



Adopted in House Comm. on Nov 16, 2006

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1 AMENDMENT TO SENATE BILL 36

2 AMENDMENT NO. _____. Amend Senate Bill 36 by replacing
3 everything after the enacting clause with the following:

4 "Section 5. The Illinois Pension Code is amended by
5 changing Sections 14-103.05, 14-104, 16-106, 16-158, and
6 17-133 as follows:

7 (40 ILCS 5/14-103.05) (from Ch. 108 1/2, par. 14-103.05)
8 Sec. 14-103.05. Employee.

9 (a) Any person employed by a Department who receives salary
10 for personal services rendered to the Department on a warrant
11 issued pursuant to a payroll voucher certified by a Department
12 and drawn by the State Comptroller upon the State Treasurer,
13 including an elected official described in subparagraph (d) of
14 Section 14-104, shall become an employee for purpose of
15 membership in the Retirement System on the first day of such
16 employment.

17 A person entering service on or after January 1, 1972 and
18 prior to January 1, 1984 shall become a member as a condition
19 of employment and shall begin making contributions as of the
20 first day of employment.

21 A person entering service on or after January 1, 1984
22 shall, upon completion of 6 months of continuous service which
23 is not interrupted by a break of more than 2 months, become a
24 member as a condition of employment. Contributions shall begin

1 the first of the month after completion of the qualifying
2 period.

3 The qualifying period of 6 months of service is not
4 applicable to: (1) a person who has been granted credit for
5 service in a position covered by the State Universities
6 Retirement System, the Teachers' Retirement System of the State
7 of Illinois, the General Assembly Retirement System, or the
8 Judges Retirement System of Illinois unless that service has
9 been forfeited under the laws of those systems; (2) a person
10 entering service on or after July 1, 1991 in a noncovered
11 position; or (3) a person to whom Section 14-108.2a or
12 14-108.2b applies.

13 (b) The term "employee" does not include the following:

14 (1) members of the State Legislature, and persons
15 electing to become members of the General Assembly
16 Retirement System pursuant to Section 2-105;

17 (2) incumbents of offices normally filled by vote of
18 the people;

19 (3) except as otherwise provided in this Section, any
20 person appointed by the Governor with the advice and
21 consent of the Senate unless that person elects to
22 participate in this system;

23 (3.1) any person serving as a commissioner of an ethics
24 commission created under the State Officials and Employees
25 Ethics Act unless that person elects to participate in this
26 system with respect to that service as a commissioner;

27 (3.2) any person serving as a part-time employee in any
28 of the following positions: Legislative Inspector General,
29 Special Legislative Inspector General, employee of the
30 Office of the Legislative Inspector General, Executive
31 Director of the Legislative Ethics Commission, or staff of
32 the Legislative Ethics Commission, regardless of whether
33 he or she is in active service on or after July 8, 2004
34 (the effective date of Public Act 93-685), unless that

1 person elects to participate in this System with respect to
2 that service; in this item (3.2), a "part-time employee" is
3 a person who is not required to work at least 35 hours per
4 week;

5 (3.3) any person who has made an election under Section
6 1-123 and who is serving either as legal counsel in the
7 Office of the Governor or as Chief Deputy Attorney General;

8 (4) except as provided in Section 14-108.2 or
9 14-108.2c, any person who is covered or eligible to be
10 covered by the Teachers' Retirement System of the State of
11 Illinois, the State Universities Retirement System, or the
12 Judges Retirement System of Illinois;

13 (5) an employee of a municipality or any other
14 political subdivision of the State;

15 (6) any person who becomes an employee after June 30,
16 1979 as a public service employment program participant
17 under the Federal Comprehensive Employment and Training
18 Act and whose wages or fringe benefits are paid in whole or
19 in part by funds provided under such Act;

20 (7) enrollees of the Illinois Young Adult Conservation
21 Corps program, administered by the Department of Natural
22 Resources, authorized grantee pursuant to Title VIII of the
23 "Comprehensive Employment and Training Act of 1973", 29 USC
24 993, as now or hereafter amended;

25 (8) enrollees and temporary staff of programs
26 administered by the Department of Natural Resources under
27 the Youth Conservation Corps Act of 1970;

28 (9) any person who is a member of any professional
29 licensing or disciplinary board created under an Act
30 administered by the Department of Professional Regulation
31 or a successor agency or created or re-created after the
32 effective date of this amendatory Act of 1997, and who
33 receives per diem compensation rather than a salary,
34 notwithstanding that such per diem compensation is paid by

1 warrant issued pursuant to a payroll voucher; such persons
2 have never been included in the membership of this System,
3 and this amendatory Act of 1987 (P.A. 84-1472) is not
4 intended to effect any change in the status of such
5 persons;

