



Rep. Gary Hannig

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LRB094 03163 AMC 58417 a

1 AMENDMENT TO HOUSE BILL 1813

2 AMENDMENT NO. \_\_\_\_\_. Amend House Bill 1813 by replacing  
3 everything after the enacting clause with the following:

4 "Section 5. The Illinois Pension Code is amended by  
5 changing Section 15-155, 15-168.1, 16-128, 16-158, and  
6 16-169.1 as follows:

7 (40 ILCS 5/15-155) (from Ch. 108 1/2, par. 15-155)

8 Sec. 15-155. Employer contributions.

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

16 The Board shall determine the amount of State contributions  
17 required for each fiscal year on the basis of the actuarial  
18 tables and other assumptions adopted by the Board and the  
19 recommendations of the actuary, using the formula in subsection  
20 (a-1).

21 (a-1) For State fiscal years 2011 through 2045, the minimum  
22 contribution to the System to be made by the State for each  
23 fiscal year shall be an amount determined by the System to be  
24 sufficient to bring the total assets of the System up to 90% of

1 the total actuarial liabilities of the System by the end of  
2 State fiscal year 2045. In making these determinations, the  
3 required State contribution shall be calculated each year as a  
4 level percentage of payroll over the years remaining to and  
5 including fiscal year 2045 and shall be determined under the  
6 projected unit credit actuarial cost method.

7 For State fiscal years 1996 through 2005, the State  
8 contribution to the System, as a percentage of the applicable  
9 employee payroll, shall be increased in equal annual increments  
10 so that by State fiscal year 2011, the State is contributing at  
11 the rate required under this Section.

12 Notwithstanding any other provision of this Article, the  
13 total required State contribution for State fiscal year 2006 is  
14 \$166,641,900.

15 Notwithstanding any other provision of this Article, the  
16 total required State contribution for State fiscal year 2007 is  
17 \$252,064,100.

18 For each of State fiscal years 2008 through 2010, the State  
19 contribution to the System, as a percentage of the applicable  
20 employee payroll, shall be increased in equal annual increments  
21 from the required State contribution for State fiscal year  
22 2007, so that by State fiscal year 2011, the State is  
23 contributing at the rate otherwise required under this Section.

24 Beginning in State fiscal year 2046, the minimum State  
25 contribution for each fiscal year shall be the amount needed to  
26 maintain the total assets of the System at 90% of the total  
27 actuarial liabilities of the System.

28 Notwithstanding any other provision of this Section, the  
29 required State contribution for State fiscal year 2005 and for  
30 fiscal year 2008 and each fiscal year thereafter, as calculated  
31 under this Section and certified under Section 15-165, shall  
32 not exceed an amount equal to (i) the amount of the required  
33 State contribution that would have been calculated under this  
34 Section for that fiscal year if the System had not received any

1 payments under subsection (d) of Section 7.2 of the General  
2 Obligation Bond Act, minus (ii) the portion of the State's  
3 total debt service payments for that fiscal year on the bonds  
4 issued for the purposes of that Section 7.2, as determined and  
5 certified by the Comptroller, that is the same as the System's  
6 portion of the total moneys distributed under subsection (d) of  
7 Section 7.2 of the General Obligation Bond Act. In determining  
8 this maximum for State fiscal years 2008 through 2010, however,  
9 the amount referred to in item (i) shall be increased, as a  
10 percentage of the applicable employee payroll, in equal  
11 increments calculated from the sum of the required State  
12 contribution for State fiscal year 2007 plus the applicable  
13 portion of the State's total debt service payments for fiscal  
14 year 2007 on the bonds issued for the purposes of Section 7.2  
15 of the General Obligation Bond Act, so that, by State fiscal  
16 year 2011, the State is contributing at the rate otherwise  
17 required under this Section.

