

1 AN ACT concerning government employee benefits.

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

4 Section 5. The State Employees Group Insurance Act of
5 1971 is amended by changing Sections 6.5 and 6.6 as follows:

6 (5 ILCS 375/6.5)

7 (Section scheduled to be repealed on July 1, 2004)

8 Sec. 6.5. Health benefits for TRS benefit recipients and
9 TRS dependent beneficiaries.

10 (a) Purpose. It is the purpose of this amendatory Act
11 of 1995 to transfer the administration of the program of
12 health benefits established for benefit recipients and their
13 dependent beneficiaries under Article 16 of the Illinois
14 Pension Code to the Department of Central Management
15 Services.

16 (b) Transition provisions. The Board of Trustees of the
17 Teachers' Retirement System shall continue to administer the
18 health benefit program established under Article 16 of the
19 Illinois Pension Code through December 31, 1995. Beginning
20 January 1, 1996, the Department of Central Management
21 Services shall be responsible for administering a program of
22 health benefits for TRS benefit recipients and TRS dependent
23 beneficiaries under this Section. The Department of Central
24 Management Services and the Teachers' Retirement System shall
25 cooperate in this endeavor and shall coordinate their
26 activities so as to ensure a smooth transition and
27 uninterrupted health benefit coverage.

28 (c) Eligibility. All persons who were enrolled in the
29 Article 16 program at the time of the transfer shall be
30 eligible to participate in the program established under this
31 Section without any interruption or delay in coverage or

1 limitation as to pre-existing medical conditions.
2 Eligibility to participate shall be determined by the
3 Teachers' Retirement System. Eligibility information shall
4 be communicated to the Department of Central Management
5 Services in a format acceptable to the Department.

6 (d) Coverage. The level of health benefits provided
7 under this Section shall be similar to the level of benefits
8 provided by the program previously established under Article
9 16 of the Illinois Pension Code.

10 Group life insurance benefits are not included in the
11 benefits to be provided to TRS benefit recipients and TRS
12 dependent beneficiaries under this Act.

13 The program of health benefits under this Section may
14 include any or all of the benefit limitations, including but
15 not limited to a reduction in benefits based on eligibility
16 for federal medicare benefits, that are provided under
17 subsection (a) of Section 6 of this Act for other health
18 benefit programs under this Act.

19 (e) Insurance rates and premiums. The Director shall
20 determine the insurance rates and premiums for TRS benefit
21 recipients and TRS dependent beneficiaries, and shall present
22 to the Teachers' Retirement System of the State of Illinois,
23 by April 15 of each calendar year, the rate-setting
24 methodology (including but not limited to utilization levels
25 and costs) used to determine the amount of the health care
26 premiums.

27 For Fiscal Year 1996, the premium shall be equal to the
28 premium actually charged in Fiscal Year 1995; in subsequent
29 years, the premium shall never be lower than the premium
30 charged in Fiscal Year 1995. For Fiscal Year 2003, the
31 premium shall not exceed 110% of the premium actually charged
32 in Fiscal Year 2002. For Fiscal Year 2004, the premium shall
33 not exceed 112% of the premium actually charged in Fiscal
34 Year 2003.

1 Rates and premiums may be based in part on age and
2 eligibility for federal medicare coverage.

3 The cost of health benefits under the program shall be
4 paid as follows:

5 (1) For a TRS benefit recipient selecting a managed
6 care program, up to 75% of the total insurance rate shall
7 be paid from the Teacher Health Insurance Security Fund.

8 (2) For a TRS benefit recipient selecting the major
9 medical coverage program, up to 50% of the total
10 insurance rate shall be paid from the Teacher Health
11 Insurance Security Fund if a managed care program is
12 accessible, as determined by the Teachers' Retirement
13 System.

14 (3) For a TRS benefit recipient selecting the major
15 medical coverage program, up to 75% of the total
16 insurance rate shall be paid from the Teacher Health
17 Insurance Security Fund if a managed care program is not
18 accessible, as determined by the Teachers' Retirement
19 System.

20 (4) The balance of the rate of insurance, including
21 the entire premium of any coverage for TRS dependent
22 beneficiaries that has been elected, shall be paid by
23 deductions authorized by the TRS benefit recipient to be
24 withheld from his or her monthly annuity or benefit
25 payment from the Teachers' Retirement System; except that
26 (i) if the balance of the cost of coverage exceeds the
27 amount of the monthly annuity or benefit payment, the
28 difference shall be paid directly to the Teachers'
29 Retirement System by the TRS benefit recipient, and (ii)
30 all or part of the balance of the cost of coverage may,
31 at the school board's option, be paid to the Teachers'
32 Retirement System by the school board of the school
33 district from which the TRS benefit recipient retired, in
34 accordance with Section 10-22.3b of the School Code. The

1 Teachers' Retirement System shall promptly deposit all
2 moneys withheld by or paid to it under this subdivision
3 (e)(4) into the Teacher Health Insurance Security Fund.
4 These moneys shall not be considered assets of the
5 Retirement System.

