

1 AMENDMENT TO HOUSE BILL 585

2 AMENDMENT NO. _____. Amend House Bill 585 by replacing
3 everything after the enacting clause with the following:

4 "Section 5. The State Finance Act is amended by changing
5 Sections 8.12, 8a, and 14.1 and adding Section 6z-61 as
6 follows:

7 (30 ILCS 105/6z-61 new)

8 Sec. 6z-61. Transfers from Pension Contribution Fund.

9 (a) As soon as practicable after the effective date of
10 this amendatory Act of the 93rd General Assembly, the State
11 Comptroller shall direct and the State Treasurer shall
12 transfer from the Pension Contribution Fund to the Teachers'
13 Retirement System of Illinois an amount equal to the
14 unexpended balance of the fiscal year 2004 appropriations to
15 the System from the General Revenue Fund, the Education
16 Assistance Fund, the Common School Fund, and the State
17 Pensions Fund so that the amount received by the System in
18 fiscal year 2004 is equal to the fiscal year 2004 certified
19 contribution amount for the System as determined under
20 Section 16-158 of the Illinois Pension Code.

21 (b) As soon as practicable after the effective date of
22 this amendatory Act of the 93rd General Assembly, the State

1 Comptroller shall direct and the State Treasurer shall
2 transfer from the Pension Contribution Fund to the State
3 Universities Retirement System an amount equal to the
4 unexpended balance of the fiscal year 2004 appropriations to
5 the System from the General Revenue Fund, the Education
6 Assistance Fund, and the State Pensions Fund so that the
7 amount received by the System in fiscal year 2004 is equal to
8 the fiscal year 2004 certified contribution amount for the
9 System as determined under Section 15-165 of the Illinois
10 Pension Code.

11 (c) As soon as practicable after the effective date of
12 this amendatory Act of the 93rd General Assembly, the State
13 Comptroller shall direct and the State Treasurer shall
14 transfer from the Pension Contribution Fund to the Judges
15 Retirement System of Illinois an amount equal to the
16 unexpended balance of the fiscal year 2004 appropriations to
17 the System from the General Revenue Fund and the State
18 Pensions Fund so that the amount received by the System in
19 fiscal year 2004 is equal to the fiscal year 2004 certified
20 contribution amount for the System as determined under
21 Section 18-140 of the Illinois Pension Code.

22 (d) As soon as practicable after the effective date of
23 this amendatory Act of the 93rd General Assembly, the State
24 Comptroller shall direct and the State Treasurer shall
25 transfer from the Pension Contribution Fund to the General
26 Assembly Retirement System an amount equal to the unexpended
27 balance of the fiscal year 2004 appropriations to the System
28 from the General Revenue Fund and the State Pensions Fund so
29 that the amount received by the System in fiscal year 2004 is
30 equal to the fiscal year 2004 certified contribution amount
31 for the System as determined under Section 2-134 of the
32 Illinois Pension Code.

33 (e) As soon as practicable after the effective date of
34 this amendatory Act of the 93rd General Assembly, and taking

1 into consideration the transfers provided for by subsections
 2 (a), (b), (c), and (d), the State Comptroller shall direct
 3 and the State Treasurer shall transfer the remaining balance
 4 in the Pension Contribution Fund to the State Employees'
 5 Retirement System of Illinois.

6 (30 ILCS 105/8.12) (from Ch. 127, par. 144.12)
 7 Sec. 8.12. State Pensions Fund.

8 (a) The moneys in the State Pensions Fund shall be used
 9 exclusively for the administration of the Uniform Disposition
 10 of Unclaimed Property Act and for the payment of or repayment
 11 to the General Revenue Fund a portion of the required State
 12 contributions to the designated retirement systems.

13 "Designated retirement systems" means:

- 14 (1) the State Employees' Retirement System of
- 15 Illinois;
- 16 (2) the Teachers' Retirement System of the State of
- 17 Illinois;
- 18 (3) the State Universities Retirement System;
- 19 (4) the Judges Retirement System of Illinois; and
- 20 (5) the General Assembly Retirement System.

21 (b) Each year the General Assembly may make
 22 appropriations from the State Pensions Fund for the
 23 administration of the Uniform Disposition of Unclaimed
 24 Property Act.

25 Each month, the Commissioner of the Office of Banks and
 26 Real Estate shall certify to the State Treasurer the actual
 27 expenditures that the Office of Banks and Real Estate
 28 incurred conducting unclaimed property examinations under the
 29 Uniform Disposition of Unclaimed Property Act during the
 30 immediately preceding month. Within a reasonable time
 31 following the acceptance of such certification by the State
 32 Treasurer, the State Treasurer shall pay from its
 33 appropriation from the State Pensions Fund to the Bank and

1 Trust Company Fund and the Savings and Residential Finance
2 Regulatory Fund an amount equal to the expenditures incurred
3 by each Fund for that month.