6 (10) any person who is a member of the Illinois Health
7 Care Cost Containment Council, and receives per diem
8 compensation rather than a salary, notwithstanding that
9 such per diem compensation is paid by warrant issued
10 pursuant to a payroll voucher; such persons have never been
11 included in the membership of this System, and this
12 amendatory Act of 1987 is not intended to effect any change
13 in the status of such persons;

14 (11) any person who is a member of the Oil and Gas
15 Board created by Section 1.2 of the Illinois Oil and Gas
16 Act, and receives per diem compensation rather than a
17 salary, notwithstanding that such per diem compensation is
18 paid by warrant issued pursuant to a payroll voucher; or

19 (12) a person employed by the State Board of Higher
20 Education in a position with the Illinois Century Network
21 as of June 30, 2004, who remains continuously employed
22 after that date by the Department of Central Management
23 Services in a position with the Illinois Century Network
24 and participates in the Article 15 system with respect to
25 that employment.

26 (c) An individual who represents or is employed as an
27 officer or employee of a statewide labor organization that
28 represents members of this System may participate in the System
29 and shall be deemed an employee, provided that (1) the
30 individual has previously earned creditable service under this
31 Article, (2) the individual files with the System an
32 irrevocable election to become a participant within 6 months
33 after the effective date of this amendatory Act of the 94th
34 General Assembly, and (3) the individual does not receive

1 credit for that employment under any other provisions of this
2 Code. An employee under this subsection (c) is responsible for
3 paying to the System both (i) employee contributions based on
4 the actual compensation received for service with the labor
5 organization and (ii) employer contributions based on the
6 percentage of payroll certified by the board; all or any part
7 of these contributions may be paid on the employee's behalf or
8 picked up for tax purposes (if authorized under federal law) by
9 the labor organization.

10 A person who is an employee as defined in this subsection
11 (c) may establish service credit for similar employment prior
12 to becoming an employee under this subsection by paying to the
13 System for that employment the contributions specified in this
14 subsection, plus interest at the effective rate from the date
15 of service to the date of payment. However, credit shall not be
16 granted under this subsection (c) for any such prior employment
17 for which the applicant received credit under any other
18 provision of this Code or during which the applicant was on a
19 leave of absence.

20 (Source: P.A. 92-14, eff. 6-28-01; 93-685, eff. 7-8-04; 93-839,
21 eff. 7-30-04; 93-1069, eff. 1-15-05.)

22 (40 ILCS 5/14-104) (from Ch. 108 1/2, par. 14-104)

23 Sec. 14-104. Service for which contributions permitted.
24 Contributions provided for in this Section shall cover the
25 period of service granted. Except as otherwise provided in this
26 Section, the contributions shall be based upon the employee's
27 compensation and contribution rate in effect on the date he
28 last became a member of the System; provided that for all
29 employment prior to January 1, 1969 the contribution rate shall
30 be that in effect for a noncovered employee on the date he last
31 became a member of the System. Except as otherwise provided in
32 this Section, contributions permitted under this Section shall
33 include regular interest from the date an employee last became

1 a member of the System to the date of payment.

2 These contributions must be paid in full before retirement
3 either in a lump sum or in installment payments in accordance
4 with such rules as may be adopted by the board.

5 (a) Any member may make contributions as required in this
6 Section for any period of service, subsequent to the date of
7 establishment, but prior to the date of membership.

8 (b) Any employee who had been previously excluded from
9 membership because of age at entry and subsequently became
10 eligible may elect to make contributions as required in this
11 Section for the period of service during which he was
12 ineligible.

13 (c) An employee of the Department of Insurance who, after
14 January 1, 1944 but prior to becoming eligible for membership,
15 received salary from funds of insurance companies in the
16 process of rehabilitation, liquidation, conservation or
17 dissolution, may elect to make contributions as required in
18 this Section for such service.

19 (d) Any employee who rendered service in a State office to
20 which he was elected, or rendered service in the elective
21 office of Clerk of the Appellate Court prior to the date he
22 became a member, may make contributions for such service as
23 required in this Section. Any member who served by appointment
24 of the Governor under the Civil Administrative Code of Illinois
25 and did not participate in this System may make contributions
26 as required in this Section for such service.

27 (e) Any person employed by the United States government or
28 any instrumentality or agency thereof from January 1, 1942
29 through November 15, 1946 as the result of a transfer from
30 State service by executive order of the President of the United
31 States shall be entitled to prior service credit covering the
32 period from January 1, 1942 through December 31, 1943 as
33 provided for in this Article and to membership service credit
34 for the period from January 1, 1944 through November 15, 1946

1 by making the contributions required in this Section. A person
2 so employed on January 1, 1944 but whose employment began after
3 January 1, 1942 may qualify for prior service and membership
4 service credit under the same conditions.