18 (b) If an employee is paid from trust or federal funds, the  
19 employer shall pay to the Board contributions from those funds  
20 which are sufficient to cover the accruing normal costs on  
21 behalf of the employee. However, universities having employees  
22 who are compensated out of local auxiliary funds, income funds,  
23 or service enterprise funds are not required to pay such  
24 contributions on behalf of those employees. The local auxiliary  
25 funds, income funds, and service enterprise funds of  
26 universities shall not be considered trust funds for the  
27 purpose of this Article, but funds of alumni associations,  
28 foundations, and athletic associations which are affiliated  
29 with the universities included as employers under this Article  
30 and other employers which do not receive State appropriations  
31 are considered to be trust funds for the purpose of this  
32 Article.

33 (b-1) The City of Urbana and the City of Champaign shall  
34 each make employer contributions to this System for their

1     respective firefighter employees who participate in this  
2     System pursuant to subsection (h) of Section 15-107. The rate  
3     of contributions to be made by those municipalities shall be  
4     determined annually by the Board on the basis of the actuarial  
5     assumptions adopted by the Board and the recommendations of the  
6     actuary, and shall be expressed as a percentage of salary for  
7     each such employee. The Board shall certify the rate to the  
8     affected municipalities as soon as may be practical. The  
9     employer contributions required under this subsection shall be  
10    remitted by the municipality to the System at the same time and  
11    in the same manner as employee contributions.

12       (c) Through State fiscal year 1995: The total employer  
13    contribution shall be apportioned among the various funds of  
14    the State and other employers, whether trust, federal, or other  
15    funds, in accordance with actuarial procedures approved by the  
16    Board. State of Illinois contributions for employers receiving  
17    State appropriations for personal services shall be payable  
18    from appropriations made to the employers or to the System. The  
19    contributions for Class I community colleges covering earnings  
20    other than those paid from trust and federal funds, shall be  
21    payable solely from appropriations to the Illinois Community  
22    College Board or the System for employer contributions.

23       (d) Beginning in State fiscal year 1996, the required State  
24    contributions to the System shall be appropriated directly to  
25    the System and shall be payable through vouchers issued in  
26    accordance with subsection (c) of Section 15-165, except as  
27    provided in subsection (g).

28       (e) The State Comptroller shall draw warrants payable to  
29    the System upon proper certification by the System or by the  
30    employer in accordance with the appropriation laws and this  
31    Code.

32       (f) Normal costs under this Section means liability for  
33    pensions and other benefits which accrues to the System because  
34    of the credits earned for service rendered by the participants

1 during the fiscal year and expenses of administering the  
2 System, but shall not include the principal of or any  
3 redemption premium or interest on any bonds issued by the Board  
4 or any expenses incurred or deposits required in connection  
5 therewith.

6 (g) If the amount of a participant's earnings for any  
7 academic year used to determine the final rate of earnings,  
8 determined on a full-time equivalent basis, exceeds the amount  
9 of his or her earnings with the same employer for the previous  
10 academic year, determined on a full-time equivalent basis, by  
11 more than 6%, the participant's employer shall pay to the  
12 System, in addition to all other payments required under this  
13 Section and in accordance with guidelines established by the  
14 System, the present value of the increase in benefits resulting  
15 from the portion of the increase in earnings that is in excess  
16 of 6%. This present value shall be computed by the System on  
17 the basis of the actuarial assumptions and tables used in the  
18 most recent actuarial valuation of the System that is available  
19 at the time of the computation. The System may require the  
20 employer to provide any pertinent information or  
21 documentation.

22 Whenever it determines that a payment is or may be required  
23 under this subsection (g), the System shall calculate the  
24 amount of the payment and bill the employer for that amount.  
25 The bill shall specify the calculations used to determine the  
26 amount due. If the employer disputes the amount of the bill, it  
27 may, within 30 days after receipt of the bill, apply to the  
28 System in writing for a recalculation. The application must  
29 specify in detail the grounds of the dispute and, if the  
30 employer asserts that the calculation is subject to subsection  
31 (h) or (i) of this Section, must include an affidavit setting  
32 forth and attesting to all facts within the employer's  
33 knowledge that are pertinent to the applicability of subsection  
34 (h) or (i). Upon receiving a timely application for

1 recalculation, the System shall review the application and, if  
2 appropriate, recalculate the amount due.

