure set forth
16 in subsection (a) of this Section shall commence on the 180th
17 calendar day after the date of the issuance of the final
18 unappealable decision and shall conclude at the end of the
19 270th calendar day after that date.

20 (a-10) All elections under subsection (a) that are made or
21 deemed to be made before July 1, 2018 shall take effect on July
22 1, 2018. Elections that are made or deemed to be made on or
23 after July 1, 2018 shall take effect on the first day of the
24 month following the month in which the election is made or
25 deemed to be made.

26 (b) As adequate and legal consideration provided under this

1 amendatory Act of the 100th General Assembly for making an
2 election under paragraph (1) of subsection (a) of this Section,
3 an employer shall be expressly and irrevocably prohibited from
4 offering any future increases in income to a Tier 1 employee
5 who has made an election under paragraph (1) of subsection (a)
6 of this Section on the condition of not constituting salary
7 under Section 16-121.

8 As adequate and legal consideration provided under this
9 amendatory Act of the 100th General Assembly for making an
10 election under paragraph (1) of subsection (a) of this Section,
11 each Tier 1 employee who has made an election under paragraph
12 (1) of subsection (a) of this Section shall receive a
13 consideration payment equal to 10% of the contributions made by
14 or on behalf of the employee under paragraphs (1), (2), and (3)
15 of subsection (a) of Section 16-152 before the effective date
16 of that election. The State Comptroller shall pay the
17 consideration payment to the Tier 1 employee out of funds
18 appropriated for that purpose under Section 1.9 of the State
19 Pension Funds Continuing Appropriation Act. The System shall
20 calculate the amount of each consideration payment and, by July
21 1, 2018, shall certify to the State Comptroller the amount of
22 the consideration payment, together with the name, address, and
23 any other available payment information of the Tier 1 employee
24 as found in the records of the System. The System shall make
25 additional calculations and certifications of consideration
26 payments to the State Comptroller as the System deems

1 necessary.

2 (c) A Tier 1 employee who makes the election under
3 paragraph (2) of subsection (a) of this Section shall not be
4 subject to paragraph (1) of subsection (a) of this Section.
5 However, each future increase in income offered by an employer
6 under this Article to a Tier 1 employee who has made the
7 election under paragraph (2) of subsection (a) of this Section
8 shall be offered by the employer expressly and irrevocably on
9 the condition of not constituting salary under Section 16-121
10 and that the Tier 1 employee's acceptance of the offered future
11 increase in income shall constitute his or her agreement to
12 that condition.

13 (d) The System shall make a good faith effort to contact
14 each Tier 1 employee subject to this Section. The System shall
15 mail information describing the required election to each Tier
16 1 employee by United States Postal Service mail to his or her
17 last known address on file with the System. If the Tier 1
18 employee is not responsive to other means of contact, it is
19 sufficient for the System to publish the details of any
20 required elections on its website or to publish those details
21 in a regularly published newsletter or other existing public
22 forum.

23 Tier 1 employees who are subject to this Section shall be
24 provided with an election packet containing information
25 regarding their options, as well as the forms necessary to make
26 the required election. Upon request, the System shall offer

1 Tier 1 employees an opportunity to receive information from the
2 System before making the required election. The information may
3 consist of video materials, group presentations, individual
4 consultation with a member or authorized representative of the
5 System in person or by telephone or other electronic means, or
6 any combination of those methods. The System shall not provide
7 advice or counseling with respect to which election a Tier 1
8 employee should make or specific to the legal or tax
9 circumstances of or consequences to the Tier 1 employee.

10 The System shall inform Tier 1 employees in the election
11 packet required under this subsection that the Tier 1 employee
12 may also wish to obtain information and counsel relating to the
13 election required under this Section from any other available
14 source, including, but not limited to, labor organizations and
15 private counsel.

16 In no event shall the System, its staff, or the Board be
17 held liable for any information given to a member regarding the
18 elections under this Section. The System shall coordinate with
19 the Illinois Department of Central Management Services and each
20 other retirement system administering an election in
21 accordance with this amendatory Act of the 100th General
22 Assembly to provide information concerning the impact of the
23 election set forth in this Section.

24 (e) Notwithstanding any other provision of law, an employer
25 under this Article is required to offer each future increase in
26 income expressly and irrevocably on the condition of not

1 constituting "salary" under Section 16-121 to any Tier 1
2 employee who has made an election under paragraph (2) of
3 subsection (a) of this Section. The offer shall also provide
4 that the Tier 1 employee's acceptance of the offered future
5 increase in income shall constitute his or her agreement to the
6 condition set forth in this subsection.

7 For purposes of legislative intent, the condition set forth
8 in this subsection shall be construed in a manner that ensures
9 that the condition is not violated or circumvented through any
10 contrivance of any kind.

11 (f) A member's election under this Section is not a
12 prohibited election under subdivision (j)(1) of Section 1-119
13 of this Code.

14 (g) No provision of this Section shall be interpreted in a
15 way that would cause the System to cease to be a qualified plan
16 under Section 401(a) of the Internal Revenue Code of 1986.

17 (h) If an election created by this amendatory Act in any
18 other Article of this Code or any change deriving from that
19 election is determined to be unconstitutional or otherwise
20 invalid by a final unappealable decision of an Illinois court
21 or a court of competent jurisdiction, the invalidity of that
22 provision shall not in any way affect the validity of this
23 Section or the changes deriving from the election required
24 under this Section.

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

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

4 (a) Each member with creditable service and retiring on or
5 after August 26, 1969 is entitled to the automatic annual
6 increases in annuity provided under this Section while
7 receiving a retirement annuity or disability retirement
8 annuity from the system.

9 Except as otherwise provided in subsection (a-1), an An
10 annuitant shall first be entitled to an initial increase under
11 this Section on the January 1 next following the first
12 anniversary of retirement, or January 1 of the year next
13 following attainment of age 61, whichever is later. At such
14 time, the system shall pay an initial increase determined as
15 follows:

16 (1) 1.5% of the originally granted retirement annuity
17 or disability retirement annuity multiplied by the number
18 of years elapsed, if any, from the date of retirement until
19 January 1, 1972, plus

20 (2) 2% of the originally granted annuity multiplied by
21 the number of years elapsed, if any, from the date of
22 retirement or January 1, 1972, whichever is later, until
23 January 1, 1978, plus

24 (3) 3% of the originally granted annuity multiplied by
25 the number of years elapsed from the date of retirement or
26 January 1, 1978, whichever is later, until the effective

1 date of the initial increase.

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

8 Except as otherwise provided in subsection (a-1),
9 following ~~Following~~ the initial increase, automatic annual
10 increases in annuity shall be payable on each January 1
11 thereafter during the lifetime of the annuitant, determined as
12 a percentage of the originally granted retirement annuity or
13 disability retirement annuity for increases granted prior to
14 January 1, 1990, and calculated as a percentage of the total
15 amount of annuity, including previous increases under this
16 Section, for increases granted on or after January 1, 1990, as
17 follows: 1.5% for periods prior to January 1, 1972, 2% for
18 periods after December 31, 1971 and prior to January 1, 1978,
19 and 3% for periods after December 31, 1977.

20 (a-1) Notwithstanding any other provision of this Article,
21 for a Tier 1 employee who made the election under paragraph (1)
22 of subsection (a) of Section 16-122.9:

23 (1) The initial increase in retirement annuity under
24 this Section shall occur on the January 1 occurring either
25 on or after the attainment of age 67 or the fifth
26 anniversary of the annuity start date, whichever is

1 earlier.

2 (2) The amount of each automatic annual increase in
3 retirement annuity and survivor benefit occurring on or
4 after the effective date of that election shall be
5 calculated as a percentage of the originally granted
6 retirement annuity or survivor benefit, equal to 3% or
7 one-half the annual unadjusted percentage increase (but
8 not less than zero) in the consumer price index-u for the
9 12 months ending with the September preceding each November
10 1, whichever is less. If the annual unadjusted percentage
11 change in the consumer price index-u for the 12 months
12 ending with the September preceding each November 1 is zero
13 or there is a decrease, then the annuity shall not be
14 increased.

15 For the purposes of this Section, "consumer price index-u"
16 means the index published by the Bureau of Labor Statistics of
17 the United States Department of Labor that measures the average
18 change in prices of goods and services purchased by all urban
19 consumers, United States city average, all items, 1982-84 =
20 100. The new amount resulting from each annual adjustment shall
21 be determined by the Public Pension Division of the Department
22 of Insurance and made available to the board of the retirement
23 system by November 1 of each year.

24 (b) The automatic annual increases in annuity provided
25 under this Section shall not be applicable unless a member has
26 made contributions toward such increases for a period

1 equivalent to one full year of creditable service. If a member
2 contributes for service performed after August 26, 1969 but the
3 member becomes an annuitant before such contributions amount to
4 one full year's contributions based on the salary at the date
5 of retirement, he or she may pay the necessary balance of the
6 contributions to the system and be eligible for the automatic
7 annual increases in annuity provided under this Section.

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

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

17 (e) In addition to the automatic annual increases in
18 annuity provided under this Section, an annuitant who meets the
19 service requirements of this Section and whose retirement
20 annuity or disability retirement annuity began on or before
21 January 1, 1971 shall receive, on January 1, 1981, an increase
22 in the annuity then being paid of one dollar per month for each
23 year of creditable service. On January 1, 1982, an annuitant
24 whose retirement annuity or disability retirement annuity
25 began on or before January 1, 1977 shall receive an increase in
26 the annuity then being paid of one dollar per month for each

1 year of creditable service.

2 On January 1, 1987, any annuitant whose retirement annuity
3 began on or before January 1, 1977, shall receive an increase
4 in the monthly retirement annuity equal to 8¢ per year of
5 creditable service times the number of years that have elapsed
6 since the annuity began.

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

8 (40 ILCS 5/16-136.1) (from Ch. 108 1/2, par. 16-136.1)

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

11 Sec. 16-136.1. Annual increase for certain annuitants.

12 (a) Any annuitant receiving a retirement annuity on June
13 30, 1969 and any member retiring after June 30, 1969 shall be
14 eligible for the annual increases provided under this Section
15 provided the annuitant is ineligible for the automatic annual
16 increase in annuity provided under Section 16-133.1, and
17 provided further that (1) retirement occurred at age 55 or over
18 and was based on 5 or more years of creditable service or (2)
19 if retirement occurred prior to age 55, the retirement annuity
20 was based on 20 or more years of creditable service.