5 (f) An employee of the Department of Labor of the State of
6 Illinois who performed services for and under the supervision
7 of that Department prior to January 1, 1944 but who was
8 compensated for those services directly by federal funds and
9 not by a warrant of the Auditor of Public Accounts paid by the
10 State Treasurer may establish credit for such employment by
11 making the contributions required in this Section. An employee
12 of the Department of Agriculture of the State of Illinois, who
13 performed services for and under the supervision of that
14 Department prior to June 1, 1963, but was compensated for those
15 services directly by federal funds and not paid by a warrant of
16 the Auditor of Public Accounts paid by the State Treasurer, and
17 who did not contribute to any other public employee retirement
18 system for such service, may establish credit for such
19 employment by making the contributions required in this
20 Section.

21 (g) Any employee who executed a waiver of membership within
22 60 days prior to January 1, 1944 may, at any time while in the
23 service of a department, file with the board a rescission of
24 such waiver. Upon making the contributions required by this
25 Section, the member shall be granted the creditable service
26 that would have been received if the waiver had not been
27 executed.

28 (h) Until May 1, 1990, an employee who was employed on a
29 full-time basis by a regional planning commission for at least
30 5 continuous years may establish creditable service for such
31 employment by making the contributions required under this
32 Section, provided that any credits earned by the employee in
33 the commission's retirement plan have been terminated.

34 (i) Any person who rendered full time contractual services

1 to the General Assembly as a member of a legislative staff may
2 establish service credit for up to 8 years of such services by
3 making the contributions required under this Section, provided
4 that application therefor is made not later than July 1, 1991.

5 (j) By paying the contributions otherwise required under
6 this Section, plus an amount determined by the Board to be
7 equal to the employer's normal cost of the benefit plus
8 interest, but with all of the interest calculated from the date
9 the employee last became a member of the System or November 19,
10 1991, whichever is later, to the date of payment, an employee
11 may establish service credit for a period of up to 2 years
12 spent in active military service for which he does not qualify
13 for credit under Section 14-105, provided that (1) he was not
14 dishonorably discharged from such military service, and (2) the
15 amount of service credit established by a member under this
16 subsection (j), when added to the amount of military service
17 credit granted to the member under subsection (b) of Section
18 14-105, shall not exceed 5 years. The change in the manner of
19 calculating interest under this subsection (j) made by this
20 amendatory Act of the 92nd General Assembly applies to credit
21 purchased by an employee on or after its effective date and
22 does not entitle any person to a refund of contributions or
23 interest already paid.

24 (k) An employee who was employed on a full-time basis by
25 the Illinois State's Attorneys Association Statewide Appellate
26 Assistance Service LEAA-ILEC grant project prior to the time
27 that project became the State's Attorneys Appellate Service
28 Commission, now the Office of the State's Attorneys Appellate
29 Prosecutor, an agency of State government, may establish
30 creditable service for not more than 60 months service for such
31 employment by making contributions required under this
32 Section.

33 (l) By paying the contributions otherwise required under
34 this Section, plus an amount determined by the Board to be

1 equal to the employer's normal cost of the benefit plus
2 interest, a member may establish service credit for periods of
3 less than one year spent on authorized leave of absence from
4 service, provided that (1) the period of leave began on or
5 after January 1, 1982 and (2) any credit established by the
6 member for the period of leave in any other public employee
7 retirement system has been terminated. A member may establish
8 service credit under this subsection for more than one period
9 of authorized leave, and in that case the total period of
10 service credit established by the member under this subsection
11 may exceed one year. In determining the contributions required
12 for establishing service credit under this subsection, the
13 interest shall be calculated from the beginning of the leave of
14 absence to the date of payment.

15 (m) Any person who rendered contractual services to a
16 member of the General Assembly as a worker in the member's
17 district office may establish creditable service for up to 3
18 years of those contractual services by making the contributions
19 required under this Section. The System shall determine a
20 full-time salary equivalent for the purpose of calculating the
21 required contribution. To establish credit under this
22 subsection, the applicant must apply to the System by March 1,
23 1998.

24 (n) Any person who rendered contractual services to a
25 member of the General Assembly as a worker providing
26 constituent services to persons in the member's district may
27 establish creditable service for up to 8 years of those
28 contractual services by making the contributions required
29 under this Section. The System shall determine a full-time
30 salary equivalent for the purpose of calculating the required
31 contribution. To establish credit under this subsection, the
32 applicant must apply to the System by March 1, 1998.

33 (o) A member who participated in the Illinois Legislative
34 Staff Internship Program may establish creditable service for

1 up to one year of that participation by making the contribution
2 required under this Section. The System shall determine a
3 full-time salary equivalent for the purpose of calculating the
4 required contribution. Credit may not be established under this
5 subsection for any period for which service credit is
6 established under any other provision of this Code.