3 The employer contributions required under this subsection  
4 (g) shall be paid in the form of a lump sum within 30 days after  
5 receipt of the bill or, if the System upon timely application  
6 determines that recalculation of the bill is appropriate,  
7 within 30 days after receipt of the recalculated bill, but in  
8 either case the required amount shall be due no sooner than the  
9 date upon which ~~after~~ the participant begins receiving benefits  
10 under this Article.

11 (h) This subsection (h) applies only to payments made or  
12 salary increases given after June 30, 2006 but before July 1,  
13 2009.

14 When assessing payment for any amount due under subsection  
15 (g), the System shall exclude ~~The provisions of this subsection~~  
16 ~~(g) do not apply to~~ earnings increases paid to participants  
17 under contracts or collective bargaining agreements entered  
18 into, amended, or renewed before June 1, 2005 ~~the effective~~  
19 ~~date of this amendatory Act of the 94th General Assembly.~~

20 When assessing payment for any amount due under subsection  
21 (g), the System shall exclude earnings increases resulting from  
22 overload work, including a contract for summer teaching, or  
23 overtime when the employer has certified to the System, and the  
24 System has approved the certification, that: (i) in the case of  
25 overloads (A) the overload work is for the sole purpose of  
26 academic instruction occurring during the academic year that  
27 the overload is paid and (B) the earnings increases are equal  
28 to or less than the rate of pay for academic instruction  
29 computed using the participant's current salary rate and work  
30 schedule; and (ii) in the case of overtime, the overtime was  
31 necessary for the educational mission.

32 When assessing payment for any amount due under subsection  
33 (g), the System shall exclude any earnings increase resulting  
34 from (i) a promotion for which the employee moves from one

1 classification to a higher classification under the State  
2 Universities Civil Service System or (ii) a promotion in  
3 academic rank for a tenured or tenure-track faculty position.  
4 These earnings increases shall be excluded only if the  
5 promotion is to a position that has existed and been filled by  
6 a member for no less than one complete academic year and the  
7 earnings increase as a result of the promotion is an increase  
8 that results in an amount no greater than the average salary  
9 paid for other similar positions.

10 When assessing payment for any amount due under subsection  
11 (g), the System shall exclude any earnings for which the  
12 employer has paid the accruing normal costs under subsection  
13 (b) of this Section.

14 (i) When assessing payment for any amount due under  
15 subsection (g), the System shall exclude any salary increase  
16 described in subsection (h) of this Section given on or after  
17 July 1, 2009 but before July 1, 2012 under a contract or  
18 collective bargaining agreement entered into, amended, or  
19 renewed on or after June 30, 2006 but before July 1, 2009.  
20 Notwithstanding any other provision of this Section, any  
21 payments made or salary increases given after June 30, 2012  
22 shall be used in assessing payment for any amount due under  
23 subsection (g) of this Section.

24 (j) The System shall prepare a report and file copies of  
25 the report with the Governor and the General Assembly by  
26 January 1, 2007 that contains all of the following information:

27 (1) The number of recalculations required by the  
28 changes made to this Section by this amendatory Act of the  
29 94th General Assembly for each employer.

30 (2) The dollar amount by which each employer's  
31 contribution to the System was changed due to  
32 recalculations required by this amendatory Act of the 94th  
33 General Assembly.

34 (3) The total amount the System received from each

1       employer as a result of the changes made to this Section by  
2       Public Act 94-4.

3       (4) The increase in the required State contribution  
4       resulting from the changes made to this Section by this  
5       amendatory Act of the 94th General Assembly.

6       (Source: P.A. 93-2, eff. 4-7-03; 94-4, eff. 6-1-05.)

