



100TH GENERAL ASSEMBLY

State of Illinois

2017 and 2018

SB3073

Introduced 2/15/2018, by Sen. Paul Schimpf

SYNOPSIS AS INTRODUCED:

See Index

Amends the State Employee, State Universities, and Downstate Teachers Articles of the Illinois Pension Code. Requires those Systems to offer certain inactive members the opportunity to elect to receive an accelerated pension benefit payment equal to 70% of the net present value of their pension benefits in lieu of receiving any pension benefit. Provides that if a person elects to receive an accelerated pension benefit payment, his or her credits and creditable service under that Article shall be terminated upon receipt of the accelerated pension benefit payment; except that the terminated service credit shall be used for the purposes of determining participation and benefits under the State Employees Group Insurance Act of 1971. Provides that a person who receives an accelerated pension benefit payment must direct the System to pay all of that payment as a rollover into another qualified retirement plan or account. Contains provisions concerning return to active service; rulemaking; and qualified plan status. Amends the State Employees Group Insurance Act of 1971 to make related changes. Requires the Authority to issue bonds if the amount of the accelerated pension benefit payments exceed the amount appropriated to each System for those payments. Amends the General Obligation Bond Act. Authorizes \$250,000,000 in State Pension Obligation Acceleration Bonds to be sold to pay for accelerated pension benefit payments to eligible persons. Amends the State Pension Funds Continuing Appropriation Act to create a continuing appropriation for payments on those Bonds. Amends the State Finance Act to create the State Pension Obligation Acceleration Bond Fund. Effective immediately.

LRB100 16948 RPS 32093 b

FISCAL NOTE ACT
MAY APPLY

PENSION IMPACT
NOTE ACT MAY
APPLY

STATE DEBT
IMPACT NOTE ACT
MAY APPLY

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 State Employees Group Insurance Act of 1971
5 is amended by changing Sections 3 and 10 as follows:

6 (5 ILCS 375/3) (from Ch. 127, par. 523)

7 Sec. 3. Definitions. Unless the context otherwise
8 requires, the following words and phrases as used in this Act
9 shall have the following meanings. The Department may define
10 these and other words and phrases separately for the purpose of
11 implementing specific programs providing benefits under this
12 Act.

13 (a) "Administrative service organization" means any
14 person, firm or corporation experienced in the handling of
15 claims which is fully qualified, financially sound and capable
16 of meeting the service requirements of a contract of
17 administration executed with the Department.

18 (b) "Annuitant" means (1) an employee who retires, or has
19 retired, on or after January 1, 1966 on an immediate annuity
20 under the provisions of Articles 2, 14 (including an employee
21 who has elected to receive an alternative retirement
22 cancellation payment under Section 14-108.5 of the Illinois
23 Pension Code in lieu of an annuity or who meets the criteria

1 for retirement, but in lieu of receiving an annuity under that
2 Article has elected to receive an accelerated pension benefit
3 payment under Section 14-147.5 of that Article), 15 (including
4 an employee who has retired under the optional retirement
5 program established under Section 15-158.2 or who meets the
6 criteria for retirement, but in lieu of receiving an annuity
7 under that Article has elected to receive an accelerated
8 pension benefit payment under Section 15-185.5 of the Article),
9 paragraphs (2), (3), or (5) of Section 16-106 (including an
10 employee who meets the criteria for retirement, but in lieu of
11 receiving an annuity under that Article has elected to receive
12 an accelerated pension benefit payment under Section 16-190.5
13 of the Illinois Pension Code), or Article 18 of the Illinois
14 Pension Code; (2) any person who was receiving group insurance
15 coverage under this Act as of March 31, 1978 by reason of his
16 status as an annuitant, even though the annuity in relation to
17 which such coverage was provided is a proportional annuity
18 based on less than the minimum period of service required for a
19 retirement annuity in the system involved; (3) any person not
20 otherwise covered by this Act who has retired as a
21 participating member under Article 2 of the Illinois Pension
22 Code but is ineligible for the retirement annuity under Section
23 2-119 of the Illinois Pension Code; (4) the spouse of any
24 person who is receiving a retirement annuity under Article 18
25 of the Illinois Pension Code and who is covered under a group
26 health insurance program sponsored by a governmental employer

1 other than the State of Illinois and who has irrevocably
2 elected to waive his or her coverage under this Act and to have
3 his or her spouse considered as the "annuitant" under this Act
4 and not as a "dependent"; or (5) an employee who retires, or
5 has retired, from a qualified position, as determined according
6 to rules promulgated by the Director, under a qualified local
7 government, a qualified rehabilitation facility, a qualified
8 domestic violence shelter or service, or a qualified child
9 advocacy center. (For definition of "retired employee", see (p)
10 post).

11 (b-5) (Blank).

12 (b-6) (Blank).

13 (b-7) (Blank).

14 (c) "Carrier" means (1) an insurance company, a corporation
15 organized under the Limited Health Service Organization Act or
16 the Voluntary Health Services Plan Act, a partnership, or other
17 nongovernmental organization, which is authorized to do group
18 life or group health insurance business in Illinois, or (2) the
19 State of Illinois as a self-insurer.

20 (d) "Compensation" means salary or wages payable on a
21 regular payroll by the State Treasurer on a warrant of the
22 State Comptroller out of any State, trust or federal fund, or
23 by the Governor of the State through a disbursing officer of
24 the State out of a trust or out of federal funds, or by any
25 Department out of State, trust, federal or other funds held by
26 the State Treasurer or the Department, to any person for

1 personal services currently performed, and ordinary or
2 accidental disability benefits under Articles 2, 14, 15
3 (including ordinary or accidental disability benefits under
4 the optional retirement program established under Section
5 15-158.2), paragraphs (2), (3), or (5) of Section 16-106, or
6 Article 18 of the Illinois Pension Code, for disability
7 incurred after January 1, 1966, or benefits payable under the
8 Workers' Compensation or Occupational Diseases Act or benefits
9 payable under a sick pay plan established in accordance with
10 Section 36 of the State Finance Act. "Compensation" also means
11 salary or wages paid to an employee of any qualified local
12 government, qualified rehabilitation facility, qualified
13 domestic violence shelter or service, or qualified child
14 advocacy center.

15 (e) "Commission" means the State Employees Group Insurance
16 Advisory Commission authorized by this Act. Commencing July 1,
17 1984, "Commission" as used in this Act means the Commission on
18 Government Forecasting and Accountability as established by
19 the Legislative Commission Reorganization Act of 1984.

20 (f) "Contributory", when referred to as contributory
21 coverage, shall mean optional coverages or benefits elected by
22 the member toward the cost of which such member makes
23 contribution, or which are funded in whole or in part through
24 the acceptance of a reduction in earnings or the foregoing of
25 an increase in earnings by an employee, as distinguished from
26 noncontributory coverage or benefits which are paid entirely by

1 the State of Illinois without reduction of the member's salary.

2 (g) "Department" means any department, institution, board,
3 commission, officer, court or any agency of the State
4 government receiving appropriations and having power to
5 certify payrolls to the Comptroller authorizing payments of
6 salary and wages against such appropriations as are made by the
7 General Assembly from any State fund, or against trust funds
8 held by the State Treasurer and includes boards of trustees of
9 the retirement systems created by Articles 2, 14, 15, 16 and 18
10 of the Illinois Pension Code. "Department" also includes the
11 Illinois Comprehensive Health Insurance Board, the Board of
12 Examiners established under the Illinois Public Accounting
13 Act, and the Illinois Finance Authority.

14 (h) "Dependent", when the term is used in the context of
15 the health and life plan, means a member's spouse and any child
16 (1) from birth to age 26 including an adopted child, a child
17 who lives with the member from the time of the placement for
18 adoption until entry of an order of adoption, a stepchild or
19 adjudicated child, or a child who lives with the member if such
20 member is a court appointed guardian of the child or (2) age 19
21 or over who has a mental or physical disability from a cause
22 originating prior to the age of 19 (age 26 if enrolled as an
23 adult child dependent). For the health plan only, the term
24 "dependent" also includes (1) any person enrolled prior to the
25 effective date of this Section who is dependent upon the member
26 to the extent that the member may claim such person as a

1 dependent for income tax deduction purposes and (2) any person
2 who has received after June 30, 2000 an organ transplant and
3 who is financially dependent upon the member and eligible to be
4 claimed as a dependent for income tax purposes. A member
5 requesting to cover any dependent must provide documentation as
6 requested by the Department of Central Management Services and
7 file with the Department any and all forms required by the
8 Department.

9 (i) "Director" means the Director of the Illinois
10 Department of Central Management Services.

11 (j) "Eligibility period" means the period of time a member
12 has to elect enrollment in programs or to select benefits
13 without regard to age, sex or health.

14 (k) "Employee" means and includes each officer or employee
15 in the service of a department who (1) receives his
16 compensation for service rendered to the department on a
17 warrant issued pursuant to a payroll certified by a department
18 or on a warrant or check issued and drawn by a department upon
19 a trust, federal or other fund or on a warrant issued pursuant
20 to a payroll certified by an elected or duly appointed officer
21 of the State or who receives payment of the performance of
22 personal services on a warrant issued pursuant to a payroll
23 certified by a Department and drawn by the Comptroller upon the
24 State Treasurer against appropriations made by the General
25 Assembly from any fund or against trust funds held by the State
26 Treasurer, and (2) is employed full-time or part-time in a

1 position normally requiring actual performance of duty during
2 not less than 1/2 of a normal work period, as established by
3 the Director in cooperation with each department, except that
4 persons elected by popular vote will be considered employees
5 during the entire term for which they are elected regardless of
6 hours devoted to the service of the State, and (3) except that
7 "employee" does not include any person who is not eligible by
8 reason of such person's employment to participate in one of the
9 State retirement systems under Articles 2, 14, 15 (either the
10 regular Article 15 system or the optional retirement program
11 established under Section 15-158.2) or 18, or under paragraph
12 (2), (3), or (5) of Section 16-106, of the Illinois Pension
13 Code, but such term does include persons who are employed
14 during the 6 month qualifying period under Article 14 of the
15 Illinois Pension Code. Such term also includes any person who
16 (1) after January 1, 1966, is receiving ordinary or accidental
17 disability benefits under Articles 2, 14, 15 (including
18 ordinary or accidental disability benefits under the optional
19 retirement program established under Section 15-158.2),
20 paragraphs (2), (3), or (5) of Section 16-106, or Article 18 of
21 the Illinois Pension Code, for disability incurred after
22 January 1, 1966, (2) receives total permanent or total
23 temporary disability under the Workers' Compensation Act or
24 Occupational Disease Act as a result of injuries sustained or
25 illness contracted in the course of employment with the State
26 of Illinois, or (3) is not otherwise covered under this Act and

1 has retired as a participating member under Article 2 of the
2 Illinois Pension Code but is ineligible for the retirement
3 annuity under Section 2-119 of the Illinois Pension Code.
4 However, a person who satisfies the criteria of the foregoing
5 definition of "employee" except that such person is made
6 ineligible to participate in the State Universities Retirement
7 System by clause (4) of subsection (a) of Section 15-107 of the
8 Illinois Pension Code is also an "employee" for the purposes of
9 this Act. "Employee" also includes any person receiving or
10 eligible for benefits under a sick pay plan established in
11 accordance with Section 36 of the State Finance Act. "Employee"
12 also includes (i) each officer or employee in the service of a
13 qualified local government, including persons appointed as
14 trustees of sanitary districts regardless of hours devoted to
15 the service of the sanitary district, (ii) each employee in the
16 service of a qualified rehabilitation facility, (iii) each
17 full-time employee in the service of a qualified domestic
18 violence shelter or service, and (iv) each full-time employee
19 in the service of a qualified child advocacy center, as
20 determined according to rules promulgated by the Director.

21 (1) "Member" means an employee, annuitant, retired
22 employee or survivor. In the case of an annuitant or retired
23 employee who first becomes an annuitant or retired employee on
24 or after the effective date of this amendatory Act of the 97th
25 General Assembly, the individual must meet the minimum vesting
26 requirements of the applicable retirement system in order to be

1 eligible for group insurance benefits under that system. In the
2 case of a survivor who first becomes a survivor on or after the
3 effective date of this amendatory Act of the 97th General
4 Assembly, the deceased employee, annuitant, or retired
5 employee upon whom the annuity is based must have been eligible
6 to participate in the group insurance system under the
7 applicable retirement system in order for the survivor to be
8 eligible for group insurance benefits under that system.

9 (m) "Optional coverages or benefits" means those coverages
10 or benefits available to the member on his or her voluntary
11 election, and at his or her own expense.

12 (n) "Program" means the group life insurance, health
13 benefits and other employee benefits designed and contracted
14 for by the Director under this Act.

15 (o) "Health plan" means a health benefits program offered
16 by the State of Illinois for persons eligible for the plan.

17 (p) "Retired employee" means any person who would be an
18 annuitant as that term is defined herein but for the fact that
19 such person retired prior to January 1, 1966. Such term also
20 includes any person formerly employed by the University of
21 Illinois in the Cooperative Extension Service who would be an
22 annuitant but for the fact that such person was made ineligible
23 to participate in the State Universities Retirement System by
24 clause (4) of subsection (a) of Section 15-107 of the Illinois
25 Pension Code.

26 (q) "Survivor" means a person receiving an annuity as a

1 survivor of an employee or of an annuitant. "Survivor" also
2 includes: (1) the surviving dependent of a person who satisfies
3 the definition of "employee" except that such person is made
4 ineligible to participate in the State Universities Retirement
5 System by clause (4) of subsection (a) of Section 15-107 of the
6 Illinois Pension Code; (2) the surviving dependent of any
7 person formerly employed by the University of Illinois in the
8 Cooperative Extension Service who would be an annuitant except
9 for the fact that such person was made ineligible to
10 participate in the State Universities Retirement System by
11 clause (4) of subsection (a) of Section 15-107 of the Illinois
12 Pension Code; and (3) the surviving dependent of a person who
13 was an annuitant under this Act by virtue of receiving an
14 alternative retirement cancellation payment under Section
15 14-108.5 of the Illinois Pension Code.

16 (q-2) "SERS" means the State Employees' Retirement System
17 of Illinois, created under Article 14 of the Illinois Pension
18 Code.

19 (q-3) "SURS" means the State Universities Retirement
20 System, created under Article 15 of the Illinois Pension Code.

21 (q-4) "TRS" means the Teachers' Retirement System of the
22 State of Illinois, created under Article 16 of the Illinois
23 Pension Code.

24 (q-5) (Blank).

25 (q-6) (Blank).

26 (q-7) (Blank).

1 (r) "Medical services" means the services provided within
2 the scope of their licenses by practitioners in all categories
3 licensed under the Medical Practice Act of 1987.