7 (p) By paying the contributions otherwise required under
8 this Section, plus an amount determined by the Board to be
9 equal to the employer's normal cost of the benefit plus
10 interest, a member may establish service credit for a period of
11 up to 8 years during which he or she was employed by the
12 Visually Handicapped Managers of Illinois in a vending program
13 operated under a contractual agreement with the Department of
14 Rehabilitation Services or its successor agency.

15 This subsection (p) applies without regard to whether the
16 person was in service on or after the effective date of this
17 amendatory Act of the 94th General Assembly. In the case of a
18 person who is receiving a retirement annuity on that effective
19 date, the increase, if any, shall begin to accrue on the first
20 annuity payment date following receipt by the System of the
21 contributions required under this subsection (p).

22 (q) By paying the required contributions under this
23 Section, plus an amount determined by the Board to be equal to
24 the employer's normal cost of the benefit plus interest, an
25 employee who was laid off but returned to State employment
26 under circumstances in which the employee is considered to have
27 been in continuous service for purposes of determining
28 seniority may establish creditable service for the period of
29 the layoff, provided that (1) the applicant applies for the
30 creditable service under this subsection (q) within 6 months
31 after the effective date of this amendatory Act of the 94th
32 General Assembly, (2) the applicant does not receive credit for
33 that period under any other provision of this Code, (3) at the
34 time of the layoff, the applicant is not in an initial

1 probationary status consistent with the rules of the Department
2 of Central Management Services, and (4) the total amount of
3 creditable service established by the applicant under this
4 subsection (q) does not exceed 3 years. For service established
5 under this subsection (q), the required employee contribution
6 shall be based on the rate of compensation earned by the
7 employee on the date of returning to employment after the
8 layoff and the contribution rate then in effect, and the
9 required interest shall be calculated from the date of
10 returning to employment after the layoff to the date of
11 payment.

12 (Source: P.A. 94-612, eff. 8-18-05.)

13 (40 ILCS 5/16-106) (from Ch. 108 1/2, par. 16-106)

14 Sec. 16-106. Teacher. "Teacher": The following
15 individuals, provided that, for employment prior to July 1,
16 1990, they are employed on a full-time basis, or if not
17 full-time, on a permanent and continuous basis in a position in
18 which services are expected to be rendered for at least one
19 school term:

20 (1) Any educational, administrative, professional or
21 other staff employed in the public common schools included
22 within this system in a position requiring certification
23 under the law governing the certification of teachers;

24 (2) Any educational, administrative, professional or
25 other staff employed in any facility of the Department of
26 Children and Family Services or the Department of Human
27 Services, in a position requiring certification under the
28 law governing the certification of teachers, and any person
29 who (i) works in such a position for the Department of
30 Corrections, (ii) was a member of this System on May 31,
31 1987, and (iii) did not elect to become a member of the
32 State Employees' Retirement System pursuant to Section
33 14-108.2 of this Code; except that "teacher" does not

1 include any person who (A) becomes a security employee of
2 the Department of Human Services, as defined in Section
3 14-110, after June 28, 2001 (the effective date of Public
4 Act 92-14), or (B) becomes a member of the State Employees'
5 Retirement System pursuant to Section 14-108.2c of this
6 Code;

7 (3) Any regional superintendent of schools, assistant
8 regional superintendent of schools, State Superintendent
9 of Education; any person employed by the State Board of
10 Education as an executive; any executive of the boards
11 engaged in the service of public common school education in
12 school districts covered under this system of which the
13 State Superintendent of Education is an ex-officio member;

14 (4) Any employee of a school board association
15 operating in compliance with Article 23 of the School Code
16 who is certificated under the law governing the
17 certification of teachers;

18 (5) Any person employed by the retirement system who:

19 (i) was an employee of and a participant in the
20 system on August 17, 2001 (the effective date of Public
21 Act 92-416), or

22 (ii) becomes an employee of the system on or after
23 August 17, 2001;

24 (6) Any educational, administrative, professional or
25 other staff employed by and under the supervision and
26 control of a regional superintendent of schools, provided
27 such employment position requires the person to be
28 certificated under the law governing the certification of
29 teachers and is in an educational program serving 2 or more
30 districts in accordance with a joint agreement authorized
31 by the School Code or by federal legislation;

32 (7) Any educational, administrative, professional or
33 other staff employed in an educational program serving 2 or
34 more school districts in accordance with a joint agreement

1 authorized by the School Code or by federal legislation and
2 in a position requiring certification under the laws
3 governing the certification of teachers;

4 (8) Any officer or employee of a statewide teacher
5 organization or officer of a national teacher organization
6 who is certified under the law governing certification of
7 teachers, provided: (i) the individual had previously
8 established creditable service under this Article, (ii)
9 the individual files with the system an irrevocable
10 election to become a member, and (iii) the individual does
11 not receive credit for such service under any other Article
12 of this Code;

13 (9) Any educational, administrative, professional, or
14 other staff employed in a charter school operating in
15 compliance with the Charter Schools Law who is certificated
16 under the law governing the certification of teachers.

