



## 95TH GENERAL ASSEMBLY

### State of Illinois

2007 and 2008

SB2430

Introduced 2/15/2008, by Sen. Deanna Demuzio

#### SYNOPSIS AS INTRODUCED:

See Index

Amends the State Finance Act. Provides that moneys in the State Pensions Fund shall be used for the funding of the unfunded liabilities of the 5 State-funded retirement systems (rather than for payment of or repayment to the General Revenue Fund of a portion of the required State contributions to the designated retirement systems). Provides that the payments to the designated retirement systems shall be in addition to, and not in lieu of, any State contributions required under the Illinois Pension Code. Provides that, for fiscal year 2010 and each fiscal year thereafter, as soon as may be practical after any money is deposited into the State Pensions Fund from the Unclaimed Property Trust Fund, the State Treasurer shall apportion the deposited amount to the designated retirement systems to reduce their actuarial reserve deficiencies. Provides that the amount apportioned to each designated retirement system shall constitute a portion of the amount estimated to be available for appropriation from the State Pensions Fund that is the same as that retirement system's portion of the total actuarial reserve deficiency of the systems. Makes conforming changes in the Illinois Pension Code, the State Pension Funds Continuing Appropriation Act, and the Uniform Disposition of Unclaimed Property Act. Effective immediately.

LRB095 17096 AMC 43149 b

FISCAL NOTE ACT  
MAY APPLY

PENSION IMPACT  
NOTE ACT MAY  
APPLY

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 Finance Act is amended by changing  
5 Section 8.12 as follows:

6 (30 ILCS 105/8.12) (from Ch. 127, par. 144.12)

7 Sec. 8.12. State Pensions Fund.

8 (a) The moneys in the State Pensions Fund shall be used  
9 exclusively for the administration of the Uniform Disposition  
10 of Unclaimed Property Act and for the funding of the unfunded  
11 liabilities of the designated retirement systems. Payments to  
12 the designated retirement systems under this Section shall be  
13 in addition to, and not in lieu of, any State contributions  
14 required under the Illinois Pension Code ~~payment of or~~  
15 ~~repayment to the General Revenue Fund a portion of the required~~  
16 ~~State contributions to the designated retirement systems.~~

17 "Designated retirement systems" means:

18 (1) the State Employees' Retirement System of  
19 Illinois;

20 (2) the Teachers' Retirement System of the State of  
21 Illinois;

22 (3) the State Universities Retirement System;

23 (4) the Judges Retirement System of Illinois; and

1 (5) the General Assembly Retirement System.

2 (b) Each year the General Assembly may make appropriations  
3 from the State Pensions Fund for the administration of the  
4 Uniform Disposition of Unclaimed Property Act.

5 Each month, the Commissioner of the Office of Banks and  
6 Real Estate shall certify to the State Treasurer the actual  
7 expenditures that the Office of Banks and Real Estate incurred  
8 conducting unclaimed property examinations under the Uniform  
9 Disposition of Unclaimed Property Act during the immediately  
10 preceding month. Within a reasonable time following the  
11 acceptance of such certification by the State Treasurer, the  
12 State Treasurer shall pay from its appropriation from the State  
13 Pensions Fund to the Bank and Trust Company Fund and the  
14 Savings and Residential Finance Regulatory Fund an amount equal  
15 to the expenditures incurred by each Fund for that month.

16 Each month, the Director of Financial Institutions shall  
17 certify to the State Treasurer the actual expenditures that the  
18 Department of Financial Institutions incurred conducting  
19 unclaimed property examinations under the Uniform Disposition  
20 of Unclaimed Property Act during the immediately preceding  
21 month. Within a reasonable time following the acceptance of  
22 such certification by the State Treasurer, the State Treasurer  
23 shall pay from its appropriation from the State Pensions Fund  
24 to the Financial Institutions Fund and the Credit Union Fund an  
25 amount equal to the expenditures incurred by each Fund for that  
26 month.

1 (c) As soon as possible after the effective date of this  
2 amendatory Act of the 93rd General Assembly, the General  
3 Assembly shall appropriate from the State Pensions Fund (1) to  
4 the State Universities Retirement System the amount certified  
5 under Section 15-165 during the prior year, (2) to the Judges  
6 Retirement System of Illinois the amount certified under  
7 Section 18-140 during the prior year, and (3) to the General  
8 Assembly Retirement System the amount certified under Section  
9 2-134 during the prior year as part of the required State  
10 contributions to each of those designated retirement systems;  
11 except that amounts appropriated under this subsection (c) in  
12 State fiscal year 2005 shall not reduce the amount in the State  
13 Pensions Fund below \$5,000,000. If the amount in the State  
14 Pensions Fund does not exceed the sum of the amounts certified  
15 in Sections 15-165, 18-140, and 2-134 by at least \$5,000,000,  
16 the amount paid to each designated retirement system under this  
17 subsection shall be reduced in proportion to the amount  
18 certified by each of those designated retirement systems.

19 (c-5) For fiscal years ~~year~~ 2006 ~~and thereafter~~, 2007,  
20 2008, and 2009 the General Assembly shall appropriate from the  
21 State Pensions Fund to the State Universities Retirement System  
22 the amount estimated to be available during the fiscal year in  
23 the State Pensions Fund; provided, however, that the amounts  
24 appropriated under this subsection (c-5) shall not reduce the  
25 amount in the State Pensions Fund below \$5,000,000.