21 (b) Except as otherwise provided in subsection (b-1), an ~~An~~
22 annuitant entitled to increases under this Section shall be
23 entitled to the initial increase as of the later of: (1)
24 January 1 following attainment of age 65, (2) January 1
25 following the first anniversary of retirement, or (3) the first

1 day of the month following receipt of the required qualifying
2 contribution from the annuitant. The initial monthly increase
3 shall be computed on the basis of the period elapsed between
4 the later of the date of last retirement or attainment of age
5 50 and the date of qualification for the initial increase, at
6 the rate of 1 1/2% of the original monthly retirement annuity
7 per year for periods prior to September 1, 1971, and at the
8 rate of 2% per year for periods between September 1, 1971 and
9 September 1, 1978, and at the rate of 3% per year for periods
10 thereafter.

11 Except as otherwise provided in subsection (b-1), if
12 applicable, an ~~An~~ annuitant who has received an initial
13 increase under this Section, shall be entitled, on each January
14 1 following the granting of the initial increase, to an
15 increase of 3% of the original monthly retirement annuity for
16 increases granted prior to January 1, 1990, and equal to 3% of
17 the total annuity, including previous increases under this
18 Section, for increases granted on or after January 1, 1990. The
19 original monthly retirement annuity for computations under
20 this subsection (b) shall be considered to be \$83.34 for any
21 annuitant entitled to benefits under Section 16-134. The
22 minimum original disability retirement annuity for
23 computations under this subsection (b) shall be considered to
24 be \$33.34 per month for any annuitant retired on account of
25 disability.

26 (b-1) Notwithstanding any other provision of this Article,

1 for a Tier 1 employee who made the election under paragraph (1)
2 of subsection (a) of Section 16-122.9:

3 (1) The initial increase in retirement annuity under
4 this Section shall occur on the January 1 occurring either
5 on or after the attainment of age 67 or the fifth
6 anniversary of the annuity start date, whichever is
7 earlier.

8 (2) The amount of each automatic annual increase in
9 retirement annuity or survivor benefit occurring on or
10 after the effective date of that election shall be
11 calculated as a percentage of the originally granted
12 retirement annuity or survivor benefit, equal to 3% or
13 one-half the annual unadjusted percentage increase (but
14 not less than zero) in the consumer price index-u for the
15 12 months ending with the September preceding each November
16 1, whichever is less. If the annual unadjusted percentage
17 change in the consumer price index-u for the 12 months
18 ending with the September preceding each November 1 is zero
19 or there is a decrease, then the annuity shall not be
20 increased.

21 For the purposes of this Section, "consumer price index-u"
22 means the index published by the Bureau of Labor Statistics of
23 the United States Department of Labor that measures the average
24 change in prices of goods and services purchased by all urban
25 consumers, United States city average, all items, 1982-84 =
26 100. The new amount resulting from each annual adjustment shall

1 be determined by the Public Pension Division of the Department
2 of Insurance and made available to the board of the retirement
3 system by November 1 of each year.

4 (c) An annuitant who otherwise qualifies for annual
5 increases under this Section must make a one-time payment of 1%
6 of the monthly final average salary for each full year of the
7 creditable service forming the basis of the retirement annuity
8 or, if the retirement annuity was not computed using final
9 average salary, 1% of the original monthly retirement annuity
10 for each full year of service forming the basis of the
11 retirement annuity.

12 (d) In addition to other increases which may be provided by
13 this Section, regardless of creditable service, annuitants not
14 meeting the service requirements of Section 16-133.1 and whose
15 retirement annuity began on or before January 1, 1971 shall
16 receive, on January 1, 1981, an increase in the retirement
17 annuity then being paid of one dollar per month for each year
18 of creditable service forming the basis of the retirement
19 allowance. On January 1, 1982, annuitants whose retirement
20 annuity began on or before January 1, 1977, shall receive an
21 increase in the retirement annuity then being paid of one
22 dollar per month for each year of creditable service.

23 On January 1, 1987, any annuitant whose retirement annuity
24 began on or before January 1, 1977, shall receive an increase
25 in the monthly retirement annuity equal to 8¢ per year of
26 creditable service times the number of years that have elapsed

1 since the annuity began.

2 (Source: P.A. 86-273.)

3 (40 ILCS 5/16-152) (from Ch. 108 1/2, par. 16-152)

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

6 Sec. 16-152. Contributions by members.

7 (a) Except as otherwise provided in subsection (a-5), each

8 ~~Each~~ member shall make contributions for membership service to
9 this System as follows:

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

13 (2) Effective July 1, 1969, contributions of 1/2 of 1%
14 of salary toward the cost of the automatic annual increase
15 in retirement annuity provided under Section 16-133.1.

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

21 (4) Effective July 1, 2005, contributions of 0.40% of
22 salary toward the cost of the early retirement without
23 discount option provided under Section 16-133.2. This
24 contribution shall cease upon termination of the early
25 retirement without discount option as provided in Section

1 16-133.2.

2 (a-5) Beginning July 1, 2018 or the effective date of the
3 Tier 1 employee's election under paragraph (1) of subsection
4 (a) of Section 16-122.9, whichever is later, in lieu of the
5 contributions otherwise required under subsection (a), each
6 Tier 1 employee who made the election under paragraph (1) of
7 subsection (a) of Section 16-122.9 shall make contributions as
8 follows:

9 (1) Contributions of 7.50% of salary towards the cost
10 of the retirement annuity. Such contributions shall be
11 deemed "normal contributions".

12 (2) Contributions of 0.60% towards the cost of survivor
13 benefits. Such contributions shall not be credited to the
14 individual account of the member and shall not be subject
15 to refund except as provided in Section 16-143.2.

16 (3) Contributions of 0.40% of salary toward the cost of
17 the early retirement without discount option provided
18 under Section 16-133.2. This contribution shall cease upon
19 termination of the early retirement without discount
20 option as provided in Section 16-133.2.

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

23 (c) Contributions shall not be required of any annuitant
24 receiving a retirement annuity who is given employment as
25 permitted under Section 16-118 or 16-150.1.

26 (d) A person who (i) was a member before July 1, 1998, (ii)

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

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

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

23 (2) The contributions shall be included, without
24 interest, in any refund claimed by the member under Section
25 16-151.

26 (3) The contributions shall be refunded to the member's

1 designated beneficiary (or if there is no beneficiary, to
2 the member's estate), without interest, if the member dies
3 without having begun to receive a retirement annuity under
4 this Article.

5 (4) The contributions shall be refunded to the member,
6 without interest, if the early retirement without discount
7 option provided under subsection (d) of Section 16-133.2 is
8 terminated. In that event, the System shall provide to the
9 member, within 120 days after the option is terminated, an
10 application for a refund of those contributions.

11 (Source: P.A. 98-42, eff. 6-28-13; 98-92, eff. 7-16-13; 99-642,
12 eff. 7-28-16.)

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

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

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

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

25 The Board shall determine the amount of State contributions

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

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

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

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

23 On or before April 1, 2011, the Board shall recalculate and
24 recertify to the Governor the amount of the required State
25 contribution to the System for State fiscal year 2011, applying
26 the changes made by Public Act 96-889 to the System's assets

1 and liabilities as of June 30, 2009 as though Public Act 96-889
2 was approved on that date.

3 (a-5) On or before November 1 of each year, beginning
4 November 1, 2012, the Board shall submit to the State Actuary,
5 the Governor, and the General Assembly a proposed certification
6 of the amount of the required State contribution to the System
7 for the next fiscal year, along with all of the actuarial
8 assumptions, calculations, and data upon which that proposed
9 certification is based. On or before January 1 of each year,
10 beginning January 1, 2013, the State Actuary shall issue a
11 preliminary report concerning the proposed certification and
12 identifying, if necessary, recommended changes in actuarial
13 assumptions that the Board must consider before finalizing its
14 certification of the required State contributions. On or before
15 January 15, 2013 and each January 15 thereafter, the Board
16 shall certify to the Governor and the General Assembly the
17 amount of the required State contribution for the next fiscal
18 year. The Board's certification must note any deviations from
19 the State Actuary's recommended changes, the reason or reasons
20 for not following the State Actuary's recommended changes, and
21 the fiscal impact of not following the State Actuary's
22 recommended changes on the required State contribution.

23 (a-10) On or before May 1, 2018, the Board shall
24 recalculate and recertify to the Governor and the General
25 Assembly the amount of the required State contribution to the
26 System for State fiscal year 2019, taking into account the

1 effect on the System's liabilities of the elections made under
2 Section 16-122.9.

3 On or before October 1, 2018, the Board shall recalculate
4 and recertify to the Governor and the General Assembly the
5 amount of the required State contribution to the System for
6 State fiscal year 2019, taking into account the reduction
7 specified under item (3) of subsection (b-3) of this Section.

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

11 (b-1) Beginning in State fiscal year 1996, on the 15th day
12 of each month, or as soon thereafter as may be practicable, the
13 Board shall submit vouchers for payment of State contributions
14 to the System, in a total monthly amount of one-twelfth of the
15 required annual State contribution certified under subsection
16 (a-1). From the effective date of this amendatory Act of the
17 93rd General Assembly through June 30, 2004, the Board shall
18 not submit vouchers for the remainder of fiscal year 2004 in
19 excess of the fiscal year 2004 certified contribution amount
20 determined under this Section after taking into consideration
21 the transfer to the System under subsection (a) of Section
22 6z-61 of the State Finance Act. These vouchers shall be paid by
23 the State Comptroller and Treasurer by warrants drawn on the
24 funds appropriated to the System for that fiscal year.

25 If in any month the amount remaining unexpended from all
26 other appropriations to the System for the applicable fiscal

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

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

11 (b-3) For State fiscal years 2012 through 2045 (except as
12 otherwise provided for fiscal year 2019), the minimum
13 contribution to the System to be made by the State for each
14 fiscal year shall be an amount determined by the System to be
15 sufficient to bring the total assets of the System up to 90% of
16 the total actuarial liabilities of the System by the end of
17 State fiscal year 2045. In making these determinations, the
18 required State contribution shall be calculated each year as a
19 level percentage of payroll over the years remaining to and
20 including fiscal year 2045 and shall be determined under the
21 projected unit credit actuarial cost method.

22 For State fiscal year 2019:

23 (1) The initial calculation and certification shall be
24 based on the amount determined above.

25 (2) For purposes of the recertification due on or
26 before May 1, 2018, the recalculation of the required State

1 contribution for fiscal year 2019 shall take into account
2 the effect on the System's liabilities of the elections
3 made under Section 16-122.9.