17 An annuitant receiving a retirement annuity under this
18 Article or under Article 17 of this Code who is employed by a
19 board of education or other employer as permitted under Section
20 16-118 or 16-150.1 is not a "teacher" for purposes of this
21 Article. A person who has received a single-sum retirement
22 benefit under Section 16-136.4 of this Article is not a
23 "teacher" for purposes of this Article.

24 A person who is a teacher as described in item (8) of this
25 Section may establish service credit for similar employment
26 prior to becoming certified as a teacher if he or she (i) is
27 certified as a teacher on or before the effective date of this
28 amendatory Act of the 94th General Assembly, (ii) applies in
29 writing to the system within 6 months after the effective date
30 of this amendatory Act of the 94th General Assembly, and (iii)
31 pays to the system contributions equal to the normal costs
32 calculated from the date of first full-time employment as
33 described in item (8) to the date of payment, compounded
34 annually at the rate of 8.5% per year for periods before the

1 effective date of this amendatory Act of the 94th General
2 Assembly and for subsequent periods at a rate equal to the
3 System's actuarially assumed rate of return on investments.
4 However, credit shall not be granted under this paragraph for
5 any such prior employment for which the applicant received
6 credit under any other provision of this Code.

7 (Source: P.A. 92-14, eff. 6-28-01; 92-416, eff. 8-17-01;
8 92-651, eff. 7-11-02; 93-320, eff. 7-23-03.)

9 (40 ILCS 5/16-158) (from Ch. 108 1/2, par. 16-158)

10 Sec. 16-158. Contributions by State and other employing
11 units.

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

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

24 (a-1) Annually, on or before November 15, the Board shall
25 certify to the Governor the amount of the required State
26 contribution for the coming fiscal year. The certification
27 shall include a copy of the actuarial recommendations upon
28 which it is based.

29 On or before May 1, 2004, the Board shall recalculate and
30 recertify to the Governor the amount of the required State
31 contribution to the System for State fiscal year 2005, taking
32 into account the amounts appropriated to and received by the
33 System under subsection (d) of Section 7.2 of the General

1 Obligation Bond Act.

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

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

10 (b-1) Beginning in State fiscal year 1996, on the 15th day
11 of each month, or as soon thereafter as may be practicable, the
12 Board shall submit vouchers for payment of State contributions
13 to the System, in a total monthly amount of one-twelfth of the
14 required annual State contribution certified under subsection
15 (a-1). From the effective date of this amendatory Act of the
16 93rd General Assembly through June 30, 2004, the Board shall
17 not submit vouchers for the remainder of fiscal year 2004 in
18 excess of the fiscal year 2004 certified contribution amount
19 determined under this Section after taking into consideration
20 the transfer to the System under subsection (a) of Section
21 6z-61 of the State Finance Act. These vouchers shall be paid by
22 the State Comptroller and Treasurer by warrants drawn on the
23 funds appropriated to the System for that fiscal year.

24 If in any month the amount remaining unexpended from all
25 other appropriations to the System for the applicable fiscal
26 year (including the appropriations to the System under Section
27 8.12 of the State Finance Act and Section 1 of the State
28 Pension Funds Continuing Appropriation Act) is less than the
29 amount lawfully vouchered under this subsection, the
30 difference shall be paid from the Common School Fund under the
31 continuing appropriation authority provided in Section 1.1 of
32 the State Pension Funds Continuing Appropriation Act.

33 (b-2) Allocations from the Common School Fund apportioned
34 to school districts not coming under this System shall not be

1 diminished or affected by the provisions of this Article.

2 (b-3) For State fiscal years 2011 through 2045, the minimum
3 contribution to the System to be made by the State for each
4 fiscal year shall be an amount determined by the System to be
5 sufficient to bring the total assets of the System up to 90% of
6 the total actuarial liabilities of the System by the end of
7 State fiscal year 2045. In making these determinations, the
8 required State contribution shall be calculated each year as a
9 level percentage of payroll over the years remaining to and
10 including fiscal year 2045 and shall be determined under the
11 projected unit credit actuarial cost method.

