



97TH GENERAL ASSEMBLY

State of Illinois

2011 and 2012

HB5351

Introduced 2/15/2012, by Rep. Bill Mitchell

SYNOPSIS AS INTRODUCED:

40 ILCS 5/2-124	from Ch. 108 1/2, par. 2-124
40 ILCS 5/2-134	from Ch. 108 1/2, par. 2-134
40 ILCS 5/14-131	
40 ILCS 5/14-135.08	from Ch. 108 1/2, par. 14-135.08
40 ILCS 5/15-155	from Ch. 108 1/2, par. 15-155
40 ILCS 5/15-165	from Ch. 108 1/2, par. 15-165
40 ILCS 5/16-158	from Ch. 108 1/2, par. 16-158
40 ILCS 5/18-131	from Ch. 108 1/2, par. 18-131
40 ILCS 5/18-140	from Ch. 108 1/2, par. 18-140

Amends the Illinois Pension Code. With respect to the 5 State-funded retirement systems, provides that each system's certification of the required State contribution for Fiscal Year 2014 shall include, in addition to the amount otherwise calculated for FY2014, an amount certified by the Board to be necessary to bring the total contributions of the State to the system for Fiscal Years 1996 through 2012 up to the level that would have been contributed if the State had complied throughout that period with the contribution formula as originally enacted in Public Act 88-593, plus an amount representing the system's lost investment earnings resulting from the delayed payment of those contributions. Also includes revisory changes. Effective immediately.

LRB097 16336 EFG 61491 b

FISCAL NOTE ACT
MAY APPLY

PENSION IMPACT
NOTE ACT MAY
APPLY

1 AN ACT concerning public employe 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 Sections 2-124, 2-134, 14-131, 14-135.08, 15-155, 15-165,
6 16-158, 18-131, and 18-140 as follows:

7 (40 ILCS 5/2-124) (from Ch. 108 1/2, par. 2-124)

8 Sec. 2-124. Contributions by State.

9 (a) The State shall make contributions to the System by
10 appropriations of amounts which, together with the
11 contributions of participants, interest earned on investments,
12 and other income will meet the cost of maintaining and
13 administering the System on a 90% funded basis in accordance
14 with actuarial recommendations.

15 (b) The Board shall determine the amount of State
16 contributions required for each fiscal year on the basis of the
17 actuarial tables and other assumptions adopted by the Board and
18 the prescribed rate of interest, using the formula in
19 subsection (c).

20 (c) For State fiscal years 2012 through 2045, the minimum
21 contribution to the System to be made by the State for each
22 fiscal year shall be an amount determined by the System to be
23 sufficient to bring the total assets of the System up to 90% of

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

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

12 Notwithstanding any other provision of this Article, the
13 total required State contribution for State fiscal year 2006 is
14 \$4,157,000.

15 Notwithstanding any other provision of this Article, the
16 total required State contribution for State fiscal year 2007 is
17 \$5,220,300.

18 For each of State fiscal years 2008 through 2009, the State
19 contribution to the System, as a percentage of the applicable
20 employee payroll, shall be increased in equal annual increments
21 from the required State contribution for State fiscal year
22 2007, so that by State fiscal year 2011, the State is
23 contributing at the rate otherwise required under this Section.

24 Notwithstanding any other provision of this Article, the
25 total required State contribution for State fiscal year 2010 is
26 \$10,454,000 and shall be made from the proceeds of bonds sold

1 in fiscal year 2010 pursuant to Section 7.2 of the General
2 Obligation Bond Act, less (i) the pro rata share of bond sale
3 expenses determined by the System's share of total bond
4 proceeds, (ii) any amounts received from the General Revenue
5 Fund in fiscal year 2010, and (iii) any reduction in bond
6 proceeds due to the issuance of discounted bonds, if
7 applicable.

8 Notwithstanding any other provision of this Article, the
9 total required State contribution for State fiscal year 2011 is
10 the amount recertified by the System on or before April 1, 2011
11 pursuant to Section 2-134 and shall be made from the proceeds
12 of bonds sold in fiscal year 2011 pursuant to Section 7.2 of
13 the General Obligation Bond Act, less (i) the pro rata share of
14 bond sale expenses determined by the System's share of total
15 bond proceeds, (ii) any amounts received from the General
16 Revenue Fund in fiscal year 2011, and (iii) any reduction in
17 bond proceeds due to the issuance of discounted bonds, if
18 applicable.

19 Notwithstanding any other provision of this Article, the
20 total required State contribution for State fiscal year 2014
21 shall include, in addition to the amount otherwise calculated
22 under this Section for FY2014, the amount certified by the
23 Board to be necessary to bring the total contributions of the
24 State to the System for Fiscal Years 1996 through 2012 up to
25 the level that would have been contributed if the State had
26 complied throughout that period with the contribution formula

1 as originally enacted in Public Act 88-593, plus an amount
2 representing the System's lost investment earnings resulting
3 from the delayed payment of those contributions.

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

8 Amounts received by the System pursuant to Section 25 of
9 the Budget Stabilization Act or Section 8.12 of the State
10 Finance Act in any fiscal year do not reduce and do not
11 constitute payment of any portion of the minimum State
12 contribution required under this Article in that fiscal year.
13 Such amounts shall not reduce, and shall not be included in the
14 calculation of, the required State contributions under this
15 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 Section 2-134, shall not
24 exceed an amount equal to (i) the amount of the required State
25 contribution that would have been calculated under this Section
26 for that fiscal year if the System had not received any

1 payments under subsection (d) of Section 7.2 of the General
2 Obligation Bond Act, minus (ii) the portion of the State's
3 total debt service payments for that fiscal year on the bonds
4 issued in fiscal year 2003 for the purposes of that Section
5 7.2, as determined and certified by the Comptroller, that is
6 the same as the System's portion of the total moneys
7 distributed under subsection (d) of Section 7.2 of the General
8 Obligation Bond Act. In determining this maximum for State
9 fiscal years 2008 through 2010, however, the amount referred to
10 in item (i) shall be increased, as a percentage of the
11 applicable employee payroll, in equal increments calculated
12 from the sum of the required State contribution for State
13 fiscal year 2007 plus the applicable portion of the State's
14 total debt service payments for fiscal year 2007 on the bonds
15 issued in fiscal year 2003 for the purposes of Section 7.2 of
16 the General Obligation Bond Act, so that, by State fiscal year
17 2011, the State is contributing at the rate otherwise required
18 under this Section.

19 (d) For purposes of determining the required State
20 contribution to the System, the value of the System's assets
21 shall be equal to the actuarial value of the System's assets,
22 which shall be calculated as follows:

23 As of June 30, 2008, the actuarial value of the System's
24 assets shall be equal to the market value of the assets as of
25 that date. In determining the actuarial value of the System's
26 assets for fiscal years after June 30, 2008, any actuarial

1 gains or losses from investment return incurred in a fiscal
2 year shall be recognized in equal annual amounts over the
3 5-year period following that fiscal year.

