

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 17-132 as follows:

6 (40 ILCS 5/17-132) (from Ch. 108 1/2, par. 17-132)

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

3 The Fund may adopt rules to implement the changes made by
4 this amendatory Act of the 102nd General Assembly.
5 (Source: P.A. 101-261, eff. 8-9-19; 102-636, eff. 8-27-21.)

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