4 (3) For purposes of the recertification due on or
5 before October 1, 2018, the total required State
6 contribution for fiscal year 2019 shall be reduced by the
7 amount of the consideration payments made to Tier 1
8 employees who made the election under paragraph (1) of
9 subsection (a) of Section 16-122.9.

10 For State fiscal years 1996 through 2005, the State
11 contribution to the System, as a percentage of the applicable
12 employee payroll, shall be increased in equal annual increments
13 so that by State fiscal year 2011, the State is contributing at
14 the rate required under this Section; except that in the
15 following specified State fiscal years, the State contribution
16 to the System shall not be less than the following indicated
17 percentages of the applicable employee payroll, even if the
18 indicated percentage will produce a State contribution in
19 excess of the amount otherwise required under this subsection
20 and subsection (a), and notwithstanding any contrary
21 certification made under subsection (a-1) before the effective
22 date of this amendatory Act of 1998: 10.02% in FY 1999; 10.77%
23 in FY 2000; 11.47% in FY 2001; 12.16% in FY 2002; 12.86% in FY
24 2003; and 13.56% in FY 2004.

25 Notwithstanding any other provision of this Article, the
26 total required State contribution for State fiscal year 2006 is

1 \$534,627,700.

2 Notwithstanding any other provision of this Article, the
3 total required State contribution for State fiscal year 2007 is
4 \$738,014,500.

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

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

20 Notwithstanding any other provision of this Article, the
21 total required State contribution for State fiscal year 2011 is
22 the amount recertified by the System on or before April 1, 2011
23 pursuant to subsection (a-1) of this Section and shall be made
24 from the proceeds of bonds sold in fiscal year 2011 pursuant to
25 Section 7.2 of the General Obligation Bond Act, less (i) the
26 pro rata share of bond sale expenses determined by the System's

1 share of total bond proceeds, (ii) any amounts received from
2 the Common School Fund in fiscal year 2011, and (iii) any
3 reduction in bond proceeds due to the issuance of discounted
4 bonds, if applicable. This amount shall include, in addition to
5 the amount certified by the System, an amount necessary to meet
6 employer contributions required by the State as an employer
7 under paragraph (e) of this Section, which may also be used by
8 the System for contributions required by paragraph (a) of
9 Section 16-127.

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

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

26 Notwithstanding any other provision of this Section, the

1 required State contribution for State fiscal year 2005 and for
2 fiscal year 2008 and each fiscal year thereafter, as calculated
3 under this Section and certified under subsection (a-1), shall
4 not exceed an amount equal to (i) the amount of the required
5 State contribution that would have been calculated under this
6 Section for that fiscal year if the System had not received any
7 payments under subsection (d) of Section 7.2 of the General
8 Obligation Bond Act, minus (ii) the portion of the State's
9 total debt service payments for that fiscal year on the bonds
10 issued in fiscal year 2003 for the purposes of that Section
11 7.2, as determined and certified by the Comptroller, that is
12 the same as the System's portion of the total moneys
13 distributed under subsection (d) of Section 7.2 of the General
14 Obligation Bond Act. In determining this maximum for State
15 fiscal years 2008 through 2010, however, the amount referred to
16 in item (i) shall be increased, as a percentage of the
17 applicable employee payroll, in equal increments calculated
18 from the sum of the required State contribution for State
19 fiscal year 2007 plus the applicable portion of the State's
20 total debt service payments for fiscal year 2007 on the bonds
21 issued in fiscal year 2003 for the purposes of Section 7.2 of
22 the General Obligation Bond Act, so that, by State fiscal year
23 2011, the State is contributing at the rate otherwise required
24 under this Section.

25 (c) Payment of the required State contributions and of all
26 pensions, retirement annuities, death benefits, refunds, and

1 other benefits granted under or assumed by this System, and all
2 expenses in connection with the administration and operation
3 thereof, are obligations of the State.

4 If members are paid from special trust or federal funds
5 which are administered by the employing unit, whether school
6 district or other unit, the employing unit shall pay to the
7 System from such funds the full accruing retirement costs based
8 upon that service, which, beginning July 1, 2014, shall be at a
9 rate, expressed as a percentage of salary, equal to the total
10 minimum contribution to the System to be made by the State for
11 that fiscal year, including both normal cost and unfunded
12 liability components, expressed as a percentage of payroll, as
13 determined by the System under subsection (b-3) of this
14 Section. Employer contributions, based on salary paid to
15 members from federal funds, may be forwarded by the
16 distributing agency of the State of Illinois to the System
17 prior to allocation, in an amount determined in accordance with
18 guidelines established by such agency and the System. Any
19 contribution for fiscal year 2015 collected as a result of the
20 change made by this amendatory Act of the 98th General Assembly
21 shall be considered a State contribution under subsection (b-3)
22 of this Section.

23 (d) Effective July 1, 1986, any employer of a teacher as
24 defined in paragraph (8) of Section 16-106 shall pay the
25 employer's normal cost of benefits based upon the teacher's
26 service, in addition to employee contributions, as determined

1 by the System. Such employer contributions shall be forwarded
2 monthly in accordance with guidelines established by the
3 System.

4 However, with respect to benefits granted under Section
5 16-133.4 or 16-133.5 to a teacher as defined in paragraph (8)
6 of Section 16-106, the employer's contribution shall be 12%
7 (rather than 20%) of the member's highest annual salary rate
8 for each year of creditable service granted, and the employer
9 shall also pay the required employee contribution on behalf of
10 the teacher. For the purposes of Sections 16-133.4 and
11 16-133.5, a teacher as defined in paragraph (8) of Section
12 16-106 who is serving in that capacity while on leave of
13 absence from another employer under this Article shall not be
14 considered an employee of the employer from which the teacher
15 is on leave.

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

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

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

25 The school district or other employing unit may pay these
26 employer contributions out of any source of funding available

1 for that purpose and shall forward the contributions to the
2 System on the schedule established for the payment of member
3 contributions.

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

7 Each employer of teachers is entitled to a credit against
8 the contributions required under this subsection (e) with
9 respect to salaries paid to teachers for the period January 1,
10 2002 through June 30, 2003, equal to the amount paid by that
11 employer under subsection (a-5) of Section 6.6 of the State
12 Employees Group Insurance Act of 1971 with respect to salaries
13 paid to teachers for that period.

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

19 If an employer is required by a contract in effect on May
20 1, 1998 between the employer and an employee organization to
21 pay, on behalf of all its full-time employees covered by this
22 Article, all mandatory employee contributions required under
23 this Article, then the employer shall be excused from paying
24 the employer contribution required under this subsection (e)
25 for the balance of the term of that contract. The employer and
26 the employee organization shall jointly certify to the System

1 the existence of the contractual requirement, in such form as
2 the System may prescribe. This exclusion shall cease upon the
3 termination, extension, or renewal of the contract at any time
4 after May 1, 1998.

5 (f) If the amount of a teacher's salary for any school year
6 used to determine final average salary exceeds the member's
7 annual full-time salary rate with the same employer for the
8 previous school year by more than 6%, the teacher's employer
9 shall pay to the System, in addition to all other payments
10 required under this Section and in accordance with guidelines
11 established by the System, the present value of the increase in
12 benefits resulting from the portion of the increase in salary
13 that is in excess of 6%. This present value shall be computed
14 by the System on the basis of the actuarial assumptions and
15 tables used in the most recent actuarial valuation of the
16 System that is available at the time of the computation. If a
17 teacher's salary for the 2005-2006 school year is used to
18 determine final average salary under this subsection (f), then
19 the changes made to this subsection (f) by Public Act 94-1057
20 shall apply in calculating whether the increase in his or her
21 salary is in excess of 6%. For the purposes of this Section,
22 change in employment under Section 10-21.12 of the School Code
23 on or after June 1, 2005 shall constitute a change in employer.
24 The System may require the employer to provide any pertinent
25 information or documentation. The changes made to this
26 subsection (f) by this amendatory Act of the 94th General

1 Assembly apply without regard to whether the teacher was in
2 service on or after its effective date.

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

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

1 (g) This subsection (g) applies only to payments made or
2 salary increases given on or after June 1, 2005 but before July
3 1, 2011. The changes made by Public Act 94-1057 shall not
4 require the System to refund any payments received before July
5 31, 2006 (the effective date of Public Act 94-1057).

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

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

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

24 When assessing payment for any amount due under subsection
25 (f), the System shall exclude a salary increase resulting from
26 a promotion (i) for which the employee is required to hold a

1 certificate or supervisory endorsement issued by the State
2 Teacher Certification Board that is a different certification
3 or supervisory endorsement than is required for the teacher's
4 previous position and (ii) to a position that has existed and
5 been filled by a member for no less than one complete academic
6 year and the salary increase from the promotion is an increase
7 that results in an amount no greater than the lesser of the
8 average salary paid for other similar positions in the district
9 requiring the same certification or the amount stipulated in
10 the collective bargaining agreement for a similar position
11 requiring the same certification.

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

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

1 subsection (f) of this Section.

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

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

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

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

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

17 (j) For purposes of determining the required State
18 contribution to the System, the value of the System's assets
19 shall be equal to the actuarial value of the System's assets,
20 which shall be calculated as follows:

21 As of June 30, 2008, the actuarial value of the System's
22 assets shall be equal to the market value of the assets as of
23 that date. In determining the actuarial value of the System's
24 assets for fiscal years after June 30, 2008, any actuarial
25 gains or losses from investment return incurred in a fiscal
26 year shall be recognized in equal annual amounts over the

1 5-year period following that fiscal year.

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

6 (l) If Section 16-122.9 is determined to be
7 unconstitutional or otherwise invalid by a final unappealable
8 decision of an Illinois court or a court of competent
9 jurisdiction, then the changes made to this Section by this
10 amendatory Act of the 100th General Assembly shall not take
11 effect and are repealed by operation of law.

12 (Source: P.A. 96-43, eff. 7-15-09; 96-1497, eff. 1-14-11;
13 96-1511, eff. 1-27-11; 96-1554, eff. 3-18-11; 97-694, eff.
14 6-18-12; 97-813, eff. 7-13-12; 98-674, eff. 6-30-14.)

