

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 Pension Code is amended by
5 changing Section 16-158 as follows:

6 (40 ILCS 5/16-158) (from Ch. 108 1/2, par. 16-158)

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

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

16 The Board shall determine the amount of State
17 contributions required for each fiscal year on the basis of
18 the actuarial tables and other assumptions adopted by the
19 Board and the recommendations of the actuary, using the
20 formula in subsection (b-3).

21 (a-1) Annually, on or before November 15 until November
22 15, 2011, the Board shall certify to the Governor the amount of
23 the required State contribution for the coming fiscal year.

1 The certification under this subsection (a-1) shall include a
2 copy of the actuarial recommendations upon which it is based
3 and shall specifically identify the System's projected State
4 normal cost for that fiscal year.

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

11 On or before July 1, 2005, the Board shall recalculate and
12 recertify to the Governor the amount of the required State
13 contribution to the System for State fiscal year 2006, taking
14 into account the changes in required State contributions made
15 by Public Act 94-4.

16 On or before April 1, 2011, the Board shall recalculate
17 and recertify to the Governor the amount of the required State
18 contribution to the System for State fiscal year 2011,
19 applying the changes made by Public Act 96-889 to the System's
20 assets and liabilities as of June 30, 2009 as though Public Act
21 96-889 was approved on that date.

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

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

17 (a-10) By November 1, 2017, the Board shall recalculate
18 and recertify to the State Actuary, the Governor, and the
19 General Assembly the amount of the State contribution to the
20 System for State fiscal year 2018, taking into account the
21 changes in required State contributions made by Public Act
22 100-23. The State Actuary shall review the assumptions and
23 valuations underlying the Board's revised certification and
24 issue a preliminary report concerning the proposed
25 recertification and identifying, if necessary, recommended
26 changes in actuarial assumptions that the Board must consider

1 before finalizing its certification of the required State
2 contributions. The Board's final certification must note any
3 deviations from the State Actuary's recommended changes, the
4 reason or reasons for not following the State Actuary's
5 recommended changes, and the fiscal impact of not following
6 the State Actuary's recommended changes on the required State
7 contribution.

8 (a-15) On or after June 15, 2019, but no later than June
9 30, 2019, the Board shall recalculate and recertify to the
10 Governor and the General Assembly the amount of the State
11 contribution to the System for State fiscal year 2019, taking
12 into account the changes in required State contributions made
13 by Public Act 100-587. The recalculation shall be made using
14 assumptions adopted by the Board for the original fiscal year
15 2019 certification. The monthly voucher for the 12th month of
16 fiscal year 2019 shall be paid by the Comptroller after the
17 recertification required pursuant to this subsection is
18 submitted to the Governor, Comptroller, and General Assembly.
19 The recertification submitted to the General Assembly shall be
20 filed with the Clerk of the House of Representatives and the
21 Secretary of the Senate in electronic form only, in the manner
22 that the Clerk and the Secretary shall direct.

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

26 (b-1) Unless otherwise directed by the Comptroller under

1 subsection (b-1.1), the Board shall submit vouchers for
2 payment of State contributions to the System for the
3 applicable month on the 15th day of each month, or as soon
4 thereafter as may be practicable. The amount vouchered for a
5 monthly payment shall total one-twelfth of the required annual
6 State contribution certified under subsection (a-1).

7 (b-1.1) Beginning in State fiscal year 2025, if the
8 Comptroller requests that the Board submit, during a State
9 fiscal year, vouchers for multiple monthly payments for the
10 advance payment of State contributions due to the System for
11 that State fiscal year, then the Board shall submit those
12 additional vouchers as directed by the Comptroller,
13 notwithstanding subsection (b-1). Unless an act of
14 appropriations provides otherwise, nothing in this Section
15 authorizes the Board to submit, in a State fiscal year,
16 vouchers for the payment of State contributions to the System
17 in an amount that exceeds the rate of payroll that is certified
18 by the System under this Section for that State fiscal year.