4 Each month, the Director of Financial Institutions shall
5 certify to the State Treasurer the actual expenditures that
6 the Department of Financial Institutions incurred conducting
7 unclaimed property examinations under the Uniform Disposition
8 of Unclaimed Property Act during the immediately preceding
9 month. Within a reasonable time following the acceptance of
10 such certification by the State Treasurer, the State
11 Treasurer shall pay from its appropriation from the State
12 Pensions Fund to the Financial Institutions Fund and the
13 Credit Union Fund an amount equal to the expenditures
14 incurred by each Fund for that month.

15 (c) Each year the General Assembly shall appropriate a
16 total amount equal to the balance in the State Pensions Fund
17 at the close of business on June 30 of the preceding fiscal
18 year, less \$5,000,000, as part of the required State
19 contributions to the designated retirement systems. The
20 amount of the appropriation to each designated retirement
21 system shall constitute a portion of the total appropriation
22 under this subsection for that fiscal year which is the same
23 as that retirement system's portion of the total actuarial
24 reserve deficiency of the systems, as most recently
25 determined by the Governor's Office of Management and Budget
26 ~~Bureau-of-the-Budget~~.

27 (d) The Governor's Office of Management and Budget
28 ~~Bureau-of-the-Budget~~ shall determine the individual and total
29 reserve deficiencies of the designated retirement systems.
30 For this purpose, the Governor's Office of Management and
31 Budget ~~Bureau--of--the--Budget~~ shall utilize the latest
32 available audit and actuarial reports of each of the
33 retirement systems and the relevant reports and statistics of
34 the Public Employee Pension Fund Division of the Department

1 of Insurance.

2 (d-1) As soon as practicable after the effective date of
3 this amendatory Act of the 93rd General Assembly, the
4 Comptroller shall direct and the Treasurer shall transfer
5 from the State Pensions Fund to the General Revenue Fund, as
6 funds become available, a sum equal to the amounts that would
7 have been paid from the General Revenue Fund to the Teachers'
8 Retirement System of the State of Illinois, the State
9 Universities Retirement System, the Judges Retirement System
10 of Illinois, the General Assembly Retirement System, and the
11 State Employees' Retirement System of Illinois after the
12 effective date of this amendatory Act during the remainder of
13 fiscal year 2004 to the designated retirement systems from
14 the appropriations provided for in this Section if the
15 transfers provided in Section 6z-61 had not occurred. The
16 transfers described in this subsection (d-1) are to partially
17 repay the General Revenue Fund for the costs associated with
18 the bonds used to fund the moneys transferred to the
19 designated retirement systems under Section 6z-61.

20 (e) The changes to this Section made by this amendatory
21 Act of 1994 shall first apply to distributions from the Fund
22 for State fiscal year 1996.

23 (Source: P.A. 91-16, eff. 7-1-99; revised 8-23-03.)

24 (30 ILCS 105/8a) (from Ch. 127, par. 144a)
25 Sec. 8a. Common School Fund; transfers to Common School
26 Fund and Education Assistance Fund.

27 (a) Except as provided in subsection (b) of this Section
28 and except as otherwise provided in this subsection (a) with
29 respect to amounts transferred from the General Revenue Fund
30 to the Common School Fund for distribution therefrom for the
31 benefit of the Teachers' Retirement System of the State of
32 Illinois and the Public School Teachers' Pension and
33 Retirement Fund of Chicago:

1 (1) With respect to all school districts, for each
2 fiscal year other than fiscal year 1994, on or before the
3 eleventh and twenty-first days of each of the months of
4 August through the following July, at a time or times
5 designated by the Governor, the State Treasurer and the
6 State Comptroller shall transfer from the General Revenue
7 Fund to the Common School Fund and Education Assistance
8 Fund, as appropriate, 1/24 or so much thereof as may be
9 necessary of the amount appropriated to the State Board
10 of Education for distribution to all school districts
11 from such Common School Fund and Education Assistance
12 Fund, for the fiscal year, including interest on the
13 School Fund proportionate for that distribution for such
14 year.