4 (s) "Unit of local government" means any county,
5 municipality, township, school district (including a
6 combination of school districts under the Intergovernmental
7 Cooperation Act), special district or other unit, designated as
8 a unit of local government by law, which exercises limited
9 governmental powers or powers in respect to limited
10 governmental subjects, any not-for-profit association with a
11 membership that primarily includes townships and township
12 officials, that has duties that include provision of research
13 service, dissemination of information, and other acts for the
14 purpose of improving township government, and that is funded
15 wholly or partly in accordance with Section 85-15 of the
16 Township Code; any not-for-profit corporation or association,
17 with a membership consisting primarily of municipalities, that
18 operates its own utility system, and provides research,
19 training, dissemination of information, or other acts to
20 promote cooperation between and among municipalities that
21 provide utility services and for the advancement of the goals
22 and purposes of its membership; the Southern Illinois
23 Collegiate Common Market, which is a consortium of higher
24 education institutions in Southern Illinois; the Illinois
25 Association of Park Districts; and any hospital provider that
26 is owned by a county that has 100 or fewer hospital beds and

1 has not already joined the program. "Qualified local
2 government" means a unit of local government approved by the
3 Director and participating in a program created under
4 subsection (i) of Section 10 of this Act.

5 (t) "Qualified rehabilitation facility" means any
6 not-for-profit organization that is accredited by the
7 Commission on Accreditation of Rehabilitation Facilities or
8 certified by the Department of Human Services (as successor to
9 the Department of Mental Health and Developmental
10 Disabilities) to provide services to persons with disabilities
11 and which receives funds from the State of Illinois for
12 providing those services, approved by the Director and
13 participating in a program created under subsection (j) of
14 Section 10 of this Act.

15 (u) "Qualified domestic violence shelter or service" means
16 any Illinois domestic violence shelter or service and its
17 administrative offices funded by the Department of Human
18 Services (as successor to the Illinois Department of Public
19 Aid), approved by the Director and participating in a program
20 created under subsection (k) of Section 10.

21 (v) "TRS benefit recipient" means a person who:

22 (1) is not a "member" as defined in this Section; and

23 (2) is receiving a monthly benefit or retirement
24 annuity under Article 16 of the Illinois Pension Code; and

25 (3) either (i) has at least 8 years of creditable
26 service under Article 16 of the Illinois Pension Code, or

1 (ii) was enrolled in the health insurance program offered
2 under that Article on January 1, 1996, or (iii) is the
3 survivor of a benefit recipient who had at least 8 years of
4 creditable service under Article 16 of the Illinois Pension
5 Code or was enrolled in the health insurance program
6 offered under that Article on the effective date of this
7 amendatory Act of 1995, or (iv) is a recipient or survivor
8 of a recipient of a disability benefit under Article 16 of
9 the Illinois Pension Code.

10 (w) "TRS dependent beneficiary" means a person who:

11 (1) is not a "member" or "dependent" as defined in this
12 Section; and

13 (2) is a TRS benefit recipient's: (A) spouse, (B)
14 dependent parent who is receiving at least half of his or
15 her support from the TRS benefit recipient, or (C) natural,
16 step, adjudicated, or adopted child who is (i) under age
17 26, (ii) was, on January 1, 1996, participating as a
18 dependent beneficiary in the health insurance program
19 offered under Article 16 of the Illinois Pension Code, or
20 (iii) age 19 or over who has a mental or physical
21 disability from a cause originating prior to the age of 19
22 (age 26 if enrolled as an adult child).

23 "TRS dependent beneficiary" does not include, as indicated
24 under paragraph (2) of this subsection (w), a dependent of the
25 survivor of a TRS benefit recipient who first becomes a
26 dependent of a survivor of a TRS benefit recipient on or after

1 the effective date of this amendatory Act of the 97th General
2 Assembly unless that dependent would have been eligible for
3 coverage as a dependent of the deceased TRS benefit recipient
4 upon whom the survivor benefit is based.

5 (x) "Military leave" refers to individuals in basic
6 training for reserves, special/advanced training, annual
7 training, emergency call up, activation by the President of the
8 United States, or any other training or duty in service to the
9 United States Armed Forces.

10 (y) (Blank).

11 (z) "Community college benefit recipient" means a person
12 who:

13 (1) is not a "member" as defined in this Section; and

14 (2) is receiving a monthly survivor's annuity or
15 retirement annuity under Article 15 of the Illinois Pension
16 Code; and

17 (3) either (i) was a full-time employee of a community
18 college district or an association of community college
19 boards created under the Public Community College Act
20 (other than an employee whose last employer under Article
21 15 of the Illinois Pension Code was a community college
22 district subject to Article VII of the Public Community
23 College Act) and was eligible to participate in a group
24 health benefit plan as an employee during the time of
25 employment with a community college district (other than a
26 community college district subject to Article VII of the

1 Public Community College Act) or an association of
2 community college boards, or (ii) is the survivor of a
3 person described in item (i).

4 (aa) "Community college dependent beneficiary" means a
5 person who:

6 (1) is not a "member" or "dependent" as defined in this
7 Section; and

8 (2) is a community college benefit recipient's: (A)
9 spouse, (B) dependent parent who is receiving at least half
10 of his or her support from the community college benefit
11 recipient, or (C) natural, step, adjudicated, or adopted
12 child who is (i) under age 26, or (ii) age 19 or over and
13 has a mental or physical disability from a cause
14 originating prior to the age of 19 (age 26 if enrolled as
15 an adult child).

16 "Community college dependent beneficiary" does not
17 include, as indicated under paragraph (2) of this subsection
18 (aa), a dependent of the survivor of a community college
19 benefit recipient who first becomes a dependent of a survivor
20 of a community college benefit recipient on or after the
21 effective date of this amendatory Act of the 97th General
22 Assembly unless that dependent would have been eligible for
23 coverage as a dependent of the deceased community college
24 benefit recipient upon whom the survivor annuity is based.

25 (bb) "Qualified child advocacy center" means any Illinois
26 child advocacy center and its administrative offices funded by

1 the Department of Children and Family Services, as defined by
2 the Children's Advocacy Center Act (55 ILCS 80/), approved by
3 the Director and participating in a program created under
4 subsection (n) of Section 10.

5 (cc) "Placement for adoption" means the assumption and
6 retention by a member of a legal obligation for total or
7 partial support of a child in anticipation of adoption of the
8 child. The child's placement with the member terminates upon
9 the termination of such legal obligation.

10 (Source: P.A. 99-143, eff. 7-27-15; 100-355, eff. 1-1-18.)

11 (5 ILCS 375/10) (from Ch. 127, par. 530)

12 Sec. 10. Contributions by the State and members.

13 (a) The State shall pay the cost of basic non-contributory
14 group life insurance and, subject to member paid contributions
15 set by the Department or required by this Section and except as
16 provided in this Section, the basic program of group health
17 benefits on each eligible member, except a member, not
18 otherwise covered by this Act, who has retired as a
19 participating member under Article 2 of the Illinois Pension
20 Code but is ineligible for the retirement annuity under Section
21 2-119 of the Illinois Pension Code, and part of each eligible
22 member's and retired member's premiums for health insurance
23 coverage for enrolled dependents as provided by Section 9. The
24 State shall pay the cost of the basic program of group health
25 benefits only after benefits are reduced by the amount of

1 benefits covered by Medicare for all members and dependents who
2 are eligible for benefits under Social Security or the Railroad
3 Retirement system or who had sufficient Medicare-covered
4 government employment, except that such reduction in benefits
5 shall apply only to those members and dependents who (1) first
6 become eligible for such Medicare coverage on or after July 1,
7 1992; or (2) are Medicare-eligible members or dependents of a
8 local government unit which began participation in the program
9 on or after July 1, 1992; or (3) remain eligible for, but no
10 longer receive Medicare coverage which they had been receiving
11 on or after July 1, 1992. The Department may determine the
12 aggregate level of the State's contribution on the basis of
13 actual cost of medical services adjusted for age, sex or
14 geographic or other demographic characteristics which affect
15 the costs of such programs.

16 The cost of participation in the basic program of group
17 health benefits for the dependent or survivor of a living or
18 deceased retired employee who was formerly employed by the
19 University of Illinois in the Cooperative Extension Service and
20 would be an annuitant but for the fact that he or she was made
21 ineligible to participate in the State Universities Retirement
22 System by clause (4) of subsection (a) of Section 15-107 of the
23 Illinois Pension Code shall not be greater than the cost of
24 participation that would otherwise apply to that dependent or
25 survivor if he or she were the dependent or survivor of an
26 annuitant under the State Universities Retirement System.

1 (a-1) (Blank).

2 (a-2) (Blank).

3 (a-3) (Blank).

4 (a-4) (Blank).

5 (a-5) (Blank).

6 (a-6) (Blank).

7 (a-7) (Blank).

8 (a-8) Any annuitant, survivor, or retired employee may
9 waive or terminate coverage in the program of group health
10 benefits. Any such annuitant, survivor, or retired employee who
11 has waived or terminated coverage may enroll or re-enroll in
12 the program of group health benefits only during the annual
13 benefit choice period, as determined by the Director; except
14 that in the event of termination of coverage due to nonpayment
15 of premiums, the annuitant, survivor, or retired employee may
16 not re-enroll in the program.

17 (a-8.5) Beginning on the effective date of this amendatory
18 Act of the 97th General Assembly, the Director of Central
19 Management Services shall, on an annual basis, determine the
20 amount that the State shall contribute toward the basic program
21 of group health benefits on behalf of annuitants (including
22 individuals who (i) participated in the General Assembly
23 Retirement System, the State Employees' Retirement System of
24 Illinois, the State Universities Retirement System, the
25 Teachers' Retirement System of the State of Illinois, or the
26 Judges Retirement System of Illinois and (ii) qualify as

1 annuitants under subsection (b) of Section 3 of this Act),
2 survivors (including individuals who (i) receive an annuity as
3 a survivor of an individual who participated in the General
4 Assembly Retirement System, the State Employees' Retirement
5 System of Illinois, the State Universities Retirement System,
6 the Teachers' Retirement System of the State of Illinois, or
7 the Judges Retirement System of Illinois and (ii) qualify as
8 survivors under subsection (q) of Section 3 of this Act), and
9 retired employees (as defined in subsection (p) of Section 3 of
10 this Act). The remainder of the cost of coverage for each
11 annuitant, survivor, or retired employee, as determined by the
12 Director of Central Management Services, shall be the
13 responsibility of that annuitant, survivor, or retired
14 employee.

15 Contributions required of annuitants, survivors, and
16 retired employees shall be the same for all retirement systems
17 and shall also be based on whether an individual has made an
18 election under Section 15-135.1 of the Illinois Pension Code.
19 Contributions may be based on annuitants', survivors', or
20 retired employees' Medicare eligibility, but may not be based
21 on Social Security eligibility.

22 (a-9) No later than May 1 of each calendar year, the
23 Director of Central Management Services shall certify in
24 writing to the Executive Secretary of the State Employees'
25 Retirement System of Illinois the amounts of the Medicare
26 supplement health care premiums and the amounts of the health

1 care premiums for all other retirees who are not Medicare
2 eligible.

3 A separate calculation of the premiums based upon the
4 actual cost of each health care plan shall be so certified.

5 The Director of Central Management Services shall provide
6 to the Executive Secretary of the State Employees' Retirement
7 System of Illinois such information, statistics, and other data
8 as he or she may require to review the premium amounts
9 certified by the Director of Central Management Services.

10 The Department of Central Management Services, or any
11 successor agency designated to procure healthcare contracts
12 pursuant to this Act, is authorized to establish funds,
13 separate accounts provided by any bank or banks as defined by
14 the Illinois Banking Act, or separate accounts provided by any
15 savings and loan association or associations as defined by the
16 Illinois Savings and Loan Act of 1985 to be held by the
17 Director, outside the State treasury, for the purpose of
18 receiving the transfer of moneys from the Local Government
19 Health Insurance Reserve Fund. The Department may promulgate
20 rules further defining the methodology for the transfers. Any
21 interest earned by moneys in the funds or accounts shall inure
22 to the Local Government Health Insurance Reserve Fund. The
23 transferred moneys, and interest accrued thereon, shall be used
24 exclusively for transfers to administrative service
25 organizations or their financial institutions for payments of
26 claims to claimants and providers under the self-insurance

1 health plan. The transferred moneys, and interest accrued
2 thereon, shall not be used for any other purpose including, but
3 not limited to, reimbursement of administration fees due the
4 administrative service organization pursuant to its contract
5 or contracts with the Department.

6 (a-10) To the extent that participation, benefits, or
7 premiums under this Act are based on a person's service credit
8 under an Article of the Illinois Pension Code, service credit
9 terminated in exchange for an accelerated pension benefit
10 payment under Section 14-147.5, 15-185.5, or 16-190.5 of that
11 Code shall be included in determining a person's service credit
12 for the purposes of this Act.

13 (b) State employees who become eligible for this program on
14 or after January 1, 1980 in positions normally requiring actual
15 performance of duty not less than 1/2 of a normal work period
16 but not equal to that of a normal work period, shall be given
17 the option of participating in the available program. If the
18 employee elects coverage, the State shall contribute on behalf
19 of such employee to the cost of the employee's benefit and any
20 applicable dependent supplement, that sum which bears the same
21 percentage as that percentage of time the employee regularly
22 works when compared to normal work period.

23 (c) The basic non-contributory coverage from the basic
24 program of group health benefits shall be continued for each
25 employee not in pay status or on active service by reason of
26 (1) leave of absence due to illness or injury, (2) authorized

1 educational leave of absence or sabbatical leave, or (3)
2 military leave. This coverage shall continue until expiration
3 of authorized leave and return to active service, but not to
4 exceed 24 months for leaves under item (1) or (2). This
5 24-month limitation and the requirement of returning to active
6 service shall not apply to persons receiving ordinary or
7 accidental disability benefits or retirement benefits through
8 the appropriate State retirement system or benefits under the
9 Workers' Compensation or Occupational Disease Act.

10 (d) The basic group life insurance coverage shall continue,
11 with full State contribution, where such person is (1) absent
12 from active service by reason of disability arising from any
13 cause other than self-inflicted, (2) on authorized educational
14 leave of absence or sabbatical leave, or (3) on military leave.

15 (e) Where the person is in non-pay status for a period in
16 excess of 30 days or on leave of absence, other than by reason
17 of disability, educational or sabbatical leave, or military
18 leave, such person may continue coverage only by making
19 personal payment equal to the amount normally contributed by
20 the State on such person's behalf. Such payments and coverage
21 may be continued: (1) until such time as the person returns to
22 a status eligible for coverage at State expense, but not to
23 exceed 24 months or (2) until such person's employment or
24 annuitant status with the State is terminated (exclusive of any
25 additional service imposed pursuant to law).

26 (f) The Department shall establish by rule the extent to

1 which other employee benefits will continue for persons in
2 non-pay status or who are not in active service.