4 (e) For purposes of determining the required State
5 contribution to the system for a particular year, the actuarial
6 value of assets shall be assumed to earn a rate of return equal
7 to the system's actuarially assumed rate of return.

8 (Source: P.A. 95-950, eff. 8-29-08; 96-43, eff. 7-15-09;
9 96-1497, eff. 1-14-11; 96-1511, eff. 1-27-11; 96-1554, eff.
10 3-18-11; revised 4-6-11.)

11 (40 ILCS 5/2-134) (from Ch. 108 1/2, par. 2-134)

12 Sec. 2-134. To certify required State contributions and
13 submit vouchers.

14 (a) The Board shall certify to the Governor on or before
15 December 15 of each year the amount of the required State
16 contribution to the System for the next fiscal year. The
17 certification shall include a copy of the actuarial
18 recommendations upon 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

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

5 On or before April 1, 2011, the Board shall recalculate and
6 recertify to the Governor the amount of the required State
7 contribution to the System for State fiscal year 2011, applying
8 the changes made by Public Act 96-889 to the System's assets
9 and liabilities as of June 30, 2009 as though Public Act 96-889
10 was approved on that date.

11 The Board's certification of the required State
12 contribution for Fiscal Year 2014 shall include, in addition to
13 the amount otherwise calculated under this Section for FY2014,
14 an amount determined by the Board to be necessary to bring the
15 total contributions of the State to the system for Fiscal Years
16 1996 through 2012 up to the level that would have been
17 contributed if the State had complied with the contribution
18 formula as originally enacted in Public Act 88-593, plus an
19 amount representing the system's lost investment earnings
20 resulting from the delayed payment of those contributions.

21 (b) Beginning in State fiscal year 1996, on or as soon as
22 possible after the 15th day of each month the Board shall
23 submit vouchers for payment of State contributions to the
24 System, in a total monthly amount of one-twelfth of the
25 required annual State contribution certified under subsection
26 (a). From the effective date of this amendatory Act of the 93rd

1 General Assembly through June 30, 2004, the Board shall not
2 submit vouchers for the remainder of fiscal year 2004 in excess
3 of the fiscal year 2004 certified contribution amount
4 determined under this Section after taking into consideration
5 the transfer to the System under subsection (d) of Section
6 6z-61 of the State Finance Act. These vouchers shall be paid by
7 the State Comptroller and Treasurer by warrants drawn on the
8 funds appropriated to the System for that fiscal year. If in
9 any month the amount remaining unexpended from all other
10 appropriations to the System for the applicable fiscal year
11 (including the appropriations to the System under Section 8.12
12 of the State Finance Act and Section 1 of the State Pension
13 Funds Continuing Appropriation Act) is less than the amount
14 lawfully vouchered under this Section, the difference shall be
15 paid from the General Revenue Fund under the continuing
16 appropriation authority provided in Section 1.1 of the State
17 Pension Funds Continuing Appropriation Act.

18 (c) The full amount of any annual appropriation for the
19 System for State fiscal year 1995 shall be transferred and made
20 available to the System at the beginning of that fiscal year at
21 the request of the Board. Any excess funds remaining at the end
22 of any fiscal year from appropriations shall be retained by the
23 System as a general reserve to meet the System's accrued
24 liabilities.

25 (Source: P.A. 95-331, eff. 8-21-07; 96-1497, eff. 1-14-11;
26 96-1511, eff. 1-27-11.)

1 (40 ILCS 5/14-131)

2 Sec. 14-131. Contributions by State.

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

10 For the purposes of this Section and Section 14-135.08,
11 references to State contributions refer only to employer
12 contributions and do not include employee contributions that
13 are picked up or otherwise paid by the State or a department on
14 behalf of the employee.

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

19 The Board shall also determine a State contribution rate
20 for each fiscal year, expressed as a percentage of payroll,
21 based on the total required State contribution for that fiscal
22 year (less the amount received by the System from
23 appropriations under Section 8.12 of the State Finance Act and
24 Section 1 of the State Pension Funds Continuing Appropriation
25 Act, if any, for the fiscal year ending on the June 30

1 immediately preceding the applicable November 15 certification
2 deadline), the estimated payroll (including all forms of
3 compensation) for personal services rendered by eligible
4 employees, and the recommendations of the actuary.

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

12 (c) Contributions shall be made by the several departments
13 for each pay period by warrants drawn by the State Comptroller
14 against their respective funds or appropriations based upon
15 vouchers stating the amount to be so contributed. These amounts
16 shall be based on the full rate certified by the Board under
17 Section 14-135.08 for that fiscal year. From the effective date
18 of this amendatory Act of the 93rd General Assembly through the
19 payment of the final payroll from fiscal year 2004
20 appropriations, the several departments shall not make
21 contributions for the remainder of fiscal year 2004 but shall
22 instead make payments as required under subsection (a-1) of
23 Section 14.1 of the State Finance Act. The several departments
24 shall resume those contributions at the commencement of fiscal
25 year 2005.

26 (c-1) Notwithstanding subsection (c) of this Section, for

1 fiscal years 2010 and 2012 only, contributions by the several
2 departments are not required to be made for General Revenue
3 Funds payrolls processed by the Comptroller. Payrolls paid by
4 the several departments from all other State funds must
5 continue to be processed pursuant to subsection (c) of this
6 Section.

7 (c-2) For State fiscal years 2010 and 2012 only, on or as
8 soon as possible after the 15th day of each month, the Board
9 shall submit vouchers for payment of State contributions to the
10 System, in a total monthly amount of one-twelfth of the fiscal
11 year General Revenue Fund contribution as certified by the
12 System pursuant to Section 14-135.08 of the Illinois Pension
13 Code.

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

1 contributions at the commencement of fiscal year 2005.

2 (e) For State fiscal years 2012 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 (i) for State
17 fiscal year 1998, for all purposes of this Code and any other
18 law of this State, the certified percentage of the applicable
19 employee payroll shall be 5.052% for employees earning eligible
20 creditable service under Section 14-110 and 6.500% for all
21 other employees, notwithstanding any contrary certification
22 made under Section 14-135.08 before the effective date of this
23 amendatory Act of 1997, and (ii) in the following specified
24 State fiscal years, the State contribution to the System shall
25 not be less than the following indicated percentages of the
26 applicable employee payroll, even if the indicated percentage

1 will produce a State contribution in excess of the amount
2 otherwise required under this subsection and subsection (a):
3 9.8% in FY 1999; 10.0% in FY 2000; 10.2% in FY 2001; 10.4% in FY
4 2002; 10.6% in FY 2003; and 10.8% in FY 2004.

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

8 Notwithstanding any other provision of this Article, the
9 total required State contribution to the System for State
10 fiscal year 2007 is \$344,164,400.