26 (c-6) For fiscal year 2010 and each fiscal year thereafter,

1 as soon as may be practical after any money is deposited into  
2 the State Pensions Fund from the Unclaimed Property Trust Fund,  
3 the State Treasurer shall apportion the deposited amount among  
4 the designated retirement systems as defined in subsection (a)  
5 to reduce their actuarial reserve deficiencies. The State  
6 Comptroller and State Treasurer shall pay the apportioned  
7 amounts to the designated retirement systems to fund the  
8 unfunded liabilities of the designated retirement systems. The  
9 amount apportioned to each designated retirement system shall  
10 constitute a portion of the amount estimated to be available  
11 for appropriation from the State Pensions Fund that is the same  
12 as that retirement system's portion of the total actual reserve  
13 deficiency of the systems, as determined annually by the  
14 Governor's Office of Management and Budget at the request of  
15 the State Treasurer. The amounts apportioned under this  
16 subsection shall not reduce the amount in the State Pensions  
17 Fund below \$5,000,000.

18 (d) The Governor's Office of Management and Budget shall  
19 determine the individual and total reserve deficiencies of the  
20 designated retirement systems. For this purpose, the  
21 Governor's Office of Management and Budget shall utilize the  
22 latest available audit and actuarial reports of each of the  
23 retirement systems and the relevant reports and statistics of  
24 the Public Employee Pension Fund Division of the Department of  
25 Insurance.

26 (d-1) As soon as practicable after the effective date of

1 this amendatory Act of the 93rd General Assembly, the  
2 Comptroller shall direct and the Treasurer shall transfer from  
3 the State Pensions Fund to the General Revenue Fund, as funds  
4 become available, a sum equal to the amounts that would have  
5 been paid from the State Pensions Fund to the Teachers'  
6 Retirement System of the State of Illinois, the State  
7 Universities Retirement System, the Judges Retirement System  
8 of Illinois, the General Assembly Retirement System, and the  
9 State Employees' Retirement System of Illinois after the  
10 effective date of this amendatory Act during the remainder of  
11 fiscal year 2004 to the designated retirement systems from the  
12 appropriations provided for in this Section if the transfers  
13 provided in Section 6z-61 had not occurred. The transfers  
14 described in this subsection (d-1) are to partially repay the  
15 General Revenue Fund for the costs associated with the bonds  
16 used to fund the moneys transferred to the designated  
17 retirement systems under Section 6z-61.

18 (e) The changes to this Section made by this amendatory Act  
19 of 1994 shall first apply to distributions from the Fund for  
20 State fiscal year 1996.

21 (Source: P.A. 93-665, eff. 3-5-04; 93-839, eff. 7-30-04; 94-91,  
22 eff. 7-1-05.)

23 Section 10. The Illinois Pension Code is amended by  
24 changing Sections 2-124, 14-131, 15-155, 16-158, and 18-131 as  
25 follows:

1 (40 ILCS 5/2-124) (from Ch. 108 1/2, par. 2-124)

2 Sec. 2-124. Contributions by State.

3 (a) The State shall make contributions to the System by  
4 appropriations of amounts which, together with the  
5 contributions of participants, interest earned on investments,  
6 and other income will meet the cost of maintaining and  
7 administering the System on a 90% funded basis in accordance  
8 with actuarial recommendations.

9 (b) The Board shall determine the amount of State  
10 contributions required for each fiscal year on the basis of the  
11 actuarial tables and other assumptions adopted by the Board and  
12 the prescribed rate of interest, using the formula in  
13 subsection (c).

14 (c) For State fiscal years 2011 through 2045, the minimum  
15 contribution to the System to be made by the State for each  
16 fiscal year shall be an amount determined by the System to be  
17 sufficient to bring the total assets of the System up to 90% of  
18 the total actuarial liabilities of the System by the end of  
19 State fiscal year 2045. In making these determinations, the  
20 required State contribution shall be calculated each year as a  
21 level percentage of payroll over the years remaining to and  
22 including fiscal year 2045 and shall be determined under the  
23 projected unit credit actuarial cost method.

24 For State fiscal years 1996 through 2005, the State  
25 contribution to the System, as a percentage of the applicable

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

4 Notwithstanding any other provision of this Article, the  
5 total required State contribution for State fiscal year 2006 is  
6 \$4,157,000.

7 Notwithstanding any other provision of this Article, the  
8 total required State contribution for State fiscal year 2007 is  
9 \$5,220,300.

10 For each of State fiscal years 2008 through 2010, the State  
11 contribution to the System, as a percentage of the applicable  
12 employee payroll, shall be increased in equal annual increments  
13 from the required State contribution for State fiscal year  
14 2007, so that by State fiscal year 2011, the State is  
15 contributing at the rate otherwise required under this Section.

16 Beginning in State fiscal year 2046, the minimum State  
17 contribution for each fiscal year shall be the amount needed to  
18 maintain the total assets of the System at 90% of the total  
19 actuarial liabilities of the System.

20 Amounts received by the System pursuant to Section 25 of  
21 the Budget Stabilization Act or Section 8.12 of the State  
22 Finance Act in any fiscal year do not reduce and do not  
23 constitute payment of any portion of the minimum State  
24 contribution required under this Article in that fiscal year.  
25 Such amounts shall not reduce, and shall not be included in the  
26 calculation of, the required State contributions under this



1 Article in any future year until the System has reached a  
2 funding ratio of at least 90%. A reference in this Article to  
3 the "required State contribution" or any substantially similar  
4 term does not include or apply to any amounts payable to the  
5 System under Section 25 of the Budget Stabilization Act.