3 (g) The State shall not pay the cost of the basic
4 non-contributory group life insurance, program of health
5 benefits and other employee benefits for members who are
6 survivors as defined by paragraphs (1) and (2) of subsection
7 (q) of Section 3 of this Act. The costs of benefits for these
8 survivors shall be paid by the survivors or by the University
9 of Illinois Cooperative Extension Service, or any combination
10 thereof. However, the State shall pay the amount of the
11 reduction in the cost of participation, if any, resulting from
12 the amendment to subsection (a) made by this amendatory Act of
13 the 91st General Assembly.

14 (h) Those persons occupying positions with any department
15 as a result of emergency appointments pursuant to Section 8b.8
16 of the Personnel Code who are not considered employees under
17 this Act shall be given the option of participating in the
18 programs of group life insurance, health benefits and other
19 employee benefits. Such persons electing coverage may
20 participate only by making payment equal to the amount normally
21 contributed by the State for similarly situated employees. Such
22 amounts shall be determined by the Director. Such payments and
23 coverage may be continued until such time as the person becomes
24 an employee pursuant to this Act or such person's appointment
25 is terminated.

26 (i) Any unit of local government within the State of

1 Illinois may apply to the Director to have its employees,
2 annuitants, and their dependents provided group health
3 coverage under this Act on a non-insured basis. To participate,
4 a unit of local government must agree to enroll all of its
5 employees, who may select coverage under either the State group
6 health benefits plan or a health maintenance organization that
7 has contracted with the State to be available as a health care
8 provider for employees as defined in this Act. A unit of local
9 government must remit the entire cost of providing coverage
10 under the State group health benefits plan or, for coverage
11 under a health maintenance organization, an amount determined
12 by the Director based on an analysis of the sex, age,
13 geographic location, or other relevant demographic variables
14 for its employees, except that the unit of local government
15 shall not be required to enroll those of its employees who are
16 covered spouses or dependents under this plan or another group
17 policy or plan providing health benefits as long as (1) an
18 appropriate official from the unit of local government attests
19 that each employee not enrolled is a covered spouse or
20 dependent under this plan or another group policy or plan, and
21 (2) at least 50% of the employees are enrolled and the unit of
22 local government remits the entire cost of providing coverage
23 to those employees, except that a participating school district
24 must have enrolled at least 50% of its full-time employees who
25 have not waived coverage under the district's group health plan
26 by participating in a component of the district's cafeteria

1 plan. A participating school district is not required to enroll
2 a full-time employee who has waived coverage under the
3 district's health plan, provided that an appropriate official
4 from the participating school district attests that the
5 full-time employee has waived coverage by participating in a
6 component of the district's cafeteria plan. For the purposes of
7 this subsection, "participating school district" includes a
8 unit of local government whose primary purpose is education as
9 defined by the Department's rules.

10 Employees of a participating unit of local government who
11 are not enrolled due to coverage under another group health
12 policy or plan may enroll in the event of a qualifying change
13 in status, special enrollment, special circumstance as defined
14 by the Director, or during the annual Benefit Choice Period. A
15 participating unit of local government may also elect to cover
16 its annuitants. Dependent coverage shall be offered on an
17 optional basis, with the costs paid by the unit of local
18 government, its employees, or some combination of the two as
19 determined by the unit of local government. The unit of local
20 government shall be responsible for timely collection and
21 transmission of dependent premiums.

22 The Director shall annually determine monthly rates of
23 payment, subject to the following constraints:

- 24 (1) In the first year of coverage, the rates shall be
25 equal to the amount normally charged to State employees for
26 elected optional coverages or for enrolled dependents

1 coverages or other contributory coverages, or contributed
2 by the State for basic insurance coverages on behalf of its
3 employees, adjusted for differences between State
4 employees and employees of the local government in age,
5 sex, geographic location or other relevant demographic
6 variables, plus an amount sufficient to pay for the
7 additional administrative costs of providing coverage to
8 employees of the unit of local government and their
9 dependents.

10 (2) In subsequent years, a further adjustment shall be
11 made to reflect the actual prior years' claims experience
12 of the employees of the unit of local government.

13 In the case of coverage of local government employees under
14 a health maintenance organization, the Director shall annually
15 determine for each participating unit of local government the
16 maximum monthly amount the unit may contribute toward that
17 coverage, based on an analysis of (i) the age, sex, geographic
18 location, and other relevant demographic variables of the
19 unit's employees and (ii) the cost to cover those employees
20 under the State group health benefits plan. The Director may
21 similarly determine the maximum monthly amount each unit of
22 local government may contribute toward coverage of its
23 employees' dependents under a health maintenance organization.

24 Monthly payments by the unit of local government or its
25 employees for group health benefits plan or health maintenance
26 organization coverage shall be deposited in the Local

1 Government Health Insurance Reserve Fund.

2 The Local Government Health Insurance Reserve Fund is
3 hereby created as a nonappropriated trust fund to be held
4 outside the State Treasury, with the State Treasurer as
5 custodian. The Local Government Health Insurance Reserve Fund
6 shall be a continuing fund not subject to fiscal year
7 limitations. The Local Government Health Insurance Reserve
8 Fund is not subject to administrative charges or charge-backs,
9 including but not limited to those authorized under Section 8h
10 of the State Finance Act. All revenues arising from the
11 administration of the health benefits program established
12 under this Section shall be deposited into the Local Government
13 Health Insurance Reserve Fund. Any interest earned on moneys in
14 the Local Government Health Insurance Reserve Fund shall be
15 deposited into the Fund. All expenditures from this Fund shall
16 be used for payments for health care benefits for local
17 government and rehabilitation facility employees, annuitants,
18 and dependents, and to reimburse the Department or its
19 administrative service organization for all expenses incurred
20 in the administration of benefits. No other State funds may be
21 used for these purposes.

22 A local government employer's participation or desire to
23 participate in a program created under this subsection shall
24 not limit that employer's duty to bargain with the
25 representative of any collective bargaining unit of its
26 employees.

1 (j) Any rehabilitation facility within the State of
2 Illinois may apply to the Director to have its employees,
3 annuitants, and their eligible dependents provided group
4 health coverage under this Act on a non-insured basis. To
5 participate, a rehabilitation facility must agree to enroll all
6 of its employees and remit the entire cost of providing such
7 coverage for its employees, except that the rehabilitation
8 facility shall not be required to enroll those of its employees
9 who are covered spouses or dependents under this plan or
10 another group policy or plan providing health benefits as long
11 as (1) an appropriate official from the rehabilitation facility
12 attests that each employee not enrolled is a covered spouse or
13 dependent under this plan or another group policy or plan, and
14 (2) at least 50% of the employees are enrolled and the
15 rehabilitation facility remits the entire cost of providing
16 coverage to those employees. Employees of a participating
17 rehabilitation facility who are not enrolled due to coverage
18 under another group health policy or plan may enroll in the
19 event of a qualifying change in status, special enrollment,
20 special circumstance as defined by the Director, or during the
21 annual Benefit Choice Period. A participating rehabilitation
22 facility may also elect to cover its annuitants. Dependent
23 coverage shall be offered on an optional basis, with the costs
24 paid by the rehabilitation facility, its employees, or some
25 combination of the 2 as determined by the rehabilitation
26 facility. The rehabilitation facility shall be responsible for

1 timely collection and transmission of dependent premiums.

2 The Director shall annually determine quarterly rates of
3 payment, subject to the following constraints:

4 (1) In the first year of coverage, the rates shall be
5 equal to the amount normally charged to State employees for
6 elected optional coverages or for enrolled dependents
7 coverages or other contributory coverages on behalf of its
8 employees, adjusted for differences between State
9 employees and employees of the rehabilitation facility in
10 age, sex, geographic location or other relevant
11 demographic variables, plus an amount sufficient to pay for
12 the additional administrative costs of providing coverage
13 to employees of the rehabilitation facility and their
14 dependents.

15 (2) In subsequent years, a further adjustment shall be
16 made to reflect the actual prior years' claims experience
17 of the employees of the rehabilitation facility.

18 Monthly payments by the rehabilitation facility or its
19 employees for group health benefits shall be deposited in the
20 Local Government Health Insurance Reserve Fund.

21 (k) Any domestic violence shelter or service within the
22 State of Illinois may apply to the Director to have its
23 employees, annuitants, and their dependents provided group
24 health coverage under this Act on a non-insured basis. To
25 participate, a domestic violence shelter or service must agree
26 to enroll all of its employees and pay the entire cost of

1 providing such coverage for its employees. The domestic
2 violence shelter shall not be required to enroll those of its
3 employees who are covered spouses or dependents under this plan
4 or another group policy or plan providing health benefits as
5 long as (1) an appropriate official from the domestic violence
6 shelter attests that each employee not enrolled is a covered
7 spouse or dependent under this plan or another group policy or
8 plan and (2) at least 50% of the employees are enrolled and the
9 domestic violence shelter remits the entire cost of providing
10 coverage to those employees. Employees of a participating
11 domestic violence shelter who are not enrolled due to coverage
12 under another group health policy or plan may enroll in the
13 event of a qualifying change in status, special enrollment, or
14 special circumstance as defined by the Director or during the
15 annual Benefit Choice Period. A participating domestic
16 violence shelter may also elect to cover its annuitants.
17 Dependent coverage shall be offered on an optional basis, with
18 employees, or some combination of the 2 as determined by the
19 domestic violence shelter or service. The domestic violence
20 shelter or service shall be responsible for timely collection
21 and transmission of dependent premiums.

22 The Director shall annually determine rates of payment,
23 subject to the following constraints:

24 (1) In the first year of coverage, the rates shall be
25 equal to the amount normally charged to State employees for
26 elected optional coverages or for enrolled dependents

1 coverages or other contributory coverages on behalf of its
2 employees, adjusted for differences between State
3 employees and employees of the domestic violence shelter or
4 service in age, sex, geographic location or other relevant
5 demographic variables, plus an amount sufficient to pay for
6 the additional administrative costs of providing coverage
7 to employees of the domestic violence shelter or service
8 and their dependents.

9 (2) In subsequent years, a further adjustment shall be
10 made to reflect the actual prior years' claims experience
11 of the employees of the domestic violence shelter or
12 service.

13 Monthly payments by the domestic violence shelter or
14 service or its employees for group health insurance shall be
15 deposited in the Local Government Health Insurance Reserve
16 Fund.

17 (1) A public community college or entity organized pursuant
18 to the Public Community College Act may apply to the Director
19 initially to have only annuitants not covered prior to July 1,
20 1992 by the district's health plan provided health coverage
21 under this Act on a non-insured basis. The community college
22 must execute a 2-year contract to participate in the Local
23 Government Health Plan. Any annuitant may enroll in the event
24 of a qualifying change in status, special enrollment, special
25 circumstance as defined by the Director, or during the annual
26 Benefit Choice Period.

1 The Director shall annually determine monthly rates of
2 payment subject to the following constraints: for those
3 community colleges with annuitants only enrolled, first year
4 rates shall be equal to the average cost to cover claims for a
5 State member adjusted for demographics, Medicare
6 participation, and other factors; and in the second year, a
7 further adjustment of rates shall be made to reflect the actual
8 first year's claims experience of the covered annuitants.

9 (1-5) The provisions of subsection (1) become inoperative
10 on July 1, 1999.

11 (m) The Director shall adopt any rules deemed necessary for
12 implementation of this amendatory Act of 1989 (Public Act
13 86-978).

14 (n) Any child advocacy center within the State of Illinois
15 may apply to the Director to have its employees, annuitants,
16 and their dependents provided group health coverage under this
17 Act on a non-insured basis. To participate, a child advocacy
18 center must agree to enroll all of its employees and pay the
19 entire cost of providing coverage for its employees. The child
20 advocacy center shall not be required to enroll those of its
21 employees who are covered spouses or dependents under this plan
22 or another group policy or plan providing health benefits as
23 long as (1) an appropriate official from the child advocacy
24 center attests that each employee not enrolled is a covered
25 spouse or dependent under this plan or another group policy or
26 plan and (2) at least 50% of the employees are enrolled and the

1 child advocacy center remits the entire cost of providing
2 coverage to those employees. Employees of a participating child
3 advocacy center who are not enrolled due to coverage under
4 another group health policy or plan may enroll in the event of
5 a qualifying change in status, special enrollment, or special
6 circumstance as defined by the Director or during the annual
7 Benefit Choice Period. A participating child advocacy center
8 may also elect to cover its annuitants. Dependent coverage
9 shall be offered on an optional basis, with the costs paid by
10 the child advocacy center, its employees, or some combination
11 of the 2 as determined by the child advocacy center. The child
12 advocacy center shall be responsible for timely collection and
13 transmission of dependent premiums.

14 The Director shall annually determine rates of payment,
15 subject to the following constraints:

16 (1) In the first year of coverage, the rates shall be
17 equal to the amount normally charged to State employees for
18 elected optional coverages or for enrolled dependents
19 coverages or other contributory coverages on behalf of its
20 employees, adjusted for differences between State
21 employees and employees of the child advocacy center in
22 age, sex, geographic location, or other relevant
23 demographic variables, plus an amount sufficient to pay for
24 the additional administrative costs of providing coverage
25 to employees of the child advocacy center and their
26 dependents.

1 (2) In subsequent years, a further adjustment shall be
2 made to reflect the actual prior years' claims experience
3 of the employees of the child advocacy center.

4 Monthly payments by the child advocacy center or its
5 employees for group health insurance shall be deposited into
6 the Local Government Health Insurance Reserve Fund.

7 (Source: P.A. 97-695, eff. 7-1-12; 98-488, eff. 8-16-13.)

8 Section 10. The Illinois Finance Authority Act is amended
9 by changing Section 801-40 as follows:

10 (20 ILCS 3501/801-40)

11 Sec. 801-40. In addition to the powers otherwise authorized
12 by law and in addition to the foregoing general corporate
13 powers, the Authority shall also have the following additional
14 specific powers to be exercised in furtherance of the purposes
15 of this Act.

16 (a) The Authority shall have power (i) to accept grants,
17 loans or appropriations from the federal government or the
18 State, or any agency or instrumentality thereof, to be used for
19 the operating expenses of the Authority, or for any purposes of
20 the Authority, including the making of direct loans of such
21 funds with respect to projects, and (ii) to enter into any
22 agreement with the federal government or the State, or any
23 agency or instrumentality thereof, in relationship to such
24 grants, loans or appropriations.

1 (b) The Authority shall have power to procure and enter
2 into contracts for any type of insurance and indemnity
3 agreements covering loss or damage to property from any cause,
4 including loss of use and occupancy, or covering any other
5 insurable risk.