15 (40 ILCS 5/16-203)

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

18 Sec. 16-203. Application and expiration of new benefit
19 increases.

20 (a) As used in this Section, "new benefit increase" means
21 an increase in the amount of any benefit provided under this
22 Article, or an expansion of the conditions of eligibility for
23 any benefit under this Article, that results from an amendment
24 to this Code that takes effect after June 1, 2005 (the
25 effective date of Public Act 94-4). "New benefit increase",

1 however, does not include any benefit increase resulting from
2 the changes made to this Article by Public Act 95-910 or this
3 amendatory Act of the 100th General Assembly ~~this amendatory~~
4 ~~Act of the 95th General Assembly.~~

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

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

14 Every new benefit increase is contingent upon the General
15 Assembly providing the additional funding required under this
16 subsection. The Commission on Government Forecasting and
17 Accountability shall analyze whether adequate additional
18 funding has been provided for the new benefit increase and
19 shall report its analysis to the Public Pension Division of the
20 Department of Insurance ~~Financial and Professional Regulation.~~

21 A new benefit increase created by a Public Act that does not
22 include the additional funding required under this subsection
23 is null and void. If the Public Pension Division determines
24 that the additional funding provided for a new benefit increase
25 under this subsection is or has become inadequate, it may so
26 certify to the Governor and the State Comptroller and, in the

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

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

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

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

21 (40 ILCS 5/17-106.05 new)

22 Sec. 17-106.05. Tier 1 employee. "Tier 1 employee": A
23 teacher under this Article who first became a member or
24 participant before January 1, 2011 under any reciprocal
25 retirement system or pension fund established under this Code

1 other than a retirement system or pension fund established
2 under Article 2, 3, 4, 5, 6, or 18 of this Code. However, for
3 the purposes of the election under Section 17-115.5, "Tier 1
4 employee" does not include a teacher under this Article who
5 would qualify as a Tier 1 employee but who has made an
6 irrevocable election on or before June 1, 2017 to retire from
7 service pursuant to the terms of an employment contract or a
8 collective bargaining agreement in effect on June 1, 2017,
9 excluding any extension, amendment, or renewal of that
10 agreement after that date, and has notified the Fund of that
11 election.

12 (40 ILCS 5/17-113.4 new)

13 Sec. 17-113.4. Salary. "Salary" means any income in any
14 form that qualifies as "average salary" or "annual rate of
15 salary" for purposes of paragraph (1) of subsection (c) of
16 Section 17-116 and "salary" for payroll deduction purposes
17 under Sections 17-130, 17-131, and 17-132.

18 Notwithstanding any other provision of this Section,
19 "salary" does not include any future increase in income that is
20 offered by an employer for service as a Tier 1 employee under
21 this Article pursuant to the condition set forth in subsection
22 (c) of Section 17-115.5 and accepted under that condition by a
23 Tier 1 employee who has made the election under paragraph (2)
24 of subsection (a) of Section 17-115.5.

1 (40 ILCS 5/17-113.5 new)

2 Sec. 17-113.5. Future increase in income. "Future increase
3 in income" means an increase to a Tier 1 employee's base pay
4 that is offered by an employer to the Tier 1 employee for
5 service under this Article after June 30, 2018 that qualifies
6 as "salary", as defined in Section 17-113.4, or would qualify
7 as "salary" but for the fact that it was offered to and
8 accepted by the Tier 1 employee under the condition set forth
9 in subsection (c) of Section 17-115.5. The term "future
10 increase in income" includes an increase to a Tier 1 employee's
11 base pay that is paid to the Tier 1 employee pursuant to an
12 extension, amendment, or renewal of any employment contract or
13 collective bargaining agreement after the effective date of
14 this Section.

15 (40 ILCS 5/17-113.6 new)

16 Sec. 17-113.6. Base pay. As used in Section 17-113.5 of
17 this Code, "base pay" means the greater of either (i) the Tier
18 1 employee's annualized rate of salary as of June 30, 2018, or
19 (ii) the Tier 1 employee's annualized rate of salary
20 immediately preceding the expiration, renewal, or amendment of
21 an employment contract or collective bargaining agreement in
22 effect on the effective date of this Section. For a person
23 returning to active service as a Tier 1 employee after June 30,
24 2018, however, "base pay" means the employee's annualized rate
25 of salary as of the employee's last date of service prior to

1 July 1, 2018. The Fund shall calculate the base pay of each
2 Tier 1 employee pursuant to this Section.

3 (40 ILCS 5/17-115.5 new)

4 Sec. 17-115.5. Election by Tier 1 employees.

5 (a) Each active Tier 1 employee shall make an irrevocable
6 election either:

7 (1) to agree to delay his or her eligibility for
8 automatic annual increases in service retirement pension
9 as provided in Section 17-119.2 and to have the amount of
10 the automatic annual increases in his or her service
11 retirement pension and survivor's pension that are
12 otherwise provided for in this Article calculated,
13 instead, as provided in Section 17-119.2; or

14 (2) to not agree to paragraph (1) of this subsection.

15 The election required under this subsection (a) shall be
16 made by each active Tier 1 employee no earlier than January 1,
17 2018 and no later than March 31, 2018, except that:

18 (i) a person who becomes a Tier 1 employee under this
19 Article on or after January 1, 2018 must make the election
20 under this subsection (a) within 60 days after becoming a
21 Tier 1 employee; and

22 (ii) a person who returns to active service as a Tier 1
23 employee under this Article on or after January 1, 2018 and
24 has not yet made an election under this Section must make
25 the election under this subsection (a) within 60 days after

1 returning to active service as a Tier 1 employee.

2 If a Tier 1 employee fails for any reason to make a
3 required election under this subsection within the time
4 specified, then the employee shall be deemed to have made the
5 election under paragraph (2) of this subsection.

6 (a-5) If this Section is enjoined or stayed by an Illinois
7 court or a court of competent jurisdiction pending the entry of
8 a final and unappealable decision, and this Section is
9 determined to be constitutional or otherwise valid by a final
10 unappealable decision of an Illinois court or a court of
11 competent jurisdiction, then the election procedure set forth
12 in subsection (a) of this Section shall commence on the 180th
13 calendar day after the date of the issuance of the final
14 unappealable decision and shall conclude at the end of the
15 270th calendar day after that date.

16 (a-10) All elections under subsection (a) that are made or
17 deemed to be made before July 1, 2018 shall take effect on July
18 1, 2018. Elections that are made or deemed to be made on or
19 after July 1, 2018 shall take effect on the first day of the
20 month following the month in which the election is made or
21 deemed to be made.

22 (b) As adequate and legal consideration provided under this
23 amendatory Act of the 100th General Assembly for making an
24 election under paragraph (1) of subsection (a) of this Section,
25 an employer shall be expressly and irrevocably prohibited from
26 offering any future increases in income to a Tier 1 employee

1 who has made an election under paragraph (1) of subsection (a)
2 of this Section on the condition of not constituting salary
3 under Section 17-113.4.

4 As adequate and legal consideration provided under this
5 amendatory Act of the 100th General Assembly for making an
6 election under paragraph (1) of subsection (a) of this Section,
7 each Tier 1 employee who has made an election under paragraph
8 (1) of subsection (a) of this Section shall receive a
9 consideration payment equal to 10% of the contributions made by
10 or on behalf of the employee under Section 17-130 before the
11 effective date of that election. The State Comptroller shall
12 pay the consideration payment to the Tier 1 employee out of
13 funds appropriated for that purpose under Section 1.9 of the
14 State Pension Funds Continuing Appropriation Act. The Fund
15 shall calculate the amount of each consideration payment and,
16 by July 1, 2018, shall certify to the State Comptroller the
17 amount of the consideration payment, together with the name,
18 address, and any other available payment information of the
19 Tier 1 employee as found in the records of the Fund. The Fund
20 shall make additional calculations and certifications of
21 consideration payments to the State Comptroller as the Fund
22 deems necessary.

23 (c) A Tier 1 employee who makes the election under
24 paragraph (2) of subsection (a) of this Section shall not be
25 subject to paragraph (1) of subsection (a) of this Section.
26 However, each future increase in income offered by an employer

1 under this Article to a Tier 1 employee who has made the
2 election under paragraph (2) of subsection (a) of this Section
3 shall be offered by the employer expressly and irrevocably on
4 the condition of not constituting salary under Section 17-113.4
5 and that the Tier 1 employee's acceptance of the offered future
6 increase in income shall constitute his or her agreement to
7 that condition.

8 (d) The Fund shall make a good faith effort to contact each
9 Tier 1 employee subject to this Section. The Fund shall mail
10 information describing the required election to each Tier 1
11 employee by United States Postal Service mail to his or her
12 last known address on file with the Fund. If the Tier 1
13 employee is not responsive to other means of contact, it is
14 sufficient for the Fund to publish the details of any required
15 elections on its website or to publish those details in a
16 regularly published newsletter or other existing public forum.

17 Tier 1 employees who are subject to this Section shall be
18 provided with an election packet containing information
19 regarding their options, as well as the forms necessary to make
20 the required election. Upon request, the Fund shall offer Tier
21 1 employees an opportunity to receive information from the Fund
22 before making the required election. The information may
23 consist of video materials, group presentations, individual
24 consultation with a member or authorized representative of the
25 Fund in person or by telephone or other electronic means, or
26 any combination of those methods. The Fund shall not provide

1 advice or counseling with respect to which election a Tier 1
2 employee should make or specific to the legal or tax
3 circumstances of or consequences to the Tier 1 employee.

4 The Fund shall inform Tier 1 employees in the election
5 packet required under this subsection that the Tier 1 employee
6 may also wish to obtain information and counsel relating to the
7 election required under this Section from any other available
8 source, including, but not limited to, labor organizations and
9 private counsel.

10 In no event shall the Fund, its staff, or the Board be held
11 liable for any information given to a member regarding the
12 elections under this Section. The Fund shall coordinate with
13 the Illinois Department of Central Management Services and each
14 other retirement system administering an election in
15 accordance with this amendatory Act of the 100th General
16 Assembly to provide information concerning the impact of the
17 election set forth in this Section.

18 (e) Notwithstanding any other provision of law, an employer
19 under this Article is required to offer each future increase in
20 income expressly and irrevocably on the condition of not
21 constituting "salary" under Section 17-113.4 to any Tier 1
22 employee who has made an election under paragraph (2) of
23 subsection (a) of this Section. The offer shall also provide
24 that the Tier 1 employee's acceptance of the offered future
25 increase in income shall constitute his or her agreement to the
26 condition set forth in this subsection.

1 For purposes of legislative intent, the condition set forth
2 in this subsection shall be construed in a manner that ensures
3 that the condition is not violated or circumvented through any
4 contrivance of any kind.

5 (f) A member's election under this Section is not a
6 prohibited election under subdivision (j)(1) of Section 1-119
7 of this Code.

8 (g) No provision of this Section shall be interpreted in a
9 way that would cause the Fund to cease to be a qualified plan
10 under Section 401(a) of the Internal Revenue Code of 1986.