6 Notwithstanding any other provision of this Section, the  
7 required State contribution for State fiscal year 2005 and for  
8 fiscal year 2008 and each fiscal year thereafter, as calculated  
9 under this Section and certified under Section 2-134, shall not  
10 exceed an amount equal to (i) the amount of the required State  
11 contribution that would have been calculated under this Section  
12 for that fiscal year if the System had not received any  
13 payments under subsection (d) of Section 7.2 of the General  
14 Obligation Bond Act, minus (ii) the portion of the State's  
15 total debt service payments for that fiscal year on the bonds  
16 issued for the purposes of that Section 7.2, as determined and  
17 certified by the Comptroller, that is the same as the System's  
18 portion of the total moneys distributed under subsection (d) of  
19 Section 7.2 of the General Obligation Bond Act. In determining  
20 this maximum for State fiscal years 2008 through 2010, however,  
21 the amount referred to in item (i) shall be increased, as a  
22 percentage of the applicable employee payroll, in equal  
23 increments calculated from the sum of the required State  
24 contribution for State fiscal year 2007 plus the applicable  
25 portion of the State's total debt service payments for fiscal  
26 year 2007 on the bonds issued for the purposes of Section 7.2

1 of the General Obligation Bond Act, so that, by State fiscal  
2 year 2011, the State is contributing at the rate otherwise  
3 required under this Section.

4 (Source: P.A. 93-2, eff. 4-7-03; 94-4, eff. 6-1-05; 94-839,  
5 eff. 6-6-06.)

6 (40 ILCS 5/14-131) (from Ch. 108 1/2, par. 14-131)  
7 Sec. 14-131. Contributions by State.

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

15 For the purposes of this Section and Section 14-135.08,  
16 references to State contributions refer only to employer  
17 contributions and do not include employee contributions that  
18 are picked up or otherwise paid by the State or a department on  
19 behalf of the employee.

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

24 The Board shall also determine a State contribution rate  
25 for each fiscal year, expressed as a percentage of payroll,

1 based on the total required State contribution for that fiscal  
2 year (less the amount received by the System from  
3 appropriations under Section 8.12 of the State Finance Act and  
4 Section 1 of the State Pension Funds Continuing Appropriation  
5 Act, if any, for the fiscal year ending on the June 30  
6 immediately preceding the applicable November 15 certification  
7 deadline), the estimated payroll (including all forms of  
8 compensation) for personal services rendered by eligible  
9 employees, and the recommendations of the actuary.

10 For the purposes of this Section and Section 14.1 of the  
11 State Finance Act, the term "eligible employees" includes  
12 employees who participate in the System, persons who may elect  
13 to participate in the System but have not so elected, persons  
14 who are serving a qualifying period that is required for  
15 participation, and annuitants employed by a department as  
16 described in subdivision (a) (1) or (a) (2) of Section 14-111.

17 (c) Contributions shall be made by the several departments  
18 for each pay period by warrants drawn by the State Comptroller  
19 against their respective funds or appropriations based upon  
20 vouchers stating the amount to be so contributed. These amounts  
21 shall be based on the full rate certified by the Board under  
22 Section 14-135.08 for that fiscal year. From the effective date  
23 of this amendatory Act of the 93rd General Assembly through the  
24 payment of the final payroll from fiscal year 2004  
25 appropriations, the several departments shall not make  
26 contributions for the remainder of fiscal year 2004 but shall

1 instead make payments as required under subsection (a-1) of  
2 Section 14.1 of the State Finance Act. The several departments  
3 shall resume those contributions at the commencement of fiscal  
4 year 2005.

5 (d) If an employee is paid from trust funds or federal  
6 funds, the department or other employer shall pay employer  
7 contributions from those funds to the System at the certified  
8 rate, unless the terms of the trust or the federal-State  
9 agreement preclude the use of the funds for that purpose, in  
10 which case the required employer contributions shall be paid by  
11 the State. From the effective date of this amendatory Act of  
12 the 93rd General Assembly through the payment of the final  
13 payroll from fiscal year 2004 appropriations, the department or  
14 other employer shall not pay contributions for the remainder of  
15 fiscal year 2004 but shall instead make payments as required  
16 under subsection (a-1) of Section 14.1 of the State Finance  
17 Act. The department or other employer shall resume payment of  
18 contributions at the commencement of fiscal year 2005.

19 (e) For State fiscal years 2011 through 2045, the minimum  
20 contribution to the System to be made by the State for each  
21 fiscal year shall be an amount determined by the System to be  
22 sufficient to bring the total assets of the System up to 90% of  
23 the total actuarial liabilities of the System by the end of  
24 State fiscal year 2045. In making these determinations, the  
25 required State contribution shall be calculated each year as a  
26 level percentage of payroll over the years remaining to and

1 including fiscal year 2045 and shall be determined under the  
2 projected unit credit actuarial cost method.

3 For State fiscal years 1996 through 2005, the State  
4 contribution to the System, as a percentage of the applicable  
5 employee payroll, shall be increased in equal annual increments  
6 so that by State fiscal year 2011, the State is contributing at  
7 the rate required under this Section; except that (i) for State  
8 fiscal year 1998, for all purposes of this Code and any other  
9 law of this State, the certified percentage of the applicable  
10 employee payroll shall be 5.052% for employees earning eligible  
11 creditable service under Section 14-110 and 6.500% for all  
12 other employees, notwithstanding any contrary certification  
13 made under Section 14-135.08 before the effective date of this  
14 amendatory Act of 1997, and (ii) in the following specified  
15 State fiscal years, the State contribution to the System shall  
16 not be less than the following indicated percentages of the  
17 applicable employee payroll, even if the indicated percentage  
18 will produce a State contribution in excess of the amount  
19 otherwise required under this subsection and subsection (a):  
20 9.8% in FY 1999; 10.0% in FY 2000; 10.2% in FY 2001; 10.4% in FY  
21 2002; 10.6% in FY 2003; and 10.8% in FY 2004.

22 Notwithstanding any other provision of this Article, the  
23 total required State contribution to the System for State  
24 fiscal year 2006 is \$203,783,900.

25 Notwithstanding any other provision of this Article, the  
26 total required State contribution to the System for State

1 fiscal year 2007 is \$344,164,400.