11 For each of State fiscal years 2008 through 2009, the State
12 contribution to the System, as a percentage of the applicable
13 employee payroll, shall be increased in equal annual increments
14 from the required State contribution for State fiscal year
15 2007, so that by State fiscal year 2011, the State is
16 contributing at the rate otherwise required under this Section.

17 Notwithstanding any other provision of this Article, the
18 total required State General Revenue Fund contribution for
19 State fiscal year 2010 is \$723,703,100 and shall be made from
20 the proceeds of bonds sold in fiscal year 2010 pursuant to
21 Section 7.2 of the General Obligation Bond Act, less (i) the
22 pro rata share of bond sale expenses determined by the System's
23 share of total bond proceeds, (ii) any amounts received from
24 the General Revenue Fund in fiscal year 2010, and (iii) any
25 reduction in bond proceeds due to the issuance of discounted
26 bonds, if applicable.

1 Notwithstanding any other provision of this Article, the
2 total required State General Revenue Fund contribution for
3 State fiscal year 2011 is the amount recertified by the System
4 on or before April 1, 2011 pursuant to Section 14-135.08 and
5 shall be made from the proceeds of bonds sold in fiscal year
6 2011 pursuant to Section 7.2 of the General Obligation Bond
7 Act, less (i) the pro rata share of bond sale expenses
8 determined by the System's share of total bond proceeds, (ii)
9 any amounts received from the General Revenue Fund in fiscal
10 year 2011, and (iii) any reduction in bond proceeds due to the
11 issuance of discounted bonds, if applicable.

12 Notwithstanding any other provision of this Article, the
13 total required State contribution for State fiscal year 2014
14 shall include, in addition to the amount otherwise calculated
15 under this Section for FY2014, the amount certified by the
16 Board to be necessary to bring the total contributions of the
17 State to the System for Fiscal Years 1996 through 2012 up to
18 the level that would have been contributed if the State had
19 complied throughout that period with the contribution formula
20 as originally enacted in Public Act 88-593, plus an amount
21 representing the System's lost investment earnings resulting
22 from the delayed payment of those contributions.

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

1 Amounts received by the System pursuant to Section 25 of
2 the Budget Stabilization Act or Section 8.12 of the State
3 Finance Act in any fiscal year do not reduce and do not
4 constitute payment of any portion of the minimum State
5 contribution required under this Article in that fiscal year.
6 Such amounts shall not reduce, and shall not be included in the
7 calculation of, the required State contributions under this
8 Article in any future year until the System has reached a
9 funding ratio of at least 90%. A reference in this Article to
10 the "required State contribution" or any substantially similar
11 term does not include or apply to any amounts payable to the
12 System under Section 25 of the Budget Stabilization Act.

13 Notwithstanding any other provision of this Section, the
14 required State contribution for State fiscal year 2005 and for
15 fiscal year 2008 and each fiscal year thereafter, as calculated
16 under this Section and certified under Section 14-135.08, shall
17 not exceed an amount equal to (i) the amount of the required
18 State contribution that would have been calculated under this
19 Section for that fiscal year if the System had not received any
20 payments under subsection (d) of Section 7.2 of the General
21 Obligation Bond Act, minus (ii) the portion of the State's
22 total debt service payments for that fiscal year on the bonds
23 issued in fiscal year 2003 for the purposes of that Section
24 7.2, as determined and certified by the Comptroller, that is
25 the same as the System's portion of the total moneys
26 distributed under subsection (d) of Section 7.2 of the General

1 Obligation Bond Act. In determining this maximum for State
2 fiscal years 2008 through 2010, however, the amount referred to
3 in item (i) shall be increased, as a percentage of the
4 applicable employee payroll, in equal increments calculated
5 from the sum of the required State contribution for State
6 fiscal year 2007 plus the applicable portion of the State's
7 total debt service payments for fiscal year 2007 on the bonds
8 issued in fiscal year 2003 for the purposes of Section 7.2 of
9 the General Obligation Bond Act, so that, by State fiscal year
10 2011, the State is contributing at the rate otherwise required
11 under this Section.

12 (f) After the submission of all payments for eligible
13 employees from personal services line items in fiscal year 2004
14 have been made, the Comptroller shall provide to the System a
15 certification of the sum of all fiscal year 2004 expenditures
16 for personal services that would have been covered by payments
17 to the System under this Section if the provisions of this
18 amendatory Act of the 93rd General Assembly had not been
19 enacted. Upon receipt of the certification, the System shall
20 determine the amount due to the System based on the full rate
21 certified by the Board under Section 14-135.08 for fiscal year
22 2004 in order to meet the State's obligation under this
23 Section. The System shall compare this amount due to the amount
24 received by the System in fiscal year 2004 through payments
25 under this Section and under Section 6z-61 of the State Finance
26 Act. If the amount due is more than the amount received, the

1 difference shall be termed the "Fiscal Year 2004 Shortfall" for
2 purposes of this Section, and the Fiscal Year 2004 Shortfall
3 shall be satisfied under Section 1.2 of the State Pension Funds
4 Continuing Appropriation Act. If the amount due is less than
5 the amount received, the difference shall be termed the "Fiscal
6 Year 2004 Overpayment" for purposes of this Section, and the
7 Fiscal Year 2004 Overpayment shall be repaid by the System to
8 the Pension Contribution Fund as soon as practicable after the
9 certification.

10 (g) For purposes of determining the required State
11 contribution to the System, the value of the System's assets
12 shall be equal to the actuarial value of the System's assets,
13 which shall be calculated as follows:

14 As of June 30, 2008, the actuarial value of the System's
15 assets shall be equal to the market value of the assets as of
16 that date. In determining the actuarial value of the System's
17 assets for fiscal years after June 30, 2008, any actuarial
18 gains or losses from investment return incurred in a fiscal
19 year shall be recognized in equal annual amounts over the
20 5-year period following that fiscal year.

21 (h) For purposes of determining the required State
22 contribution to the System for a particular year, the actuarial
23 value of assets shall be assumed to earn a rate of return equal
24 to the System's actuarially assumed rate of return.

25 (i) After the submission of all payments for eligible
26 employees from personal services line items paid from the

1 General Revenue Fund in fiscal year 2010 have been made, the
2 Comptroller shall provide to the System a certification of the
3 sum of all fiscal year 2010 expenditures for personal services
4 that would have been covered by payments to the System under
5 this Section if the provisions of this amendatory Act of the
6 96th General Assembly had not been enacted. Upon receipt of the
7 certification, the System shall determine the amount due to the
8 System based on the full rate certified by the Board under
9 Section 14-135.08 for fiscal year 2010 in order to meet the
10 State's obligation under this Section. The System shall compare
11 this amount due to the amount received by the System in fiscal
12 year 2010 through payments under this Section. If the amount
13 due is more than the amount received, the difference shall be
14 termed the "Fiscal Year 2010 Shortfall" for purposes of this
15 Section, and the Fiscal Year 2010 Shortfall shall be satisfied
16 under Section 1.2 of the State Pension Funds Continuing
17 Appropriation Act. If the amount due is less than the amount
18 received, the difference shall be termed the "Fiscal Year 2010
19 Overpayment" for purposes of this Section, and the Fiscal Year
20 2010 Overpayment shall be repaid by the System to the General
21 Revenue Fund as soon as practicable after the certification.