6 (c) The Authority shall have the continuing power to issue
7 bonds for its corporate purposes. Bonds may be issued by the
8 Authority in one or more series and may provide for the payment
9 of any interest deemed necessary on such bonds, of the costs of
10 issuance of such bonds, of any premium on any insurance, or of
11 the cost of any guarantees, letters of credit or other similar
12 documents, may provide for the funding of the reserves deemed
13 necessary in connection with such bonds, and may provide for
14 the refunding or advance refunding of any bonds or for accounts
15 deemed necessary in connection with any purpose of the
16 Authority. The bonds may bear interest payable at any time or
17 times and at any rate or rates, notwithstanding any other
18 provision of law to the contrary, and such rate or rates may be
19 established by an index or formula which may be implemented or
20 established by persons appointed or retained therefor by the
21 Authority, or may bear no interest or may bear interest payable
22 at maturity or upon redemption prior to maturity, may bear such
23 date or dates, may be payable at such time or times and at such
24 place or places, may mature at any time or times not later than
25 40 years from the date of issuance, may be sold at public or
26 private sale at such time or times and at such price or prices,

1 may be secured by such pledges, reserves, guarantees, letters
2 of credit, insurance contracts or other similar credit support
3 or liquidity instruments, may be executed in such manner, may
4 be subject to redemption prior to maturity, may provide for the
5 registration of the bonds, and may be subject to such other
6 terms and conditions all as may be provided by the resolution
7 or indenture authorizing the issuance of such bonds. The holder
8 or holders of any bonds issued by the Authority may bring suits
9 at law or proceedings in equity to compel the performance and
10 observance by any person or by the Authority or any of its
11 agents or employees of any contract or covenant made with the
12 holders of such bonds and to compel such person or the
13 Authority and any of its agents or employees to perform any
14 duties required to be performed for the benefit of the holders
15 of any such bonds by the provision of the resolution
16 authorizing their issuance, and to enjoin such person or the
17 Authority and any of its agents or employees from taking any
18 action in conflict with any such contract or covenant.
19 Notwithstanding the form and tenor of any such bonds and in the
20 absence of any express recital on the face thereof that it is
21 non-negotiable, all such bonds shall be negotiable
22 instruments. Pending the preparation and execution of any such
23 bonds, temporary bonds may be issued as provided by the
24 resolution. The bonds shall be sold by the Authority in such
25 manner as it shall determine. The bonds may be secured as
26 provided in the authorizing resolution by the receipts,

1 revenues, income and other available funds of the Authority and
2 by any amounts derived by the Authority from the loan agreement
3 or lease agreement with respect to the project or projects; and
4 bonds may be issued as general obligations of the Authority
5 payable from such revenues, funds and obligations of the
6 Authority as the bond resolution shall provide, or may be
7 issued as limited obligations with a claim for payment solely
8 from such revenues, funds and obligations as the bond
9 resolution shall provide. The Authority may grant a specific
10 pledge or assignment of and lien on or security interest in
11 such rights, revenues, income, or amounts and may grant a
12 specific pledge or assignment of and lien on or security
13 interest in any reserves, funds or accounts established in the
14 resolution authorizing the issuance of bonds. Any such pledge,
15 assignment, lien or security interest for the benefit of the
16 holders of the Authority's bonds shall be valid and binding
17 from the time the bonds are issued without any physical
18 delivery or further act, and shall be valid and binding as
19 against and prior to the claims of all other parties having
20 claims against the Authority or any other person irrespective
21 of whether the other parties have notice of the pledge,
22 assignment, lien or security interest. As evidence of such
23 pledge, assignment, lien and security interest, the Authority
24 may execute and deliver a mortgage, trust agreement, indenture
25 or security agreement or an assignment thereof. A remedy for
26 any breach or default of the terms of any such agreement by the

1 Authority may be by mandamus proceedings in any court of
2 competent jurisdiction to compel the performance and
3 compliance therewith, but the agreement may prescribe by whom
4 or on whose behalf such action may be instituted. It is
5 expressly understood that the Authority may, but need not,
6 acquire title to any project with respect to which it exercises
7 its authority.

8 (c-5) The Authority shall have the power to issue State
9 Pension Obligation Acceleration Bonds if in any fiscal year the
10 amount appropriated for all accelerated pension benefit
11 payments is less than the amount required for those payments.
12 The proceeds from the State Pension Obligation Acceleration
13 Bonds issued under this subsection may only be used to pay for
14 accelerated pension benefit payments for the fiscal year in
15 which the State Pension Obligation Acceleration Bonds are
16 issued.

17 The Authority shall not have outstanding at any one time
18 State Pension Obligation Acceleration Bonds for any of the
19 purposes of this subsection in an aggregate principal amount
20 exceeding \$250,000,000, excluding bonds issued to refund
21 outstanding State Pension Obligation Acceleration Bonds.

22 (d) With respect to the powers granted by this Act, the
23 Authority may adopt rules and regulations prescribing the
24 procedures by which persons may apply for assistance under this
25 Act. Nothing herein shall be deemed to preclude the Authority,
26 prior to the filing of any formal application, from conducting

1 preliminary discussions and investigations with respect to the
2 subject matter of any prospective application.

3 (e) The Authority shall have power to acquire by purchase,
4 lease, gift or otherwise any property or rights therein from
5 any person useful for its purposes, whether improved for the
6 purposes of any prospective project, or unimproved. The
7 Authority may also accept any donation of funds for its
8 purposes from any such source. The Authority shall have no
9 independent power of condemnation but may acquire any property
10 or rights therein obtained upon condemnation by any other
11 authority, governmental entity or unit of local government with
12 such power.

13 (f) The Authority shall have power to develop, construct
14 and improve either under its own direction, or through
15 collaboration with any approved applicant, or to acquire
16 through purchase or otherwise, any project, using for such
17 purpose the proceeds derived from the sale of its bonds or from
18 governmental loans or grants, and to hold title in the name of
19 the Authority to such projects.

20 (g) The Authority shall have power to lease pursuant to a
21 lease agreement any project so developed and constructed or
22 acquired to the approved tenant on such terms and conditions as
23 may be appropriate to further the purposes of this Act and to
24 maintain the credit of the Authority. Any such lease may
25 provide for either the Authority or the approved tenant to
26 assume initially, in whole or in part, the costs of

1 maintenance, repair and improvements during the leasehold
2 period. In no case, however, shall the total rentals from any
3 project during any initial leasehold period or the total loan
4 repayments to be made pursuant to any loan agreement, be less
5 than an amount necessary to return over such lease or loan
6 period (1) all costs incurred in connection with the
7 development, construction, acquisition or improvement of the
8 project and for repair, maintenance and improvements thereto
9 during the period of the lease or loan; provided, however, that
10 the rentals or loan repayments need not include costs met
11 through the use of funds other than those obtained by the
12 Authority through the issuance of its bonds or governmental
13 loans; (2) a reasonable percentage additive to be agreed upon
14 by the Authority and the borrower or tenant to cover a properly
15 allocable portion of the Authority's general expenses,
16 including, but not limited to, administrative expenses,
17 salaries and general insurance, and (3) an amount sufficient to
18 pay when due all principal of, interest and premium, if any on,
19 any bonds issued by the Authority with respect to the project.
20 The portion of total rentals payable under clause (3) of this
21 subsection (g) shall be deposited in such special accounts,
22 including all sinking funds, acquisition or construction
23 funds, debt service and other funds as provided by any
24 resolution, mortgage or trust agreement of the Authority
25 pursuant to which any bond is issued.

26 (h) The Authority has the power, upon the termination of

1 any leasehold period of any project, to sell or lease for a
2 further term or terms such project on such terms and conditions
3 as the Authority shall deem reasonable and consistent with the
4 purposes of the Act. The net proceeds from all such sales and
5 the revenues or income from such leases shall be used to
6 satisfy any indebtedness of the Authority with respect to such
7 project and any balance may be used to pay any expenses of the
8 Authority or be used for the further development, construction,
9 acquisition or improvement of projects. In the event any
10 project is vacated by a tenant prior to the termination of the
11 initial leasehold period, the Authority shall sell or lease the
12 facilities of the project on the most advantageous terms
13 available. The net proceeds of any such disposition shall be
14 treated in the same manner as the proceeds from sales or the
15 revenues or income from leases subsequent to the termination of
16 any initial leasehold period.

17 (i) The Authority shall have the power to make loans to
18 persons to finance a project, to enter into loan agreements
19 with respect thereto, and to accept guarantees from persons of
20 its loans or the resultant evidences of obligations of the
21 Authority.

22 (j) The Authority may fix, determine, charge and collect
23 any premiums, fees, charges, costs and expenses, including,
24 without limitation, any application fees, commitment fees,
25 program fees, financing charges or publication fees from any
26 person in connection with its activities under this Act.

1 (k) In addition to the funds established as provided
2 herein, the Authority shall have the power to create and
3 establish such reserve funds and accounts as may be necessary
4 or desirable to accomplish its purposes under this Act and to
5 deposit its available monies into the funds and accounts.

6 (l) At the request of the governing body of any unit of
7 local government, the Authority is authorized to market such
8 local government's revenue bond offerings by preparing bond
9 issues for sale, advertising for sealed bids, receiving bids at
10 its offices, making the award to the bidder that offers the
11 most favorable terms or arranging for negotiated placements or
12 underwritings of such securities. The Authority may, at its
13 discretion, offer for concurrent sale the revenue bonds of
14 several local governments. Sales by the Authority of revenue
15 bonds under this Section shall in no way imply State guarantee
16 of such debt issue. The Authority may require such financial
17 information from participating local governments as it deems
18 necessary in order to carry out the purposes of this subsection
19 (1).

20 (m) The Authority may make grants to any county to which
21 Division 5-37 of the Counties Code is applicable to assist in
22 the financing of capital development, construction and
23 renovation of new or existing facilities for hospitals and
24 health care facilities under that Act. Such grants may only be
25 made from funds appropriated for such purposes from the Build
26 Illinois Bond Fund.

1 (n) The Authority may establish an urban development action
2 grant program for the purpose of assisting municipalities in
3 Illinois which are experiencing severe economic distress to
4 help stimulate economic development activities needed to aid in
5 economic recovery. The Authority shall determine the types of
6 activities and projects for which the urban development action
7 grants may be used, provided that such projects and activities
8 are broadly defined to include all reasonable projects and
9 activities the primary objectives of which are the development
10 of viable urban communities, including decent housing and a
11 suitable living environment, and expansion of economic
12 opportunity, principally for persons of low and moderate
13 incomes. The Authority shall enter into grant agreements from
14 monies appropriated for such purposes from the Build Illinois
15 Bond Fund. The Authority shall monitor the use of the grants,
16 and shall provide for audits of the funds as well as recovery
17 by the Authority of any funds determined to have been spent in
18 violation of this subsection (n) or any rule or regulation
19 promulgated hereunder. The Authority shall provide technical
20 assistance with regard to the effective use of the urban
21 development action grants. The Authority shall file an annual
22 report to the General Assembly concerning the progress of the
23 grant program.

24 (o) The Authority may establish a Housing Partnership
25 Program whereby the Authority provides zero-interest loans to
26 municipalities for the purpose of assisting in the financing of

1 projects for the rehabilitation of affordable multi-family
2 housing for low and moderate income residents. The Authority
3 may provide such loans only upon a municipality's providing
4 evidence that it has obtained private funding for the
5 rehabilitation project. The Authority shall provide 3 State
6 dollars for every 7 dollars obtained by the municipality from
7 sources other than the State of Illinois. The loans shall be
8 made from monies appropriated for such purpose from the Build
9 Illinois Bond Fund. The total amount of loans available under
10 the Housing Partnership Program shall not exceed \$30,000,000.
11 State loan monies under this subsection shall be used only for
12 the acquisition and rehabilitation of existing buildings
13 containing 4 or more dwelling units. The terms of any loan made
14 by the municipality under this subsection shall require
15 repayment of the loan to the municipality upon any sale or
16 other transfer of the project.

17 (p) The Authority may award grants to universities and
18 research institutions, research consortiums and other
19 not-for-profit entities for the purposes of: remodeling or
20 otherwise physically altering existing laboratory or research
21 facilities, expansion or physical additions to existing
22 laboratory or research facilities, construction of new
23 laboratory or research facilities or acquisition of modern
24 equipment to support laboratory or research operations
25 provided that such grants (i) be used solely in support of
26 project and equipment acquisitions which enhance technology

1 transfer, and (ii) not constitute more than 60 percent of the
2 total project or acquisition cost.

3 (q) Grants may be awarded by the Authority to units of
4 local government for the purpose of developing the appropriate
5 infrastructure or defraying other costs to the local government
6 in support of laboratory or research facilities provided that
7 such grants may not exceed 40% of the cost to the unit of local
8 government.

9 (r) The Authority may establish a Direct Loan Program to
10 make loans to individuals, partnerships or corporations for the
11 purpose of an industrial project, as defined in Section 801-10
12 of this Act. For the purposes of such program and not by way of
13 limitation on any other program of the Authority, the Authority
14 shall have the power to issue bonds, notes, or other evidences
15 of indebtedness including commercial paper for purposes of
16 providing a fund of capital from which it may make such loans.
17 The Authority shall have the power to use any appropriations
18 from the State made especially for the Authority's Direct Loan
19 Program for additional capital to make such loans or for the
20 purposes of reserve funds or pledged funds which secure the
21 Authority's obligations of repayment of any bond, note or other
22 form of indebtedness established for the purpose of providing
23 capital for which it intends to make such loans under the
24 Direct Loan Program. For the purpose of obtaining such capital,
25 the Authority may also enter into agreements with financial
26 institutions and other persons for the purpose of selling loans

1 and developing a secondary market for such loans. Loans made
2 under the Direct Loan Program may be in an amount not to exceed
3 \$300,000 and shall be made for a portion of an industrial
4 project which does not exceed 50% of the total project. No loan
5 may be made by the Authority unless approved by the affirmative
6 vote of at least 8 members of the board. The Authority shall
7 establish procedures and publish rules which shall provide for
8 the submission, review, and analysis of each direct loan
9 application and which shall preserve the ability of each board
10 member to reach an individual business judgment regarding the
11 propriety of making each direct loan. The collective discretion
12 of the board to approve or disapprove each loan shall be
13 unencumbered. The Authority may establish and collect such fees
14 and charges, determine and enforce such terms and conditions,
15 and charge such interest rates as it determines to be necessary
16 and appropriate to the successful administration of the Direct
17 Loan Program. The Authority may require such interests in
18 collateral and such guarantees as it determines are necessary
19 to protect the Authority's interest in the repayment of the
20 principal and interest of each loan made under the Direct Loan
21 Program.

22 (s) The Authority may guarantee private loans to third
23 parties up to a specified dollar amount in order to promote
24 economic development in this State.

25 (t) The Authority may adopt rules and regulations as may be
26 necessary or advisable to implement the powers conferred by

1 this Act.

2 (u) The Authority shall have the power to issue bonds,
3 notes or other evidences of indebtedness, which may be used to
4 make loans to units of local government which are authorized to
5 enter into loan agreements and other documents and to issue
6 bonds, notes and other evidences of indebtedness for the
7 purpose of financing the protection of storm sewer outfalls,
8 the construction of adequate storm sewer outfalls, and the
9 provision for flood protection of sanitary sewage treatment
10 plans, in counties that have established a stormwater
11 management planning committee in accordance with Section
12 5-1062 of the Counties Code. Any such loan shall be made by the
13 Authority pursuant to the provisions of Section 820-5 to 820-60
14 of this Act. The unit of local government shall pay back to the
15 Authority the principal amount of the loan, plus annual
16 interest as determined by the Authority. The Authority shall
17 have the power, subject to appropriations by the General
18 Assembly, to subsidize or buy down a portion of the interest on
19 such loans, up to 4% per annum.