6 (f) Financing. Beginning July 1, 1995, all revenues
7 arising from the administration of the health benefit
8 programs established under Article 16 of the Illinois Pension
9 Code or this Section shall be deposited into the Teacher
10 Health Insurance Security Fund, which is hereby created as a
11 nonappropriated trust fund to be held outside the State
12 Treasury, with the State Treasurer as custodian. Any
13 interest earned on moneys in the Teacher Health Insurance
14 Security Fund shall be deposited into the Fund.

15 Moneys in the Teacher Health Insurance Security Fund
16 shall be used only to pay the costs of the health benefit
17 program established under this Section, including associated
18 administrative costs, and the costs associated with the
19 health benefit program established under Article 16 of the
20 Illinois Pension Code, as authorized in this Section.
21 Beginning July 1, 1995, the Department of Central Management
22 Services may make expenditures from the Teacher Health
23 Insurance Security Fund for those costs.

24 After other funds authorized for the payment of the costs
25 of the health benefit program established under Article 16 of
26 the Illinois Pension Code are exhausted and until January 1,
27 1996 (or such later date as may be agreed upon by the
28 Director of Central Management Services and the Secretary of
29 the Teachers' Retirement System), the Secretary of the
30 Teachers' Retirement System may make expenditures from the
31 Teacher Health Insurance Security Fund as necessary to pay up
32 to 75% of the cost of providing health coverage to eligible
33 benefit recipients (as defined in Sections 16-153.1 and
34 16-153.3 of the Illinois Pension Code) who are enrolled in

1 the Article 16 health benefit program and to facilitate the
2 transfer of administration of the health benefit program to
3 the Department of Central Management Services.

4 (g) Contract for benefits. The Director shall by
5 contract, self-insurance, or otherwise make available the
6 program of health benefits for TRS benefit recipients and
7 their TRS dependent beneficiaries that is provided for in
8 this Section. The contract or other arrangement for the
9 provision of these health benefits shall be on terms deemed
10 by the Director to be in the best interest of the State of
11 Illinois and the TRS benefit recipients based on, but not
12 limited to, such criteria as administrative cost, service
13 capabilities of the carrier or other contractor, and the
14 costs of the benefits.

15 (h) Continuation and termination of program. It is the
16 intention of the General Assembly that the program of health
17 benefits provided under this Section be maintained on an
18 ongoing, affordable basis through June 30, 2004. The program
19 of health benefits provided under this Section is terminated
20 on July 1, 2004.

21 The program of health benefits provided under this
22 Section may be amended by the State and is not intended to be
23 a pension or retirement benefit subject to protection under
24 Article XIII, Section 5 of the Illinois Constitution.

25 (i) Repeal. This Section is repealed on July 1, 2004.

26 (Source: P.A. 89-21, eff. 6-21-95; 89-25, eff. 6-21-95.)

27 (5 ILCS 375/6.6)

28 (Section scheduled to be repealed on July 1, 2004)

29 Sec. 6.6. Contributions to the Teacher Health Insurance
30 Security Fund.

31 (a) Beginning July 1, 1995, all active contributors of
32 the Teachers' Retirement System (established under Article 16
33 of the Illinois Pension Code) who are not employees of a

1 department as defined in Section 3 of this Act shall make
2 contributions toward the cost of annuitant and survivor
3 health benefits. These contributions shall be at the
4 following rates: until January 1, 2002, rate--of 0.5% of
5 salary; beginning January 1, 2002, 0.65% of salary; beginning
6 July 1, 2003, 0.75% of salary.

7 These contributions shall be deducted by the employer and
8 paid to the System as service agent for the Department of
9 Central Management Services. The System may use the same
10 processes for collecting the contributions required by this
11 subsection that it uses to collect contributions received
12 from school districts and other covered employers under
13 Sections 16-154 and 16-155 of the Illinois Pension Code.

14 An employer may agree to pick up or pay the contributions
15 required under this subsection on behalf of the teacher; such
16 contributions shall be deemed to have to have been paid by
17 the teacher. Beginning January 1, 2002, if the employer does
18 not directly pay the required member contribution, then the
19 employer shall reduce the member's salary by an amount equal
20 to the required contribution and shall then pay the
21 contribution on behalf of the member. This reduction shall
22 not change the amounts reported as creditable earnings to the
23 Teachers' Retirement System.

24 A person who purchases optional service credit under
25 Article 16 of the Illinois Pension Code for a period after
26 June 30, 1995 must also make a contribution under this
27 subsection for that optional credit, at the rate provided in
28 subsection (a), based on ef--0.5%--ef the salary used in
29 computing the optional service credit, plus interest on this
30 employee contribution. This contribution shall be collected
31 by the System as service agent for the Department of Central
32 Management Services. The contribution required under this
33 subsection for the optional service credit must be paid in
34 full before any annuity based on that credit begins.

1 (a-5) Beginning January 1, 2002, every employer of a
2 teacher (other than an employer that is a department as
3 defined in Section 3 of this Act) shall pay an employer
4 contribution toward the cost of annuitant and survivor health
5 benefits. These contributions shall be computed as follows:

6 (1) Beginning January 1, 2002 through June 30,
7 2003, the employer contribution shall be equal to 0.4% of
8 each teacher's salary.