11 (h) If an election created by this amendatory Act in any
12 other Article of this Code or any change deriving from that
13 election is determined to be unconstitutional or otherwise
14 invalid by a final unappealable decision of an Illinois court
15 or a court of competent jurisdiction, the invalidity of that
16 provision shall not in any way affect the validity of this
17 Section or the changes deriving from the election required
18 under this Section.

19 (40 ILCS 5/17-116) (from Ch. 108 1/2, par. 17-116)

20 Sec. 17-116. Service retirement pension.

21 (a) Each teacher having 20 years of service upon attainment
22 of age 55, or who thereafter attains age 55 shall be entitled
23 to a service retirement pension upon or after attainment of age
24 55; and each teacher in service on or after July 1, 1971, with
25 5 or more but less than 20 years of service shall be entitled

1 to receive a service retirement pension upon or after
2 attainment of age 62.

3 (b) The service retirement pension for a teacher who
4 retires on or after June 25, 1971, at age 60 or over, shall be
5 calculated as follows:

6 (1) For creditable service earned before July 1, 1998
7 that has not been augmented under Section 17-119.1: 1.67%
8 for each of the first 10 years of service; 1.90% for each
9 of the next 10 years of service; 2.10% for each year of
10 service in excess of 20 but not exceeding 30; and 2.30% for
11 each year of service in excess of 30, based upon average
12 salary as herein defined.

13 (2) For creditable service earned on or after July 1,
14 1998 by a member who has at least 30 years of creditable
15 service on July 1, 1998 and who does not elect to augment
16 service under Section 17-119.1: 2.3% of average salary for
17 each year of creditable service earned on or after July 1,
18 1998.

19 (3) For all other creditable service: 2.2% of average
20 salary for each year of creditable service.

21 (c) When computing such service retirement pensions, the
22 following conditions shall apply:

23 1. Average salary shall consist of the average annual
24 rate of salary for the 4 consecutive years of validated
25 service within the last 10 years of service when such
26 average annual rate was highest. In the determination of

1 average salary for retirement allowance purposes, for
2 members who commenced employment after August 31, 1979,
3 that part of the salary for any year shall be excluded
4 which exceeds the annual full-time salary rate for the
5 preceding year by more than 20%. In the case of a member
6 who commenced employment before August 31, 1979 and who
7 receives salary during any year after September 1, 1983
8 which exceeds the annual full time salary rate for the
9 preceding year by more than 20%, an Employer and other
10 employers of eligible contributors as defined in Section
11 17-106 shall pay to the Fund an amount equal to the present
12 value of the additional service retirement pension
13 resulting from such excess salary. The present value of the
14 additional service retirement pension shall be computed by
15 the Board on the basis of actuarial tables adopted by the
16 Board. If a member elects to receive a pension from this
17 Fund provided by Section 20-121, his salary under the State
18 Universities Retirement System and the Teachers'
19 Retirement System of the State of Illinois shall be
20 considered in determining such average salary. Amounts
21 paid after the effective date of this amendatory Act of
22 1991 for unused vacation time earned after that effective
23 date shall not under any circumstances be included in the
24 calculation of average salary or the annual rate of salary
25 for the purposes of this Article.

26 2. Proportionate credit shall be given for validated

1 service of less than one year.

2 3. For retirement at age 60 or over the pension shall
3 be payable at the full rate.

4 4. For separation from service below age 60 to a
5 minimum age of 55, the pension shall be discounted at the
6 rate of 1/2 of one per cent for each month that the age of
7 the contributor is less than 60, but a teacher may elect to
8 defer the effective date of pension in order to eliminate
9 or reduce this discount. This discount shall not be
10 applicable to any participant who has at least 34 years of
11 service or a retirement pension of at least 74.6% of
12 average salary on the date the retirement annuity begins.

13 5. No additional pension shall be granted for service
14 exceeding 45 years. Beginning June 26, 1971 no pension
15 shall exceed the greater of \$1,500 per month or 75% of
16 average salary as herein defined.

17 6. Service retirement pensions shall begin on the
18 effective date of resignation, retirement, the day
19 following the close of the payroll period for which service
20 credit was validated, or the time the person resigning or
21 retiring attains age 55, or on a date elected by the
22 teacher, whichever shall be latest; provided that, for a
23 person who first becomes a member after the effective date
24 of this amendatory Act of the 99th General Assembly, the
25 benefit shall not commence more than one year prior to the
26 date of the Fund's receipt of an application for the

1 benefit.

2 7. A member who is eligible to receive a retirement
3 pension of at least 74.6% of average salary and will attain
4 age 55 on or before December 31 during the year which
5 commences on July 1 shall be deemed to attain age 55 on the
6 preceding June 1.

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

13 (d) Notwithstanding any other provision of this Section,
14 annual salary does not include any future increase in income
15 that is offered for service to a Tier 1 employee under this
16 Article pursuant to the condition set forth in subsection (c)
17 of Section 17-115.5 and accepted under that condition by a Tier
18 1 employee who has made the election under paragraph (2) of
19 subsection (a) of Section 17-115.5.

20 Notwithstanding any other provision of this Section,
21 annual salary does not include any consideration payment made
22 to a Tier 1 employee.

23 (Source: P.A. 99-702, eff. 7-29-16.)

24 (40 ILCS 5/17-119.2 new)

25 Sec. 17-119.2. Automatic annual increases in service

1 retirement pension and survivor's pension for certain Tier 1
2 employees. Notwithstanding any other provision of this
3 Article, for a Tier 1 employee who made the election under
4 paragraph (1) of subsection (a) of Section 17-115.5:

5 (1) The initial increase in service retirement pension
6 shall occur on the January 1 occurring either on or after
7 the attainment of age 67 or the fifth anniversary of the
8 pension start date, whichever is earlier.

9 (2) The amount of each automatic annual increase in
10 service retirement pension or survivor's pension occurring
11 on or after the effective date of that election shall be
12 calculated as a percentage of the originally granted
13 service retirement pension or survivor's pension, equal to
14 3% or one-half the annual unadjusted percentage increase
15 (but not less than zero) in the consumer price index-u for
16 the 12 months ending with the September preceding each
17 November 1, whichever is less. If the annual unadjusted
18 percentage change in the consumer price index-u for the 12
19 months ending with the September preceding each November 1
20 is zero or there is a decrease, then the annuity shall not
21 be increased.

22 For the purposes of this Section, "consumer price index-u"
23 means the index published by the Bureau of Labor Statistics of
24 the United States Department of Labor that measures the average
25 change in prices of goods and services purchased by all urban
26 consumers, United States city average, all items, 1982-84 =

1 100. The new amount resulting from each annual adjustment shall
2 be determined by the Public Pension Division of the Department
3 of Insurance and made available to the Board by November 1 of
4 each year.

5 (40 ILCS 5/17-129) (from Ch. 108 1/2, par. 17-129)

6 Sec. 17-129. Employer contributions; deficiency in Fund.

7 (a) If in any fiscal year of the Board of Education ending
8 prior to 1997 the total amounts paid to the Fund from the Board
9 of Education (other than under this subsection, and other than
10 amounts used for making or "picking up" contributions on behalf
11 of teachers) and from the State do not equal the total
12 contributions made by or on behalf of the teachers for such
13 year, or if the total income of the Fund in any such fiscal
14 year of the Board of Education from all sources is less than
15 the total such expenditures by the Fund for such year, the
16 Board of Education shall, in the next succeeding year, in
17 addition to any other payment to the Fund set apart and
18 appropriate from moneys from its tax levy for educational
19 purposes, a sum sufficient to remove such deficiency or
20 deficiencies, and promptly pay such sum into the Fund in order
21 to restore any of the reserves of the Fund that may have been
22 so temporarily applied. Any amounts received by the Fund after
23 December 4, 1997 from State appropriations, including under
24 Section 17-127, shall be a credit against and shall fully
25 satisfy any obligation that may have arisen, or be claimed to

1 have arisen, under this subsection (a) as a result of any
2 deficiency or deficiencies in the fiscal year of the Board of
3 Education ending in calendar year 1997.

4 (b) (i) Notwithstanding any other provision of this
5 Section, and notwithstanding any prior certification by the
6 Board under subsection (c) for fiscal year 2011, the Board of
7 Education's total required contribution to the Fund for fiscal
8 year 2011 under this Section is \$187,000,000.

9 (ii) Notwithstanding any other provision of this Section,
10 the Board of Education's total required contribution to the
11 Fund for fiscal year 2012 under this Section is \$192,000,000.

12 (iii) Notwithstanding any other provision of this Section,
13 the Board of Education's total required contribution to the
14 Fund for fiscal year 2013 under this Section is \$196,000,000.

15 (iv) For fiscal years 2014 through 2059, the minimum
16 contribution to the Fund to be made by the Board of Education
17 in each fiscal year shall be an amount determined by the Fund
18 to be sufficient to bring the total assets of the Fund up to
19 90% of the total actuarial liabilities of the Fund by the end
20 of fiscal year 2059. In making these determinations, the
21 required Board of Education contribution shall be calculated
22 each year as a level percentage of the applicable employee
23 payrolls over the years remaining to and including fiscal year
24 2059 and shall be determined under the projected unit credit
25 actuarial cost method.

26 (v) Beginning in fiscal year 2060, the minimum Board of

1 Education contribution for each fiscal year shall be the amount
2 needed to maintain the total assets of the Fund at 90% of the
3 total actuarial liabilities of the Fund.

4 (vi) Notwithstanding any other provision of this
5 subsection (b), for any fiscal year, the contribution to the
6 Fund from the Board of Education shall not be required to be in
7 excess of the amount calculated as needed to maintain the
8 assets (or cause the assets to be) at the 90% level by the end
9 of the fiscal year.

10 (vii) Any contribution by the State to or for the benefit
11 of the Fund, including, without limitation, as referred to
12 under Section 17-127, shall be a credit against any
13 contribution required to be made by the Board of Education
14 under this subsection (b).

15 (c) The Board shall determine the amount of Board of
16 Education contributions required for each fiscal year on the
17 basis of the actuarial tables and other assumptions adopted by
18 the Board and the recommendations of the actuary, in order to
19 meet the minimum contribution requirements of subsections (a)
20 and (b). Annually, on or before February 28, the Board shall
21 certify to the Board of Education the amount of the required
22 Board of Education contribution for the coming fiscal year. The
23 certification shall include a copy of the actuarial
24 recommendations upon which it is based.

25 (d) On or before May 1, 2018, the Board shall recalculate
26 and recertify to the Board of Education the amount of the

1 required Board of Education contribution to the Fund for fiscal
2 year 2019, taking into account the effect on the Fund's
3 liabilities of the elections made under Section 17-115.5.