7       (40 ILCS 5/15-168.1)

8       Sec. 15-168.1. Testimony and the production of records. The  
9       secretary of the Board shall have the power to issue subpoenas  
10      to compel the attendance of witnesses and the production of  
11      documents and records, including law enforcement records  
12      maintained by law enforcement agencies, in conjunction with the  
13      determination of employer payments required under subsection  
14      (g) of Section 15-155, a disability claim, an administrative  
15      review proceeding ~~proceedings~~, or a felony forfeiture  
16      investigation. The fees of witnesses for attendance and travel  
17      shall be the same as the fees of witnesses before the circuit  
18      courts of this State and shall be paid by the party seeking the  
19      subpoena. The Board may apply to any circuit court in the State  
20      for an order requiring compliance with a subpoena issued under  
21      this Section. Subpoenas issued under this Section shall be  
22      subject to applicable provisions of the Code of Civil  
23      Procedure.

24      (Source: P.A. 90-65, eff. 7-7-97; 90-511, eff. 8-22-97.)

25      (40 ILCS 5/16-128) (from Ch. 108 1/2, par. 16-128)

26      Sec. 16-128. Creditable service - required contributions.

27      (a) In order to receive the creditable service specified  
28      under subsection (b) of Section 16-127, a member is required to  
29      make the following contributions: (i) an amount equal to the  
30      contributions which would have been required had such service  
31      been rendered as a member under this System; (ii) for military  
32      service not immediately following employment and for service



1 established under subdivision (b)(10) of Section 16-127, an  
2 amount determined by the Board to be equal to the employer's  
3 normal cost of the benefits accrued for such service; and (iii)  
4 interest from the date the contributions would have been due  
5 (or, in the case of a person establishing credit for military  
6 service under subdivision (b)(3) of Section 16-127, the date of  
7 first membership in the System, if that date is later) to the  
8 date of payment, at the following rate of interest, compounded  
9 annually: for periods prior to July 1, 1965, regular interest;  
10 from July 1, 1965 to June 30, 1977, 4% per year; on and after  
11 July 1, 1977, regular interest.

12 (b) In order to receive creditable service under paragraph  
13 (2) of subsection (b) of Section 16-127 for those who were not  
14 members on June 30, 1963, the minimum required contribution  
15 shall be \$420 per year of service together with interest at 4%  
16 per year compounded annually from July 1, preceding the date of  
17 membership until June 30, 1977 and at regular interest  
18 compounded annually thereafter to the date of payment.

19 (c) In determining the contribution required in order to  
20 receive creditable service under paragraph (3) of subsection  
21 (b) of Section 16-127, the salary rate for the remainder of the  
22 school term in which a member enters military service shall be  
23 assumed to be equal to the member's salary rate at the time of  
24 entering military service. However, for military service not  
25 immediately following employment, the salary rate on the last  
26 date as a participating teacher prior to such military service,  
27 or on the first date as a participating teacher after such  
28 military service, whichever is greater, shall be assumed to be  
29 equal to the member's salary rate at the time of entering  
30 military service. For each school term thereafter, the member's  
31 salary rate shall be assumed to be 5% higher than the salary  
32 rate in the previous school term.

33 (d) In determining the contribution required in order to  
34 receive creditable service under paragraph (5) of subsection

1 (b) of Section 16-127, a member's salary rate during the period  
2 for which credit is being established shall be assumed to be  
3 equal to the member's last salary rate immediately preceding  
4 that period.

5 (d-5) For each year of service credit to be established  
6 under subsection (b-1) of Section 16-127, a member is required  
7 to contribute to the System (i) 16.5% of the annual salary rate  
8 during the first year of full-time employment as a teacher  
9 under this Article following the private school service, plus  
10 (ii) interest thereon from the date of first full-time  
11 employment as a teacher under this Article following the  
12 private school service to the date of payment, compounded  
13 annually, at the rate of 8.5% per year for periods before the  
14 effective date of this amendatory Act of the 92nd General  
15 Assembly, and for subsequent periods at a rate equal to the  
16 System's actuarially assumed rate of return on investments.