19 (b-1.2) The vouchers described in subsections (b-1) and
20 (b-1.1) shall be paid by the State Comptroller and Treasurer
21 by warrants drawn on the funds appropriated to the System for
22 that fiscal year.

23 If in any month the amount remaining unexpended from all
24 other appropriations to the System for the applicable fiscal
25 year (including the appropriations to the System under Section
26 8.12 of the State Finance Act and Section 1 of the State

1 Pension Funds Continuing Appropriation Act) is less than the
2 amount lawfully vouchered under this subsection, the
3 difference shall be paid from the Common School Fund under the
4 continuing appropriation authority provided in Section 1.1 of
5 the State Pension Funds Continuing Appropriation Act.

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

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

19 For each of State fiscal years 2018, 2019, and 2020, the
20 State shall make an additional contribution to the System
21 equal to 2% of the total payroll of each employee who is deemed
22 to have elected the benefits under Section 1-161 or who has
23 made the election under subsection (c) of Section 1-161.

24 A change in an actuarial or investment assumption that
25 increases or decreases the required State contribution and
26 first applies in State fiscal year 2018 or thereafter shall be

1 implemented in equal annual amounts over a 5-year period
2 beginning in the State fiscal year in which the actuarial
3 change first applies to the required State contribution.

4 A change in an actuarial or investment assumption that
5 increases or decreases the required State contribution and
6 first applied to the State contribution in fiscal year 2014,
7 2015, 2016, or 2017 shall be implemented:

8 (i) as already applied in State fiscal years before
9 2018; and

10 (ii) in the portion of the 5-year period beginning in
11 the State fiscal year in which the actuarial change first
12 applied that occurs in State fiscal year 2018 or
13 thereafter, by calculating the change in equal annual
14 amounts over that 5-year period and then implementing it
15 at the resulting annual rate in each of the remaining
16 fiscal years in that 5-year period.

17 For State fiscal years 1996 through 2005, the State
18 contribution to the System, as a percentage of the applicable
19 employee payroll, shall be increased in equal annual
20 increments so that by State fiscal year 2011, the State is
21 contributing at the rate required under this Section; except
22 that in the following specified State fiscal years, the State
23 contribution to the System shall not be less than the
24 following indicated percentages of the applicable employee
25 payroll, even if the indicated percentage will produce a State
26 contribution in excess of the amount otherwise required under

1 this subsection and subsection (a), and notwithstanding any
2 contrary certification made under subsection (a-1) before May
3 27, 1998 (the effective date of Public Act 90-582): 10.02% in
4 FY 1999; 10.77% in FY 2000; 11.47% in FY 2001; 12.16% in FY
5 2002; 12.86% in FY 2003; and 13.56% in FY 2004.

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

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

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

19 Notwithstanding any other provision of this Article, the
20 total required State contribution for State fiscal year 2010
21 is \$2,089,268,000 and shall be made from the proceeds of bonds
22 sold in fiscal year 2010 pursuant to Section 7.2 of the General
23 Obligation Bond Act, less (i) the pro rata share of bond sale
24 expenses determined by the System's share of total bond
25 proceeds, (ii) any amounts received from the Common School
26 Fund in fiscal year 2010, and (iii) any reduction in bond

1 proceeds due to the issuance of discounted bonds, if
2 applicable.

3 Notwithstanding any other provision of this Article, the
4 total required State contribution for State fiscal year 2011
5 is the amount recertified by the System on or before April 1,
6 2011 pursuant to subsection (a-1) of this Section and shall be
7 made from the proceeds of bonds sold in fiscal year 2011
8 pursuant to Section 7.2 of the General Obligation Bond Act,
9 less (i) the pro rata share of bond sale expenses determined by
10 the System's share of total bond proceeds, (ii) any amounts
11 received from the Common School Fund in fiscal year 2011, and
12 (iii) any reduction in bond proceeds due to the issuance of
13 discounted bonds, if applicable. This amount shall include, in
14 addition to the amount certified by the System, an amount
15 necessary to meet employer contributions required by the State
16 as an employer under paragraph (e) of this Section, which may
17 also be used by the System for contributions required by
18 paragraph (a) of Section 16-127.