12 For State fiscal years 1996 through 2005, the State
13 contribution to the System, as a percentage of the applicable
14 employee payroll, shall be increased in equal annual increments
15 so that by State fiscal year 2011, the State is contributing at
16 the rate required under this Section; except that in the
17 following specified State fiscal years, the State contribution
18 to the System shall not be less than the following indicated
19 percentages of the applicable employee payroll, even if the
20 indicated percentage will produce a State contribution in
21 excess of the amount otherwise required under this subsection
22 and subsection (a), and notwithstanding any contrary
23 certification made under subsection (a-1) before the effective
24 date of this amendatory Act of 1998: 10.02% in FY 1999; 10.77%
25 in FY 2000; 11.47% in FY 2001; 12.16% in FY 2002; 12.86% in FY
26 2003; and 13.56% in FY 2004.

27 Notwithstanding any other provision of this Article, the
28 total required State contribution for State fiscal year 2006 is
29 \$534,627,700.

30 Notwithstanding any other provision of this Article, the
31 total required State contribution for State fiscal year 2007 is
32 \$738,014,500.

33 For each of State fiscal years 2008 through 2010, the State
34 contribution to the System, as a percentage of the applicable

1 employee payroll, shall be increased in equal annual increments
2 from the required State contribution for State fiscal year
3 2007, so that by State fiscal year 2011, the State is
4 contributing at the rate otherwise required under this Section.

5 Beginning in State fiscal year 2046, the minimum State
6 contribution for each fiscal year shall be the amount needed to
7 maintain the total assets of the System at 90% of the total
8 actuarial liabilities of the System.

9 Amounts received by the System pursuant to Section 25 of
10 the Budget Stabilization Act in any fiscal year do not reduce
11 and do not constitute payment of any portion of the minimum
12 State contribution required under this Article in that fiscal
13 year. Such amounts shall not reduce, and shall not be included
14 in the calculation of, the required State contributions under
15 this Article in any future year until the System has reached a
16 funding ratio of at least 90%. A reference in this Article to
17 the "required State contribution" or any substantially similar
18 term does not include or apply to any amounts payable to the
19 System under Section 25 of the Budget Stabilization Act.

20 Notwithstanding any other provision of this Section, the
21 required State contribution for State fiscal year 2005 and for
22 fiscal year 2008 and each fiscal year thereafter, as calculated
23 under this Section and certified under subsection (a-1), shall
24 not exceed an amount equal to (i) the amount of the required
25 State contribution that would have been calculated under this
26 Section for that fiscal year if the System had not received any
27 payments under subsection (d) of Section 7.2 of the General
28 Obligation Bond Act, minus (ii) the portion of the State's
29 total debt service payments for that fiscal year on the bonds
30 issued for the purposes of that Section 7.2, as determined and
31 certified by the Comptroller, that is the same as the System's
32 portion of the total moneys distributed under subsection (d) of
33 Section 7.2 of the General Obligation Bond Act. In determining
34 this maximum for State fiscal years 2008 through 2010, however,

1 the amount referred to in item (i) shall be increased, as a
2 percentage of the applicable employee payroll, in equal
3 increments calculated from the sum of the required State
4 contribution for State fiscal year 2007 plus the applicable
5 portion of the State's total debt service payments for fiscal
6 year 2007 on the bonds issued for the purposes of Section 7.2
7 of the General Obligation Bond Act, so that, by State fiscal
8 year 2011, the State is contributing at the rate otherwise
9 required under this Section.

10 (c) Payment of the required State contributions and of all
11 pensions, retirement annuities, death benefits, refunds, and
12 other benefits granted under or assumed by this System, and all
13 expenses in connection with the administration and operation
14 thereof, are obligations of the State.

15 If members are paid from special trust or federal funds
16 which are administered by the employing unit, whether school
17 district or other unit, the employing unit shall pay to the
18 System from such funds the full accruing retirement costs based
19 upon that service, as determined by the System. Employer
20 contributions, based on salary paid to members from federal
21 funds, may be forwarded by the distributing agency of the State
22 of Illinois to the System prior to allocation, in an amount
23 determined in accordance with guidelines established by such
24 agency and the System.

25 (d) Effective July 1, 1986, any employer of a teacher as
26 defined in paragraph (8) of Section 16-106 shall pay the
27 employer's normal cost of benefits based upon the teacher's
28 service, in addition to employee contributions, as determined
29 by the System. Such employer contributions shall be forwarded
30 monthly in accordance with guidelines established by the
31 System.

32 However, with respect to benefits granted under Section
33 16-133.4 or 16-133.5 to a teacher as defined in paragraph (8)
34 of Section 16-106, the employer's contribution shall be 12%

1 (rather than 20%) of the member's highest annual salary rate
2 for each year of creditable service granted, and the employer
3 shall also pay the required employee contribution on behalf of
4 the teacher. For the purposes of Sections 16-133.4 and
5 16-133.5, a teacher as defined in paragraph (8) of Section
6 16-106 who is serving in that capacity while on leave of
7 absence from another employer under this Article shall not be
8 considered an employee of the employer from which the teacher
9 is on leave.