17 (d-10) For service credit established under paragraph (6)  
18 of subsection (b) of Section 16-127 for days granted by an  
19 employer in excess of the member's normal annual sick leave  
20 allotment, the employer is required to pay the normal cost of  
21 benefits based upon such service credit. This subsection (d-10)  
22 does not apply to sick leave granted to teachers under  
23 contracts or collective bargaining agreements entered into,  
24 amended, or renewed before June 1, 2005 (the effective date of  
25 Public Act 94-4) ~~this amendatory Act of the 94th General~~  
26 ~~Assembly.~~ The employer contributions required under this  
27 subsection (d-10) shall be paid in the form of a lump sum  
28 within 30 days after receipt of the bill after the teacher  
29 begins receiving benefits under this Article.

30 (e) Except for contributions under subsection (d-10), the  
31 ~~The~~ contributions required under this Section may be made from  
32 the date the statement for such creditable service is issued  
33 until retirement date. All such required contributions must be  
34 made before any retirement annuity is granted.

1 (Source: P.A. 94-4, eff. 6-1-05.)

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

3 Sec. 16-158. Contributions by State and other employing  
4 units.

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

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

17 (a-1) Annually, on or before November 15, the Board shall  
18 certify to the Governor the amount of the required State  
19 contribution for the coming fiscal year. The certification  
20 shall include a copy of the actuarial recommendations upon  
21 which it is based.

22 On or before May 1, 2004, the Board shall recalculate and  
23 recertify to the Governor the amount of the required State  
24 contribution to the System for State fiscal year 2005, taking  
25 into account the amounts appropriated to and received by the  
26 System under subsection (d) of Section 7.2 of the General  
27 Obligation Bond Act.

28 On or before July 1, 2005, the Board shall recalculate and  
29 recertify to the Governor the amount of the required State  
30 contribution to the System for State fiscal year 2006, taking  
31 into account the changes in required State contributions made  
32 by this amendatory Act of the 94th General Assembly.

33 (b) Through State fiscal year 1995, the State contributions

1 shall be paid to the System in accordance with Section 18-7 of  
2 the School Code.

3 (b-1) Beginning in State fiscal year 1996, on the 15th day  
4 of each month, or as soon thereafter as may be practicable, the  
5 Board shall submit vouchers for payment of State contributions  
6 to the System, in a total monthly amount of one-twelfth of the  
7 required annual State contribution certified under subsection  
8 (a-1). From the effective date of this amendatory Act of the  
9 93rd General Assembly through June 30, 2004, the Board shall  
10 not submit vouchers for the remainder of fiscal year 2004 in  
11 excess of the fiscal year 2004 certified contribution amount  
12 determined under this Section after taking into consideration  
13 the transfer to the System under subsection (a) of Section  
14 6z-61 of the State Finance Act. These vouchers shall be paid by  
15 the State Comptroller and Treasurer by warrants drawn on the  
16 funds appropriated to the System for that fiscal year.

17 If in any month the amount remaining unexpended from all  
18 other appropriations to the System for the applicable fiscal  
19 year (including the appropriations to the System under Section  
20 8.12 of the State Finance Act and Section 1 of the State  
21 Pension Funds Continuing Appropriation Act) is less than the  
22 amount lawfully vouchered under this subsection, the  
23 difference shall be paid from the Common School Fund under the  
24 continuing appropriation authority provided in Section 1.1 of  
25 the State Pension Funds Continuing Appropriation Act.

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

29 (b-3) For State fiscal years 2011 through 2045, the minimum  
30 contribution to the System to be made by the State for each  
31 fiscal year shall be an amount determined by the System to be  
32 sufficient to bring the total assets of the System up to 90% of  
33 the total actuarial liabilities of the System by the end of  
34 State fiscal year 2045. In making these determinations, the

1 required State contribution shall be calculated each year as a  
2 level percentage of payroll over the years remaining to and  
3 including fiscal year 2045 and shall be determined under the  
4 projected unit credit actuarial cost method.

