

# HB5333



## 97TH GENERAL ASSEMBLY

### State of Illinois

2011 and 2012

HB5333

Introduced 2/8/2012, by Rep. Marlow H. Colvin

#### SYNOPSIS AS INTRODUCED:

40 ILCS 5/17-129

from Ch. 108 1/2, par. 17-129

Amends the Chicago Teacher Article of the Illinois Pension Code. Increases the Board of Education's total required contribution to the Fund for fiscal year 2013 from \$196,000,000 to \$307,485,000. In a provision that reduces the required annual Board of Education contribution to the Fund by the amount of any State contribution, makes the reduction apply only if the Board has certified in the previous fiscal year that the total assets of the Fund are at least 90% of the total actuarial liabilities of the Fund. Effective immediately.

LRB097 19191 EFG 64433 b

FISCAL NOTE ACT  
MAY APPLY

PENSION IMPACT  
NOTE ACT MAY  
APPLY

A BILL FOR

1 AN ACT concerning public employee benefits.

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

4 Section 5. The Illinois Pension Code is amended by changing  
5 Section 17-129 as follows:

6 (40 ILCS 5/17-129) (from Ch. 108 1/2, par. 17-129)

7 Sec. 17-129. Employer contributions; deficiency in Fund.

8 (a) If in any fiscal year of the Board of Education ending  
9 prior to 1997 the total amounts paid to the Fund from the Board  
10 of Education (other than under this subsection, and other than  
11 amounts used for making or "picking up" contributions on behalf  
12 of teachers) and from the State do not equal the total  
13 contributions made by or on behalf of the teachers for such  
14 year, or if the total income of the Fund in any such fiscal  
15 year of the Board of Education from all sources is less than  
16 the total such expenditures by the Fund for such year, the  
17 Board of Education shall, in the next succeeding year, in  
18 addition to any other payment to the Fund set apart and  
19 appropriate from moneys from its tax levy for educational  
20 purposes, a sum sufficient to remove such deficiency or  
21 deficiencies, and promptly pay such sum into the Fund in order  
22 to restore any of the reserves of the Fund that may have been  
23 so temporarily applied. Any amounts received by the Fund after

1 December 4, 1997 from State appropriations, including under  
2 Section 17-127, shall be a credit against and shall fully  
3 satisfy any obligation that may have arisen, or be claimed to  
4 have arisen, under this subsection (a) as a result of any  
5 deficiency or deficiencies in the fiscal year of the Board of  
6 Education ending in calendar year 1997.

7 (b) (i) Notwithstanding any other provision of this  
8 Section, and notwithstanding any prior certification by the  
9 Board under subsection (c) for fiscal year 2011, the Board of  
10 Education's total required contribution to the Fund for fiscal  
11 year 2011 under this Section is \$187,000,000.

12 (ii) Notwithstanding any other provision of this Section,  
13 the Board of Education's total required contribution to the  
14 Fund for fiscal year 2012 under this Section is \$192,000,000.

15 (iii) Notwithstanding any other provision of this Section,  
16 the Board of Education's total required contribution to the  
17 Fund for fiscal year 2013 under this Section is \$307,485,000  
18 ~~\$196,000,000~~.

19 (iv) For fiscal years 2014 through 2059, the minimum  
20 contribution to the Fund to be made by the Board of Education  
21 in each fiscal year shall be an amount determined by the Fund  
22 to be sufficient to bring the total assets of the Fund up to  
23 90% of the total actuarial liabilities of the Fund by the end  
24 of fiscal year 2059. In making these determinations, the  
25 required Board of Education contribution shall be calculated  
26 each year as a level percentage of the applicable employee

1 payrolls over the years remaining to and including fiscal year  
2 2059 and shall be determined under the projected unit credit  
3 actuarial cost method.

4 (v) Beginning in fiscal year 2060, the minimum Board of  
5 Education contribution for each fiscal year shall be the amount  
6 needed to maintain the total assets of the Fund at 90% of the  
7 total actuarial liabilities of the Fund.

8 (vi) Notwithstanding any other provision of this  
9 subsection (b), for any fiscal year, the contribution to the  
10 Fund from the Board of Education shall not be required to be in  
11 excess of the amount calculated as needed to maintain the  
12 assets (or cause the assets to be) at the 90% level by the end  
13 of the fiscal year.

14 (vii) Any contribution by the State to or for the benefit  
15 of the Fund, including, without limitation, as referred to  
16 under Section 17-127, shall be a credit against any  
17 contribution required to be made by the Board of Education  
18 under this subsection (b) if the Board has certified in the  
19 previous fiscal year that the total assets of the Fund are at  
20 least 90% of the total actuarial liabilities of the Fund.

21 (c) The Board shall determine the amount of Board of  
22 Education contributions required for each fiscal year on the  
23 basis of the actuarial tables and other assumptions adopted by  
24 the Board and the recommendations of the actuary, in order to  
25 meet the minimum contribution requirements of subsections (a)  
26 and (b). Annually, on or before February 28, the Board shall

1 certify to the Board of Education the amount of the required  
2 Board of Education contribution for the coming fiscal year. The  
3 certification shall include a copy of the actuarial  
4 recommendations upon which it is based.

5 (Source: P.A. 96-889, eff. 4-14-10.)

6 Section 99. Effective date. This Act takes effect upon  
7 becoming law.