

AN ACT concerning public employee benefits.

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

Section 5. The Illinois Pension Code is amended by changing Section 17-132 as follows:

(40 ILCS 5/17-132) (from Ch. 108 1/2, par. 17-132)

Sec. 17-132. Payments and certification of salary deductions.

(a) An Employer shall cause the Fund to receive all members' payroll records and pension contributions within 30 calendar days after each predesignated payday. For purposes of this Section, the predesignated payday shall be determined in accordance with each Employer's payroll schedule for contributions to the Fund.

(b) An Employer that fails to timely certify and submit payroll records to the Fund is subject to a statutory penalty in the amount of \$100 per day for each day that a required certification and submission is late.

Amounts not received by the 30th calendar day after the predesignated payday shall be deemed delinquent and subject to a penalty consisting of interest, which shall accrue on a monthly basis at the Fund's then effective actuarial rate of return, and liquidated damages in the amount of \$100 per day,

not to exceed 20% of the principal contributions due, which shall be mandatory except for good cause shown and in the discretion of the Board.

An Employer in possession of member contributions deducted from payroll checks is holding Fund assets, and thus becomes a fiduciary over those assets.

(c) The payroll records shall report (1) all pensionable salary earned in that pay period, exclusive of salaries for overtime, extracurricular activities, or any employment on an optional basis, such as in summer school; (2) adjustments to pensionable salary, exclusive of salaries for overtime, extracurricular activities, or any employment on an optional basis, such as in summer school, made in a pay period for any prior pay periods; (3) pension contributions attributable to pensionable salary earned in the reported pay period or the adjusted pay period as required by subsection (b) of Section 17-131; and (4) any salary paid by an Employer if that salary is compensation for validated service and is exclusive of salary for overtime, extracurricular activities, or any employment on an optional basis, such as in summer school. Payroll records required by item (4) of this paragraph shall identify the number of days of service rendered by the member and whether each day of service represents a partial or whole day of service.

(d) The appropriate officers of the Employer shall certify and submit the payroll records no later than 30 calendar days

after each predesignated payday. The certification shall constitute a confirmation of the accuracy of such deductions according to the provisions of this Article.

Each Charter School and contract school shall designate an administrator as a "Pension Officer". The Pension Officer shall be responsible for certifying all payroll information, including contributions due and certified sick days payable pursuant to Section 17-134, and assuring resolution of reported payroll and contribution deficiencies.

(e) The Board has the authority to conduct payroll audits of a charter school or contract school to determine the existence of any delinquencies in contributions to the Fund, and such charter school or contract school shall be required to provide such books and records and contribution information as the Board or its authorized representative may require. Charter schools and contract schools shall retain all payroll records and contribution information for a minimum of 5 years after the payroll records and contribution information are created. The Board is also authorized to collect delinquent contributions from charter schools and contract schools and develop procedures for the collection of such delinquencies. Collection procedures may include legal proceedings in the courts of the State of Illinois. Expenses, including reasonable attorneys' fees, incurred in the collection of delinquent contributions may be assessed by the Board against the charter school or contract school.

(f) The Fund shall provide a conditional grace period for contract schools that show evidence of timely and good faith efforts to submit payroll records and make pension contributions due between January 1, 2022 and April 1, 2022. If payroll records and pension contributions due during that time period are not submitted by April 1, 2022, the statutory penalties, liquidated damages, and interest shall be calculated from the original due date to the submission date of the pension contributions or payroll records, as applicable.

Evidence of timely and good faith efforts shall include, but are not limited to, the following:

(1) evidence of the contract school's continuing efforts to submit payroll records and make pension contributions, both before and after the date the payroll records and pension contributions were due;

(2) documented evidence submitted by the contract school of the contract school's continuing efforts to submit payroll records and make pension contributions;

(3) evidence in the possession of the Fund of the contract school's continuing efforts to submit payroll records and make pension contributions; and

(4) contact by the contract school with the Fund to seek assistance and notify the Fund of difficulties with submitting the payroll records and making the pension contributions within a period of time determined by the

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Board after the date the pension contributions and payroll records were due.

The Fund may adopt rules to implement the changes made by this amendatory Act of the 102nd General Assembly.

(Source: P.A. 101-261, eff. 8-9-19; 102-636, eff. 8-27-21.)

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