15 (2) With respect to all school districts, but for
16 fiscal year 1994 only, on the 11th day of August, 1993
17 and on or before the 11th and 21st days of each of the
18 months of October, 1993 through July, 1994 at a time or
19 times designated by the Governor, the State Treasurer and
20 the State Comptroller shall transfer from the General
21 Revenue Fund to the Common School Fund 1/24 or so much
22 thereof as may be necessary of the amount appropriated to
23 the State Board of Education for distribution to all
24 school districts from such Common School Fund, for fiscal
25 year 1994, including interest on the School Fund
26 proportionate for that distribution for such year; and on
27 or before the 21st day of August, 1993 at a time or times
28 designated by the Governor, the State Treasurer and the
29 State Comptroller shall transfer from the General Revenue
30 Fund to the Common School Fund 3/24 or so much thereof as
31 may be necessary of the amount appropriated to the State
32 Board of Education for distribution to all school
33 districts from the Common School Fund, for fiscal year
34 1994, including interest proportionate for that

1 distribution on the School Fund for such fiscal year.

2 The amounts of the payments made in July of each year:

3 (i) shall be considered an outstanding liability as of the
4 30th day of June immediately preceding those July payments,
5 within the meaning of Section 25 of this Act; (ii) shall be
6 payable from the appropriation for the fiscal year that ended
7 on that 30th day of June; and (iii) shall be considered
8 payments for claims covering the school year that commenced
9 during the immediately preceding calendar year.

10 Notwithstanding the foregoing provisions of this
11 subsection, as soon as may be after the 10th and 20th days of
12 each of the months of August through May, 1/24, and on or as
13 soon as may be after the 10th and 20th days of June, 1/12 of
14 the annual amount appropriated to the State Board of
15 Education for distribution and payment during that fiscal
16 year from the Common School Fund to and for the benefit of
17 the Teachers' Retirement System of the State of Illinois
18 (until the end of State fiscal year 1995) and the Public
19 School Teachers' Pension and Retirement Fund of Chicago as
20 provided by the Illinois Pension Code and Section 18-7 of the
21 School Code, or so much thereof as may be necessary, shall be
22 transferred by the State Treasurer and the State Comptroller
23 from the General Revenue Fund to the Common School Fund to
24 permit semi-monthly payments from the Common School Fund to
25 and for the benefit of such teacher retirement systems as
26 required by Section 18-7 of the School Code.

27 Notwithstanding the other provisions of this Section, on
28 or as soon as may be after the 15th day of each month,
29 beginning in July of 1995, 1/12 of the annual amount
30 appropriated for that fiscal year from the Common School Fund
31 to the Teachers' Retirement System of the State of Illinois
32 (other than amounts appropriated under Section 1.1 of the
33 State Pension Funds Continuing Appropriation Act), or so much
34 thereof as may be necessary, shall be transferred by the

1 State Treasurer and the State Comptroller from the General
2 Revenue Fund to the Common School Fund to permit monthly
3 payments from the Common School Fund to that retirement
4 system in accordance with Section 16-158 of the Illinois
5 Pension Code and Section 18-7 of the School Code, except that
6 such transfers in fiscal year 2004 from the General Revenue
7 Fund to the Common School Fund for the benefit of the
8 Teachers' Retirement System of the State of Illinois shall be
9 reduced in the aggregate by the State Comptroller and State
10 Treasurer to adjust for the amount transferred to the
11 Teachers' Retirement System of the State of Illinois pursuant
12 to subsection (a) of Section 6z-61. Amounts appropriated to
13 the Teachers' Retirement System of the State of Illinois
14 under Section 1.1 of the State Pension Funds Continuing
15 Appropriation Act shall be transferred by the State Treasurer
16 and the State Comptroller from the General Revenue Fund to
17 the Common School Fund as necessary to provide for the
18 payment of vouchers drawn against those appropriations.

19 The Governor may notify the State Treasurer and the State
20 Comptroller to transfer, at a time designated by the
21 Governor, such additional amount as may be necessary to
22 effect advance distribution to school districts of amounts
23 that otherwise would be payable in the next month pursuant to
24 Sections 18-8 through 18-10 of the School Code. The State
25 Treasurer and the State Comptroller shall thereupon transfer
26 such additional amount. The aggregate amount transferred from
27 the General Revenue Fund to the Common School Fund in the
28 eleven months beginning August 1 of any fiscal year shall not
29 be in excess of the amount necessary for payment of claims
30 certified by the State Superintendent of Education pursuant
31 to the appropriation of the Common School Fund for that
32 fiscal year. Notwithstanding the provisions of the first
33 paragraph in this section, no transfer to effect an advance
34 distribution shall be made in any month except on

1 notification, as provided above, by the Governor.

2 The State Comptroller and State Treasurer shall transfer
3 from the General Revenue Fund to the Common School Fund and
4 the Education Assistance Fund such amounts as may be required
5 to honor the vouchers presented by the State Board of
6 Education pursuant to Sections 18-3, 18-4.3, 18-5, 18-6 and
7 18-7 of the School Code.