22 (j) After the submission of all payments for eligible
23 employees from personal services line items paid from the
24 General Revenue Fund in fiscal year 2011 have been made, the
25 Comptroller shall provide to the System a certification of the
26 sum of all fiscal year 2011 expenditures for personal services

1 that would have been covered by payments to the System under
2 this Section if the provisions of this amendatory Act of the
3 96th General Assembly had not been enacted. Upon receipt of the
4 certification, the System shall determine the amount due to the
5 System based on the full rate certified by the Board under
6 Section 14-135.08 for fiscal year 2011 in order to meet the
7 State's obligation under this Section. The System shall compare
8 this amount due to the amount received by the System in fiscal
9 year 2011 through payments under this Section. If the amount
10 due is more than the amount received, the difference shall be
11 termed the "Fiscal Year 2011 Shortfall" for purposes of this
12 Section, and the Fiscal Year 2011 Shortfall shall be satisfied
13 under Section 1.2 of the State Pension Funds Continuing
14 Appropriation Act. If the amount due is less than the amount
15 received, the difference shall be termed the "Fiscal Year 2011
16 Overpayment" for purposes of this Section, and the Fiscal Year
17 2011 Overpayment shall be repaid by the System to the General
18 Revenue Fund as soon as practicable after the certification.

19 (k) For fiscal year 2012 only, after the submission of all
20 payments for eligible employees from personal services line
21 items paid from the General Revenue Fund in the fiscal year
22 have been made, the Comptroller shall provide to the System a
23 certification of the sum of all expenditures in the fiscal year
24 for personal services. Upon receipt of the certification, the
25 System shall determine the amount due to the System based on
26 the full rate certified by the Board under Section 14-135.08

1 for the fiscal year in order to meet the State's obligation
2 under this Section. The System shall compare this amount due to
3 the amount received by the System for the fiscal year. If the
4 amount due is more than the amount received, the difference
5 shall be termed the "Fiscal Year Shortfall" for purposes of
6 this Section, and the Fiscal Year Shortfall shall be satisfied
7 under Section 1.2 of the State Pension Funds Continuing
8 Appropriation Act. If the amount due is less than the amount
9 received, the difference shall be termed the "Fiscal Year
10 Overpayment" for purposes of this Section, and the Fiscal Year
11 Overpayment shall be repaid by the System to the General
12 Revenue Fund as soon as practicable after the certification.

13 (Source: P.A. 96-43, eff. 7-15-09; 96-45, eff. 7-15-09;
14 96-1000, eff. 7-2-10; 96-1497, eff. 1-14-11; 96-1511, eff.
15 1-27-11; 96-1554, eff. 3-18-11; 97-72, eff. 7-1-11.)

16 (40 ILCS 5/14-135.08) (from Ch. 108 1/2, par. 14-135.08)

17 Sec. 14-135.08. To certify required State contributions.

18 (a) To certify to the Governor and to each department, on
19 or before November 15 of each year, the required rate for State
20 contributions to the System for the next State fiscal year, as
21 determined under subsection (b) of Section 14-131. The
22 certification to the Governor shall include a copy of the
23 actuarial recommendations upon which the rate is based.

24 (b) The certification shall include an additional amount
25 necessary to pay all principal of and interest on those general

1 obligation bonds due the next fiscal year authorized by Section
2 7.2(a) of the General Obligation Bond Act and issued to provide
3 the proceeds deposited by the State with the System in July
4 2003, representing deposits other than amounts reserved under
5 Section 7.2(c) of the General Obligation Bond Act. For State
6 fiscal year 2005, the Board shall make a supplemental
7 certification of the additional amount necessary to pay all
8 principal of and interest on those general obligation bonds due
9 in State fiscal years 2004 and 2005 authorized by Section
10 7.2(a) of the General Obligation Bond Act and issued to provide
11 the proceeds deposited by the State with the System in July
12 2003, representing deposits other than amounts reserved under
13 Section 7.2(c) of the General Obligation Bond Act, as soon as
14 practical after the effective date of this amendatory Act of
15 the 93rd General Assembly.

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

23 On or before July 1, 2005, the Board shall recalculate and
24 recertify to the Governor and to each department the amount of
25 the required State contribution to the System and the required
26 rates for State contributions to the System for State fiscal

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

4 On or before April 1, 2011, the Board shall recalculate and
5 recertify to the Governor and to each department the amount of
6 the required State contribution to the System for State fiscal
7 year 2011, applying the changes made by Public Act 96-889 to
8 the System's assets and liabilities as of June 30, 2009 as
9 though Public Act 96-889 was approved on that date.

10 The Board's certification of the required State
11 contribution for Fiscal Year 2014 shall include, in addition to
12 the amount otherwise calculated under this Section for FY2014,
13 an amount determined by the Board to be necessary to bring the
14 total contributions of the State to the system for Fiscal Years
15 1996 through 2012 up to the level that would have been
16 contributed if the State had complied with the contribution
17 formula as originally enacted in Public Act 88-593, plus an
18 amount representing the system's lost investment earnings
19 resulting from the delayed payment of those contributions.

20 (Source: P.A. 96-1497, eff. 1-14-11; 96-1511, eff. 1-27-11.)

21 (40 ILCS 5/15-155) (from Ch. 108 1/2, par. 15-155)

22 Sec. 15-155. Employer contributions.

23 (a) The State of Illinois shall make contributions by
24 appropriations of amounts which, together with the other
25 employer contributions from trust, federal, and other funds,

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

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

10 (a-1) For State fiscal years 2012 through 2045, the minimum
11 contribution to the System to be made by the State for each
12 fiscal year shall be an amount determined by the System to be
13 sufficient to bring the total assets of the System up to 90% of
14 the total actuarial liabilities of the System by the end of
15 State fiscal year 2045. In making these determinations, the
16 required State contribution shall be calculated each year as a
17 level percentage of payroll over the years remaining to and
18 including fiscal year 2045 and shall be determined under the
19 projected unit credit actuarial cost method.

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

25 Notwithstanding any other provision of this Article, the
26 total required State contribution for State fiscal year 2006 is

1 \$166,641,900.

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

5 For each of State fiscal years 2008 through 2009, the State
6 contribution to the System, as a percentage of the applicable
7 employee payroll, shall be increased in equal annual increments
8 from the required State contribution for State fiscal year
9 2007, so that by State fiscal year 2011, the State is
10 contributing at the rate otherwise required under this Section.