2 For each of State fiscal years 2008 through 2010, the State  
3 contribution to the System, as a percentage of the applicable  
4 employee payroll, shall be increased in equal annual increments  
5 from the required State contribution for State fiscal year  
6 2007, so that by State fiscal year 2011, the State is  
7 contributing at the rate otherwise required under this Section.

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

12 Amounts received by the System pursuant to Section 25 of  
13 the Budget Stabilization Act or Section 8.12 of the State  
14 Finance Act in any fiscal year do not reduce and do not  
15 constitute payment of any portion of the minimum State  
16 contribution required under this Article in that fiscal year.  
17 Such amounts shall not reduce, and shall not be included in the  
18 calculation of, the required State contributions under this  
19 Article in any future year until the System has reached a  
20 funding ratio of at least 90%. A reference in this Article to  
21 the "required State contribution" or any substantially similar  
22 term does not include or apply to any amounts payable to the  
23 System under Section 25 of the Budget Stabilization Act.

24 Notwithstanding any other provision of this Section, the  
25 required State contribution for State fiscal year 2005 and for  
26 fiscal year 2008 and each fiscal year thereafter, as calculated

1 under this Section and certified under Section 14-135.08, shall  
2 not exceed an amount equal to (i) the amount of the required  
3 State contribution that would have been calculated under this  
4 Section for that fiscal year if the System had not received any  
5 payments under subsection (d) of Section 7.2 of the General  
6 Obligation Bond Act, minus (ii) the portion of the State's  
7 total debt service payments for that fiscal year on the bonds  
8 issued for the purposes of that Section 7.2, as determined and  
9 certified by the Comptroller, that is the same as the System's  
10 portion of the total moneys distributed under subsection (d) of  
11 Section 7.2 of the General Obligation Bond Act. In determining  
12 this maximum for State fiscal years 2008 through 2010, however,  
13 the amount referred to in item (i) shall be increased, as a  
14 percentage of the applicable employee payroll, in equal  
15 increments calculated from the sum of the required State  
16 contribution for State fiscal year 2007 plus the applicable  
17 portion of the State's total debt service payments for fiscal  
18 year 2007 on the bonds issued for the purposes of Section 7.2  
19 of the General Obligation Bond Act, so that, by State fiscal  
20 year 2011, the State is contributing at the rate otherwise  
21 required under this Section.

22 (f) After the submission of all payments for eligible  
23 employees from personal services line items in fiscal year 2004  
24 have been made, the Comptroller shall provide to the System a  
25 certification of the sum of all fiscal year 2004 expenditures  
26 for personal services that would have been covered by payments

1 to the System under this Section if the provisions of this  
2 amendatory Act of the 93rd General Assembly had not been  
3 enacted. Upon receipt of the certification, the System shall  
4 determine the amount due to the System based on the full rate  
5 certified by the Board under Section 14-135.08 for fiscal year  
6 2004 in order to meet the State's obligation under this  
7 Section. The System shall compare this amount due to the amount  
8 received by the System in fiscal year 2004 through payments  
9 under this Section and under Section 6z-61 of the State Finance  
10 Act. If the amount due is more than the amount received, the  
11 difference shall be termed the "Fiscal Year 2004 Shortfall" for  
12 purposes of this Section, and the Fiscal Year 2004 Shortfall  
13 shall be satisfied under Section 1.2 of the State Pension Funds  
14 Continuing Appropriation Act. If the amount due is less than  
15 the amount received, the difference shall be termed the "Fiscal  
16 Year 2004 Overpayment" for purposes of this Section, and the  
17 Fiscal Year 2004 Overpayment shall be repaid by the System to  
18 the Pension Contribution Fund as soon as practicable after the  
19 certification.

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

22 (40 ILCS 5/15-155) (from Ch. 108 1/2, par. 15-155)

23 Sec. 15-155. Employer contributions.

24 (a) The State of Illinois shall make contributions by  
25 appropriations of amounts which, together with the other



1 employer contributions from trust, federal, and other funds,  
2 employee contributions, income from investments, and other  
3 income of this System, will be sufficient to meet the cost of  
4 maintaining and administering the System on a 90% funded basis  
5 in accordance with actuarial recommendations.

6 The Board shall determine the amount of State contributions  
7 required for each fiscal year on the basis of the actuarial  
8 tables and other assumptions adopted by the Board and the  
9 recommendations of the actuary, using the formula in subsection  
10 (a-1).

11 (a-1) For State fiscal years 2011 through 2045, the minimum  
12 contribution to the System to be made by the State for each  
13 fiscal year shall be an amount determined by the System to be  
14 sufficient to bring the total assets of the System up to 90% of  
15 the total actuarial liabilities of the System by the end of  
16 State fiscal year 2045. In making these determinations, the  
17 required State contribution shall be calculated each year as a  
18 level percentage of payroll over the years remaining to and  
19 including fiscal year 2045 and shall be determined under the  
20 projected unit credit actuarial cost method.

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

26 Notwithstanding any other provision of this Article, the

1 total required State contribution for State fiscal year 2006 is  
2 \$166,641,900.

3 Notwithstanding any other provision of this Article, the  
4 total required State contribution for State fiscal year 2007 is  
5 \$252,064,100.

6 For each of State fiscal years 2008 through 2010, the State  
7 contribution to the System, as a percentage of the applicable  
8 employee payroll, shall be increased in equal annual increments  
9 from the required State contribution for State fiscal year  
10 2007, so that by State fiscal year 2011, the State is  
11 contributing at the rate otherwise required under this Section.

12 Beginning in State fiscal year 2046, the minimum State  
13 contribution for each fiscal year shall be the amount needed to  
14 maintain the total assets of the System at 90% of the total  
15 actuarial liabilities of the System.