20 (v) The Authority may accept security interests as provided
21 in Sections 11-3 and 11-3.3 of the Illinois Public Aid Code.

22 (w) Moral Obligation. In the event that the Authority
23 determines that monies of the Authority will not be sufficient
24 for the payment of the principal of and interest on its bonds
25 during the next State fiscal year, the Chairperson, as soon as
26 practicable, shall certify to the Governor the amount required

1 by the Authority to enable it to pay such principal of and
2 interest on the bonds. The Governor shall submit the amount so
3 certified to the General Assembly as soon as practicable, but
4 no later than the end of the current State fiscal year. This
5 subsection shall apply only to any bonds or notes as to which
6 the Authority shall have determined, in the resolution
7 authorizing the issuance of the bonds or notes, that this
8 subsection shall apply. Whenever the Authority makes such a
9 determination, that fact shall be plainly stated on the face of
10 the bonds or notes and that fact shall also be reported to the
11 Governor. In the event of a withdrawal of moneys from a reserve
12 fund established with respect to any issue or issues of bonds
13 of the Authority to pay principal or interest on those bonds,
14 the Chairperson of the Authority, as soon as practicable, shall
15 certify to the Governor the amount required to restore the
16 reserve fund to the level required in the resolution or
17 indenture securing those bonds. The Governor shall submit the
18 amount so certified to the General Assembly as soon as
19 practicable, but no later than the end of the current State
20 fiscal year. The Authority shall obtain written approval from
21 the Governor for any bonds and notes to be issued under this
22 Section. In addition to any other bonds authorized to be issued
23 under Sections 825-60, 825-65(e), 830-25 and 845-5, the
24 principal amount of Authority bonds outstanding issued under
25 this Section 801-40(w) or under 20 ILCS 3850/1-80 or 30 ILCS
26 360/2-6(c), which have been assumed by the Authority, shall not

1 exceed \$150,000,000. This subsection (w) shall in no way be
2 applied to any bonds issued by the Authority on behalf of the
3 Illinois Power Agency under Section 825-90 of this Act.

4 (x) The Authority may enter into agreements or contracts
5 with any person necessary or appropriate to place the payment
6 obligations of the Authority under any of its bonds in whole or
7 in part on any interest rate basis, cash flow basis, or other
8 basis desired by the Authority, including without limitation
9 agreements or contracts commonly known as "interest rate swap
10 agreements", "forward payment conversion agreements", and
11 "futures", or agreements or contracts to exchange cash flows or
12 a series of payments, or agreements or contracts, including
13 without limitation agreements or contracts commonly known as
14 "options", "puts", or "calls", to hedge payment, rate spread,
15 or similar exposure; provided that any such agreement or
16 contract shall not constitute an obligation for borrowed money
17 and shall not be taken into account under Section 845-5 of this
18 Act or any other debt limit of the Authority or the State of
19 Illinois.

20 (y) The Authority shall publish summaries of projects and
21 actions approved by the members of the Authority on its
22 website. These summaries shall include, but not be limited to,
23 information regarding the:

- 24 (1) project;
- 25 (2) Board's action or actions;
- 26 (3) purpose of the project;

- 1 (4) Authority's program and contribution;
- 2 (5) volume cap;
- 3 (6) jobs retained;
- 4 (7) projected new jobs;
- 5 (8) construction jobs created;
- 6 (9) estimated sources and uses of funds;
- 7 (10) financing summary;
- 8 (11) project summary;
- 9 (12) business summary;
- 10 (13) ownership or economic disclosure statement;
- 11 (14) professional and financial information;
- 12 (15) service area; and
- 13 (16) legislative district.

14 The disclosure of information pursuant to this subsection
15 shall comply with the Freedom of Information Act.

16 (Source: P.A. 95-470, eff. 8-27-07; 95-481, eff. 8-28-07;
17 95-876, eff. 8-21-08; 96-795, eff. 7-1-10 (see Section 5 of
18 P.A. 96-793 for the effective date of changes made by P.A.
19 96-795).)

20 Section 15. The State Finance Act is amended by adding
21 Section 5.886 as follows:

22 (30 ILCS 105/5.886 new)

23 Sec. 5.886. The State Pension Obligation Acceleration Bond
24 Fund.

1 Section 20. The General Obligation Bond Act is amended by
2 changing Sections 2, 2.5, 9, 11, 12, and 13 and by adding
3 Section 7.7 as follows:

4 (30 ILCS 330/2) (from Ch. 127, par. 652)

5 Sec. 2. Authorization for Bonds. The State of Illinois is
6 authorized to issue, sell and provide for the retirement of
7 General Obligation Bonds of the State of Illinois for the
8 categories and specific purposes expressed in Sections 2
9 through 8 of this Act, in the total amount of \$56,167,925,743
10 ~~\$55,917,925,743~~.

11 The bonds authorized in this Section 2 and in Section 16 of
12 this Act are herein called "Bonds".

13 Of the total amount of Bonds authorized in this Act, up to
14 \$2,200,000,000 in aggregate original principal amount may be
15 issued and sold in accordance with the Baccalaureate Savings
16 Act in the form of General Obligation College Savings Bonds.

17 Of the total amount of Bonds authorized in this Act, up to
18 \$300,000,000 in aggregate original principal amount may be
19 issued and sold in accordance with the Retirement Savings Act
20 in the form of General Obligation Retirement Savings Bonds.

21 Of the total amount of Bonds authorized in this Act, the
22 additional \$10,000,000,000 authorized by Public Act 93-2, the
23 \$3,466,000,000 authorized by Public Act 96-43, and the
24 \$4,096,348,300 authorized by Public Act 96-1497 shall be used

1 solely as provided in Section 7.2.

2 Of the total amount of Bonds authorized in this Act, the
3 additional \$6,000,000,000 authorized by this amendatory Act of
4 the 100th General Assembly shall be used solely as provided in
5 Section 7.6 and shall be issued by December 31, 2017.

6 Of the total amount of Bonds authorized in this Act, the
7 additional \$250,000,000 authorized by this amendatory Act of
8 the 100th General Assembly shall be used solely as provided in
9 Section 7.7.

10 The issuance and sale of Bonds pursuant to the General
11 Obligation Bond Act is an economical and efficient method of
12 financing the long-term capital needs of the State. This Act
13 will permit the issuance of a multi-purpose General Obligation
14 Bond with uniform terms and features. This will not only lower
15 the cost of registration but also reduce the overall cost of
16 issuing debt by improving the marketability of Illinois General
17 Obligation Bonds.

18 (Source: P.A. 100-23, eff. 7-6-17.)

19 (30 ILCS 330/2.5)

20 Sec. 2.5. Limitation on issuance of Bonds.

21 (a) Except as provided in subsection (b), no Bonds may be
22 issued if, after the issuance, in the next State fiscal year
23 after the issuance of the Bonds, the amount of debt service
24 (including principal, whether payable at maturity or pursuant
25 to mandatory sinking fund installments, and interest) on all

1 then-outstanding Bonds, other than (i) Bonds authorized by
2 Public Act 100-23 ~~this amendatory Act of the 100th General~~
3 ~~Assembly,~~ (ii) Bonds authorized by this amendatory Act of the
4 100th General Assembly, (iii) ~~(iii)~~ Bonds issued by Public Act
5 96-43, and (iv) ~~(iii)~~ Bonds authorized by Public Act 96-1497,
6 would exceed 7% of the aggregate appropriations from the
7 general funds (which consist of the General Revenue Fund, the
8 Common School Fund, the General Revenue Common School Special
9 Account Fund, and the Education Assistance Fund) and the Road
10 Fund for the fiscal year immediately prior to the fiscal year
11 of the issuance.

12 (b) If the Comptroller and Treasurer each consent in
13 writing, Bonds may be issued even if the issuance does not
14 comply with subsection (a). In addition, \$2,000,000,000 in
15 Bonds for the purposes set forth in Sections 3, 4, 5, 6, and 7,
16 and \$2,000,000,000 in Refunding Bonds under Section 16, may be
17 issued during State fiscal year 2017 without complying with
18 subsection (a). In addition, \$2,000,000,000 in Bonds for the
19 purposes set forth in Sections 3, 4, 5, 6, and 7, and
20 \$2,000,000,000 in Refunding Bonds under Section 16, may be
21 issued during State fiscal year 2018 without complying with
22 subsection (a).

23 (Source: P.A. 99-523, eff. 6-30-16; 100-23, Article 25, Section
24 25-5, eff. 7-6-17; 100-23, Article 75, Section 75-10, eff.
25 7-6-17; revised 8-8-17.)

1 (30 ILCS 330/7.7 new)

2 Sec. 7.7. State Pension Obligation Acceleration Bonds.

3 (a) As used in this Act, "State Pension Obligation
4 Acceleration Bonds" means Bonds authorized by this amendatory
5 Act of the 100th General Assembly and used for the purposes set
6 forth in subsection (c-5) of Section 801-40 of the Illinois
7 Finance Authority Act.

8 (b) State Pension Obligation Acceleration Bonds in the
9 amount of \$250,000,000 are hereby authorized to be used for the
10 purposes set forth in subsection (c-5) of Section 801-40 of the
11 Illinois Finance Authority Act.

12 (c) The proceeds of State Pension Obligation Acceleration
13 Bonds authorized in subsection (b) of this Section, less the
14 amounts authorized in the Bond Sale Order to be directly paid
15 out for bond sale expenses under Section 8, shall be deposited
16 directly into the State Pension Obligation Acceleration Bond
17 Fund, and the Comptroller and the Treasurer shall, as soon as
18 practical, make payments as contemplated by subsection (c-5) of
19 Section 801-40 of the Illinois Finance Authority Act.

20 (d) There is created the State Pension Obligation
21 Acceleration Bond Fund as a special fund in the State Treasury.
22 Funds deposited in the State Pension Obligation Acceleration
23 Bond Fund may only be used for the purposes set forth in
24 subsection (c-5) of Section 801-40 of the Illinois Finance
25 Authority Act or for the payment of principal and interest due
26 on State Pension Obligation Acceleration Bonds.

1 (30 ILCS 330/9) (from Ch. 127, par. 659)

2 Sec. 9. Conditions for issuance and sale of Bonds;
3 requirements ~~Issuance and Sale of Bonds - Requirements~~ for
4 Bonds.

5 (a) Except as otherwise provided in this subsection, ~~and~~
6 subsection (h), and subsection (i), Bonds shall be issued and
7 sold from time to time, in one or more series, in such amounts
8 and at such prices as may be directed by the Governor, upon
9 recommendation by the Director of the Governor's Office of
10 Management and Budget. Bonds shall be in such form (either
11 coupon, registered or book entry), in such denominations,
12 payable within 25 years from their date, subject to such terms
13 of redemption with or without premium, bear interest payable at
14 such times and at such fixed or variable rate or rates, and be
15 dated as shall be fixed and determined by the Director of the
16 Governor's Office of Management and Budget in the order
17 authorizing the issuance and sale of any series of Bonds, which
18 order shall be approved by the Governor and is herein called a
19 "Bond Sale Order"; provided however, that interest payable at
20 fixed or variable rates shall not exceed that permitted in the
21 Bond Authorization Act, as now or hereafter amended. Bonds
22 shall be payable at such place or places, within or without the
23 State of Illinois, and may be made registrable as to either
24 principal or as to both principal and interest, as shall be
25 specified in the Bond Sale Order. Bonds may be callable or

1 subject to purchase and retirement or tender and remarketing as
2 fixed and determined in the Bond Sale Order. Bonds, other than
3 Bonds issued under Section 3 of this Act for the costs
4 associated with the purchase and implementation of information
5 technology, (i) except for refunding Bonds satisfying the
6 requirements of Section 16 of this Act and sold during fiscal
7 year 2009, 2010, 2011, 2017, or 2018 must be issued with
8 principal or mandatory redemption amounts in equal amounts,
9 with the first maturity issued occurring within the fiscal year
10 in which the Bonds are issued or within the next succeeding
11 fiscal year and (ii) must mature or be subject to mandatory
12 redemption each fiscal year thereafter up to 25 years, except
13 for refunding Bonds satisfying the requirements of Section 16
14 of this Act and sold during fiscal year 2009, 2010, or 2011
15 which must mature or be subject to mandatory redemption each
16 fiscal year thereafter up to 16 years. Bonds issued under
17 Section 3 of this Act for the costs associated with the
18 purchase and implementation of information technology must be
19 issued with principal or mandatory redemption amounts in equal
20 amounts, with the first maturity issued occurring with the
21 fiscal year in which the respective bonds are issued or with
22 the next succeeding fiscal year, with the respective bonds
23 issued maturing or subject to mandatory redemption each fiscal
24 year thereafter up to 10 years. Notwithstanding any provision
25 of this Act to the contrary, the Bonds authorized by Public Act
26 96-43 shall be payable within 5 years from their date and must

1 be issued with principal or mandatory redemption amounts in
2 equal amounts, with payment of principal or mandatory
3 redemption beginning in the first fiscal year following the
4 fiscal year in which the Bonds are issued.

5 Notwithstanding any provision of this Act to the contrary,
6 the Bonds authorized by Public Act 96-1497 shall be payable
7 within 8 years from their date and shall be issued with payment
8 of maturing principal or scheduled mandatory redemptions in
9 accordance with the following schedule, except the following
10 amounts shall be prorated if less than the total additional
11 amount of Bonds authorized by Public Act 96-1497 are issued:

12	Fiscal Year After Issuance	Amount
13	1-2	\$0
14	3	\$110,712,120
15	4	\$332,136,360
16	5	\$664,272,720
17	6-8	\$996,409,080

18 Notwithstanding any provision of this Act to the contrary,
19 Income Tax Proceed Bonds issued under Section 7.6 shall be
20 payable 12 years from the date of sale and shall be issued with
21 payment of principal or mandatory redemption.

22 In the case of any series of Bonds bearing interest at a
23 variable interest rate ("Variable Rate Bonds"), in lieu of
24 determining the rate or rates at which such series of Variable
25 Rate Bonds shall bear interest and the price or prices at which
26 such Variable Rate Bonds shall be initially sold or remarketed

1 (in the event of purchase and subsequent resale), the Bond Sale
2 Order may provide that such interest rates and prices may vary
3 from time to time depending on criteria established in such
4 Bond Sale Order, which criteria may include, without
5 limitation, references to indices or variations in interest
6 rates as may, in the judgment of a remarketing agent, be
7 necessary to cause Variable Rate Bonds of such series to be
8 remarketable from time to time at a price equal to their
9 principal amount, and may provide for appointment of a bank,
10 trust company, investment bank, or other financial institution
11 to serve as remarketing agent in that connection. The Bond Sale
12 Order may provide that alternative interest rates or provisions
13 for establishing alternative interest rates, different
14 security or claim priorities, or different call or amortization
15 provisions will apply during such times as Variable Rate Bonds
16 of any series are held by a person providing credit or
17 liquidity enhancement arrangements for such Bonds as
18 authorized in subsection (b) of this Section. The Bond Sale
19 Order may also provide for such variable interest rates to be
20 established pursuant to a process generally known as an auction
21 rate process and may provide for appointment of one or more
22 financial institutions to serve as auction agents and
23 broker-dealers in connection with the establishment of such
24 interest rates and the sale and remarketing of such Bonds.