5 For State fiscal years 1996 through 2005, the State  
6 contribution to the System, as a percentage of the applicable  
7 employee payroll, shall be increased in equal annual increments  
8 so that by State fiscal year 2011, the State is contributing at  
9 the rate required under this Section; except that in the  
10 following specified State fiscal years, the State contribution  
11 to the System shall not be less than the following indicated  
12 percentages of the applicable employee payroll, even if the  
13 indicated percentage will produce a State contribution in  
14 excess of the amount otherwise required under this subsection  
15 and subsection (a), and notwithstanding any contrary  
16 certification made under subsection (a-1) before the effective  
17 date of this amendatory Act of 1998: 10.02% in FY 1999; 10.77%  
18 in FY 2000; 11.47% in FY 2001; 12.16% in FY 2002; 12.86% in FY  
19 2003; and 13.56% in FY 2004.

20 Notwithstanding any other provision of this Article, the  
21 total required State contribution for State fiscal year 2006 is  
22 \$534,627,700.

23 Notwithstanding any other provision of this Article, the  
24 total required State contribution for State fiscal year 2007 is  
25 \$738,014,500.

26 For each of State fiscal years 2008 through 2010, the State  
27 contribution to the System, as a percentage of the applicable  
28 employee payroll, shall be increased in equal annual increments  
29 from the required State contribution for State fiscal year  
30 2007, so that by State fiscal year 2011, the State is  
31 contributing at the rate otherwise required under this Section.

32 Beginning in State fiscal year 2046, the minimum State  
33 contribution for each fiscal year shall be the amount needed to  
34 maintain the total assets of the System at 90% of the total

1 actuarial liabilities of the System.

2 Notwithstanding any other provision of this Section, the  
3 required State contribution for State fiscal year 2005 and for  
4 fiscal year 2008 and each fiscal year thereafter, as calculated  
5 under this Section and certified under subsection (a-1), shall  
6 not exceed an amount equal to (i) the amount of the required  
7 State contribution that would have been calculated under this  
8 Section for that fiscal year if the System had not received any  
9 payments under subsection (d) of Section 7.2 of the General  
10 Obligation Bond Act, minus (ii) the portion of the State's  
11 total debt service payments for that fiscal year on the bonds  
12 issued for the purposes of that Section 7.2, as determined and  
13 certified by the Comptroller, that is the same as the System's  
14 portion of the total moneys distributed under subsection (d) of  
15 Section 7.2 of the General Obligation Bond Act. In determining  
16 this maximum for State fiscal years 2008 through 2010, however,  
17 the amount referred to in item (i) shall be increased, as a  
18 percentage of the applicable employee payroll, in equal  
19 increments calculated from the sum of the required State  
20 contribution for State fiscal year 2007 plus the applicable  
21 portion of the State's total debt service payments for fiscal  
22 year 2007 on the bonds issued for the purposes of Section 7.2  
23 of the General Obligation Bond Act, so that, by State fiscal  
24 year 2011, the State is contributing at the rate otherwise  
25 required under this Section.

26 (c) Payment of the required State contributions and of all  
27 pensions, retirement annuities, death benefits, refunds, and  
28 other benefits granted under or assumed by this System, and all  
29 expenses in connection with the administration and operation  
30 thereof, are obligations of the State.

31 If members are paid from special trust or federal funds  
32 which are administered by the employing unit, whether school  
33 district or other unit, the employing unit shall pay to the  
34 System from such funds the full accruing retirement costs based

1 upon that service, as determined by the System. Employer  
2 contributions, based on salary paid to members from federal  
3 funds, may be forwarded by the distributing agency of the State  
4 of Illinois to the System prior to allocation, in an amount  
5 determined in accordance with guidelines established by such  
6 agency and the System.