16 Amounts received by the System pursuant to Section 25 of  
17 the Budget Stabilization Act or Section 8.12 of the State  
18 Finance Act in any fiscal year do not reduce and do not  
19 constitute payment of any portion of the minimum State  
20 contribution required under this Article in that fiscal year.  
21 Such amounts shall not reduce, and shall not be included in the  
22 calculation of, the required State contributions under this  
23 Article in any future year until the System has reached a  
24 funding ratio of at least 90%. A reference in this Article to  
25 the "required State contribution" or any substantially similar  
26 term does not include or apply to any amounts payable to the

1 System under Section 25 of the Budget Stabilization Act.

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 Section 15-165, 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 (b) If an employee is paid from trust or federal funds, the

1 employer shall pay to the Board contributions from those funds  
2 which are sufficient to cover the accruing normal costs on  
3 behalf of the employee. However, universities having employees  
4 who are compensated out of local auxiliary funds, income funds,  
5 or service enterprise funds are not required to pay such  
6 contributions on behalf of those employees. The local auxiliary  
7 funds, income funds, and service enterprise funds of  
8 universities shall not be considered trust funds for the  
9 purpose of this Article, but funds of alumni associations,  
10 foundations, and athletic associations which are affiliated  
11 with the universities included as employers under this Article  
12 and other employers which do not receive State appropriations  
13 are considered to be trust funds for the purpose of this  
14 Article.

15 (b-1) The City of Urbana and the City of Champaign shall  
16 each make employer contributions to this System for their  
17 respective firefighter employees who participate in this  
18 System pursuant to subsection (h) of Section 15-107. The rate  
19 of contributions to be made by those municipalities shall be  
20 determined annually by the Board on the basis of the actuarial  
21 assumptions adopted by the Board and the recommendations of the  
22 actuary, and shall be expressed as a percentage of salary for  
23 each such employee. The Board shall certify the rate to the  
24 affected municipalities as soon as may be practical. The  
25 employer contributions required under this subsection shall be  
26 remitted by the municipality to the System at the same time and

1 in the same manner as employee contributions.

2 (c) Through State fiscal year 1995: The total employer  
3 contribution shall be apportioned among the various funds of  
4 the State and other employers, whether trust, federal, or other  
5 funds, in accordance with actuarial procedures approved by the  
6 Board. State of Illinois contributions for employers receiving  
7 State appropriations for personal services shall be payable  
8 from appropriations made to the employers or to the System. The  
9 contributions for Class I community colleges covering earnings  
10 other than those paid from trust and federal funds, shall be  
11 payable solely from appropriations to the Illinois Community  
12 College Board or the System for employer contributions.

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

18 (e) The State Comptroller shall draw warrants payable to  
19 the System upon proper certification by the System or by the  
20 employer in accordance with the appropriation laws and this  
21 Code.

22 (f) Normal costs under this Section means liability for  
23 pensions and other benefits which accrues to the System because  
24 of the credits earned for service rendered by the participants  
25 during the fiscal year and expenses of administering the  
26 System, but shall not include the principal of or any

1 redemption premium or interest on any bonds issued by the Board  
2 or any expenses incurred or deposits required in connection  
3 therewith.

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

20 Whenever it determines that a payment is or may be required  
21 under this subsection (g), the System shall calculate the  
22 amount of the payment and bill the employer for that amount.  
23 The bill shall specify the calculations used to determine the  
24 amount due. If the employer disputes the amount of the bill, it  
25 may, within 30 days after receipt of the bill, apply to the  
26 System in writing for a recalculation. The application must

1 specify in detail the grounds of the dispute and, if the  
2 employer asserts that the calculation is subject to subsection  
3 (h) or (i) of this Section, must include an affidavit setting  
4 forth and attesting to all facts within the employer's  
5 knowledge that are pertinent to the applicability of subsection  
6 (h) or (i). Upon receiving a timely application for  
7 recalculation, the System shall review the application and, if  
8 appropriate, recalculate the amount due.

9 The employer contributions required under this subsection  
10 (f) may be paid in the form of a lump sum within 90 days after  
11 receipt of the bill. If the employer contributions are not paid  
12 within 90 days after receipt of the bill, then interest will be  
13 charged at a rate equal to the System's annual actuarially  
14 assumed rate of return on investment compounded annually from  
15 the 91st day after receipt of the bill. Payments must be  
16 concluded within 3 years after the employer's receipt of the  
17 bill.

18 (h) This subsection (h) applies only to payments made or  
19 salary increases given on or after June 1, 2005 but before July  
20 1, 2011. The changes made by Public Act 94-1057 shall not  
21 require the System to refund any payments received before July  
22 31, 2006 (the effective date of Public Act 94-1057).

23 When assessing payment for any amount due under subsection  
24 (g), the System shall exclude earnings increases paid to  
25 participants under contracts or collective bargaining  
26 agreements entered into, amended, or renewed before June 1,

1 2005.

2 When assessing payment for any amount due under subsection  
3 (g), the System shall exclude earnings increases paid to a  
4 participant at a time when the participant is 10 or more years  
5 from retirement eligibility under Section 15-135.

6 When assessing payment for any amount due under subsection  
7 (g), the System shall exclude earnings increases resulting from  
8 overload work, including a contract for summer teaching, or  
9 overtime when the employer has certified to the System, and the  
10 System has approved the certification, that: (i) in the case of  
11 overloads (A) the overload work is for the sole purpose of  
12 academic instruction in excess of the standard number of  
13 instruction hours for a full-time employee occurring during the  
14 academic year that the overload is paid and (B) the earnings  
15 increases are equal to or less than the rate of pay for  
16 academic instruction computed using the participant's current  
17 salary rate and work schedule; and (ii) in the case of  
18 overtime, the overtime was necessary for the educational  
19 mission.