25 (b) In connection with the issuance of any series of Bonds,
26 the State may enter into arrangements to provide additional

1 security and liquidity for such Bonds, including, without
2 limitation, bond or interest rate insurance or letters of
3 credit, lines of credit, bond purchase contracts, or other
4 arrangements whereby funds are made available to retire or
5 purchase Bonds, thereby assuring the ability of owners of the
6 Bonds to sell or redeem their Bonds. The State may enter into
7 contracts and may agree to pay fees to persons providing such
8 arrangements, but only under circumstances where the Director
9 of the Governor's Office of Management and Budget certifies
10 that he or she reasonably expects the total interest paid or to
11 be paid on the Bonds, together with the fees for the
12 arrangements (being treated as if interest), would not, taken
13 together, cause the Bonds to bear interest, calculated to their
14 stated maturity, at a rate in excess of the rate that the Bonds
15 would bear in the absence of such arrangements.

16 The State may, with respect to Bonds issued or anticipated
17 to be issued, participate in and enter into arrangements with
18 respect to interest rate protection or exchange agreements,
19 guarantees, or financial futures contracts for the purpose of
20 limiting, reducing, or managing interest rate exposure. The
21 authority granted under this paragraph, however, shall not
22 increase the principal amount of Bonds authorized to be issued
23 by law. The arrangements may be executed and delivered by the
24 Director of the Governor's Office of Management and Budget on
25 behalf of the State. Net payments for such arrangements shall
26 constitute interest on the Bonds and shall be paid from the

1 General Obligation Bond Retirement and Interest Fund. The
2 Director of the Governor's Office of Management and Budget
3 shall at least annually certify to the Governor and the State
4 Comptroller his or her estimate of the amounts of such net
5 payments to be included in the calculation of interest required
6 to be paid by the State.

7 (c) Prior to the issuance of any Variable Rate Bonds
8 pursuant to subsection (a), the Director of the Governor's
9 Office of Management and Budget shall adopt an interest rate
10 risk management policy providing that the amount of the State's
11 variable rate exposure with respect to Bonds shall not exceed
12 20%. This policy shall remain in effect while any Bonds are
13 outstanding and the issuance of Bonds shall be subject to the
14 terms of such policy. The terms of this policy may be amended
15 from time to time by the Director of the Governor's Office of
16 Management and Budget but in no event shall any amendment cause
17 the permitted level of the State's variable rate exposure with
18 respect to Bonds to exceed 20%.

19 (d) "Build America Bonds" in this Section means Bonds
20 authorized by Section 54AA of the Internal Revenue Code of
21 1986, as amended ("Internal Revenue Code"), and bonds issued
22 from time to time to refund or continue to refund "Build
23 America Bonds".

24 (e) Notwithstanding any other provision of this Section,
25 Qualified School Construction Bonds shall be issued and sold
26 from time to time, in one or more series, in such amounts and

1 at such prices as may be directed by the Governor, upon
2 recommendation by the Director of the Governor's Office of
3 Management and Budget. Qualified School Construction Bonds
4 shall be in such form (either coupon, registered or book
5 entry), in such denominations, payable within 25 years from
6 their date, subject to such terms of redemption with or without
7 premium, and if the Qualified School Construction Bonds are
8 issued with a supplemental coupon, bear interest payable at
9 such times and at such fixed or variable rate or rates, and be
10 dated as shall be fixed and determined by the Director of the
11 Governor's Office of Management and Budget in the order
12 authorizing the issuance and sale of any series of Qualified
13 School Construction Bonds, which order shall be approved by the
14 Governor and is herein called a "Bond Sale Order"; except that
15 interest payable at fixed or variable rates, if any, shall not
16 exceed that permitted in the Bond Authorization Act, as now or
17 hereafter amended. Qualified School Construction Bonds shall
18 be payable at such place or places, within or without the State
19 of Illinois, and may be made registrable as to either principal
20 or as to both principal and interest, as shall be specified in
21 the Bond Sale Order. Qualified School Construction Bonds may be
22 callable or subject to purchase and retirement or tender and
23 remarketing as fixed and determined in the Bond Sale Order.
24 Qualified School Construction Bonds must be issued with
25 principal or mandatory redemption amounts or sinking fund
26 payments into the General Obligation Bond Retirement and

1 Interest Fund (or subaccount therefor) in equal amounts, with
2 the first maturity issued, mandatory redemption payment or
3 sinking fund payment occurring within the fiscal year in which
4 the Qualified School Construction Bonds are issued or within
5 the next succeeding fiscal year, with Qualified School
6 Construction Bonds issued maturing or subject to mandatory
7 redemption or with sinking fund payments thereof deposited each
8 fiscal year thereafter up to 25 years. Sinking fund payments
9 set forth in this subsection shall be permitted only to the
10 extent authorized in Section 54F of the Internal Revenue Code
11 or as otherwise determined by the Director of the Governor's
12 Office of Management and Budget. "Qualified School
13 Construction Bonds" in this subsection means Bonds authorized
14 by Section 54F of the Internal Revenue Code and for bonds
15 issued from time to time to refund or continue to refund such
16 "Qualified School Construction Bonds".

17 (f) Beginning with the next issuance by the Governor's
18 Office of Management and Budget to the Procurement Policy Board
19 of a request for quotation for the purpose of formulating a new
20 pool of qualified underwriting banks list, all entities
21 responding to such a request for quotation for inclusion on
22 that list shall provide a written report to the Governor's
23 Office of Management and Budget and the Illinois Comptroller.
24 The written report submitted to the Comptroller shall (i) be
25 published on the Comptroller's Internet website and (ii) be
26 used by the Governor's Office of Management and Budget for the

1 purposes of scoring such a request for quotation. The written
2 report, at a minimum, shall:

3 (1) disclose whether, within the past 3 months,
4 pursuant to its credit default swap market-making
5 activities, the firm has entered into any State of Illinois
6 credit default swaps ("CDS");

7 (2) include, in the event of State of Illinois CDS
8 activity, disclosure of the firm's cumulative notional
9 volume of State of Illinois CDS trades and the firm's
10 outstanding gross and net notional amount of State of
11 Illinois CDS, as of the end of the current 3-month period;

12 (3) indicate, pursuant to the firm's proprietary
13 trading activities, disclosure of whether the firm, within
14 the past 3 months, has entered into any proprietary trades
15 for its own account in State of Illinois CDS;

16 (4) include, in the event of State of Illinois
17 proprietary trades, disclosure of the firm's outstanding
18 gross and net notional amount of proprietary State of
19 Illinois CDS and whether the net position is short or long
20 credit protection, as of the end of the current 3-month
21 period;

22 (5) list all time periods during the past 3 months
23 during which the firm held net long or net short State of
24 Illinois CDS proprietary credit protection positions, the
25 amount of such positions, and whether those positions were
26 net long or net short credit protection positions; and

1 (6) indicate whether, within the previous 3 months, the
2 firm released any publicly available research or marketing
3 reports that reference State of Illinois CDS and include
4 those research or marketing reports as attachments.

5 (g) All entities included on a Governor's Office of
6 Management and Budget's pool of qualified underwriting banks
7 list shall, as soon as possible after March 18, 2011 (the
8 effective date of Public Act 96-1554), but not later than
9 January 21, 2011, and on a quarterly fiscal basis thereafter,
10 provide a written report to the Governor's Office of Management
11 and Budget and the Illinois Comptroller. The written reports
12 submitted to the Comptroller shall be published on the
13 Comptroller's Internet website. The written reports, at a
14 minimum, shall:

15 (1) disclose whether, within the past 3 months,
16 pursuant to its credit default swap market-making
17 activities, the firm has entered into any State of Illinois
18 credit default swaps ("CDS");

19 (2) include, in the event of State of Illinois CDS
20 activity, disclosure of the firm's cumulative notional
21 volume of State of Illinois CDS trades and the firm's
22 outstanding gross and net notional amount of State of
23 Illinois CDS, as of the end of the current 3-month period;

24 (3) indicate, pursuant to the firm's proprietary
25 trading activities, disclosure of whether the firm, within
26 the past 3 months, has entered into any proprietary trades

1 for its own account in State of Illinois CDS;

2 (4) include, in the event of State of Illinois
3 proprietary trades, disclosure of the firm's outstanding
4 gross and net notional amount of proprietary State of
5 Illinois CDS and whether the net position is short or long
6 credit protection, as of the end of the current 3-month
7 period;

8 (5) list all time periods during the past 3 months
9 during which the firm held net long or net short State of
10 Illinois CDS proprietary credit protection positions, the
11 amount of such positions, and whether those positions were
12 net long or net short credit protection positions; and

13 (6) indicate whether, within the previous 3 months, the
14 firm released any publicly available research or marketing
15 reports that reference State of Illinois CDS and include
16 those research or marketing reports as attachments.

17 (h) Notwithstanding any other provision of this Section,
18 for purposes of maximizing market efficiencies and cost
19 savings, Income Tax Proceed Bonds may be issued and sold from
20 time to time, in one or more series, in such amounts and at
21 such prices as may be directed by the Governor, upon
22 recommendation by the Director of the Governor's Office of
23 Management and Budget. Income Tax Proceed Bonds shall be in
24 such form, either coupon, registered, or book entry, in such
25 denominations, shall bear interest payable at such times and at
26 such fixed or variable rate or rates, and be dated as shall be

1 fixed and determined by the Director of the Governor's Office
2 of Management and Budget in the order authorizing the issuance
3 and sale of any series of Income Tax Proceed Bonds, which order
4 shall be approved by the Governor and is herein called a "Bond
5 Sale Order"; provided, however, that interest payable at fixed
6 or variable rates shall not exceed that permitted in the Bond
7 Authorization Act. Income Tax Proceed Bonds shall be payable at
8 such place or places, within or without the State of Illinois,
9 and may be made registrable as to either principal or as to
10 both principal and interest, as shall be specified in the Bond
11 Sale Order. Income Tax Proceed Bonds may be callable or subject
12 to purchase and retirement or tender and remarketing as fixed
13 and determined in the Bond Sale Order.

14 (i) Notwithstanding any other provision of this Section,
15 for purposes of maximizing market efficiencies and cost
16 savings, State Pension Obligation Acceleration Bonds may be
17 issued and sold from time to time, in one or more series, in
18 such amounts and at such prices as may be directed by the
19 Governor, upon recommendation by the Director of the Governor's
20 Office of Management and Budget. State Pension Obligation
21 Acceleration Bonds shall be in such form, either coupon,
22 registered, or book entry, in such denominations, shall bear
23 interest payable at such times and at such fixed or variable
24 rate or rates, and be dated as shall be fixed and determined by
25 the Director of the Governor's Office of Management and Budget
26 in the order authorizing the issuance and sale of any series of

1 State Pension Obligation Acceleration Bonds, which order shall
2 be approved by the Governor and is herein called a "Bond Sale
3 Order"; provided, however, that interest payable at fixed or
4 variable rates shall not exceed that permitted in the Bond
5 Authorization Act. State Pension Obligation Acceleration Bonds
6 shall be payable at such place or places, within or without the
7 State of Illinois, and may be made registrable as to either
8 principal or as to both principal and interest, as shall be
9 specified in the Bond Sale Order. State Pension Obligation
10 Acceleration Bonds may be callable or subject to purchase and
11 retirement or tender and remarketing as fixed and determined in
12 the Bond Sale Order.

13 (Source: P.A. 99-523, eff. 6-30-16; 100-23, Article 25, Section
14 25-5, eff. 7-6-17; 100-23, Article 75, Section 75-10, eff.
15 7-6-17; revised 8-8-17.)

16 (30 ILCS 330/11) (from Ch. 127, par. 661)

17 Sec. 11. Sale of Bonds. Except as otherwise provided in
18 this Section, Bonds shall be sold from time to time pursuant to
19 notice of sale and public bid or by negotiated sale in such
20 amounts and at such times as is directed by the Governor, upon
21 recommendation by the Director of the Governor's Office of
22 Management and Budget. At least 25%, based on total principal
23 amount, of all Bonds issued each fiscal year shall be sold
24 pursuant to notice of sale and public bid. At all times during
25 each fiscal year, no more than 75%, based on total principal

1 amount, of the Bonds issued each fiscal year, shall have been
2 sold by negotiated sale. Failure to satisfy the requirements in
3 the preceding 2 sentences shall not affect the validity of any
4 previously issued Bonds; provided that all Bonds authorized by
5 Public Act 96-43 and Public Act 96-1497 shall not be included
6 in determining compliance for any fiscal year with the
7 requirements of the preceding 2 sentences; and further provided
8 that refunding Bonds satisfying the requirements of Section 16
9 of this Act and sold during fiscal year 2009, 2010, 2011, 2017,
10 or 2018 shall not be subject to the requirements in the
11 preceding 2 sentences.

12 If any Bonds, including refunding Bonds, are to be sold by
13 negotiated sale, the Director of the Governor's Office of
14 Management and Budget shall comply with the competitive request
15 for proposal process set forth in the Illinois Procurement Code
16 and all other applicable requirements of that Code.

17 If Bonds are to be sold pursuant to notice of sale and
18 public bid, the Director of the Governor's Office of Management
19 and Budget may, from time to time, as Bonds are to be sold,
20 advertise the sale of the Bonds in at least 2 daily newspapers,
21 one of which is published in the City of Springfield and one in
22 the City of Chicago. The sale of the Bonds shall also be
23 advertised in the volume of the Illinois Procurement Bulletin
24 that is published by the Department of Central Management
25 Services, and shall be published once at least 10 days prior to
26 the date fixed for the opening of the bids. The Director of the

1 Governor's Office of Management and Budget may reschedule the
2 date of sale upon the giving of such additional notice as the
3 Director deems adequate to inform prospective bidders of such
4 change; provided, however, that all other conditions of the
5 sale shall continue as originally advertised.

6 Executed Bonds shall, upon payment therefor, be delivered
7 to the purchaser, and the proceeds of Bonds shall be paid into
8 the State Treasury as directed by Section 12 of this Act.

9 All Income Tax Proceed Bonds shall comply with this
10 Section. Notwithstanding anything to the contrary, however,
11 for purposes of complying with this Section, Income Tax Proceed
12 Bonds, regardless of the number of series or issuances sold
13 thereunder, shall be considered a single issue or series.
14 Furthermore, for purposes of complying with the competitive
15 bidding requirements of this Section, the words "at all times"
16 shall not apply to any such sale of the Income Tax Proceed
17 Bonds. The Director of the Governor's Office of Management and
18 Budget shall determine the time and manner of any competitive
19 sale of the Income Tax Proceed Bonds; however, that sale shall
20 under no circumstances take place later than 60 days after the
21 State closes the sale of 75% of the Income Tax Proceed Bonds by
22 negotiated sale.