8 The State Comptroller shall report all transfers provided
9 for in this Act to the President of the Senate, Minority
10 Leader of the Senate, Speaker of the House, and Minority
11 Leader of the House.

12 (b) On or before the 11th and 21st days of each of the
13 months of June, 1982 through July, 1983, at a time or times
14 designated by the Governor, the State Treasurer and the State
15 Comptroller shall transfer from the General Revenue Fund to
16 the Common School Fund 1/24 or so much thereof as may be
17 necessary of the amount appropriated to the State Board of
18 Education for distribution from such Common School Fund, for
19 that same fiscal year, including interest on the School Fund
20 for such year. The amounts of the payments in the months of
21 July, 1982 and July, 1983 shall be considered an outstanding
22 liability as of the 30th day of June immediately preceding
23 such July payment, within the meaning of Section 25 of this
24 Act, and shall be payable from the appropriation for the
25 fiscal year which ended on such 30th day of June, and such
26 July payments shall be considered payments for claims
27 covering school years 1981-1982 and 1982-1983 respectively.

28 In the event the Governor makes notification to effect
29 advanced distribution under the provisions of subsection (a)
30 of this Section, the aggregate amount transferred from the
31 General Revenue Fund to the Common School Fund in the 12
32 months beginning August 1, 1981 or the 12 months beginning
33 August 1, 1982 shall not be in excess of the amount necessary
34 for payment of claims certified by the State Superintendent

1 of Education pursuant to the appropriation of the Common
2 School Fund for the fiscal years commencing on the first of
3 July of the years 1981 and 1982.

4 (Source: P.A. 90-372, eff. 7-1-98; 90-587, eff. 7-1-98;
5 91-96, eff. 7-9-99.)

6 (30 ILCS 105/14.1) (from Ch. 127, par. 150.1)

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

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

25 (a-1) Beginning on the effective date of this amendatory
26 Act of the 93rd General Assembly through the payment of the
27 final payroll from fiscal year 2004 appropriations,
28 appropriations for State contributions to the State
29 Employees' Retirement System of Illinois shall be expended in
30 the manner provided in this subsection (a-1). At the time of
31 each payment of salary to an employee under the personal
32 services line item from a fund other than the General Revenue
33 Fund, payment shall be made for deposit into the General

1 Revenue Fund from the amount appropriated for State
2 contributions to the State Employees' Retirement System of an
3 amount calculated at the rate certified for fiscal year 2004
4 by the Board of Trustees of the State Employees' Retirement
5 System under Section 14-135.08 of the Illinois Pension Code.
6 This payment shall be made to the extent that a line item
7 appropriation to an employer for this purpose is available or
8 unexhausted. No payment from appropriations for State
9 contributions shall be made in conjunction with payment of
10 salary to an employee under the personal services line item
11 from the General Revenue Fund.

12 (b) Except during the period beginning on the effective
13 date of this amendatory Act of the 93rd General Assembly and
14 ending at the time of the payment of the final payroll from
15 fiscal year 2004 appropriations, the State Comptroller shall
16 not approve for payment any payroll voucher that (1) includes
17 payments of salary to eligible employees in the State
18 Employees' Retirement System of Illinois and (2) does not
19 include the corresponding payment of State contributions to
20 that retirement system at the full rate certified under
21 Section 14-135.08 for that fiscal year for eligible
22 employees, unless the balance in the fund on which the
23 payroll voucher is drawn is insufficient to pay the total
24 payroll voucher. If the State Comptroller approves a payroll
25 voucher under this Section for which the fund balance is
26 insufficient to pay the full amount of the required State
27 contribution to the State Employees' Retirement System, the
28 Comptroller shall promptly so notify the Retirement System.
29 (Source: P.A. 88-593, eff. 8-22-94; 89-136, eff. 7-14-95.)

30 Section 10. The General Obligation Bond Act is amended
31 by changing Section 7.2 as follows:

32 (30 ILCS 330/7.2)

1 Sec. 7.2. State pension funding.

2 (a) The amount of \$10,000,000,000 is authorized to be
3 used for the purpose of making contributions to the
4 designated retirement systems. For the purposes of this
5 Section, "designated retirement systems" means the State
6 Employees' Retirement System of Illinois; the Teachers'
7 Retirement System of the State of Illinois; the State
8 Universities Retirement System; the Judges Retirement System
9 of Illinois; and the General Assembly Retirement System.

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

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

20 (c) Of the amount of Bond proceeds first deposited into
21 the Pension Contribution Fund, there shall be reserved for
22 transfers under this subsection the sum of \$300,000,000,
23 representing the required State contributions to the
24 designated retirement systems for the last quarter of State
25 fiscal year 2003, plus the sum of \$1,860,000,000,
26 representing the required State contributions to the
27 designated retirement systems for State fiscal year 2004.