20 When assessing payment for any amount due under subsection  
21 (g), the System shall exclude any earnings increase resulting  
22 from (i) a promotion for which the employee moves from one  
23 classification to a higher classification under the State  
24 Universities Civil Service System, (ii) a promotion in academic  
25 rank for a tenured or tenure-track faculty position, or (iii) a  
26 promotion that the Illinois Community College Board has



1 recommended in accordance with subsection (k) of this Section.  
2 These earnings increases shall be excluded only if the  
3 promotion is to a position that has existed and been filled by  
4 a member for no less than one complete academic year and the  
5 earnings increase as a result of the promotion is an increase  
6 that results in an amount no greater than the average salary  
7 paid for other similar positions.

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

18 (j) 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 Public Act 94-1057 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.

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

4           (4) The increase in the required State contribution  
5           resulting from the changes made to this Section by Public  
6           Act 94-1057.

7           (k) The Illinois Community College Board shall adopt rules  
8           for recommending lists of promotional positions submitted to  
9           the Board by community colleges and for reviewing the  
10          promotional lists on an annual basis. When recommending  
11          promotional lists, the Board shall consider the similarity of  
12          the positions submitted to those positions recognized for State  
13          universities by the State Universities Civil Service System.  
14          The Illinois Community College Board shall file a copy of its  
15          findings with the System. The System shall consider the  
16          findings of the Illinois Community College Board when making  
17          determinations under this Section. The System shall not exclude  
18          any earnings increases resulting from a promotion when the  
19          promotion was not submitted by a community college. Nothing in  
20          this subsection (k) shall require any community college to  
21          submit any information to the Community College Board.

22          (Source: P.A. 94-4, eff. 6-1-05; 94-839, eff. 6-6-06; 94-1057,  
23          eff. 7-31-06; 95-331, eff. 8-21-07.)

24          (40 ILCS 5/16-158) (from Ch. 108 1/2, par. 16-158)

25          Sec. 16-158. Contributions by State and other employing

1 units.

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

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

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

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

25 On or before July 1, 2005, the Board shall recalculate and  
26 recertify to the Governor the amount of the required State

1 contribution to the System for State fiscal year 2006, taking  
2 into account the changes in required State contributions made  
3 by this amendatory Act of the 94th General Assembly.

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

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

21 If in any month the amount remaining unexpended from all  
22 other appropriations to the System for the applicable fiscal  
23 year (including the appropriations to the System under Section  
24 8.12 of the State Finance Act and Section 1 of the State  
25 Pension Funds Continuing Appropriation Act) is less than the  
26 amount lawfully vouchered under this subsection, the

1 difference shall be paid from the Common School Fund under the  
2 continuing appropriation authority provided in Section 1.1 of  
3 the State Pension Funds Continuing Appropriation Act.

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

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

17 For State fiscal years 1996 through 2005, the State  
18 contribution to the System, as a percentage of the applicable  
19 employee payroll, shall be increased in equal annual increments  
20 so that by State fiscal year 2011, the State is contributing at  
21 the rate required under this Section; except that in the  
22 following specified State fiscal years, the State contribution  
23 to the System shall not be less than the following indicated  
24 percentages of the applicable employee payroll, even if the  
25 indicated percentage will produce a State contribution in  
26 excess of the amount otherwise required under this subsection

1 and subsection (a), and notwithstanding any contrary  
2 certification made under subsection (a-1) before the effective  
3 date of this amendatory Act of 1998: 10.02% in FY 1999; 10.77%  
4 in FY 2000; 11.47% in FY 2001; 12.16% in FY 2002; 12.86% in FY  
5 2003; and 13.56% in FY 2004.

6 Notwithstanding any other provision of this Article, the  
7 total required State contribution for State fiscal year 2006 is  
8 \$534,627,700.

9 Notwithstanding any other provision of this Article, the  
10 total required State contribution for State fiscal year 2007 is  
11 \$738,014,500.

12 For each of State fiscal years 2008 through 2010, the State  
13 contribution to the System, as a percentage of the applicable  
14 employee payroll, shall be increased in equal annual increments  
15 from the required State contribution for State fiscal year  
16 2007, so that by State fiscal year 2011, the State is  
17 contributing at the rate otherwise required under this Section.

18 Beginning in State fiscal year 2046, the minimum State  
19 contribution for each fiscal year shall be the amount needed to  
20 maintain the total assets of the System at 90% of the total  
21 actuarial liabilities of the System.

22 Amounts received by the System pursuant to Section 25 of  
23 the Budget Stabilization Act or Section 8.12 of the State  
24 Finance Act in any fiscal year do not reduce and do not  
25 constitute payment of any portion of the minimum State  
26 contribution required under this Article in that fiscal year.

1 Such amounts shall not reduce, and shall not be included in the  
2 calculation of, the required State contributions under this  
3 Article in any future year until the System has reached a  
4 funding ratio of at least 90%. A reference in this Article to  
5 the "required State contribution" or any substantially similar  
6 term does not include or apply to any amounts payable to the  
7 System under Section 25 of the Budget Stabilization Act.

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

1 portion of the State's total debt service payments for fiscal  
2 year 2007 on the bonds issued for the purposes of Section 7.2  
3 of the General Obligation Bond Act, so that, by State fiscal  
4 year 2011, the State is contributing at the rate otherwise  
5 required under this Section.

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

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

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



1 System.

2 However, with respect to benefits granted under Section  
3 16-133.4 or 16-133.5 to a teacher as defined in paragraph (8)  
4 of Section 16-106, the employer's contribution shall be 12%  
5 (rather than 20%) of the member's highest annual salary rate  
6 for each year of creditable service granted, and the employer  
7 shall also pay the required employee contribution on behalf of  
8 the teacher. For the purposes of Sections 16-133.4 and  
9 16-133.5, a teacher as defined in paragraph (8) of Section  
10 16-106 who is serving in that capacity while on leave of  
11 absence from another employer under this Article shall not be  
12 considered an employee of the employer from which the teacher  
13 is on leave.