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

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

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

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

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

8 (b-4) Beginning in fiscal year 2018, each employer under
9 this Article shall pay to the System a required contribution
10 determined as a percentage of projected payroll and sufficient
11 to produce an annual amount equal to:

12 (i) for each of fiscal years 2018, 2019, and 2020, the
13 defined benefit normal cost of the defined benefit plan,
14 less the employee contribution, for each employee of that
15 employer who has elected or who is deemed to have elected
16 the benefits under Section 1-161 or who has made the
17 election under subsection (b) of Section 1-161; for fiscal
18 year 2021 and each fiscal year thereafter, the defined
19 benefit normal cost of the defined benefit plan, less the
20 employee contribution, plus 2%, for each employee of that
21 employer who has elected or who is deemed to have elected
22 the benefits under Section 1-161 or who has made the
23 election under subsection (b) of Section 1-161; plus

24 (ii) the amount required for that fiscal year to
25 amortize any unfunded actuarial accrued liability
26 associated with the present value of liabilities

1 attributable to the employer's account under Section
2 16-158.3, determined as a level percentage of payroll over
3 a 30-year rolling amortization period.

4 In determining contributions required under item (i) of
5 this subsection, the System shall determine an aggregate rate
6 for all employers, expressed as a percentage of projected
7 payroll.

8 In determining the contributions required under item (ii)
9 of this subsection, the amount shall be computed by the System
10 on the basis of the actuarial assumptions and tables used in
11 the most recent actuarial valuation of the System that is
12 available at the time of the computation.

13 The contributions required under this subsection (b-4)
14 shall be paid by an employer concurrently with that employer's
15 payroll payment period. The State, as the actual employer of
16 an employee, shall make the required contributions under this
17 subsection.

18 (c) Payment of the required State contributions and of all
19 pensions, retirement annuities, death benefits, refunds, and
20 other benefits granted under or assumed by this System, and
21 all expenses in connection with the administration and
22 operation thereof, are obligations of the State.

23 If members are paid from special trust or federal funds
24 which are administered by the employing unit, whether school
25 district or other unit, the employing unit shall pay to the
26 System from such funds the full accruing retirement costs

1 based upon that service, which, beginning July 1, 2017, shall
2 be at a rate, expressed as a percentage of salary, equal to the
3 total employer's normal cost, expressed as a percentage of
4 payroll, as determined by the System. Employer contributions,
5 based on salary paid to members from federal funds, may be
6 forwarded by the distributing agency of the State of Illinois
7 to the System prior to allocation, in an amount determined in
8 accordance with guidelines established by such agency and the
9 System. Any contribution for fiscal year 2015 collected as a
10 result of the change made by Public Act 98-674 shall be
11 considered a State contribution under subsection (b-3) of this
12 Section.

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

20 However, with respect to benefits granted under Section
21 16-133.4 or 16-133.5 to a teacher as defined in paragraph (8)
22 of Section 16-106, the employer's contribution shall be 12%
23 (rather than 20%) of the member's highest annual salary rate
24 for each year of creditable service granted, and the employer
25 shall also pay the required employee contribution on behalf of
26 the teacher. For the purposes of Sections 16-133.4 and

1 16-133.5, a teacher as defined in paragraph (8) of Section
2 16-106 who is serving in that capacity while on leave of
3 absence from another employer under this Article shall not be
4 considered an employee of the employer from which the teacher
5 is on leave.

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

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

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

15 The school district or other employing unit may pay these
16 employer contributions out of any source of funding available
17 for that purpose and shall forward the contributions to the
18 System on the schedule established for the payment of member
19 contributions.

20 These employer contributions are intended to offset a
21 portion of the cost to the System of the increases in
22 retirement benefits resulting from Public Act 90-582.