28 Upon the deposit of sufficient moneys into the Pension
29 Contribution Fund, the Comptroller and Treasurer shall
30 immediately transfer the sum of \$300,000,000 from the Pension
31 Contribution Fund to the General Revenue Fund.

32 Whenever any payment of required State contributions for
33 State fiscal year 2004 is made to one of the designated
34 retirement systems, the Comptroller and Treasurer shall, as

1 soon as practicable, transfer from the Pension Contribution
 2 Fund to the General Revenue Fund an amount equal to the
 3 amount of that payment to the designated retirement system.
 4 Beginning on the effective date of this amendatory Act of the
 5 93rd General Assembly, the transfers from the Pension
 6 Contribution Fund to the General Revenue Fund shall be
 7 suspended until June 30, 2004, and the remaining balance in
 8 the Pension Contribution Fund shall be transferred directly
 9 to the designated retirement systems as provided in Section
 10 6z-61 of the State Finance Act. On and after July 1, 2004, in
 11 the event that any amount is on deposit in the Pension
 12 Contribution Fund from time to time If--the--amount--reserved
 13 for--these--transfers-exceeds-the-total-amount-of-fiscal-year
 14 2004--payments--of--required--State--contributions---to---the
 15 designated--retirement-systems, the Comptroller and Treasurer
 16 shall continue to make such transfers based on fiscal year
 17 2005 payments until the entire amount on deposit reserved has
 18 been transferred.

19 (d) All amounts deposited into the Pension Contribution
 20 Fund, other than the amounts reserved for the transfers under
 21 subsection (c), shall be appropriated to the designated
 22 retirement systems to reduce their actuarial reserve
 23 deficiencies. The amount of the appropriation to each
 24 designated retirement system shall constitute a portion of
 25 the total appropriation under this subsection that is the
 26 same as that retirement system's portion of the total
 27 actuarial reserve deficiency of the systems, as most recently
 28 determined by the Governor's Office of Management and Budget
 29 Bureau--of--the--Budget under Section 8.12 of the State Finance
 30 Act.

31 Within 15 days after any Bond proceeds in excess of the
 32 amounts initially reserved under subsection (c) are deposited
 33 into the Pension Contribution Fund, the Governor's Office of
 34 Management and Budget Bureau--of--the--Budget shall (i) allocate

1 those proceeds among the designated retirement systems in
2 proportion to their respective actuarial reserve
3 deficiencies, as most recently determined under Section 8.12
4 of the State Finance Act, and (ii) certify those allocations
5 to the designated retirement systems and the Comptroller.

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

12 (Source: P.A. 93-2, eff. 4-7-03; revised 8-23-03.)

13 Section 15. The Illinois Pension Code is amended by
14 changing Sections 2-134, 14-131, 16-158, 15-165, and 18-140
15 as follows:

16 (40 ILCS 5/2-134) (from Ch. 108 1/2, par. 2-134)

17 Sec. 2-134. To certify required State contributions and
18 submit vouchers.

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

24 On or before May 1, 2004, the Board shall recalculate and
25 recertify to the Governor the amount of the required State
26 contribution to the System for State fiscal year 2005, taking
27 into account the amounts appropriated to and received by the
28 System under subsection (d) of Section 7.2 of the General
29 Obligation Bond Act.

30 (b) Beginning in State fiscal year 1996, on or as soon
31 as possible after the 15th day of each month the Board shall
32 submit vouchers for payment of State contributions to the

1 System, in a total monthly amount of one-twelfth of the
2 required annual State contribution certified under subsection
3 (a). From the effective date of this amendatory Act of the
4 93rd General Assembly through June 30, 2004, the Board shall
5 not submit vouchers for the remainder of fiscal year 2004 in
6 excess of the fiscal year 2004 certified contribution amount
7 determined under this Section after taking into consideration
8 the transfer to the System under subsection (d) of Section
9 6z-61 of the State Finance Act. These vouchers shall be paid
10 by the State Comptroller and Treasurer by warrants drawn on
11 the funds appropriated to the System for that fiscal year.
12 If in any month the amount remaining unexpended from all
13 other appropriations to the System for the applicable fiscal
14 year (including the appropriations to the System under
15 Section 8.12 of the State Finance Act and Section 1 of the
16 State Pension Funds Continuing Appropriation Act) is less
17 than the amount lawfully vouchered under this Section, the
18 difference shall be paid from the General Revenue Fund under
19 the continuing appropriation authority provided in Section
20 1.1 of the State Pension Funds Continuing Appropriation Act.