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

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

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

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

1 contributions.

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

5 Each employer of teachers is entitled to a credit against  
6 the contributions required under this subsection (e) with  
7 respect to salaries paid to teachers for the period January 1,  
8 2002 through June 30, 2003, equal to the amount paid by that  
9 employer under subsection (a-5) of Section 6.6 of the State  
10 Employees Group Insurance Act of 1971 with respect to salaries  
11 paid to teachers for that period.

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

17 If an employer is required by a contract in effect on May  
18 1, 1998 between the employer and an employee organization to  
19 pay, on behalf of all its full-time employees covered by this  
20 Article, all mandatory employee contributions required under  
21 this Article, then the employer shall be excused from paying  
22 the employer contribution required under this subsection (e)  
23 for the balance of the term of that contract. The employer and  
24 the employee organization shall jointly certify to the System  
25 the existence of the contractual requirement, in such form as  
26 the System may prescribe. This exclusion shall cease upon the

1 termination, extension, or renewal of the contract at any time  
2 after May 1, 1998.

3 (f) If the amount of a teacher's salary for any school year  
4 used to determine final average salary exceeds the member's  
5 annual full-time salary rate with the same employer for the  
6 previous school year by more than 6%, the teacher's employer  
7 shall pay to the System, in addition to all other payments  
8 required under this Section and in accordance with guidelines  
9 established by the System, the present value of the increase in  
10 benefits resulting from the portion of the increase in salary  
11 that is in excess of 6%. This present value shall be computed  
12 by the System on the basis of the actuarial assumptions and  
13 tables used in the most recent actuarial valuation of the  
14 System that is available at the time of the computation. If a  
15 teacher's salary for the 2005-2006 school year is used to  
16 determine final average salary under this subsection (f), then  
17 the changes made to this subsection (f) by Public Act 94-1057  
18 shall apply in calculating whether the increase in his or her  
19 salary is in excess of 6%. For the purposes of this Section,  
20 change in employment under Section 10-21.12 of the School Code  
21 on or after June 1, 2005 shall constitute a change in employer.  
22 The System may require the employer to provide any pertinent  
23 information or documentation. The changes made to this  
24 subsection (f) by this amendatory Act of the 94th General  
25 Assembly apply without regard to whether the teacher was in  
26 service on or after its effective date.

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

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

25           (g) This subsection (g) applies only to payments made or  
26 salary increases given on or after June 1, 2005 but before July

1 1, 2011. The changes made by Public Act 94-1057 shall not  
2 require the System to refund any payments received before July  
3 31, 2006 (the effective date of Public Act 94-1057).

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

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

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

1 or supervisory endorsement than is required for the teacher's  
2 previous position and (ii) to a position that has existed and  
3 been filled by a member for no less than one complete academic  
4 year and the salary increase from the promotion is an increase  
5 that results in an amount no greater than the lesser of the  
6 average salary paid for other similar positions in the district  
7 requiring the same certification or the amount stipulated in  
8 the collective bargaining agreement for a similar position  
9 requiring the same certification.

10 When assessing payment for any amount due under subsection  
11 (f), the System shall exclude any payment to the teacher from  
12 the State of Illinois or the State Board of Education over  
13 which the employer does not have discretion, notwithstanding  
14 that the payment is included in the computation of final  
15 average salary.

16 (h) When assessing payment for any amount due under  
17 subsection (f), the System shall exclude any salary increase  
18 described in subsection (g) of this Section given on or after  
19 July 1, 2011 but before July 1, 2014 under a contract or  
20 collective bargaining agreement entered into, amended, or  
21 renewed on or after June 1, 2005 but before July 1, 2011.  
22 Notwithstanding any other provision of this Section, any  
23 payments made or salary increases given after June 30, 2014  
24 shall be used in assessing payment for any amount due under  
25 subsection (f) of this Section.

26 (i) The System shall prepare a report and file copies of

1 the report with the Governor and the General Assembly by  
2 January 1, 2007 that contains all of the following information:

3 (1) The number of recalculations required by the  
4 changes made to this Section by Public Act 94-1057 for each  
5 employer.

6 (2) The dollar amount by which each employer's  
7 contribution to the System was changed due to  
8 recalculations required by Public Act 94-1057.

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

12 (4) The increase in the required State contribution  
13 resulting from the changes made to this Section by Public  
14 Act 94-1057.

15 (Source: P.A. 94-4, eff. 6-1-05; 94-839, eff. 6-6-06; 94-1057,  
16 eff. 7-31-06; 94-1111, eff. 2-27-07; 95-331, eff. 8-21-07.)

17 (40 ILCS 5/18-131) (from Ch. 108 1/2, par. 18-131)

18 Sec. 18-131. Financing; employer contributions.

19 (a) The State of Illinois shall make contributions to this  
20 System by appropriations of the amounts which, together with  
21 the contributions of participants, net earnings on  
22 investments, and other income, will meet the costs of  
23 maintaining and administering this System on a 90% funded basis  
24 in accordance with actuarial recommendations.

25 (b) The Board shall determine the amount of State

1 contributions required for each fiscal year on the basis of the  
2 actuarial tables and other assumptions adopted by the Board and  
3 the prescribed rate of interest, using the formula in  
4 subsection (c).

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

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

20 Notwithstanding any other provision of this Article, the  
21 total required State contribution for State fiscal year 2006 is  
22 \$29,189,400.

23 Notwithstanding any other provision of this Article, the  
24 total required State contribution for State fiscal year 2007 is  
25 \$35,236,800.