4 (Source: P.A. 96-889, eff. 4-14-10.)

5 (40 ILCS 5/17-130) (from Ch. 108 1/2, par. 17-130)

6 Sec. 17-130. Participants' contributions by payroll
7 deductions.

8 (a) Except as provided in subsection (a-5), there ~~There~~
9 shall be deducted from the salary of each teacher 7.50% of his
10 salary for service or disability retirement pension and 0.5% of
11 salary for the annual increase in base pension.

12 In addition, there shall be deducted from the salary of
13 each teacher 1% of his salary for survivors' and children's
14 pensions.

15 (a-5) Beginning on July 1, 2018 or the effective date of
16 the Tier 1 employee's election under paragraph (1) of Section
17 17-115.5, whichever is later, in lieu of the contributions
18 otherwise required under subsection (a), each Tier 1 employee
19 who made the election under paragraph (1) of Section 17-115.5
20 shall make contributions of 7.50% of salary for service or
21 disability retirement pension and 0.6% of salary for survivors'
22 and children's pensions.

23 (b) An Employer and any employer of eligible contributors
24 as defined in Section 17-106 is authorized to make the
25 necessary deductions from the salaries of its teachers. Such

1 amounts shall be included as a part of the Fund. An Employer
2 and any employer of eligible contributors as defined in Section
3 17-106 shall formulate such rules and regulations as may be
4 necessary to give effect to the provisions of this Section.

5 (c) All persons employed as teachers shall, by such
6 employment, accept the provisions of this Article and of
7 Sections 34-83 to 34-85, inclusive, of "The School Code",
8 approved March 18, 1961, as amended, and thereupon become
9 contributors to the Fund in accordance with the terms thereof.
10 The provisions of this Article and of those Sections shall
11 become a part of the contract of employment.

12 (d) A person who (i) was a member before July 1, 1998, (ii)
13 retires with more than 34 years of creditable service, and
14 (iii) does not elect to qualify for the augmented rate under
15 Section 17-119.1 shall be entitled, at the time of retirement,
16 to receive a partial refund of contributions made under this
17 Section for service occurring after the later of June 30, 1998
18 or attainment of 34 years of creditable service, in an amount
19 equal to 1.00% of the salary upon which those contributions
20 were based.

21 (Source: P.A. 97-8, eff. 6-13-11.)

22 Section 40. The State Pension Funds Continuing
23 Appropriation Act is amended by adding Section 1.9 as follows:

24 (40 ILCS 15/1.9 new)

1 Sec. 1.9. Appropriation for consideration payment. There
2 is hereby appropriated from the General Revenue Fund to the
3 State Comptroller, on a continuing basis, all amounts necessary
4 for the payment of consideration payments under subsection (b)
5 of Sections 2-110.3, 14-106.5, 15-132.9, 16-122.9, and
6 17-115.5 of the Illinois Pension Code, in the amounts certified
7 to the State Comptroller by the respective retirement system or
8 pension fund.

9 Section 45. The School Code is amended by changing Sections
10 24-1, 24-8, and 34-18.53 as follows:

11 (105 ILCS 5/24-1) (from Ch. 122, par. 24-1)

12 Sec. 24-1. Appointment-Salaries-Payment-School
13 month-School term.) School boards shall appoint all teachers,
14 determine qualifications of employment and fix the amount of
15 their salaries subject to any limitation set forth in this Act
16 and subject to any applicable restrictions in Section 16-122.9
17 of the Illinois Pension Code. They shall pay the wages of
18 teachers monthly, subject, however, to the provisions of
19 Section 24-21. The school month shall be the same as the
20 calendar month but by resolution the school board may adopt for
21 its use a month of 20 days, including holidays. The school term
22 shall consist of at least the minimum number of pupil
23 attendance days required by Section 10-19, any additional legal
24 school holidays, days of teachers' institutes, or equivalent

1 professional educational experiences, and one or two days at
2 the beginning of the school term when used as a teachers'
3 workshop.

4 (Source: P.A. 80-249.)

5 (105 ILCS 5/24-8) (from Ch. 122, par. 24-8)

6 Sec. 24-8. Minimum salary. In fixing the salaries of
7 teachers, school boards shall pay those who serve on a
8 full-time basis not less than a rate for the school year that
9 is based upon training completed in a recognized institution of
10 higher learning, as follows: for the school year beginning July
11 1, 1980 and thereafter, less than a bachelor's degree, \$9,000;
12 120 semester hours or more and a bachelor's degree, \$10,000;
13 150 semester hours or more and a master's degree, \$11,000.

14 Based upon previous public school experience in this State
15 or any other State, territory, dependency or possession of the
16 United States, or in schools operated by or under the auspices
17 of the United States, teachers who serve on a full-time basis
18 shall have their salaries increased to at least the following
19 amounts above the starting salary for a teacher in such
20 district in the same classification: with less than a
21 bachelor's degree, \$750 after 5 years; with 120 semester hours
22 or more and a bachelor's degree, \$1,000 after 5 years and
23 \$1,600 after 8 years; with 150 semester hours or more and a
24 master's degree, \$1,250 after 5 years, \$2,000 after 8 years and
25 \$2,750 after 13 years. However, any salary increase is subject

1 to any applicable restrictions in Section 16-122.9 of the
2 Illinois Pension Code.

3 For the purpose of this Section a teacher's salary shall
4 include any amount paid by the school district on behalf of the
5 teacher, as teacher contributions, to the Teachers' Retirement
6 System of the State of Illinois.

7 If a school board establishes a schedule for teachers'
8 salaries based on education and experience, not inconsistent
9 with this Section, all certificated nurses employed by that
10 board shall be paid in accordance with the provisions of such
11 schedule (subject to any applicable restrictions in Section
12 16-122.9 of the Illinois Pension Code).

13 For purposes of this Section, a teacher who submits a
14 certificate of completion to the school office prior to the
15 first day of the school term shall be considered to have the
16 degree stated in such certificate.

17 (Source: P.A. 83-913.)

18 (105 ILCS 5/34-18.53 new)

19 Sec. 34-18.53. Future increase in income. The Board of
20 Education must not pay, offer, or agree to pay any future
21 increase in income, as that term is defined in Section 17-113.5
22 of the Illinois Pension Code, to any person in a manner that
23 violates Section 17-115.5 of the Illinois Pension Code.

24 Section 50. The State Universities Civil Service Act is

1 amended by changing Section 36d as follows:

2 (110 ILCS 70/36d) (from Ch. 24 1/2, par. 38b3)

3 Sec. 36d. Powers and duties of the Merit Board. The Merit
4 Board shall have the power and duty-

5 (1) To approve a classification plan prepared under its
6 direction, assigning to each class positions of
7 substantially similar duties. The Merit Board shall have
8 power to delegate to its Director the duty of assigning
9 each position in the classified service to the appropriate
10 class in the classification plan approved by the Merit
11 Board.

12 (2) To prescribe the duties of each class of positions
13 and the qualifications required by employment in that
14 class.

15 (3) To prescribe the range of compensation for each
16 class or to fix a single rate of compensation for employees
17 in a particular class; and to establish other conditions of
18 employment which an employer and employee representatives
19 have agreed upon as fair and equitable. The Merit Board
20 shall direct the payment of the "prevailing rate of wages"
21 in those classifications in which, on January 1, 1952, any
22 employer is paying such prevailing rate and in such other
23 classes as the Merit Board may thereafter determine.
24 "Prevailing rate of wages" as used herein shall be the
25 wages paid generally in the locality in which the work is

1 being performed to employees engaged in work of a similar
2 character. Subject to any applicable restrictions in
3 Section 14-106.5, 15-132.9, or 16-122.9 of the Illinois
4 Pension Code, each ~~Each~~ employer covered by the University
5 System shall be authorized to negotiate with
6 representatives of employees to determine appropriate
7 ranges or rates of compensation or other conditions of
8 employment and may recommend to the Merit Board for
9 establishment the rates or ranges or other conditions of
10 employment which the employer and employee representatives
11 have agreed upon as fair and equitable, but excluding the
12 changes, the impact of changes, and the implementation of
13 the changes set forth in this amendatory Act of the 100th
14 General Assembly. Any rates or ranges established prior to
15 January 1, 1952, and hereafter, shall not be changed except
16 in accordance with the procedures herein provided.

17 (4) To recommend to the institutions and agencies
18 specified in Section 36e standards for hours of work,
19 holidays, sick leave, overtime compensation and vacation
20 for the purpose of improving conditions of employment
21 covered therein and for the purpose of insuring conformity
22 with the prevailing rate principal.

23 (5) To prescribe standards of examination for each
24 class, the examinations to be related to the duties of such
25 class. The Merit Board shall have power to delegate to the
26 Director and his staff the preparation, conduct and grading

1 of examinations. Examinations may be written, oral, by
2 statement of training and experience, in the form of tests
3 of knowledge, skill, capacity, intellect, aptitude; or, by
4 any other method, which in the judgment of the Merit Board
5 is reasonable and practical for any particular
6 classification. Different examining procedures may be
7 determined for the examinations in different
8 classifications but all examinations in the same
9 classification shall be uniform.

10 (6) To authorize the continuous recruitment of
11 personnel and to that end, to delegate to the Director and
12 his staff the power and the duty to conduct open and
13 continuous competitive examinations for all
14 classifications of employment.

15 (7) To cause to be established from the results of
16 examinations registers for each class of positions in the
17 classified service of the State Universities Civil Service
18 System, of the persons who shall attain the minimum mark
19 fixed by the Merit Board for the examination; and such
20 persons shall take rank upon the registers as candidates in
21 the order of their relative excellence as determined by
22 examination, without reference to priority of time of
23 examination.

24 (8) To provide by its rules for promotions in the
25 classified service. Vacancies shall be filled by promotion
26 whenever practicable. For the purpose of this paragraph, an

1 advancement in class shall constitute a promotion.

2 (9) To set a probationary period of employment of no
3 less than 6 months and no longer than 12 months for each
4 class of positions in the classification plan, the length
5 of the probationary period for each class to be determined
6 by the Director.

7 (10) To provide by its rules for employment at regular
8 rates of compensation of persons with physical
9 disabilities in positions in which the disability does not
10 prevent the individual from furnishing satisfactory
11 service.

12 (11) To make and publish rules, to carry out the
13 purpose of the State Universities Civil Service System and
14 for examination, appointments, transfers and removals and
15 for maintaining and keeping records of the efficiency of
16 officers and employees and groups of officers and employees
17 in accordance with the provisions of Sections 36b to 36q,
18 inclusive, and said Merit Board may from time to time make
19 changes in such rules.