23 All State Pension Obligation Acceleration Bonds shall
24 comply with this Section. Notwithstanding anything to the
25 contrary, however, for purposes of complying with this Section,
26 State Pension Obligation Acceleration Bonds, regardless of the

1 number of series or issuances sold thereunder, shall be
2 considered a single issue or series. Furthermore, for purposes
3 of complying with the competitive bidding requirements of this
4 Section, the words "at all times" shall not apply to any such
5 sale of the State Pension Obligation Acceleration Bonds. The
6 Director of the Governor's Office of Management and Budget
7 shall determine the time and manner of any competitive sale of
8 the State Pension Obligation Acceleration Bonds; however, that
9 sale shall under no circumstances take place later than 60 days
10 after the State closes the sale of 75% of the State Pension
11 Obligation Acceleration Bonds by negotiated sale.

12 (Source: P.A. 99-523, eff. 6-30-16; 100-23, Article 25, Section
13 25-5, eff. 7-6-17; 100-23, Article 75, Section 75-10, eff.
14 7-6-17; revised 8-15-17.)

15 (30 ILCS 330/12) (from Ch. 127, par. 662)

16 Sec. 12. Allocation of proceeds from sale of Bonds.

17 (a) Proceeds from the sale of Bonds, authorized by Section
18 3 of this Act, shall be deposited in the separate fund known as
19 the Capital Development Fund.

20 (b) Proceeds from the sale of Bonds, authorized by
21 paragraph (a) of Section 4 of this Act, shall be deposited in
22 the separate fund known as the Transportation Bond, Series A
23 Fund.

24 (c) Proceeds from the sale of Bonds, authorized by
25 paragraphs (b) and (c) of Section 4 of this Act, shall be

1 deposited in the separate fund known as the Transportation
2 Bond, Series B Fund.

3 (c-1) Proceeds from the sale of Bonds, authorized by
4 paragraph (d) of Section 4 of this Act, shall be deposited into
5 the Transportation Bond Series D Fund, which is hereby created.

6 (d) Proceeds from the sale of Bonds, authorized by Section
7 5 of this Act, shall be deposited in the separate fund known as
8 the School Construction Fund.

9 (e) Proceeds from the sale of Bonds, authorized by Section
10 6 of this Act, shall be deposited in the separate fund known as
11 the Anti-Pollution Fund.

12 (f) Proceeds from the sale of Bonds, authorized by Section
13 7 of this Act, shall be deposited in the separate fund known as
14 the Coal Development Fund.

15 (f-2) Proceeds from the sale of Bonds, authorized by
16 Section 7.2 of this Act, shall be deposited as set forth in
17 Section 7.2.

18 (f-5) Proceeds from the sale of Bonds, authorized by
19 Section 7.5 of this Act, shall be deposited as set forth in
20 Section 7.5.

21 (f-7) Proceeds from the sale of Bonds, authorized by
22 Section 7.6 of this Act, shall be deposited as set forth in
23 Section 7.6.

24 (f-10) Proceeds from the sale of Bonds, authorized by
25 Section 7.7 of this Act, shall be deposited as set forth in
26 Section 7.7.

1 (g) Proceeds from the sale of Bonds, authorized by Section
2 8 of this Act, shall be deposited in the Capital Development
3 Fund.

4 (h) Subsequent to the issuance of any Bonds for the
5 purposes described in Sections 2 through 8 of this Act, the
6 Governor and the Director of the Governor's Office of
7 Management and Budget may provide for the reallocation of
8 unspent proceeds of such Bonds to any other purposes authorized
9 under said Sections of this Act, subject to the limitations on
10 aggregate principal amounts contained therein. Upon any such
11 reallocation, such unspent proceeds shall be transferred to the
12 appropriate funds as determined by reference to paragraphs (a)
13 through (g) of this Section.

14 (Source: P.A. 100-23, eff. 7-6-17.)

15 (30 ILCS 330/13) (from Ch. 127, par. 663)

16 Sec. 13. Appropriation of proceeds from sale of Bonds.

17 (a) At all times, the proceeds from the sale of Bonds
18 issued pursuant to this Act are subject to appropriation by the
19 General Assembly and, except as provided in Sections 7.2, ~~and~~
20 7.6, and 7.7, may be obligated or expended only with the
21 written approval of the Governor, in such amounts, at such
22 times, and for such purposes as the respective State agencies,
23 as defined in Section 1-7 of the Illinois State Auditing Act,
24 as amended, deem necessary or desirable for the specific
25 purposes contemplated in Sections 2 through 8 of this Act.

1 Notwithstanding any other provision of this Act, proceeds from
2 the sale of Bonds issued pursuant to this Act appropriated by
3 the General Assembly to the Architect of the Capitol may be
4 obligated or expended by the Architect of the Capitol without
5 the written approval of the Governor.

6 (b) Proceeds from the sale of Bonds for the purpose of
7 development of coal and alternative forms of energy shall be
8 expended in such amounts and at such times as the Department of
9 Commerce and Economic Opportunity, with the advice and
10 recommendation of the Illinois Coal Development Board for coal
11 development projects, may deem necessary and desirable for the
12 specific purpose contemplated by Section 7 of this Act. In
13 considering the approval of projects to be funded, the
14 Department of Commerce and Economic Opportunity shall give
15 special consideration to projects designed to remove sulfur and
16 other pollutants in the preparation and utilization of coal,
17 and in the use and operation of electric utility generating
18 plants and industrial facilities which utilize Illinois coal as
19 their primary source of fuel.

20 (c) Except as directed in subsection (c-1) or (c-2), any
21 monies received by any officer or employee of the state
22 representing a reimbursement of expenditures previously paid
23 from general obligation bond proceeds shall be deposited into
24 the General Obligation Bond Retirement and Interest Fund
25 authorized in Section 14 of this Act.

26 (c-1) Any money received by the Department of

1 Transportation as reimbursement for expenditures for high
2 speed rail purposes pursuant to appropriations from the
3 Transportation Bond, Series B Fund for (i) CREATE (Chicago
4 Region Environmental and Transportation Efficiency), (ii) High
5 Speed Rail, or (iii) AMTRAK projects authorized by the federal
6 government under the provisions of the American Recovery and
7 Reinvestment Act of 2009 or the Safe Accountable Flexible
8 Efficient Transportation Equity Act-A Legacy for Users
9 (SAFETEA-LU), or any successor federal transportation
10 authorization Act, shall be deposited into the Federal High
11 Speed Rail Trust Fund.

12 (c-2) Any money received by the Department of
13 Transportation as reimbursement for expenditures for transit
14 capital purposes pursuant to appropriations from the
15 Transportation Bond, Series B Fund for projects authorized by
16 the federal government under the provisions of the American
17 Recovery and Reinvestment Act of 2009 or the Safe Accountable
18 Flexible Efficient Transportation Equity Act-A Legacy for
19 Users (SAFETEA-LU), or any successor federal transportation
20 authorization Act, shall be deposited into the Federal Mass
21 Transit Trust Fund.

22 (Source: P.A. 100-23, eff. 7-6-17.)

23 Section 25. The Illinois Pension Code is amended by
24 changing Sections 14-152.1, 15-198, and 16-203 and by adding
25 Sections 14-147.5, 15-185.5, and 16-190.5 as follows:

1 (40 ILCS 5/14-147.5 new)

2 Sec. 14-147.5. Accelerated pension benefit payment.

3 (a) As used in this Section:

4 "Eligible person" means a person who:

5 (1) has terminated service;

6 (2) has accrued sufficient service credit to be
7 eligible to receive a retirement annuity under this
8 Article;

9 (3) has not received any retirement annuity under this
10 Article; and

11 (4) does not have a QILDRO in effect against him or her
12 under this Article.

13 "Pension benefit" means the benefits under this Article, or
14 Article 1 as it relates to those benefits, including any
15 anticipated annual increases, that an eligible person is
16 entitled to upon attainment of the applicable retirement age.

17 "Pension benefit" also includes applicable survivor's or
18 disability benefits.

19 (b) Before January 1, 2019, and annually thereafter, the
20 System shall calculate, using actuarial tables and other
21 assumptions adopted by the Board, the net present value of
22 pension benefits for each eligible person and shall offer each
23 eligible person the opportunity to irrevocably elect to receive
24 an amount determined by the System to be equal to 70% of the
25 net present value of his or her pension benefits in lieu of

1 receiving any pension benefit. The offer shall specify the
2 dollar amount that the eligible person will receive if he or
3 she so elects and shall expire when a subsequent offer is made
4 to the eligible person or when the System determines that 10%
5 of eligible persons in that year have made the election under
6 this subsection, whichever occurs first. The System shall make
7 a good faith effort to contact every eligible person to notify
8 him or her of the election and of the amount of the accelerated
9 pension benefit payment.

10 Until the System determines that 10% of eligible persons in
11 that year have made the election under this subsection, an
12 eligible person may irrevocably elect to receive an accelerated
13 pension benefit payment in the amount that the System offers
14 under this subsection in lieu of receiving any pension benefit.
15 A person who elects to receive an accelerated pension benefit
16 payment under this Section may not elect to proceed under the
17 Retirement Systems Reciprocal Act with respect to service under
18 this Article.

19 (c) A person's credits and creditable service under this
20 Article shall be terminated upon the person's receipt of an
21 accelerated pension benefit payment under this Section, and no
22 other benefit shall be paid under this Article based on those
23 terminated credits and creditable service, including any
24 retirement, survivor, or other benefit or refund; except that
25 to the extent that participation, benefits, or premiums under
26 the State Employees Group Insurance Act of 1971 are based on

1 the amount of service credit, the terminated service credit
2 shall be used for that purpose.

3 (d) If a person who has received an accelerated pension
4 benefit payment under this Section returns to active service
5 under this Article, then:

6 (1) Any benefits under the System earned as a result of
7 that return to active service shall be based solely on the
8 person's credits and creditable service arising from the
9 return to active service.

10 (2) The accelerated pension benefit payment may not be
11 repaid to the System, and the terminated credits and
12 creditable service may not under any circumstances be
13 reinstated.

14 (e) As a condition of receiving an accelerated pension
15 benefit payment, an eligible person must have another
16 retirement plan or account qualified under the Internal Revenue
17 Code of 1986, as amended, for the accelerated pension benefit
18 payment to be rolled into. The accelerated pension benefit
19 payment under this Section may be subject to withholding or
20 payment of applicable taxes, but to the extent permitted by
21 federal law, a person who receives an accelerated pension
22 benefit payment under this Section must direct the System to
23 pay all of that payment as a rollover into another retirement
24 plan or account qualified under the Internal Revenue Code of
25 1986, as amended.

26 (f) Before January 1, 2020 and every January 1 thereafter,

1 the Board shall certify to the Illinois Finance Authority and
2 the General Assembly the amount by which the total amount of
3 accelerated pension benefit payments made under this Section
4 exceed the amount appropriated to the System for the purpose of
5 making those payments.

6 (g) The Board shall adopt any rules necessary to implement
7 this Section.

8 (h) No provision of this Section shall be interpreted in a
9 way that would cause the applicable System to cease to be a
10 qualified plan under the Internal Revenue Code of 1986.

11 (i) Notwithstanding any other provision of this Section, in
12 no case shall the total amount of accelerated pension benefit
13 payments paid under this Section, Section 15-185.5, and Section
14 16-190.5 cause the Illinois Finance Authority to issue more
15 than the \$250,000,000 of State Pension Obligation Acceleration
16 Bonds authorized in subsection (c-5) of Section 801-40 of the
17 Illinois Finance Authority Act.

18 (40 ILCS 5/14-152.1)

19 Sec. 14-152.1. Application and expiration of new benefit
20 increases.

21 (a) As used in this Section, "new benefit increase" means
22 an increase in the amount of any benefit provided under this
23 Article, or an expansion of the conditions of eligibility for
24 any benefit under this Article, that results from an amendment
25 to this Code that takes effect after June 1, 2005 (the

1 effective date of Public Act 94-4). "New benefit increase",
2 however, does not include any benefit increase resulting from
3 the changes made to Article 1 or this Article by Public Act
4 96-37, Public Act 100-23, or this amendatory Act of the 100th
5 General Assembly ~~by this amendatory Act of the 100th General~~
6 ~~Assembly.~~

7 (b) Notwithstanding any other provision of this Code or any
8 subsequent amendment to this Code, every new benefit increase
9 is subject to this Section and shall be deemed to be granted
10 only in conformance with and contingent upon compliance with
11 the provisions of this Section.

12 (c) The Public Act enacting a new benefit increase must
13 identify and provide for payment to the System of additional
14 funding at least sufficient to fund the resulting annual
15 increase in cost to the System as it accrues.

16 Every new benefit increase is contingent upon the General
17 Assembly providing the additional funding required under this
18 subsection. The Commission on Government Forecasting and
19 Accountability shall analyze whether adequate additional
20 funding has been provided for the new benefit increase and
21 shall report its analysis to the Public Pension Division of the
22 Department of Insurance. A new benefit increase created by a
23 Public Act that does not include the additional funding
24 required under this subsection is null and void. If the Public
25 Pension Division determines that the additional funding
26 provided for a new benefit increase under this subsection is or

1 has become inadequate, it may so certify to the Governor and
2 the State Comptroller and, in the absence of corrective action
3 by the General Assembly, the new benefit increase shall expire
4 at the end of the fiscal year in which the certification is
5 made.

6 (d) Every new benefit increase shall expire 5 years after
7 its effective date or on such earlier date as may be specified
8 in the language enacting the new benefit increase or provided
9 under subsection (c). This does not prevent the General
10 Assembly from extending or re-creating a new benefit increase
11 by law.

12 (e) Except as otherwise provided in the language creating
13 the new benefit increase, a new benefit increase that expires
14 under this Section continues to apply to persons who applied
15 and qualified for the affected benefit while the new benefit
16 increase was in effect and to the affected beneficiaries and
17 alternate payees of such persons, but does not apply to any
18 other person, including without limitation a person who
19 continues in service after the expiration date and did not
20 apply and qualify for the affected benefit while the new
21 benefit increase was in effect.

22 (Source: P.A. 100-23, eff. 7-6-17.)

23 (40 ILCS 5/15-185.5 new)

24 Sec. 15-185.5. Accelerated pension benefit payment.

25 (a) As used in this Section:

1 "Eligible person" means a person who:

2 (1) has terminated service;

3 (2) has accrued sufficient service credit to be
4 eligible to receive a retirement annuity under this
5 Article;

6 (3) has not received any retirement annuity under this
7 Article;

8 (4) does not have a QILDRO in effect against him or her
9 under this Article; and

10 (5) is not a participant in the self-managed plan under
11 Section 15-158.2.