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

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

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

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

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

27 Each employer of teachers is entitled to a credit against
28 the contributions required under this subsection (e) with
29 respect to salaries paid to teachers for the period January 1,
30 2002 through June 30, 2003, equal to the amount paid by that
31 employer under subsection (a-5) of Section 6.6 of the State
32 Employees Group Insurance Act of 1971 with respect to salaries
33 paid to teachers for that period.

34 The additional 1% employee contribution required under

1 Section 16-152 by this amendatory Act of 1998 is the
2 responsibility of the teacher and not the teacher's employer,
3 unless the employer agrees, through collective bargaining or
4 otherwise, to make the contribution on behalf of the teacher.

5 If an employer is required by a contract in effect on May
6 1, 1998 between the employer and an employee organization to
7 pay, on behalf of all its full-time employees covered by this
8 Article, all mandatory employee contributions required under
9 this Article, then the employer shall be excused from paying
10 the employer contribution required under this subsection (e)
11 for the balance of the term of that contract. The employer and
12 the employee organization shall jointly certify to the System
13 the existence of the contractual requirement, in such form as
14 the System may prescribe. This exclusion shall cease upon the
15 termination, extension, or renewal of the contract at any time
16 after May 1, 1998.

17 (f) If the amount of a teacher's salary for any school year
18 used to determine final average salary exceeds the member's
19 annual full-time salary rate with the same employer for the
20 previous school year by more than 6%, the teacher's employer
21 shall pay to the System, in addition to all other payments
22 required under this Section and in accordance with guidelines
23 established by the System, the present value of the increase in
24 benefits resulting from the portion of the increase in salary
25 that is in excess of 6%. This present value shall be computed
26 by the System on the basis of the actuarial assumptions and
27 tables used in the most recent actuarial valuation of the
28 System that is available at the time of the computation. If a
29 teacher's salary for the 2005-2006 school year is used to
30 determine final average salary under this subsection (f), then
31 the changes made to this subsection (f) by Public Act 94-1057
32 shall apply in calculating whether the increase in his or her
33 salary is in excess of 6%. For the purposes of this Section,
34 change in employment under Section 10-21.12 of the School Code

1 on or after June 1, 2005 shall constitute a change in employer.
2 The System may require the employer to provide any pertinent
3 information or documentation. The changes made to this
4 subsection (f) by this amendatory Act of the 94th General
5 Assembly apply without regard to whether the teacher was in
6 service on or after its effective date.

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

22 The employer contributions required under this subsection
23 (f) may be paid in the form of a lump sum within 90 days after
24 receipt of the bill. If the employer contributions are not paid
25 within 90 days after receipt of the bill, then interest will be
26 charged at a rate equal to the System's annual actuarially
27 assumed rate of return on investment compounded annually from
28 the 91st day after receipt of the bill. Payments must be
29 concluded within 3 years after the employer's receipt of the
30 bill.

31 (g) This subsection (g) applies only to payments made or
32 salary increases given on or after June 1, 2005 but before July
33 1, 2011. The changes made by Public Act 94-1057 ~~this amendatory~~
34 ~~Act of the 94th General Assembly~~ shall not require the System

1 to refund any payments received before July 31, 2006 (the
2 effective date of Public Act 94-1057) ~~this amendatory Act.~~

3 When assessing payment for any amount due under subsection
4 (f), the System shall exclude salary increases paid to teachers
5 under contracts or collective bargaining agreements entered
6 into, amended, or renewed before June 1, 2005.

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

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

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

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

7 (h) When assessing payment for any amount due under
8 subsection (f), the System shall exclude any salary increase
9 described in subsection (g) of this Section given on or after
10 July 1, 2011 but before July 1, 2014 under a contract or
11 collective bargaining agreement entered into, amended, or
12 renewed on or after June 1, 2005 but before July 1, 2011.
13 Notwithstanding any other provision of this Section, any
14 payments made or salary increases given after June 30, 2014
15 shall be used in assessing payment for any amount due under
16 subsection (f) of this Section.

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

20 (1) The number of recalculations required by the
21 changes made to this Section by Public Act 94-1057 ~~this~~
22 ~~amendatory Act of the 94th General Assembly~~ for each
23 employer.

24 (2) The dollar amount by which each employer's
25 contribution to the System was changed due to
26 recalculations required by Public Act 94-1057 ~~this~~
27 ~~amendatory Act of the 94th 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 Public
33 Act 94-1057 ~~this amendatory Act of the 94th General~~
34 ~~Assembly~~.

1 (Source: P.A. 93-2, eff. 4-7-03; 93-665, eff. 3-5-04; 94-4,
2 eff. 6-1-05; 94-839, eff. 6-6-06; 94-1057, eff. 7-31-06;
3 revised 8-3-06.)