20 (12) To appoint a Director and such assistants and
21 other clerical and technical help as may be necessary
22 efficiently to administer Sections 36b to 36q, inclusive.
23 To authorize the Director to appoint an assistant resident
24 at the place of employment of each employer specified in
25 Section 36e and this assistant may be authorized to give
26 examinations and to certify names from the regional

1 registers provided in Section 36k.

2 (13) To submit to the Governor of this state on or
3 before November 1 of each year prior to the regular session
4 of the General Assembly a report of the University System's
5 business and an estimate of the amount of appropriation
6 from state funds required for the purpose of administering
7 the University System.

8 (Source: P.A. 99-143, eff. 7-27-15.)

9 Section 55. The University of Illinois Act is amended by
10 adding Section 100 as follows:

11 (110 ILCS 305/100 new)

12 Sec. 100. Future increases in income. The University of
13 Illinois must not pay, offer, or agree to pay any future
14 increase in income, as that term is defined in Section
15 14-103.42, 15-112.1, or 16-121.1 of the Illinois Pension Code,
16 to any person in a manner that violates Section 14-106.5,
17 15-132.9, or 16-122.9 of the Illinois Pension Code.

18 Section 65. The Southern Illinois University Management
19 Act is amended by adding Section 85 as follows:

20 (110 ILCS 520/85 new)

21 Sec. 85. Future increases in income. Southern Illinois
22 University must not pay, offer, or agree to pay any future

1 increase in income, as that term is defined in Section
2 14-103.42, 15-112.1, or 16-121.1 of the Illinois Pension Code,
3 to any person in a manner that violates Section 14-106.5,
4 15-132.9, or 16-122.9 of the Illinois Pension Code.

5 Section 70. The Chicago State University Law is amended by
6 adding Section 5-195 as follows:

7 (110 ILCS 660/5-195 new)

8 Sec. 5-195. Future increases in income. Chicago State
9 University must not pay, offer, or agree to pay any future
10 increase in income, as that term is defined in Section
11 14-103.42, 15-112.1, or 16-121.1 of the Illinois Pension Code,
12 to any person in a manner that violates Section 14-106.5,
13 15-132.9, or 16-122.9 of the Illinois Pension Code.

14 Section 75. The Eastern Illinois University Law is amended
15 by adding Section 10-195 as follows:

16 (110 ILCS 665/10-195 new)

17 Sec. 10-195. Future increases in income. Eastern Illinois
18 University must not pay, offer, or agree to pay any future
19 increase in income, as that term is defined in Section
20 14-103.42, 15-112.1, or 16-121.1 of the Illinois Pension Code,
21 to any person in a manner that violates Section 14-106.5,
22 15-132.9, or 16-122.9 of the Illinois Pension Code.

1 Section 80. The Governors State University Law is amended
2 by adding Section 15-195 as follows:

3 (110 ILCS 670/15-195 new)

4 Sec. 15-195. Future increases in income. Governors State
5 University must not pay, offer, or agree to pay any future
6 increase in income, as that term is defined in Section
7 14-103.42, 15-112.1, or 16-121.1 of the Illinois Pension Code,
8 to any person in a manner that violates Section 14-106.5,
9 15-132.9, or 16-122.9 of the Illinois Pension Code.

10 Section 85. The Illinois State University Law is amended by
11 adding Section 20-200 as follows:

12 (110 ILCS 675/20-200 new)

13 Sec. 20-200. Future increases in income. Illinois State
14 University must not pay, offer, or agree to pay any future
15 increase in income, as that term is defined in Section
16 14-103.42, 15-112.1, or 16-121.1 of the Illinois Pension Code,
17 to any person in a manner that violates Section 14-106.5,
18 15-132.9, or 16-122.9 of the Illinois Pension Code.

19 Section 90. The Northeastern Illinois University Law is
20 amended by adding Section 25-195 as follows:

1 (110 ILCS 680/25-195 new)

2 Sec. 25-195. Future increases in income. Northeastern
3 Illinois University must not pay, offer, or agree to pay any
4 future increase in income, as that term is defined in Section
5 14-103.42, 15-112.1, or 16-121.1 of the Illinois Pension Code,
6 to any person in a manner that violates Section 14-106.5,
7 15-132.9, or 16-122.9 of the Illinois Pension Code.

8 Section 95. The Northern Illinois University Law is amended
9 by adding Section 30-205 as follows:

10 (110 ILCS 685/30-205 new)

11 Sec. 30-205. Future increases in income. Northern Illinois
12 University must not pay, offer, or agree to pay any future
13 increase in income, as that term is defined in Section
14 14-103.42, 15-112.1, or 16-121.1 of the Illinois Pension Code,
15 to any person in a manner that violates Section 14-106.5,
16 15-132.9, or 16-122.9 of the Illinois Pension Code.

17 Section 100. The Western Illinois University Law is amended
18 by adding Section 35-200 as follows:

19 (110 ILCS 690/35-200 new)

20 Sec. 35-200. Future increases in income. Western Illinois
21 University must not pay, offer, or agree to pay any future
22 increase in income, as that term is defined in Section

1 14-103.42, 15-112.1, or 16-121.1 of the Illinois Pension Code,
2 to any person in a manner that violates Section 14-106.5,
3 15-132.9, or 16-122.9 of the Illinois Pension Code.

4 Section 105. The Public Community College Act is amended by
5 changing Sections 3-26 and 3-42 as follows:

6 (110 ILCS 805/3-26) (from Ch. 122, par. 103-26)

7 Sec. 3-26. (a) To make appointments and fix the salaries of
8 a chief administrative officer, who shall be the executive
9 officer of the board, other administrative personnel, and all
10 teachers, but subject to any applicable restrictions in Section
11 14-106.5, 15-132.9, or 16-122.9 of the Illinois Pension Code.

12 In making these appointments and fixing the salaries, the board
13 may make no discrimination on account of sex, race, creed,
14 color or national origin.

15 (b) Upon the written request of an employee, to withhold
16 from the compensation of that employee the membership dues of
17 such employee payable to any specified labor organization as
18 defined in the Illinois Educational Labor Relations Act. Under
19 such arrangement, an amount shall be withheld for each regular
20 payroll period which is equal to the prorata share of the
21 annual membership dues plus any payments or contributions and
22 the board shall pay such withholding to the specified labor
23 organization within 10 working days from the time of the
24 withholding.

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

2 (110 ILCS 805/3-42) (from Ch. 122, par. 103-42)

3 Sec. 3-42. To employ such personnel as may be needed, to
4 establish policies governing their employment and dismissal,
5 and to fix the amount of their compensation, subject to any
6 applicable restrictions in Section 14-106.5, 15-132.9, or
7 16-122.9 of the Illinois Pension Code. In the employment,
8 establishment of policies and fixing of compensation the board
9 may make no discrimination on account of sex, race, creed,
10 color or national origin.

11 Residence within any community college district or outside
12 any community college district shall not be considered:

13 (a) in determining whether to retain or not retain any
14 employee of a community college employed prior to July 1,
15 1977 or prior to the adoption by the community college
16 board of a resolution making residency within the community
17 college district of some or all employees a condition of
18 employment, whichever is later;

19 (b) in assigning, promoting or transferring any
20 employee of a community college to an office or position
21 employed prior to July 1, 1977 or prior to the adoption by
22 the community college board of a resolution making
23 residency within the community college district of some or
24 all employees a condition of employment, whichever is
25 later; or

1 (c) in determining the salary or other compensation of
2 any employee of a community college.

3 (Source: P.A. 80-248.)

4 Section 110. The Illinois Educational Labor Relations Act
5 is amended by changing Sections 4, 14, and 17 and by adding
6 Section 10.6 as follows:

7 (115 ILCS 5/4) (from Ch. 48, par. 1704)

8 Sec. 4. Employer rights. Employers shall not be required to
9 bargain over matters of inherent managerial policy, which shall
10 include such areas of discretion or policy as the functions of
11 the employer, standards of services, its overall budget, the
12 organizational structure and selection of new employees and
13 direction of employees. Employers, however, shall be required
14 to bargain collectively with regard to policy matters directly
15 affecting wages (but subject to any applicable restrictions in
16 Section 14-106.5, 15-132.9, 16-122.9, or 17-115.5 of the
17 Illinois Pension Code), hours and terms and conditions of
18 employment as well as the impact thereon upon request by
19 employee representatives, but excluding the changes, the
20 impact of changes, and the implementation of the changes set
21 forth in Section 14-106.5, 15-132.9, 16-122.9, or 17-115.5 of
22 the Illinois Pension Code. To preserve the rights of employers
23 and exclusive representatives which have established
24 collective bargaining relationships or negotiated collective

1 bargaining agreements prior to the effective date of this Act,
2 employers shall be required to bargain collectively with regard
3 to any matter concerning wages (but subject to any applicable
4 restrictions in Section 14-106.5, 15-132.9, 16-122.9, or
5 17-115.5 of the Illinois Pension Code), hours or conditions of
6 employment about which they have bargained for and agreed to in
7 a collective bargaining agreement prior to the effective date
8 of this Act, but excluding the changes, the impact of changes,
9 and the implementation of the changes set forth in Section
10 14-106.5, 15-132.9, 16-122.9, or 17-115.5 of the Illinois
11 Pension Code.

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

13 (115 ILCS 5/10.6 new)

14 Sec. 10.6. No collective bargaining or interest
15 arbitration regarding certain changes to the Illinois Pension
16 Code.

17 (a) Notwithstanding any other provision of this Act,
18 employers shall not be required to bargain over matters
19 affected by the changes, the impact of the changes, and the
20 implementation of the changes to Article 14, 15, 16, or 17 of
21 the Illinois Pension Code made by the addition of Section
22 14-106.5, 15-132.9, 16-122.9, or 17-115.5 of the Illinois
23 Pension Code, which are deemed to be prohibited subjects of
24 bargaining. Notwithstanding any provision of this Act, the
25 changes, impact of the changes, or implementation of the

1 changes to Article 14, 15, 16, or 17 of the Illinois Pension
2 Code made by the addition of Section 14-106.5, 15-132.9,
3 16-122.9, or 17-115.5 of the Illinois Pension Code shall not be
4 subject to interest arbitration or any award issued pursuant to
5 interest arbitration. The provisions of this Section shall not
6 apply to an employment contract or collective bargaining
7 agreement that is in effect on the effective date of this
8 amendatory Act of the 100th General Assembly. However, any such
9 contract or agreement that is modified, amended, renewed, or
10 superseded after the effective date of this amendatory Act of
11 the 100th General Assembly shall be subject to the provisions
12 of this Section. The provisions of this Section shall not apply
13 to the ability of any employer and employee representative to
14 bargain collectively with regard to the pick up of employee
15 contributions pursuant to Section 14-133.1, 15-157.1,
16 16-152.1, 17-130.1, or 17-130.2 of the Illinois Pension Code.