11 Notwithstanding any other provision of this Article, the
12 total required State contribution for State fiscal year 2010 is
13 \$702,514,000 and shall be made from the State Pensions Fund and
14 proceeds of bonds sold in fiscal year 2010 pursuant to Section
15 7.2 of the General Obligation Bond Act, less (i) the pro rata
16 share of bond sale expenses determined by the System's share of
17 total bond proceeds, (ii) any amounts received from the General
18 Revenue Fund in fiscal year 2010, (iii) any reduction in bond
19 proceeds due to the issuance of discounted bonds, if
20 applicable.

21 Notwithstanding any other provision of this Article, the
22 total required State contribution for State fiscal year 2011 is
23 the amount recertified by the System on or before April 1, 2011
24 pursuant to Section 15-165 and shall be made from the State
25 Pensions Fund and proceeds of bonds sold in fiscal year 2011
26 pursuant to Section 7.2 of the General Obligation Bond Act,

1 less (i) the pro rata share of bond sale expenses determined by
2 the System's share of total bond proceeds, (ii) any amounts
3 received from the General Revenue Fund in fiscal year 2011, and
4 (iii) any reduction in bond proceeds due to the issuance of
5 discounted bonds, if applicable.

6 Notwithstanding any other provision of this Article, the
7 total required State contribution for State fiscal year 2014
8 shall include, in addition to the amount otherwise calculated
9 under this Section for FY2014, the amount certified by the
10 Board to be necessary to bring the total contributions of the
11 State to the System for Fiscal Years 1996 through 2012 up to
12 the level that would have been contributed if the State had
13 complied throughout that period with the contribution formula
14 as originally enacted in Public Act 88-593, plus an amount
15 representing the System's lost investment earnings resulting
16 from the delayed payment of those contributions.

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

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

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

7 Notwithstanding any other provision of this Section, the
8 required State contribution for State fiscal year 2005 and for
9 fiscal year 2008 and each fiscal year thereafter, as calculated
10 under this Section and certified under Section 15-165, shall
11 not exceed an amount equal to (i) the amount of the required
12 State contribution that would have been calculated under this
13 Section for that fiscal year if the System had not received any
14 payments under subsection (d) of Section 7.2 of the General
15 Obligation Bond Act, minus (ii) the portion of the State's
16 total debt service payments for that fiscal year on the bonds
17 issued in fiscal year 2003 for the purposes of that Section
18 7.2, as determined and certified by the Comptroller, that is
19 the same as the System's portion of the total moneys
20 distributed under subsection (d) of Section 7.2 of the General
21 Obligation Bond Act. In determining this maximum for State
22 fiscal years 2008 through 2010, however, the amount referred to
23 in item (i) shall be increased, as a percentage of the
24 applicable employee payroll, in equal increments calculated
25 from the sum of the required State contribution for State
26 fiscal year 2007 plus the applicable portion of the State's

1 total debt service payments for fiscal year 2007 on the bonds
2 issued in fiscal year 2003 for the purposes of Section 7.2 of
3 the General Obligation Bond Act, so that, by State fiscal year
4 2011, the State is contributing at the rate otherwise required
5 under this Section.

6 (b) If an employee is paid from trust or federal funds, the
7 employer shall pay to the Board contributions from those funds
8 which are sufficient to cover the accruing normal costs on
9 behalf of the employee. However, universities having employees
10 who are compensated out of local auxiliary funds, income funds,
11 or service enterprise funds are not required to pay such
12 contributions on behalf of those employees. The local auxiliary
13 funds, income funds, and service enterprise funds of
14 universities shall not be considered trust funds for the
15 purpose of this Article, but funds of alumni associations,
16 foundations, and athletic associations which are affiliated
17 with the universities included as employers under this Article
18 and other employers which do not receive State appropriations
19 are considered to be trust funds for the purpose of this
20 Article.

21 (b-1) The City of Urbana and the City of Champaign shall
22 each make employer contributions to this System for their
23 respective firefighter employees who participate in this
24 System pursuant to subsection (h) of Section 15-107. The rate
25 of contributions to be made by those municipalities shall be
26 determined annually by the Board on the basis of the actuarial

1 assumptions adopted by the Board and the recommendations of the
2 actuary, and shall be expressed as a percentage of salary for
3 each such employee. The Board shall certify the rate to the
4 affected municipalities as soon as may be practical. The
5 employer contributions required under this subsection shall be
6 remitted by the municipality to the System at the same time and
7 in the same manner as employee contributions.

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

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

24 (e) The State Comptroller shall draw warrants payable to
25 the System upon proper certification by the System or by the
26 employer in accordance with the appropriation laws and this

1 Code.

2 (f) Normal costs under this Section means liability for
3 pensions and other benefits which accrues to the System because
4 of the credits earned for service rendered by the participants
5 during the fiscal year and expenses of administering the
6 System, but shall not include the principal of or any
7 redemption premium or interest on any bonds issued by the Board
8 or any expenses incurred or deposits required in connection
9 therewith.

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

26 Whenever it determines that a payment is or may be required

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

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

24 (h) This subsection (h) applies only to payments made or
25 salary increases given on or after June 1, 2005 but before July
26 1, 2011. The changes made by Public Act 94-1057 shall not

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

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

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

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

26 When assessing payment for any amount due under subsection

1 (g), the System shall exclude any earnings increase resulting
2 from (i) a promotion for which the employee moves from one
3 classification to a higher classification under the State
4 Universities Civil Service System, (ii) a promotion in academic
5 rank for a tenured or tenure-track faculty position, or (iii) a
6 promotion that the Illinois Community College Board has
7 recommended in accordance with subsection (k) of this Section.
8 These earnings increases shall be excluded only if the
9 promotion is to a position that has existed and been filled by
10 a member for no less than one complete academic year and the
11 earnings increase as a result of the promotion is an increase
12 that results in an amount no greater than the average salary
13 paid for other similar positions.

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

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

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

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

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

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

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

1 submit any information to the Community College Board.

2 (1) For purposes of determining the required State
3 contribution to the System, the value of the System's assets
4 shall be equal to the actuarial value of the System's assets,
5 which shall be calculated as follows:

6 As of June 30, 2008, the actuarial value of the System's
7 assets shall be equal to the market value of the assets as of
8 that date. In determining the actuarial value of the System's
9 assets for fiscal years after June 30, 2008, any actuarial
10 gains or losses from investment return incurred in a fiscal
11 year shall be recognized in equal annual amounts over the
12 5-year period following that fiscal year.

13 (m) For purposes of determining the required State
14 contribution to the system for a particular year, the actuarial
15 value of assets shall be assumed to earn a rate of return equal
16 to the system's actuarially assumed rate of return.

17 (Source: P.A. 95-331, eff. 8-21-07; 95-950, eff. 8-29-08;
18 96-43, eff. 7-15-09; 96-1497, eff. 1-14-11; 96-1511, eff.
19 1-27-11; 96-1554, eff. 3-18-11; revised 4-6-11.)