23 Each employer of teachers is entitled to a credit against
24 the contributions required under this subsection (e) with
25 respect to salaries paid to teachers for the period January 1,
26 2002 through June 30, 2003, equal to the amount paid by that

1 employer under subsection (a-5) of Section 6.6 of the State
2 Employees Group Insurance Act of 1971 with respect to salaries
3 paid to teachers for that period.

4 The additional 1% employee contribution required under
5 Section 16-152 by Public Act 90-582 is the responsibility of
6 the teacher and not the teacher's employer, unless the
7 employer agrees, through collective bargaining or otherwise,
8 to make the contribution on behalf of the teacher.

9 If an employer is required by a contract in effect on May
10 1, 1998 between the employer and an employee organization to
11 pay, on behalf of all its full-time employees covered by this
12 Article, all mandatory employee contributions required under
13 this Article, then the employer shall be excused from paying
14 the employer contribution required under this subsection (e)
15 for the balance of the term of that contract. The employer and
16 the employee organization shall jointly certify to the System
17 the existence of the contractual requirement, in such form as
18 the System may prescribe. This exclusion shall cease upon the
19 termination, extension, or renewal of the contract at any time
20 after May 1, 1998.

21 (f) If the amount of a teacher's salary for any school year
22 used to determine final average salary exceeds the member's
23 annual full-time salary rate with the same employer for the
24 previous school year by more than 6%, the teacher's employer
25 shall pay to the System, in addition to all other payments
26 required under this Section and in accordance with guidelines

1 established by the System, the present value of the increase
2 in benefits resulting from the portion of the increase in
3 salary that is in excess of 6%. This present value shall be
4 computed by the System on the basis of the actuarial
5 assumptions and tables used in the most recent actuarial
6 valuation of the System that is available at the time of the
7 computation. If a teacher's salary for the 2005-2006 school
8 year is used to determine final average salary under this
9 subsection (f), then the changes made to this subsection (f)
10 by Public Act 94-1057 shall apply in calculating whether the
11 increase in his or her salary is in excess of 6%. For the
12 purposes of this Section, change in employment under Section
13 10-21.12 of the School Code on or after June 1, 2005 shall
14 constitute a change in employer. The System may require the
15 employer to provide any pertinent information or
16 documentation. The changes made to this subsection (f) by
17 Public Act 94-1111 apply without regard to whether the teacher
18 was in service on or after its effective date.

19 Whenever it determines that a payment is or may be
20 required under this subsection, the System shall calculate the
21 amount of the payment and bill the employer for that amount.
22 The bill shall specify the calculations used to determine the
23 amount due. If the employer disputes the amount of the bill, it
24 may, within 30 days after receipt of the bill, apply to the
25 System in writing for a recalculation. The application must
26 specify in detail the grounds of the dispute and, if the

1 employer asserts that the calculation is subject to subsection
2 (g), (g-5), (g-10), (g-15), (g-20), (g-25), or (h) of this
3 Section, must include an affidavit setting forth and attesting
4 to all facts within the employer's knowledge that are
5 pertinent to the applicability of that subsection. Upon
6 receiving a timely application for recalculation, the System
7 shall review the application and, if appropriate, recalculate
8 the amount due.

9 The employer contributions required under this subsection
10 (f) may be paid in the form of a lump sum within 90 days after
11 receipt of the bill. If the employer contributions are not
12 paid within 90 days after receipt of the bill, then interest
13 will be charged at a rate equal to the System's annual
14 actuarially assumed rate of return on investment compounded
15 annually from the 91st day after receipt of the bill. Payments
16 must be concluded within 3 years after the employer's receipt
17 of the bill.

18 (f-1) (Blank).

19 (g) This subsection (g) applies only to payments made or
20 salary increases given on or after June 1, 2005 but before July
21 1, 2011. The changes made by Public Act 94-1057 shall not
22 require the System to refund any payments received before July
23 31, 2006 (the effective date of Public Act 94-1057).

