

# SB2861



## 104TH GENERAL ASSEMBLY

State of Illinois

2025 and 2026

SB2861

Introduced 1/16/2026, by Sen. Sara Feigenholtz

### SYNOPSIS AS INTRODUCED:

40 ILCS 5/17-132

from Ch. 108 1/2, par. 17-132

Amends the Chicago Teacher Article of the Illinois Pension Code. Requires charter schools and contract schools to retain all payroll records and contribution information for a minimum of 5 years after the payroll records and contribution information are created. Effective immediately.

LRB104 16724 RPS 30130 b

A BILL FOR

1 AN ACT concerning public employee benefits.

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

4 Section 5. The Illinois 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.