20 (40 ILCS 5/15-165) (from Ch. 108 1/2, par. 15-165)

21 Sec. 15-165. To certify amounts and submit vouchers.

22 (a) The Board shall certify to the Governor on or before
23 November 15 of each year the appropriation required from State
24 funds for the purposes of this System for the following fiscal
25 year. The certification shall include a copy of the actuarial

1 recommendations upon which it is based.

2 On or before May 1, 2004, 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 2005, taking
5 into account the amounts appropriated to and received by the
6 System under subsection (d) of Section 7.2 of the General
7 Obligation Bond Act.

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

13 On or before April 1, 2011, the Board shall recalculate and
14 recertify to the Governor the amount of the required State
15 contribution to the System for State fiscal year 2011, applying
16 the changes made by Public Act 96-889 to the System's assets
17 and liabilities as of June 30, 2009 as though Public Act 96-889
18 was approved on that date.

19 The Board's certification of the required State
20 contribution for Fiscal Year 2014 shall include, in addition to
21 the amount otherwise calculated under this Section for FY2014,
22 an amount determined by the Board to be necessary to bring the
23 total contributions of the State to the system for Fiscal Years
24 1996 through 2012 up to the level that would have been
25 contributed if the State had complied with the contribution
26 formula as originally enacted in Public Act 88-593, plus an

1 amount representing the system's lost investment earnings
2 resulting from the delayed payment of those contributions.

3 (b) The Board shall certify to the State Comptroller or
4 employer, as the case may be, from time to time, by its
5 president and secretary, with its seal attached, the amounts
6 payable to the System from the various funds.

7 (c) Beginning in State fiscal year 1996, on or as soon as
8 possible after the 15th day of each month the Board shall
9 submit vouchers for payment of State contributions to the
10 System, in a total monthly amount of one-twelfth of the
11 required annual State contribution certified under subsection
12 (a). From the effective date of this amendatory Act of the 93rd
13 General Assembly through June 30, 2004, the Board shall not
14 submit vouchers for the remainder of fiscal year 2004 in excess
15 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 (b) 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 Section, the difference

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

4 (d) So long as the payments received are the full amount
5 lawfully vouchered under this Section, payments received by the
6 System under this Section shall be applied first toward the
7 employer contribution to the self-managed plan established
8 under Section 15-158.2. Payments shall be applied second toward
9 the employer's portion of the normal costs of the System, as
10 defined in subsection (f) of Section 15-155. The balance shall
11 be applied toward the unfunded actuarial liabilities of the
12 System.

13 (e) In the event that the System does not receive, as a
14 result of legislative enactment or otherwise, payments
15 sufficient to fully fund the employer contribution to the
16 self-managed plan established under Section 15-158.2 and to
17 fully fund that portion of the employer's portion of the normal
18 costs of the System, as calculated in accordance with Section
19 15-155(a-1), then any payments received shall be applied
20 proportionately to the optional retirement program established
21 under Section 15-158.2 and to the employer's portion of the
22 normal costs of the System, as calculated in accordance with
23 Section 15-155(a-1).

24 (Source: P.A. 96-1497, eff. 1-14-11; 96-1511, eff. 1-27-11.)

1 Sec. 16-158. Contributions by State and other employing
2 units.

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

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

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

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

26 On or before July 1, 2005 ~~April 1, 2011~~, the Board shall

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

6 On or before April 1, 2011 ~~June 15, 2010~~, the Board shall
7 recalculate and recertify to the Governor the amount of the
8 required State contribution to the System for State fiscal year
9 2011, applying the changes made by Public Act 96-889 to the
10 System's assets and liabilities as of June 30, 2009 as though
11 Public Act 96-889 was approved on that date.

12 The Board's certification of the required State
13 contribution for Fiscal Year 2014 shall include, in addition to
14 the amount otherwise calculated under this Section for FY2014,
15 an amount determined by the Board to be necessary to bring the
16 total contributions of the State to the system for Fiscal Years
17 1996 through 2012 up to the level that would have been
18 contributed if the State had complied with the contribution
19 formula as originally enacted in Public Act 88-593, plus an
20 amount representing the system's lost investment earnings
21 resulting from the delayed payment of those contributions.

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

25 (b-1) Beginning in State fiscal year 1996, on the 15th day
26 of each month, or as soon thereafter as may be practicable, the

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

13 If in any month the amount remaining unexpended from all
14 other appropriations to the System for the applicable fiscal
15 year (including the appropriations to the System under Section
16 8.12 of the State Finance Act and Section 1 of the State
17 Pension Funds Continuing Appropriation Act) is less than the
18 amount lawfully vouchered under this subsection, the
19 difference shall be paid from the Common School Fund under the
20 continuing appropriation authority provided in Section 1.1 of
21 the State Pension Funds Continuing Appropriation Act.

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

25 (b-3) For State fiscal years 2012 through 2045, the minimum
26 contribution to the System to be made by the State for each

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

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

24 Notwithstanding any other provision of this Article, the
25 total required State contribution for State fiscal year 2006 is
26 \$534,627,700.

1 Notwithstanding any other provision of this Article, the
2 total required State contribution for State fiscal year 2007 is
3 \$738,014,500.

4 For each of State fiscal years 2008 through 2009, the State
5 contribution to the System, as a percentage of the applicable
6 employee payroll, shall be increased in equal annual increments
7 from the required State contribution for State fiscal year
8 2007, so that by State fiscal year 2011, the State is
9 contributing at the rate otherwise required under this Section.

10 Notwithstanding any other provision of this Article, the
11 total required State contribution for State fiscal year 2010 is
12 \$2,089,268,000 and shall be made from the proceeds of bonds
13 sold in fiscal year 2010 pursuant to Section 7.2 of the General
14 Obligation Bond Act, less (i) the pro rata share of bond sale
15 expenses determined by the System's share of total bond
16 proceeds, (ii) any amounts received from the Common School Fund
17 in fiscal year 2010, and (iii) any reduction in bond proceeds
18 due to the issuance of discounted bonds, if applicable.

19 Notwithstanding any other provision of this Article, the
20 total required State contribution for State fiscal year 2011 is
21 the amount recertified by the System on or before April 1, 2011
22 pursuant to subsection (a-1) of this Section and shall be made
23 from the proceeds of bonds sold in fiscal year 2011 pursuant to
24 Section 7.2 of the General Obligation Bond Act, less (i) the
25 pro rata share of bond sale expenses determined by the System's
26 share of total bond proceeds, (ii) any amounts received from

1 the Common School Fund in fiscal year 2011, and (iii) any
2 reduction in bond proceeds due to the issuance of discounted
3 bonds, if applicable. This amount shall include, in addition to
4 the amount certified by the System, an amount necessary to meet
5 employer contributions required by the State as an employer
6 under paragraph (e) of this Section, which may also be used by
7 the System for contributions required by paragraph (a) of
8 Section 16-127.