21 (c) The full amount of any annual appropriation for the
22 System for State fiscal year 1995 shall be transferred and
23 made available to the System at the beginning of that fiscal
24 year at the request of the Board. Any excess funds remaining
25 at the end of any fiscal year from appropriations shall be
26 retained by the System as a general reserve to meet the
27 System's accrued liabilities.

28 (Source: P.A. 93-2, eff. 4-7-03.)

29 (40 ILCS 5/14-131) (from Ch. 108 1/2, par. 14-131)
30 Sec. 14-131. Contributions by State.

31 (a) The State shall make contributions to the System by
32 appropriations of amounts which, together with other employer
33 contributions from trust, federal, and other funds, employee

1 contributions, investment income, and other income, will be
2 sufficient to meet the cost of maintaining and administering
3 the System on a 90% funded basis in accordance with actuarial
4 recommendations.

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

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

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

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

32 (c) Contributions shall be made by the several
33 departments for each pay period by warrants drawn by the
34 State Comptroller against their respective funds or

1 appropriations based upon vouchers stating the amount to be
2 so contributed. These amounts shall be based on the full
3 rate certified by the Board under Section 14-135.08 for that
4 fiscal year. From the effective date of this amendatory Act
5 of the 93rd General Assembly through the payment of the final
6 payroll from fiscal year 2004 appropriations, the several
7 departments shall not make contributions for the remainder of
8 fiscal year 2004 but shall instead make payments as required
9 under subsection (a-1) of Section 14.1 of the State Finance
10 Act. The several departments shall resume those contributions
11 at the commencement of fiscal year 2005.

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

27 (e) For State fiscal years 2011 through 2045, the
28 minimum contribution to the System to be made by the State
29 for each fiscal year shall be an amount determined by the
30 System to be sufficient to bring the total assets of the
31 System up to 90% of the total actuarial liabilities of the
32 System by the end of State fiscal year 2045. In making these
33 determinations, the required State contribution shall be
34 calculated each year as a level percentage of payroll over

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

4 For State fiscal years 1996 through 2010, the State
5 contribution to the System, as a percentage of the applicable
6 employee payroll, shall be increased in equal annual
7 increments so that by State fiscal year 2011, the State is
8 contributing at the rate required under this Section; except
9 that (i) for State fiscal year 1998, for all purposes of this
10 Code and any other law of this State, the certified
11 percentage of the applicable employee payroll shall be 5.052%
12 for employees earning eligible creditable service under
13 Section 14-110 and 6.500% for all other employees,
14 notwithstanding any contrary certification made under Section
15 14-135.08 before the effective date of this amendatory Act of
16 1997, and (ii) in the following specified State fiscal years,
17 the State contribution to the System shall not be less than
18 the following indicated percentages of the applicable
19 employee payroll, even if the indicated percentage will
20 produce a State contribution in excess of the amount
21 otherwise required under this subsection and subsection (a):
22 9.8% in FY 1999; 10.0% in FY 2000; 10.2% in FY 2001; 10.4% in
23 FY 2002; 10.6% in FY 2003; and 10.8% in FY 2004.

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

28 Notwithstanding any other provision of this Section, the
29 required State contribution for State fiscal year 2005 and
30 each fiscal year thereafter, as calculated under this Section
31 and certified under Section 14-135.08, shall not exceed an
32 amount equal to (i) the amount of the required State
33 contribution that would have been calculated under this
34 Section for that fiscal year if the System had not received

1 any payments under subsection (d) of Section 7.2 of the
2 General Obligation Bond Act, minus (ii) the portion of the
3 State's total debt service payments for that fiscal year on
4 the bonds issued for the purposes of that Section 7.2, as
5 determined and certified by the Comptroller, that is the same
6 as the System's portion of the total moneys distributed under
7 subsection (d) of Section 7.2 of the General Obligation Bond
8 Act.

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

34 (Source: P.A. 93-2, eff. 4-7-03.)

1 (40 ILCS 5/16-158) (from Ch. 108 1/2, par. 16-158)
2 Sec. 16-158. Contributions by State and other employing
3 units.

4 (a) The State shall make contributions to the System by
5 means of appropriations from the Common School Fund and other
6 State funds of amounts which, together with other employer
7 contributions, employee contributions, investment income, and
8 other income, will be sufficient to meet the cost of
9 maintaining and administering the System on a 90% funded
10 basis in accordance with actuarial recommendations.

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

16 (a-1) Annually, on or before November 15, the Board
17 shall certify to the Governor the amount of the required
18 State contribution for the coming fiscal year. The
19 certification shall include a copy of the actuarial
20 recommendations upon which it is based.