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

14 However, with respect to benefits granted under Section  
15 16-133.4 or 16-133.5 to a teacher as defined in paragraph (8)  
16 of Section 16-106, the employer's contribution shall be 12%  
17 (rather than 20%) of the member's highest annual salary rate  
18 for each year of creditable service granted, and the employer  
19 shall also pay the required employee contribution on behalf of  
20 the teacher. For the purposes of Sections 16-133.4 and  
21 16-133.5, a teacher as defined in paragraph (8) of Section  
22 16-106 who is serving in that capacity while on leave of  
23 absence from another employer under this Article shall not be  
24 considered an employee of the employer from which the teacher  
25 is on leave.

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

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

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

1 The school district or other employing unit may pay these  
2 employer contributions out of any source of funding available  
3 for that purpose and shall forward the contributions to the  
4 System on the schedule established for the payment of member  
5 contributions.

6 These employer contributions are intended to offset a  
7 portion of the cost to the System of the increases in  
8 retirement benefits resulting from this amendatory Act of 1998.

9 Each employer of teachers is entitled to a credit against  
10 the contributions required under this subsection (e) with  
11 respect to salaries paid to teachers for the period January 1,  
12 2002 through June 30, 2003, equal to the amount paid by that  
13 employer under subsection (a-5) of Section 6.6 of the State  
14 Employees Group Insurance Act of 1971 with respect to salaries  
15 paid to teachers for that period.

16 The additional 1% employee contribution required under  
17 Section 16-152 by this amendatory Act of 1998 is the  
18 responsibility of the teacher and not the teacher's employer,  
19 unless the employer agrees, through collective bargaining or  
20 otherwise, to make the contribution on behalf of the teacher.

21 If an employer is required by a contract in effect on May  
22 1, 1998 between the employer and an employee organization to  
23 pay, on behalf of all its full-time employees covered by this  
24 Article, all mandatory employee contributions required under  
25 this Article, then the employer shall be excused from paying  
26 the employer contribution required under this subsection (e)  
27 for the balance of the term of that contract. The employer and  
28 the employee organization shall jointly certify to the System  
29 the existence of the contractual requirement, in such form as  
30 the System may prescribe. This exclusion shall cease upon the  
31 termination, extension, or renewal of the contract at any time  
32 after May 1, 1998.

33 (f) If the amount of a teacher's salary for any school year  
34 used to determine final average salary exceeds the amount of



1 his or her salary with the same employer for the previous  
2 school year by more than 6%, the teacher's employer shall pay  
3 to the System, in addition to all other payments required under  
4 this Section and in accordance with guidelines established by  
5 the System, the present value of the increase in benefits  
6 resulting from the portion of the increase in salary that is in  
7 excess of 6%. This present value shall be computed by the  
8 System on the basis of the actuarial assumptions and tables  
9 used in the most recent actuarial valuation of the System that  
10 is available at the time of the computation. For the purposes  
11 of this Section, change in employment under Section 10-21.12 of  
12 the School Code shall constitute a change in employer. The  
13 System may require the employer to provide any pertinent  
14 information or documentation.

15 Whenever it determines that a payment is or may be required  
16 under this subsection, the System shall calculate the amount of  
17 the payment and bill the employer for that amount. The bill  
18 shall specify the calculations used to determine the amount  
19 due. If the employer disputes the amount of the bill, it may,  
20 within 30 days after receipt of the bill, apply to the System  
21 in writing for a recalculation. The application must specify in  
22 detail the grounds of the dispute and, if the employer asserts  
23 that the calculation is subject to subsection (g) or (h) of  
24 this Section, must include an affidavit setting forth and  
25 attesting to all facts within the employer's knowledge that are  
26 pertinent to the applicability of that subsection. Upon  
27 receiving a timely application for recalculation, the System  
28 shall review the application and, if appropriate, recalculate  
29 the amount due.

30 The employer contributions required under this subsection  
31 (f) shall be paid in the form of a lump sum within 30 days after  
32 receipt of the bill or, if the System upon timely application  
33 determines that recalculation of the bill is appropriate,  
34 within 30 days after receipt of the recalculated bill, but in

1 either case the required payment shall be due no sooner than  
2 the date upon which ~~after~~ the teacher begins receiving benefits  
3 under this Article.