26 For each of State fiscal years 2008 through 2010, the State



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

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

10 Amounts received by the System pursuant to Section 25 of  
11 the Budget Stabilization Act or Section 8.12 of the State  
12 Finance Act in any fiscal year do not reduce and do not  
13 constitute payment of any portion of the minimum State  
14 contribution required under this Article in that fiscal year.  
15 Such amounts shall not reduce, and shall not be included in the  
16 calculation of, the required State contributions under this  
17 Article in any future year until the System has reached a  
18 funding ratio of at least 90%. A reference in this Article to  
19 the "required State contribution" or any substantially similar  
20 term does not include or apply to any amounts payable to the  
21 System under Section 25 of the Budget Stabilization Act.

22 Notwithstanding any other provision of this Section, the  
23 required State contribution for State fiscal year 2005 and for  
24 fiscal year 2008 and each fiscal year thereafter, as calculated  
25 under this Section and certified under Section 18-140, shall  
26 not exceed an amount equal to (i) the amount of the required

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

20 (Source: P.A. 93-2, eff. 4-7-03; 94-4, eff. 6-1-05; 94-839,  
21 eff. 6-6-06.)

22 Section 15. The State Pension Funds Continuing  
23 Appropriation Act is amended by changing Section 1 as follows:

24 (40 ILCS 15/1)

1           Sec. 1. Appropriations from State Pensions Fund. For the  
2 purpose of making up any deficiency in the appropriations to  
3 the designated retirement systems that are required to be made  
4 under Section 8.12 of the State Finance Act, there is hereby  
5 appropriated, on a continuing annual basis in each fiscal year,  
6 from the State Pensions Fund to each designated retirement  
7 system, the amount, if any, by which the total appropriation to  
8 that system from the State Pensions Fund for that fiscal year  
9 is less than the amount required to be appropriated to that  
10 retirement system under Section 8.12 of the State Finance Act.

11           The annual appropriation under this Section to each  
12 designated retirement system shall take effect on July 1 for  
13 the State fiscal year beginning on that date.

14           The amount of any continuing appropriation used by a  
15 retirement system under this Section for a given fiscal year  
16 shall be charged against the unexpended amount of any  
17 appropriation to that retirement system for that fiscal year  
18 under Section 8.12 of the State Finance Act that subsequently  
19 becomes available, subject to Section 8.3 of the State Finance  
20 Act.

21           "Designated retirement systems" means the State Employees'  
22 Retirement System of Illinois, the Teachers' Retirement System  
23 of the State of Illinois, the State Universities Retirement  
24 System, the Judges Retirement System of Illinois, and the  
25 General Assembly Retirement System.

26           The appropriations made in this Section are appropriated to

1 the designated retirement systems for the funding of the  
2 unfunded liabilities of the designated retirement systems and  
3 are in addition to, and not in lieu of, any State contributions  
4 required under the Illinois Pension Code. ~~as a part of the~~  
5 ~~annual State contribution required by the laws providing for~~  
6 ~~the funding of those systems.~~

7 (Source: P.A. 93-1067, eff. 1-15-05.)

8 Section 20. The Uniform Disposition of Unclaimed Property  
9 Act is amended by changing Section 18 as follows:

10 (765 ILCS 1025/18) (from Ch. 141, par. 118)

11 Sec. 18. Deposit of funds received under the Act.

12 (a) The State Treasurer shall retain all funds received  
13 under this Act, including the proceeds from the sale of  
14 abandoned property under Section 17, in a trust fund. The State  
15 Treasurer may deposit any amount in the Trust Fund into the  
16 State Pensions Fund during the fiscal year at his or her  
17 discretion; however, he or she ~~and~~ shall, on April 15 and  
18 October 15 of each year, deposit any amount in the trust fund  
19 exceeding \$2,500,000 into the State Pensions Fund. All amounts  
20 in excess of \$2,500,000 that are deposited into the State  
21 Pension Fund from the unclaimed Property Trust Fund shall be  
22 apportioned to the designated retirement systems as provided in  
23 subsection (c-6) of Section 8.12 of the state Finance Act to  
24 reduce their actuarial reserve deficiencies. He or she shall

1 make prompt payment of claims he or she duly allows as provided  
2 for in this Act for the trust fund. Before making the deposit  
3 the State Treasurer shall record the name and last known  
4 address of each person appearing from the holders' reports to  
5 be entitled to the abandoned property. The record shall be  
6 available for public inspection during reasonable business  
7 hours.

8 (b) Before making any deposit to the credit of the State  
9 Pensions Fund, the State Treasurer may deduct: (1) any costs in  
10 connection with sale of abandoned property, (2) any costs of  
11 mailing and publication in connection with any abandoned  
12 property, and (3) any costs in connection with the maintenance  
13 of records or disposition of claims made pursuant to this Act.  
14 The State Treasurer shall semiannually file an itemized report  
15 of all such expenses with the Legislative Audit Commission.

16 (Source: P.A. 93-531, eff. 8-14-03.)

17 Section 99. Effective date. This Act takes effect upon  
18 becoming law.

1		INDEX
2		Statutes amended in order of appearance
3	30 ILCS 105/8.12	from Ch. 127, par. 144.12
4	40 ILCS 5/2-124	from Ch. 108 1/2, par. 2-124
5	40 ILCS 5/14-131	from Ch. 108 1/2, par. 14-131
6	40 ILCS 5/15-155	from Ch. 108 1/2, par. 15-155
7	40 ILCS 5/16-158	from Ch. 108 1/2, par. 16-158
8	40 ILCS 5/18-131	from Ch. 108 1/2, par. 18-131
9	40 ILCS 15/1	
10	765 ILCS 1025/18	from Ch. 141, par. 118