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

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

30 (b-1) Beginning in State fiscal year 1996, on the 15th
31 day of each month, or as soon thereafter as may be
32 practicable, the Board shall submit vouchers for payment of
33 State contributions to the System, in a total monthly amount
34 of one-twelfth of the required annual State contribution

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

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

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

24 (b-3) For State fiscal years 2011 through 2045, the
25 minimum contribution to the System to be made by the State
26 for each fiscal year shall be an amount determined by the
27 System to be sufficient to bring the total assets of the
28 System up to 90% of the total actuarial liabilities of the
29 System by the end of State fiscal year 2045. In making these
30 determinations, the required State contribution shall be
31 calculated each year as a level percentage of payroll over
32 the years remaining to and including fiscal year 2045 and
33 shall be determined under the projected unit credit actuarial
34 cost method.

1 For State fiscal years 1996 through 2010, the State
2 contribution to the System, as a percentage of the applicable
3 employee payroll, shall be increased in equal annual
4 increments so that by State fiscal year 2011, the State is
5 contributing at the rate required under this Section; except
6 that in the following specified State fiscal years, the State
7 contribution to the System shall not be less than the
8 following indicated percentages of the applicable employee
9 payroll, even if the indicated percentage will produce a
10 State contribution in excess of the amount otherwise required
11 under this subsection and subsection (a), and notwithstanding
12 any contrary certification made under subsection (a-1) before
13 the effective date of this amendatory Act of 1998: 10.02% in
14 FY 1999; 10.77% in FY 2000; 11.47% in FY 2001; 12.16% in FY
15 2002; 12.86% in FY 2003; and 13.56% in FY 2004.

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

20 Notwithstanding any other provision of this Section, the
21 required State contribution for State fiscal year 2005 and
22 each fiscal year thereafter, as calculated under this Section
23 and certified under subsection (a-1), shall not exceed an
24 amount equal to (i) the amount of the required State
25 contribution that would have been calculated under this
26 Section for that fiscal year if the System had not received
27 any payments under subsection (d) of Section 7.2 of the
28 General Obligation Bond Act, minus (ii) the portion of the
29 State's total debt service payments for that fiscal year on
30 the bonds issued for the purposes of that Section 7.2, as
31 determined and certified by the Comptroller, that is the same
32 as the System's portion of the total moneys distributed under
33 subsection (d) of Section 7.2 of the General Obligation Bond
34 Act.

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

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

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

23 However, with respect to benefits granted under Section
24 16-133.4 or 16-133.5 to a teacher as defined in paragraph (8)
25 of Section 16-106, the employer's contribution shall be 12%
26 (rather than 20%) of the member's highest annual salary rate
27 for each year of creditable service granted, and the employer
28 shall also pay the required employee contribution on behalf
29 of the teacher. For the purposes of Sections 16-133.4 and
30 16-133.5, a teacher as defined in paragraph (8) of Section
31 16-106 who is serving in that capacity while on leave of
32 absence from another employer under this Article shall not be
33 considered an employee of the employer from which the teacher
34 is on leave.

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

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

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

10 The school district or other employing unit may pay these
11 employer contributions out of any source of funding available
12 for that purpose and shall forward the contributions to the
13 System on the schedule established for the payment of member
14 contributions.

15 These employer contributions are intended to offset a
16 portion of the cost to the System of the increases in
17 retirement benefits resulting from this amendatory Act of
18 1998.

19 Each employer of teachers is entitled to a credit against
20 the contributions required under this subsection (e) with
21 respect to salaries paid to teachers for the period January
22 1, 2002 through June 30, 2003, equal to the amount paid by
23 that employer under subsection (a-5) of Section 6.6 of the
24 State Employees Group Insurance Act of 1971 with respect to
25 salaries paid to teachers for that period.

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

31 If an employer is required by a contract in effect on May
32 1, 1998 between the employer and an employee organization to
33 pay, on behalf of all its full-time employees covered by this
34 Article, all mandatory employee contributions required under

1 this Article, then the employer shall be excused from paying
2 the employer contribution required under this subsection (e)
3 for the balance of the term of that contract. The employer
4 and the employee organization shall jointly certify to the
5 System the existence of the contractual requirement, in such
6 form as the System may prescribe. This exclusion shall cease
7 upon the termination, extension, or renewal of the contract
8 at any time after May 1, 1998.

9 (Source: P.A. 92-505, eff. 12-20-01; 93-2, eff. 4-7-03.)

10 (40 ILCS 5/15-165) (from Ch. 108 1/2, par. 15-165)
11 Sec. 15-165. To certify amounts and submit vouchers.

12 (a) The Board shall certify to the Governor on or before
13 November 15 of each year the appropriation required from
14 State funds for the purposes of this System for the following
15 fiscal year. The certification shall include a copy of the
16 actuarial recommendations upon which it is based.