12 "Pension benefit" means the benefits under this Article, or
13 Article 1 as it relates to those benefits, including any
14 anticipated annual increases, that an eligible person is
15 entitled to upon attainment of the applicable retirement age.

16 "Pension benefit" also includes applicable survivor's or
17 disability benefits.

18 (b) Before January 1, 2019, and annually thereafter, the
19 System shall calculate, using actuarial tables and other
20 assumptions adopted by the Board, the net present value of
21 pension benefits for each eligible person and shall offer each
22 eligible person the opportunity to irrevocably elect to receive
23 an amount determined by the System to be equal to 70% of the
24 net present value of his or her pension benefits in lieu of
25 receiving any pension benefit. The offer shall specify the
26 dollar amount that the eligible person will receive if he or

1 she so elects and shall expire when a subsequent offer is made
2 to the eligible person or when the System determines that 10%
3 of eligible persons in that year have made the election under
4 this subsection, whichever occurs first. The System shall make
5 a good faith effort to contact every eligible person to notify
6 him or her of the election and of the amount of the accelerated
7 pension benefit payment.

8 Until the System determines that 10% of eligible persons in
9 that year have made the election under this subsection, an
10 eligible person may irrevocably elect to receive an accelerated
11 pension benefit payment in the amount that the System offers
12 under this subsection in lieu of receiving any pension benefit.
13 A person who elects to receive an accelerated pension benefit
14 payment under this Section may not elect to proceed under the
15 Retirement Systems Reciprocal Act with respect to service under
16 this Article.

17 (c) A person's credits and creditable service under this
18 Article shall be terminated upon the person's receipt of an
19 accelerated pension benefit payment under this Section, and no
20 other benefit shall be paid under this Article based on those
21 terminated credits and creditable service, including any
22 retirement, survivor, or other benefit or refund; except that
23 to the extent that participation, benefits, or premiums under
24 the State Employees Group Insurance Act of 1971 are based on
25 the amount of service credit, the terminated service credit
26 shall be used for that purpose.

1 (d) If a person who has received an accelerated pension
2 benefit payment under this Section returns to participating
3 employee status under this Article, then:

4 (1) Any benefits under the System earned as a result of
5 that return to participating employee status shall be based
6 solely on the person's credits and creditable service
7 arising from the return to participating employee status.

8 (2) The accelerated pension benefit payment may not be
9 repaid to the System, and the terminated credits and
10 creditable service may not under any circumstances be
11 reinstated.

12 (e) As a condition of receiving an accelerated pension
13 benefit payment, an eligible person must have another
14 retirement plan or account qualified under the Internal Revenue
15 Code of 1986, as amended, for the accelerated pension benefit
16 payment to be rolled into. The accelerated pension benefit
17 payment under this Section may be subject to withholding or
18 payment of applicable taxes, but to the extent permitted by
19 federal law, a person who receives an accelerated pension
20 benefit payment under this Section must direct the System to
21 pay all of that payment as a rollover into another retirement
22 plan or account qualified under the Internal Revenue Code of
23 1986, as amended.

24 (f) Before January 1, 2020 and every January 1 thereafter,
25 the Board shall certify to the Illinois Finance Authority and
26 the General Assembly the amount by which the total amount of

1 accelerated pension benefit payments made under this Section
2 exceed the amount appropriated to the System for the purpose of
3 making those payments.

4 (g) The Board shall adopt any rules necessary to implement
5 this Section.

6 (h) No provision of this Section shall be interpreted in a
7 way that would cause the applicable System to cease to be a
8 qualified plan under the Internal Revenue Code of 1986.

9 (i) Notwithstanding any other provision of this Section, in
10 no case shall the total amount of accelerated pension benefit
11 payments paid under this Section, Section 14-147.5, and Section
12 16-190.5 cause the Illinois Finance Authority to issue more
13 than the \$250,000,000 of State Pension Obligation Acceleration
14 Bonds authorized in subsection (c-5) of Section 801-40 of the
15 Illinois Finance Authority Act.

16 (40 ILCS 5/15-198)

17 Sec. 15-198. Application and expiration of new benefit
18 increases.

19 (a) As used in this Section, "new benefit increase" means
20 an increase in the amount of any benefit provided under this
21 Article, or an expansion of the conditions of eligibility for
22 any benefit under this Article, that results from an amendment
23 to this Code that takes effect after the effective date of this
24 amendatory Act of the 94th General Assembly. "New benefit
25 increase", however, does not include any benefit increase

1 resulting from the changes made to Article 1 or this Article by
2 Public Act 100-23 or this amendatory Act of the 100th General
3 Assembly ~~this amendatory Act of the 100th General Assembly.~~

4 (b) Notwithstanding any other provision of this Code or any
5 subsequent amendment to this Code, every new benefit increase
6 is subject to this Section and shall be deemed to be granted
7 only in conformance with and contingent upon compliance with
8 the provisions of this Section.

9 (c) The Public Act enacting a new benefit increase must
10 identify and provide for payment to the System of additional
11 funding at least sufficient to fund the resulting annual
12 increase in cost to the System as it accrues.

13 Every new benefit increase is contingent upon the General
14 Assembly providing the additional funding required under this
15 subsection. The Commission on Government Forecasting and
16 Accountability shall analyze whether adequate additional
17 funding has been provided for the new benefit increase and
18 shall report its analysis to the Public Pension Division of the
19 Department of Insurance. A new benefit increase created by a
20 Public Act that does not include the additional funding
21 required under this subsection is null and void. If the Public
22 Pension Division determines that the additional funding
23 provided for a new benefit increase under this subsection is or
24 has become inadequate, it may so certify to the Governor and
25 the State Comptroller and, in the absence of corrective action
26 by the General Assembly, the new benefit increase shall expire

1 at the end of the fiscal year in which the certification is
2 made.

3 (d) Every new benefit increase shall expire 5 years after
4 its effective date or on such earlier date as may be specified
5 in the language enacting the new benefit increase or provided
6 under subsection (c). This does not prevent the General
7 Assembly from extending or re-creating a new benefit increase
8 by law.

9 (e) Except as otherwise provided in the language creating
10 the new benefit increase, a new benefit increase that expires
11 under this Section continues to apply to persons who applied
12 and qualified for the affected benefit while the new benefit
13 increase was in effect and to the affected beneficiaries and
14 alternate payees of such persons, but does not apply to any
15 other person, including without limitation a person who
16 continues in service after the expiration date and did not
17 apply and qualify for the affected benefit while the new
18 benefit increase was in effect.

19 (Source: P.A. 100-23, eff. 7-6-17.)

20 (40 ILCS 5/16-190.5 new)

21 Sec. 16-190.5. Accelerated pension benefit payment.

22 (a) As used in this Section:

23 "Eligible person" means a person who:

24 (1) has terminated service;

25 (2) has accrued sufficient service credit to be

1 eligible to receive a retirement annuity under this
2 Article;

3 (3) has not received any retirement annuity under this
4 Article; and

5 (4) does not have a QILDRO in effect against him or her
6 under this Article.

7 "Pension benefit" means the benefits under this Article, or
8 Article 1 as it relates to those benefits, including any
9 anticipated annual increases, that an eligible person is
10 entitled to upon attainment of the applicable retirement age.
11 "Pension benefit" also includes applicable survivor's or
12 disability benefits.

13 (b) Before January 1, 2019, and annually thereafter, the
14 System shall calculate, using actuarial tables and other
15 assumptions adopted by the Board, the net present value of
16 pension benefits for each eligible person and shall offer each
17 eligible person the opportunity to irrevocably elect to receive
18 an amount determined by the System to be equal to 70% of the
19 net present value of his or her pension benefits in lieu of
20 receiving any pension benefit. The offer shall specify the
21 dollar amount that the eligible person will receive if he or
22 she so elects and shall expire when a subsequent offer is made
23 to the eligible person or when the System determines that 10%
24 of eligible persons in that year have made the election under
25 this subsection, whichever occurs first. The System shall make
26 a good faith effort to contact every eligible person to notify

1 him or her of the election and of the amount of the accelerated
2 pension benefit payment.

3 Until the System determines that 10% of eligible persons in
4 that year have made the election under this subsection, an
5 eligible person may irrevocably elect to receive an accelerated
6 pension benefit payment in the amount that the System offers
7 under this subsection in lieu of receiving any pension benefit.
8 A person who elects to receive an accelerated pension benefit
9 payment under this Section may not elect to proceed under the
10 Retirement Systems Reciprocal Act with respect to service under
11 this Article.

12 (c) A person's credits and creditable service under this
13 Article shall be terminated upon the person's receipt of an
14 accelerated pension benefit payment under this Section, and no
15 other benefit shall be paid under this Article based on those
16 terminated credits and creditable service, including any
17 retirement, survivor, or other benefit or refund; except that
18 to the extent that participation, benefits, or premiums under
19 the State Employees Group Insurance Act of 1971 are based on
20 the amount of service credit, the terminated service credit
21 shall be used for that purpose.

22 (d) If a person who has received an accelerated pension
23 benefit payment under this Section returns to active service
24 under this Article, then:

25 (1) Any benefits under the System earned as a result of
26 that return to active service shall be based solely on the

1 person's credits and creditable service arising from the
2 return to active service.

3 (2) The accelerated pension benefit payment may not be
4 repaid to the System, and the terminated credits and
5 creditable service may not under any circumstances be
6 reinstated.

7 (e) As a condition of receiving an accelerated pension
8 benefit payment, an eligible person must have another
9 retirement plan or account qualified under the Internal Revenue
10 Code of 1986, as amended, for the accelerated pension benefit
11 payment to be rolled into. The accelerated pension benefit
12 payment under this Section may be subject to withholding or
13 payment of applicable taxes, but to the extent permitted by
14 federal law, a person who receives an accelerated pension
15 benefit payment under this Section must direct the System to
16 pay all of that payment as a rollover into another retirement
17 plan or account qualified under the Internal Revenue Code of
18 1986, as amended.

19 (f) Before January 1, 2020 and every January 1 thereafter,
20 the Board shall certify to the Illinois Finance Authority and
21 the General Assembly the amount by which the total amount of
22 accelerated pension benefit payments made under this Section
23 exceed the amount appropriated to the System for the purpose of
24 making those payments.

25 (g) The Board shall adopt any rules necessary to implement
26 this Section.

1 (h) No provision of this Section shall be interpreted in a
2 way that would cause the applicable System to cease to be a
3 qualified plan under the Internal Revenue Code of 1986.

4 (i) Notwithstanding any other provision of this Section, in
5 no case shall the total amount of accelerated pension benefit
6 payments paid under this Section, Section 14-147.5, and Section
7 15-185.5 cause the Illinois Finance Authority to issue more
8 than the \$250,000,000 of State Pension Obligation Acceleration
9 Bonds authorized in subsection (c-5) of Section 801-40 of the
10 Illinois Finance Authority Act.

11 (40 ILCS 5/16-203)

12 Sec. 16-203. Application and expiration of new benefit
13 increases.

14 (a) As used in this Section, "new benefit increase" means
15 an increase in the amount of any benefit provided under this
16 Article, or an expansion of the conditions of eligibility for
17 any benefit under this Article, that results from an amendment
18 to this Code that takes effect after June 1, 2005 (the
19 effective date of Public Act 94-4). "New benefit increase",
20 however, does not include any benefit increase resulting from
21 the changes made to Article 1 or this Article by Public Act
22 95-910, Public Act 100-23, or this amendatory Act of the 100th
23 General Assembly ~~or this amendatory Act of the 100th General~~
24 ~~Assembly.~~

25 (b) Notwithstanding any other provision of this Code or any

1 subsequent amendment to this Code, every new benefit increase
2 is subject to this Section and shall be deemed to be granted
3 only in conformance with and contingent upon compliance with
4 the provisions of this Section.

5 (c) The Public Act enacting a new benefit increase must
6 identify and provide for payment to the System of additional
7 funding at least sufficient to fund the resulting annual
8 increase in cost to the System as it accrues.

9 Every new benefit increase is contingent upon the General
10 Assembly providing the additional funding required under this
11 subsection. The Commission on Government Forecasting and
12 Accountability shall analyze whether adequate additional
13 funding has been provided for the new benefit increase and
14 shall report its analysis to the Public Pension Division of the
15 Department of Insurance. A new benefit increase created by a
16 Public Act that does not include the additional funding
17 required under this subsection is null and void. If the Public
18 Pension Division determines that the additional funding
19 provided for a new benefit increase under this subsection is or
20 has become inadequate, it may so certify to the Governor and
21 the State Comptroller and, in the absence of corrective action
22 by the General Assembly, the new benefit increase shall expire
23 at the end of the fiscal year in which the certification is
24 made.

25 (d) Every new benefit increase shall expire 5 years after
26 its effective date or on such earlier date as may be specified

1 in the language enacting the new benefit increase or provided
2 under subsection (c). This does not prevent the General
3 Assembly from extending or re-creating a new benefit increase
4 by law.

5 (e) Except as otherwise provided in the language creating
6 the new benefit increase, a new benefit increase that expires
7 under this Section continues to apply to persons who applied
8 and qualified for the affected benefit while the new benefit
9 increase was in effect and to the affected beneficiaries and
10 alternate payees of such persons, but does not apply to any
11 other person, including without limitation a person who
12 continues in service after the expiration date and did not
13 apply and qualify for the affected benefit while the new
14 benefit increase was in effect.

15 (Source: P.A. 100-23, eff. 7-6-17.)

16 Section 30. The State Pension Funds Continuing
17 Appropriation Act is amended by adding Section 1.9 as follows:

18 (40 ILCS 15/1.9 new)

19 Sec. 1.9. Appropriations for State Pension Obligation
20 Acceleration Bonds. If for any reason the aggregate
21 appropriations made available are insufficient to meet the
22 levels required for the payment of principal and interest due
23 on State Pension Obligation Acceleration Bonds under Section
24 7.7 of the General Obligation Bond Act, this Section shall

1 constitute a continuing appropriation of all amounts necessary
2 for those purposes.

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

1		INDEX
2		Statutes amended in order of appearance
3	5 ILCS 375/3	from Ch. 127, par. 523
4	5 ILCS 375/10	from Ch. 127, par. 530
5	20 ILCS 3501/801-40	
6	30 ILCS 105/5.886 new	
7	30 ILCS 330/2	from Ch. 127, par. 652
8	30 ILCS 330/2.5	
9	30 ILCS 330/7.7 new	
10	30 ILCS 330/9	from Ch. 127, par. 659
11	30 ILCS 330/11	from Ch. 127, par. 661
12	30 ILCS 330/12	from Ch. 127, par. 662
13	30 ILCS 330/13	from Ch. 127, par. 663
14	40 ILCS 5/14-147.5 new	
15	40 ILCS 5/14-152.1	
16	40 ILCS 5/15-185.5 new	
17	40 ILCS 5/15-198	
18	40 ILCS 5/16-190.5 new	
19	40 ILCS 5/16-203	
20	40 ILCS 15/1.9 new	