9 Notwithstanding any other provision of this Article, the
10 total required State contribution for State fiscal year 2014
11 shall include, in addition to the amount otherwise calculated
12 under this Section for FY2014, the amount certified by the
13 Board to be necessary to bring the total contributions of the
14 State to the System for Fiscal Years 1996 through 2012 up to
15 the level that would have been contributed if the State had
16 complied throughout that period with the contribution formula
17 as originally enacted in Public Act 88-593, plus an amount
18 representing the System's lost investment earnings resulting
19 from the delayed payment of those contributions.

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

24 Amounts received by the System pursuant to Section 25 of
25 the Budget Stabilization Act or Section 8.12 of the State
26 Finance Act in any fiscal year do not reduce and do not

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

10 Notwithstanding any other provision of this Section, the
11 required State contribution for State fiscal year 2005 and for
12 fiscal year 2008 and each fiscal year thereafter, as calculated
13 under this Section and certified under subsection (a-1), shall
14 not exceed an amount equal to (i) the amount of the required
15 State contribution that would have been calculated under this
16 Section for that fiscal year if the System had not received any
17 payments under subsection (d) of Section 7.2 of the General
18 Obligation Bond Act, minus (ii) the portion of the State's
19 total debt service payments for that fiscal year on the bonds
20 issued in fiscal year 2003 for the purposes of that Section
21 7.2, as determined and certified by the Comptroller, that is
22 the same as the System's portion of the total moneys
23 distributed under subsection (d) of Section 7.2 of the General
24 Obligation Bond Act. In determining this maximum for State
25 fiscal years 2008 through 2010, however, the amount referred to
26 in item (i) shall be increased, as a percentage of the

1 applicable employee payroll, in equal increments calculated
2 from the sum of the required State contribution for State
3 fiscal year 2007 plus the applicable portion of the State's
4 total debt service payments for fiscal year 2007 on the bonds
5 issued in fiscal year 2003 for the purposes of Section 7.2 of
6 the General Obligation Bond Act, so that, by State fiscal year
7 2011, the State is contributing at the rate otherwise required
8 under this Section.

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

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

24 (d) Effective July 1, 1986, any employer of a teacher as
25 defined in paragraph (8) of Section 16-106 shall pay the
26 employer's normal cost of benefits based upon the teacher's

1 service, in addition to employee contributions, as determined
2 by the System. Such employer contributions shall be forwarded
3 monthly in accordance with guidelines established by the
4 System.

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

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

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

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

26 The school district or other employing unit may pay these

1 employer contributions out of any source of funding available
2 for that purpose and shall forward the contributions to the
3 System on the schedule established for the payment of member
4 contributions.

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

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

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

20 If an employer is required by a contract in effect on May
21 1, 1998 between the employer and an employee organization to
22 pay, on behalf of all its full-time employees covered by this
23 Article, all mandatory employee contributions required under
24 this Article, then the employer shall be excused from paying
25 the employer contribution required under this subsection (e)
26 for the balance of the term of that contract. The employer and

1 the employee organization shall jointly certify to the System
2 the existence of the contractual requirement, in such form as
3 the System may prescribe. This exclusion shall cease upon the
4 termination, extension, or renewal of the contract at any time
5 after May 1, 1998.

6 (f) If the amount of a teacher's salary for any school year
7 used to determine final average salary exceeds the member's
8 annual full-time salary rate with the same employer for the
9 previous school year by more than 6%, the teacher's employer
10 shall pay to the System, in addition to all other payments
11 required under this Section and in accordance with guidelines
12 established by the System, the present value of the increase in
13 benefits resulting from the portion of the increase in salary
14 that is in excess of 6%. This present value shall be computed
15 by the System on the basis of the actuarial assumptions and
16 tables used in the most recent actuarial valuation of the
17 System that is available at the time of the computation. If a
18 teacher's salary for the 2005-2006 school year is used to
19 determine final average salary under this subsection (f), then
20 the changes made to this subsection (f) by Public Act 94-1057
21 shall apply in calculating whether the increase in his or her
22 salary is in excess of 6%. For the purposes of this Section,
23 change in employment under Section 10-21.12 of the School Code
24 on or after June 1, 2005 shall constitute a change in employer.
25 The System may require the employer to provide any pertinent
26 information or documentation. The changes made to this

1 subsection (f) by this amendatory Act of the 94th General
2 Assembly apply without regard to whether the teacher was in
3 service on or after its effective date.

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

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

1 bill.

2 (g) This subsection (g) applies only to payments made or
3 salary increases given on or after June 1, 2005 but before July
4 1, 2011. The changes made by Public Act 94-1057 shall not
5 require the System to refund any payments received before July
6 31, 2006 (the effective date of Public Act 94-1057).

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

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

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

25 When assessing payment for any amount due under subsection
26 (f), the System shall exclude a salary increase resulting from

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

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

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

1 shall be used in assessing payment for any amount due under
2 subsection (f) of this Section.

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

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

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

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

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

18 (j) For purposes of determining the required State
19 contribution to the System, the value of the System's assets
20 shall be equal to the actuarial value of the System's assets,
21 which shall be calculated as follows:

22 As of June 30, 2008, the actuarial value of the System's
23 assets shall be equal to the market value of the assets as of
24 that date. In determining the actuarial value of the System's
25 assets for fiscal years after June 30, 2008, any actuarial
26 gains or losses from investment return incurred in a fiscal

1 year shall be recognized in equal annual amounts over the
2 5-year period following that fiscal year.

3 (k) For purposes of determining the required State
4 contribution to the system for a particular year, the actuarial
5 value of assets shall be assumed to earn a rate of return equal
6 to the system's actuarially assumed rate of return.

7 (Source: P.A. 95-331, eff. 8-21-07; 95-950, eff. 8-29-08;
8 96-43, eff. 7-15-09; 96-1497, eff. 1-14-11; 96-1511, eff.
9 1-27-11; 96-1554, eff. 3-18-11; revised 4-6-11.)

10 (40 ILCS 5/18-131) (from Ch. 108 1/2, par. 18-131)

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

12 (a) The State of Illinois shall make contributions to this
13 System by appropriations of the amounts which, together with
14 the contributions of participants, net earnings on
15 investments, and other income, will meet the costs of
16 maintaining and administering this System on a 90% funded basis
17 in accordance with actuarial recommendations.

18 (b) The Board shall determine the amount of State
19 contributions required for each fiscal year on the basis of the
20 actuarial tables and other assumptions adopted by the Board and
21 the prescribed rate of interest, using the formula in
22 subsection (c).

23 (c) For State fiscal years 2012 through 2045, the minimum
24 contribution to the System to be made by the State for each
25 fiscal year shall be an amount determined by the System to be

1 sufficient to bring the total assets of the System up to 90% of
2 the total actuarial liabilities of the System by the end of
3 State fiscal year 2045. In making these determinations, the
4 required State contribution shall be calculated each year as a
5 level percentage of payroll over the years remaining to and
6 including fiscal year 2045 and shall be determined under the
7 projected unit credit actuarial cost method.