24 When assessing payment for any amount due under subsection
25 (f), the System shall exclude salary increases paid to
26 teachers under contracts or collective bargaining agreements

1 entered into, amended, or renewed before June 1, 2005.

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

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

17 When assessing payment for any amount due under subsection
18 (f), the System shall exclude a salary increase resulting from
19 a promotion (i) for which the employee is required to hold a
20 certificate or supervisory endorsement issued by the State
21 Teacher Certification Board that is a different certification
22 or supervisory endorsement than is required for the teacher's
23 previous position and (ii) to a position that has existed and
24 been filled by a member for no less than one complete academic
25 year and the salary increase from the promotion is an increase
26 that results in an amount no greater than the lesser of the

1 average salary paid for other similar positions in the
2 district requiring the same certification or the amount
3 stipulated in the collective bargaining agreement for a
4 similar position requiring the same certification.

5 When assessing payment for any amount due under subsection
6 (f), the System shall exclude any payment to the teacher from
7 the State of Illinois or the State Board of Education over
8 which the employer does not have discretion, notwithstanding
9 that the payment is included in the computation of final
10 average salary.

11 (g-5) When assessing payment for any amount due under
12 subsection (f), the System shall exclude salary increases
13 resulting from overload or stipend work performed in a school
14 year subsequent to a school year in which the employer was
15 unable to offer or allow to be conducted overload or stipend
16 work due to an emergency declaration limiting such activities.

17 (g-10) When assessing payment for any amount due under
18 subsection (f), the System shall exclude salary increases
19 resulting from increased instructional time that exceeded the
20 instructional time required during the 2019-2020 school year.

21 (g-15) When assessing payment for any amount due under
22 subsection (f), the System shall exclude salary increases
23 resulting from teaching summer school on or after May 1, 2021
24 and before September 15, 2022.

25 (g-20) When assessing payment for any amount due under
26 subsection (f), the System shall exclude salary increases

1 necessary to bring a school board in compliance with Public
2 Act 101-443 or this amendatory Act of the 103rd General
3 Assembly.

4 (g-25) When assessing payment for any amount due under
5 subsection (f), the System shall exclude salary increases
6 given on or after July 1, 2025 resulting from overload work,
7 including summer school, when the school district has
8 certified to the System, and the System has approved the
9 certification, that (i) the overload work is for the sole
10 purpose of classroom instruction in excess of the standard
11 number of classes for a full-time teacher in a school district
12 during a school year and (ii) the salary increases are equal to
13 or less than the rate of pay for classroom instruction
14 computed on the teacher's current salary and work schedule.

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

25 (i) The System shall prepare a report and file copies of
26 the report with the Governor and the General Assembly by

1 January 1, 2007 that contains all of the following
2 information:

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

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

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

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

15 (i-5) For school years beginning on or after July 1, 2017,
16 if the amount of a participant's salary for any school year
17 exceeds the amount of the salary set for the Governor, the
18 participant's employer shall pay to the System, in addition to
19 all other payments required under this Section and in
20 accordance with guidelines established by the System, an
21 amount determined by the System to be equal to the employer
22 normal cost, as established by the System and expressed as a
23 total percentage of payroll, multiplied by the amount of
24 salary in excess of the amount of the salary set for the
25 Governor. This amount shall be computed by the System on the
26 basis of the actuarial assumptions and tables used in the most

1 recent actuarial valuation of the System that is available at
2 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
6 required under this subsection, 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. Upon receiving a
13 timely application for recalculation, the System shall review
14 the application and, if appropriate, recalculate the amount
15 due.

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

25 (j) For purposes of determining the required State
26 contribution to the System, the value of the System's assets

1 shall be equal to the actuarial value of the System's assets,
2 which shall be calculated as follows:

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

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

15 (Source: P.A. 102-16, eff. 6-17-21; 102-525, eff. 8-20-21;
16 102-558, eff. 8-20-21; 102-813, eff. 5-13-22; 103-515, eff.
17 8-11-23; 103-588, eff. 6-5-24.)

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