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

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

27 (c) Beginning in State fiscal year 1996, on or as soon
28 as possible after the 15th day of each month the Board shall
29 submit vouchers for payment of State contributions to the
30 System, in a total monthly amount of one-twelfth of the
31 required annual State contribution certified under subsection
32 (a). From the effective date of this amendatory Act of the
33 93rd General Assembly through June 30, 2004, the Board shall

1 not submit vouchers for the remainder of fiscal year 2004 in
2 excess of the fiscal year 2004 certified contribution amount
3 determined under this Section after taking into consideration
4 the transfer to the System under subsection (b) of Section
5 6z-61 of the State Finance Act. These vouchers shall be paid
6 by the State Comptroller and Treasurer by warrants drawn on
7 the funds appropriated to the System for that fiscal year.

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

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

26 (e) In the event that the System does not receive, as a
27 result of legislative enactment or otherwise, payments
28 sufficient to fully fund the employer contribution to the
29 self-managed plan established under Section 15-158.2 and to
30 fully fund that portion of the employer's portion of the
31 normal costs of the System, as calculated in accordance with
32 Section 15-155(a-1), then any payments received shall be
33 applied proportionately to the optional retirement program
34 established under Section 15-158.2 and to the employer's

1 portion of the normal costs of the System, as calculated in
2 accordance with Section 15-155(a-1).

3 (Source: P.A. 93-2, eff. 4-7-03.)

4 (40 ILCS 5/18-140) (from Ch. 108 1/2, par. 18-140)

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

7 (a) The Board shall certify to the Governor, on or
8 before November 15 of each year, the amount of the required
9 State contribution to the System for the following fiscal
10 year. The certification shall include a copy of the
11 actuarial recommendations upon which it is based.

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 (b) Beginning in State fiscal year 1996, on or as soon
19 as 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
24 93rd General Assembly through June 30, 2004, the Board shall
25 not submit vouchers for the remainder of fiscal year 2004 in
26 excess of the fiscal year 2004 certified contribution amount
27 determined under this Section after taking into consideration
28 the transfer to the System under subsection (c) of Section
29 6z-61 of the State Finance Act. These vouchers shall be paid
30 by the State Comptroller and Treasurer by warrants drawn on
31 the funds appropriated to the System for that fiscal year.

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

1 year (including the appropriations to the System under
2 Section 8.12 of the State Finance Act and Section 1 of the
3 State Pension Funds Continuing Appropriation Act) is less
4 than the amount lawfully vouchered under this Section, the
5 difference shall be paid from the General Revenue Fund under
6 the continuing appropriation authority provided in Section
7 1.1 of the State Pension Funds Continuing Appropriation Act.
8 (Source: P.A. 93-2, eff. 4-7-03.)

9 Section 20. The State Pension Funds Continuing
10 Appropriation Act is amended by changing Section 1.2 as
11 follows:

12 (40 ILCS 15/1.2)

13 Sec. 1.2. Appropriations for the State Employees'
14 Retirement System.

15 (a) From each fund from which an amount is appropriated
16 for personal services to a department or other employer under
17 Article 14 of the Illinois Pension Code, there is hereby
18 appropriated to that department or other employer, on a
19 continuing annual basis for each State fiscal year, an
20 additional amount equal to the amount, if any, by which (1)
21 an amount equal to the percentage of the personal services
22 line item for that department or employer from that fund for
23 that fiscal year that the Board of Trustees of the State
24 Employees' Retirement System of Illinois has certified under
25 Section 14-135.08 of the Illinois Pension Code to be
26 necessary to meet the State's obligation under Section 14-131
27 of the Illinois Pension Code for that fiscal year, exceeds
28 (2) the amounts otherwise appropriated to that department or
29 employer from that fund for State contributions to the State
30 Employees' Retirement System for that fiscal year. From the
31 effective date of this amendatory Act of the 93rd General
32 Assembly through the final payment from a department or

1 employer's personal services line item for fiscal year 2004,
2 payments to the State Employees' Retirement System that
3 otherwise would have been made under this subsection (a)
4 shall be governed by the provisions in subsection (a-1).

5 (a-1) If a Fiscal Year 2004 Shortfall is certified under
6 subsection (f) of Section 14-131 of the Illinois Pension
7 Code, there is hereby appropriated to the State Employees'
8 Retirement System of Illinois on a continuing basis from the
9 General Revenue Fund an additional aggregate amount equal to
10 the Fiscal Year 2004 Shortfall.

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

13 (Source: P.A. 88-593, eff. 8-22-94.)

14 Section 99. Effective date. This Act takes effect upon
15 becoming law."