4 (g) This subsection (g) applies only to payments made or  
5 salary increases given after June 30, 2006 but before July 1,  
6 2009.

7 When assessing payment for any amount due under subsection  
8 (f), the System shall exclude ~~The provisions of this subsection~~  
9 ~~(f) do not apply to~~ salary increases paid to teachers under  
10 contracts or collective bargaining agreements entered into,  
11 amended, or renewed before June 1, 2005 ~~the effective date of~~  
12 ~~this amendatory Act of the 94th General Assembly.~~

13 When assessing payment for any amount due under subsection  
14 (f), the System shall exclude salary increases resulting from  
15 overload work, including summer school, when the school  
16 district has certified to the System, and the System has  
17 approved the certification, that (i) the overload work is for  
18 the sole purpose of classroom instruction and (ii) the salary  
19 increases are equal to or less than the rate of pay for  
20 classroom instruction computed on the teacher's current salary  
21 and work schedule.

22 When assessing payment for any amount due under subsection  
23 (f), the System shall exclude a salary increase resulting from  
24 a promotion (i) for which the employee is required to hold a  
25 certificate or supervisory endorsement issued by the State  
26 Teacher Certification Board that is a different certification  
27 or supervisory endorsement than is required for the teacher's  
28 previous position and (ii) to a position that has existed and  
29 been filled by a member for no less than one complete academic  
30 year and the salary increase from the promotion is an increase  
31 that results in an amount no greater than the lesser of the  
32 average salary paid for other similar positions in the district  
33 requiring the same certification or the amount stipulated in  
34 the collective bargaining agreement for a similar position

1 requiring the same certification.

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

8 (h) When assessing payment for any amount due under  
9 subsection (f), the System shall exclude any salary increase  
10 described in subsection (g) of this Section given on or after  
11 July 1, 2009 but before July 1, 2012 under a contract or  
12 collective bargaining agreement entered into, amended, or  
13 renewed on or after June 30, 2006 but before July 1, 2009.  
14 Notwithstanding any other provision of this Section, any  
15 payments made or salary increases given after June 30, 2012  
16 shall be used in assessing payment for any amount due under  
17 subsection (f) of this Section.

18 (i) The System shall prepare a report and file copies of  
19 the report with the Governor and the General Assembly by  
20 January 1, 2007 that contains all of the following information:

21 (1) The number of recalculations required by the  
22 changes made to this Section by this amendatory Act of the  
23 94th General Assembly for each employer.

24 (2) The dollar amount by which each employer's  
25 contribution to the System was changed due to  
26 recalculations required by this amendatory Act of the 94th  
27 General Assembly.

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

31 (4) The increase in the required State contribution  
32 resulting from the changes made to this Section by this  
33 amendatory Act of the 94th General Assembly.

34 (Source: P.A. 93-2, eff. 4-7-03; 93-665, eff. 3-5-04; 94-4,

1 eff. 6-1-05.)

2 (40 ILCS 5/16-169.1)

3 Sec. 16-169.1. Testimony and the production of records. The  
4 secretary of the Board shall have the power to issue subpoenas  
5 to compel the attendance of witnesses and the production of  
6 documents and records, including law enforcement records  
7 maintained by law enforcement agencies, in conjunction with the  
8 determination of employer payments required under subsection  
9 (f) of Section 16-158, a disability claim, an administrative  
10 review proceeding, or a felony forfeiture investigation. The  
11 fees of witnesses for attendance and travel shall be the same  
12 as the fees of witnesses before the circuit courts of this  
13 State and shall be paid by the party seeking the subpoena. The  
14 Board may apply to any circuit court in the State for an order  
15 requiring compliance with a subpoena issued under this Section.  
16 Subpoenas issued under this Section shall be subject to  
17 applicable provisions of the Code of Civil Procedure.  
18 (Source: P.A. 90-448, eff. 8-16-97.)

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