4 (40 ILCS 5/17-133) (from Ch. 108 1/2, par. 17-133)

5 Sec. 17-133. Contributions for periods of outside and other
6 service.

7 Regularly certified and appointed teachers who desire to
8 have the following described services credited for pension
9 purposes shall submit to the Board evidence thereof and pay
10 into the Fund the amounts prescribed herein:

11 1. For teaching service by a certified teacher in the
12 public schools of the several states or in schools operated
13 by or under the auspices of the United States, a teacher
14 shall pay the contributions at the rates in force (a) on
15 the date of appointment as a regularly certified teacher
16 after salary adjustments are completed, or (b) at the time
17 of reappointment after salary adjustments are completed,
18 whichever is later, but not less than \$450 per year of
19 service. Upon the Board's approval of such service and the
20 payment of the required contributions, service credit of
21 not more than 10 years shall be granted.

22 2. For service as a playground instructor in public
23 school playgrounds, teachers shall pay the contributions
24 prescribed in this Article (a) at the time of appointment,
25 as a regularly certified teacher after salary adjustments
26 are completed, or (b) on return to service as a full time
27 regularly certified teacher, as the case may be, provided
28 such rates or amounts shall not be less than \$450 per year.

29 3. For service prior to September 1, 1955, in the
30 public schools of the City as a substitute, evening school
31 or temporary teacher, or for service as an Americanization
32 teacher prior to December 31, 1955, teachers shall pay the
33 contributions prescribed in this Article (a) at the time of

1 appointment, as a regularly certified teacher after salary
2 adjustments are completed, (b) on return to service as a
3 full time regularly certified teacher, as the case may be,
4 provided such rates or amounts shall not be less than \$450
5 per year; and provided further that for teachers employed
6 on or after September 1, 1953, rates shall not include
7 contributions for widows' pensions if the service
8 described in this sub-paragraph 3 was rendered before that
9 date. Any teacher entitled to repay a refund of
10 contributions under Section 17-126 may validate service
11 described in this paragraph by payment of the amounts
12 prescribed herein, together with the repayment of the
13 refund, provided that if such creditable service was the
14 last service rendered in the public schools of the City and
15 is not automatically reinstated by repayment of the refund,
16 the rates or amounts shall not be less than \$450 per year.

17 4. For service after June 30, 1982 as a member of the
18 Board of Education, if required to resign from an
19 administrative or teaching position in order to qualify as
20 a member of the Board of Education.

21 5. For service during the 1986-87 school year as a
22 teacher on a special leave of absence with full loss of
23 salary, teaching for an agency under contract to the Board
24 of Education, if the teacher returned to employment in
25 September, 1987. For service under this item 5, the teacher
26 must pay the contributions at the rates in force at the
27 completion of the leave period.

28 6. For up to 2 years of service as a teacher or
29 administrator employed by a private school registered with
30 or recognized by the Illinois State Board of Education,
31 provided that the teacher (i) was certified under the law
32 governing the certification of teachers at the time the
33 service was rendered, (ii) applies in writing on or after
34 the effective date of this amendatory Act of the 94th

1 General Assembly and on or before June 1, 2009, (iii)
2 supplies satisfactory evidence of the employment, (iv)
3 completes at least 10 years of contributing service as a
4 teacher as defined in Section 17-106, (v) pays the
5 contribution required in this Section, and (vi) does not
6 receive credit for that service under any other provision
7 of this Code. The member may apply for credit under this
8 subsection and pay the required contribution before
9 completing the 10 years of contributing service required
10 under item (iv), but the credit may not be used until the
11 item (iv) contributing service requirement has been met.

12 For each year of service credit to be established under
13 this subparagraph 6, a member is required to contribute to
14 the System (i) 16.5% of the annual salary rate during the
15 first year of full-time employment as a teacher under this
16 Article following the private school service, plus (ii)
17 interest thereon from the date of first full-time
18 employment as a teacher under this Article following the
19 private school service to the date of payment, compounded
20 annually, at the rate of 8.0% per year.

21 For service described in sub-paragraphs 1, 2 and 3 of this
22 Section, interest shall be charged beginning one year after the
23 effective date of appointment or reappointment.

24 Effective September 1, 1974, the interest rate to be
25 charged by the Fund on contributions provided in sub-paragraphs
26 1, 2, 3 and 4 shall be 5% per annum compounded annually.

27 (Source: P.A. 90-566, eff. 1-2-98; 91-887, eff. 7-6-00.)

28 Section 90. The State Mandates Act is amended by adding
29 Section 8.30 as follows:

30 (30 ILCS 805/8.30 new)

31 Sec. 8.30. Exempt mandate. Notwithstanding Sections 6 and 8
32 of this Act, no reimbursement by the State is required for the

1 implementation of any mandate created by this amendatory Act of
2 the 94th General Assembly.

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