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

13 Notwithstanding any other provision of this Article, the
14 total required State contribution for State fiscal year 2006 is
15 \$29,189,400.

16 Notwithstanding any other provision of this Article, the
17 total required State contribution for State fiscal year 2007 is
18 \$35,236,800.

19 For each of State fiscal years 2008 through 2009, the State
20 contribution to the System, as a percentage of the applicable
21 employee payroll, shall be increased in equal annual increments
22 from the required State contribution for State fiscal year
23 2007, so that by State fiscal year 2011, the State is
24 contributing at the rate otherwise required under this Section.

25 Notwithstanding any other provision of this Article, the
26 total required State contribution for State fiscal year 2010 is

1 \$78,832,000 and shall be made from the proceeds of bonds sold
2 in fiscal year 2010 pursuant to Section 7.2 of the General
3 Obligation Bond Act, less (i) the pro rata share of bond sale
4 expenses determined by the System's share of total bond
5 proceeds, (ii) any amounts received from the General Revenue
6 Fund in fiscal year 2010, and (iii) any reduction in bond
7 proceeds due to the issuance of discounted bonds, if
8 applicable.

9 Notwithstanding any other provision of this Article, the
10 total required State contribution for State fiscal year 2011 is
11 the amount recertified by the System on or before April 1, 2011
12 pursuant to Section 18-140 and shall be made from the proceeds
13 of bonds sold in fiscal year 2011 pursuant to Section 7.2 of
14 the General Obligation Bond Act, less (i) the pro rata share of
15 bond sale expenses determined by the System's share of total
16 bond proceeds, (ii) any amounts received from the General
17 Revenue Fund in fiscal year 2011, and (iii) any reduction in
18 bond proceeds due to the issuance of discounted bonds, if
19 applicable.

20 Notwithstanding any other provision of this Article, the
21 total required State contribution for State fiscal year 2014
22 shall include, in addition to the amount otherwise calculated
23 under this Section for FY2014, the amount certified by the
24 Board to be necessary to bring the total contributions of the
25 State to the System for Fiscal Years 1996 through 2012 up to
26 the level that would have been contributed if the State had

1 complied throughout that period with the contribution formula
2 as originally enacted in Public Act 88-593, plus an amount
3 representing the System's lost investment earnings resulting
4 from the delayed payment of those contributions.

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

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

1 Section for that fiscal year if the System had not received any
2 payments under subsection (d) of Section 7.2 of the General
3 Obligation Bond Act, minus (ii) the portion of the State's
4 total debt service payments for that fiscal year on the bonds
5 issued in fiscal year 2003 for the purposes of that Section
6 7.2, as determined and certified by the Comptroller, that is
7 the same as the System's portion of the total moneys
8 distributed under subsection (d) of Section 7.2 of the General
9 Obligation Bond Act. In determining this maximum for State
10 fiscal years 2008 through 2010, however, the amount referred to
11 in item (i) shall be increased, as a percentage of the
12 applicable employee payroll, in equal increments calculated
13 from the sum of the required State contribution for State
14 fiscal year 2007 plus the applicable portion of the State's
15 total debt service payments for fiscal year 2007 on the bonds
16 issued in fiscal year 2003 for the purposes of Section 7.2 of
17 the General Obligation Bond Act, so that, by State fiscal year
18 2011, the State is contributing at the rate otherwise required
19 under this Section.

20 (d) For purposes of determining the required State
21 contribution to the System, the value of the System's assets
22 shall be equal to the actuarial value of the System's assets,
23 which shall be calculated as follows:

24 As of June 30, 2008, the actuarial value of the System's
25 assets shall be equal to the market value of the assets as of
26 that date. In determining the actuarial value of the System's

1 assets for fiscal years after June 30, 2008, any actuarial
2 gains or losses from investment return incurred in a fiscal
3 year shall be recognized in equal annual amounts over the
4 5-year period following that fiscal year.

5 (e) For purposes of determining the required State
6 contribution to the system for a particular year, the actuarial
7 value of assets shall be assumed to earn a rate of return equal
8 to the system's actuarially assumed rate of return.

9 (Source: P.A. 95-950, eff. 8-29-08; 96-43, eff. 7-15-09;
10 96-1497, eff. 1-14-11; 96-1511, eff. 1-27-11; 96-1554, eff.
11 3-18-11; revised 4-6-11.)

12 (40 ILCS 5/18-140) (from Ch. 108 1/2, par. 18-140)

13 Sec. 18-140. To certify required State contributions and
14 submit vouchers.

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

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

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

6 On or before April 1, 2011, the Board shall recalculate and
7 recertify to the Governor the amount of the required State
8 contribution to the System for State fiscal year 2011, applying
9 the changes made by Public Act 96-889 to the System's assets
10 and liabilities as of June 30, 2009 as though Public Act 96-889
11 was approved on that date.

12 The Board's certification of the required State
13 contribution for Fiscal Year 2014 shall include, in addition to
14 the amount otherwise calculated under this Section for FY2014,
15 an amount determined by the Board to be necessary to bring the
16 total contributions of the State to the system for Fiscal Years
17 1996 through 2012 up to the level that would have been
18 contributed if the State had complied with the contribution
19 formula as originally enacted in Public Act 88-593, plus an
20 amount representing the system's lost investment earnings
21 resulting from the delayed payment of those contributions.

22 (b) Beginning in State fiscal year 1996, on or as soon as
23 possible after the 15th day of each month the Board shall
24 submit vouchers for payment of State contributions to the
25 System, in a total monthly amount of one-twelfth of the
26 required annual State contribution certified under subsection

1 (a). From the effective date of this amendatory Act of the 93rd
2 General Assembly through June 30, 2004, the Board shall not
3 submit vouchers for the remainder of fiscal year 2004 in excess
4 of the fiscal year 2004 certified contribution amount
5 determined under this Section after taking into consideration
6 the transfer to the System under subsection (c) of Section
7 6z-61 of the State Finance Act. These vouchers shall be paid by
8 the State Comptroller and Treasurer by warrants drawn on the
9 funds appropriated to the System for that fiscal year.

10 If in any month the amount remaining unexpended from all
11 other appropriations to the System for the applicable fiscal
12 year (including the appropriations to the System under Section
13 8.12 of the State Finance Act and Section 1 of the State
14 Pension Funds Continuing Appropriation Act) is less than the
15 amount lawfully vouchered under this Section, the difference
16 shall be paid from the General Revenue Fund under the
17 continuing appropriation authority provided in Section 1.1 of
18 the State Pension Funds Continuing Appropriation Act.

19 (Source: P.A. 96-1497, eff. 1-14-11; 96-1511, eff. 1-27-11.)

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