17 (b) Nothing in this Section shall be construed as otherwise
18 limiting any of the obligations and requirements applicable to
19 employers under any of the provisions of this Act, including,
20 but not limited to, the requirement to bargain collectively
21 with regard to policy matters directly affecting wages, hours,
22 and terms and conditions of employment as well as the impact
23 thereon upon request by employee representatives, except for
24 the matters set forth in subsection (a) of this Section that
25 are deemed prohibited subjects of bargaining. Nothing in this
26 Section shall be construed as otherwise limiting any of the

1 rights of employees or employee representatives under the
2 provisions of this Act, except for the matters set forth in
3 subsection (a) of this Section that are deemed prohibited
4 subjects of bargaining.

5 (c) In case of any conflict between this Section and any
6 other provisions of this Act or any other law, the provisions
7 of this Section shall control.

8 (115 ILCS 5/14) (from Ch. 48, par. 1714)

9 Sec. 14. Unfair labor practices.

10 (a) Educational employers, their agents or representatives
11 are prohibited from:

12 (1) Interfering, restraining or coercing employees in
13 the exercise of the rights guaranteed under this Act.

14 (2) Dominating or interfering with the formation,
15 existence or administration of any employee organization.

16 (3) Discriminating in regard to hire or tenure of
17 employment or any term or condition of employment to
18 encourage or discourage membership in any employee
19 organization.

20 (4) Discharging or otherwise discriminating against an
21 employee because he or she has signed or filed an
22 affidavit, authorization card, petition or complaint or
23 given any information or testimony under this Act.

24 (5) Subject to and except as provided in Section 10.6,
25 refusing ~~Refusing~~ to bargain collectively in good faith

1 with an employee representative which is the exclusive
2 representative of employees in an appropriate unit,
3 including but not limited to the discussing of grievances
4 with the exclusive representative; provided, however, that
5 if an alleged unfair labor practice involves
6 interpretation or application of the terms of a collective
7 bargaining agreement and said agreement contains a
8 grievance and arbitration procedure, the Board may defer
9 the resolution of such dispute to the grievance and
10 arbitration procedure contained in said agreement.
11 However, no actions of the employer taken to implement or
12 otherwise comply with the provisions of subsection (a) of
13 Section 10.6 shall constitute or give rise to an unfair
14 labor practice under this Act.

15 (6) Refusing to reduce a collective bargaining
16 agreement to writing and signing such agreement.

17 (7) Violating any of the rules and regulations
18 promulgated by the Board regulating the conduct of
19 representation elections.

20 (8) Refusing to comply with the provisions of a binding
21 arbitration award.

22 (9) Expending or causing the expenditure of public
23 funds to any external agent, individual, firm, agency,
24 partnership or association in any attempt to influence the
25 outcome of representational elections held pursuant to
26 paragraph (c) of Section 7 of this Act; provided, that

1 nothing in this subsection shall be construed to limit an
2 employer's right to be represented on any matter pertaining
3 to unit determinations, unfair labor practice charges or
4 pre-election conferences in any formal or informal
5 proceeding before the Board, or to seek or obtain advice
6 from legal counsel. Nothing in this paragraph shall be
7 construed to prohibit an employer from expending or causing
8 the expenditure of public funds on, or seeking or obtaining
9 services or advice from, any organization, group or
10 association established by, and including educational or
11 public employers, whether or not covered by this Act, the
12 Illinois Public Labor Relations Act or the public
13 employment labor relations law of any other state or the
14 federal government, provided that such services or advice
15 are generally available to the membership of the
16 organization, group, or association, and are not offered
17 solely in an attempt to influence the outcome of a
18 particular representational election.

19 (b) Employee organizations, their agents or
20 representatives or educational employees are prohibited from:

21 (1) Restraining or coercing employees in the exercise
22 of the rights guaranteed under this Act, provided that a
23 labor organization or its agents shall commit an unfair
24 labor practice under this paragraph in duty of fair
25 representation cases only by intentional misconduct in
26 representing employees under this Act.

1 (2) Restraining or coercing an educational employer in
2 the selection of his representative for the purposes of
3 collective bargaining or the adjustment of grievances.

4 (3) Refusing to bargain collectively in good faith with
5 an educational employer, if they have been designated in
6 accordance with the provisions of this Act as the exclusive
7 representative of employees in an appropriate unit.

8 (4) Violating any of the rules and regulations
9 promulgated by the Board regulating the conduct of
10 representation elections.

11 (5) Refusing to reduce a collective bargaining
12 agreement to writing and signing such agreement.

13 (6) Refusing to comply with the provisions of a binding
14 arbitration award.

15 (c) The expressing of any views, argument, opinion or the
16 dissemination thereof, whether in written, printed, graphic or
17 visual form, shall not constitute or be evidence of an unfair
18 labor practice under any of the provisions of this Act, if such
19 expression contains no threat of reprisal or force or promise
20 of benefit.

21 (d) The actions of a Financial Oversight Panel created
22 pursuant to Section 1A-8 of the School Code due to a district
23 violating a financial plan shall not constitute or be evidence
24 of an unfair labor practice under any of the provisions of this
25 Act. Such actions include, but are not limited to, reviewing,
26 approving, or rejecting a school district budget or a

1 collective bargaining agreement.

2 (Source: P.A. 89-572, eff. 7-30-96.)

3 (115 ILCS 5/17) (from Ch. 48, par. 1717)

4 Sec. 17. Effect on other laws. In case of any conflict
5 between the provisions of this Act and any other law (other
6 than Section 14-106.5, 15-132.9, 16-122.9, or 17-115.5 of the
7 Illinois Pension Code), executive order or administrative
8 regulation, the provisions of this Act shall prevail and
9 control. The provisions of this Act are subject to any
10 applicable restrictions in Section 14-106.5, 15-132.9,
11 16-122.9, or 17-115.5 of the Illinois Pension Code, as well as
12 the changes, impact of changes, and implementation of changes
13 set forth in Section 14-106.5, 15-132.9, 16-122.9, or 17-115.5
14 of the Illinois Pension Code. Nothing in this Act shall be
15 construed to replace or diminish the rights of employees
16 established by Section 36d of "An Act to create the State
17 Universities Civil Service System", approved May 11, 1905, as
18 amended or modified.

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

20 Section 900. The State Mandates Act is amended by adding
21 Section 8.41 as follows:

22 (30 ILCS 805/8.41 new)

23 Sec. 8.41. Exempt mandate. Notwithstanding Sections 6 and 8

1 of this Act, no reimbursement by the State is required for the
2 implementation of any mandate created by this amendatory Act of
3 the 100th General Assembly.

4 Section 970. Severability. Except as otherwise provided in
5 this Act, the provisions of this Act are severable under
6 Section 1.31 of the Statute on Statutes.

7 Section 999. Effective date. This Act takes effect upon
8 becoming law.

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5 ILCS 315/7.6 new

4

5 ILCS 315/10

from Ch. 48, par. 1610

5

5 ILCS 315/15

from Ch. 48, par. 1615

6

15 ILCS 205/5 new

7

15 ILCS 310/13a new

8

15 ILCS 410/13a new

9

15 ILCS 510/12a new

10

20 ILCS 5/5-647 new

11

40 ILCS 5/2-105.3 new

12

40 ILCS 5/2-107.9 new

13

40 ILCS 5/2-107.10 new

14

40 ILCS 5/2-108

from Ch. 108 1/2, par. 2-108

15

40 ILCS 5/2-110.3 new

16

40 ILCS 5/2-119.1

from Ch. 108 1/2, par. 2-119.1

17

40 ILCS 5/2-124

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40 ILCS 5/2-126

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40 ILCS 5/2-162

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40 ILCS 5/14-103.10

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40 ILCS 5/14-103.41 new

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14	40 ILCS 5/15-165	from Ch. 108 1/2, par. 15-165
15	40 ILCS 5/15-198	
16	40 ILCS 5/16-107.1 new	
17	40 ILCS 5/16-121	from Ch. 108 1/2, par. 16-121
18	40 ILCS 5/16-121.1 new	
19	40 ILCS 5/16-121.2 new	
20	40 ILCS 5/16-122.9 new	
21	40 ILCS 5/16-133.1	from Ch. 108 1/2, par. 16-133.1
22	40 ILCS 5/16-136.1	from Ch. 108 1/2, par. 16-136.1
23	40 ILCS 5/16-152	from Ch. 108 1/2, par. 16-152
24	40 ILCS 5/16-158	from Ch. 108 1/2, par. 16-158
25	40 ILCS 5/16-203	
26	40 ILCS 5/17-106.05 new	

1	40 ILCS 5/17-113.4 new	
2	40 ILCS 5/17-113.5 new	
3	40 ILCS 5/17-113.6 new	
4	40 ILCS 5/17-115.5 new	
5	40 ILCS 5/17-116	from Ch. 108 1/2, par. 17-116
6	40 ILCS 5/17-119.2 new	
7	40 ILCS 5/17-129	from Ch. 108 1/2, par. 17-129
8	40 ILCS 5/17-130	from Ch. 108 1/2, par. 17-130
9	40 ILCS 15/1.9 new	
10	105 ILCS 5/24-1	from Ch. 122, par. 24-1
11	105 ILCS 5/24-8	from Ch. 122, par. 24-8
12	105 ILCS 5/34-18.53 new	
13	110 ILCS 70/36d	from Ch. 24 1/2, par. 38b3
14	110 ILCS 305/100 new	
15	110 ILCS 520/85 new	
16	110 ILCS 660/5-195 new	
17	110 ILCS 665/10-195 new	
18	110 ILCS 670/15-195 new	
19	110 ILCS 675/20-200 new	
20	110 ILCS 680/25-195 new	
21	110 ILCS 685/30-205 new	
22	110 ILCS 690/35-200 new	
23	110 ILCS 805/3-26	from Ch. 122, par. 103-26
24	110 ILCS 805/3-42	from Ch. 122, par. 103-42
25	115 ILCS 5/4	from Ch. 48, par. 1704
26	115 ILCS 5/10.6 new	

- 1 115 ILCS 5/14 from Ch. 48, par. 1714
- 2 115 ILCS 5/17 from Ch. 48, par. 1717
- 3 30 ILCS 805/8.41 new