9 (2) Beginning July 1, 2003, the employer
10 contribution shall be equal to 0.5% of each teacher's
11 salary.

12 These contributions shall be paid by the employer to the
13 System as service agent for the Department of Central
14 Management Services. The System may use the same processes
15 for collecting the contributions required by this subsection
16 that it uses to collect contributions received from school
17 districts and other covered employers under the Illinois
18 Pension Code.

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

24 (b) The Teachers' Retirement System shall promptly
25 deposit all moneys collected under subsections subsection (a)
26 and (a-5) of this Section into the Teacher Health Insurance
27 Security Fund created in Section 6.5 of this Act. The moneys
28 collected under this Section shall be used only for the
29 purposes authorized in Section 6.5 of this Act and shall not
30 be considered to be assets of the Teachers' Retirement
31 System. Contributions made under this Section are not
32 transferable to other pension funds or retirement systems and
33 are not refundable upon termination of service.

34 (c) On or before November 15 of each year, the Board of

1 Trustees of the Teachers' Retirement System shall certify to
2 the Governor, the Director of Central Management Services,
3 and the State Comptroller its estimate of the total amount of
4 contributions to be paid under subsection (a) of this Section
5 6.6 for the next fiscal year. The amount certified shall be
6 decreased or increased each year by the amount that the
7 actual active teacher contributions either fell short of or
8 exceeded the estimate used by the Board in making the
9 certification for the previous fiscal year. The
10 certification shall include a detailed explanation of the
11 methods and information that the Board relied upon in
12 preparing its estimate. As soon as possible after the
13 effective date of this amendatory Act of the 92nd General
14 Assembly Session, the Board shall recalculate and recertify
15 its certifications for fiscal years 2002 and 2003 ~~submit-its~~
16 ~~estimate-for-fiscal-year-1996.~~

17 (d) Beginning in fiscal year 1996, on the first day of
18 each month, or as soon thereafter as may be practical, the
19 State Treasurer and the State Comptroller shall transfer from
20 the General Revenue Fund to the Teacher Health Insurance
21 Security Fund 1/12 of the annual amount appropriated for that
22 fiscal year to the State Comptroller for deposit into the
23 Teacher Health Insurance Security Fund under Section 1.3 of
24 the State Pension Funds Continuing Appropriation Act.

25 (e) Except where otherwise specified in this Section,
26 the definitions that apply to Article 16 of the Illinois
27 Pension Code apply to this Section.

28 (f) This Section is repealed on July 1, 2004.

29 (Source: P.A. 89-21, eff. 6-21-95; 89-25, eff. 6-21-95;
30 90-448, eff. 8-16-97.)

31 Section 10. The Department of Central Management
32 Services Law of the Civil Administrative Code of Illinois is
33 amended by adding Section 405-22 as follows:

1 (20 ILCS 405/405-22 new)

2 (Section scheduled to be repealed on July 1, 2002)

3 Sec. 405-22. Teacher Health Insurance Funding Task
4 Force.

5 (a) A Teacher Health Insurance Funding Task Force is
6 hereby created within the Department of Central Management
7 Services. The Task Force shall consist of 23 members
8 appointed as follows:

9 (1) Three members appointed by the President of the
10 Senate.

11 (2) Three members appointed by the Minority Leader
12 of the Senate.

13 (3) Three members appointed by the Speaker of the
14 House of Representatives.

15 (4) Three members appointed by the Minority Leader
16 of the House of Representatives.

17 (5) One member appointed by the Illinois Retired
18 Teachers Association.

19 (6) One member appointed by the Illinois Education
20 Association.

21 (7) One member appointed by the Illinois Federation
22 of Teachers.

23 (8) One member appointed by the Illinois
24 Association of School Boards.

25 (9) One member appointed by the Illinois
26 Association of School Administrators.

27 (10) One member appointed by the Illinois
28 Association of School Business Officials.

29 (11) Three members appointed by the Governor,
30 including one who has experience in the insurance
31 industry.

32 (12) The Director of Central Management Services,
33 ex officio, or a person designated by the Director.

34 (13) The Executive Director of the Teachers'

1 Retirement System of Illinois, ex officio, or a person
2 designated by the Executive Director.

3 Entities making appointments shall do so by filing their
4 respective designations, in writing, with the Director of
5 Central Management Services.

6 One of the members appointed by the Governor shall serve
7 as the Chair of the Task Force.

8 (b) The Task Force shall convene on December 1, 2001 and
9 thereafter meet at the call of the chair. Members of the
10 Task Force shall not be compensated for their service.

11 (c) The Task Force shall study the funding of the
12 Teacher Health Insurance Security Fund and the health benefit
13 programs that receive funding from that Fund.

14 The Task Force shall report its findings and
15 recommendations to the Governor and the General Assembly on
16 or before April 1, 2002.

17 (d) The Task Force is abolished and this Section is
18 repealed on July 1, 2002.

19 Section 15. The State Finance Act is amended by changing
20 Section 8g as follows:

21 (30 ILCS 105/8g)

22 Sec. 8g. Transfers from General Revenue Fund.

23 (a) In addition to any other transfers that may be
24 provided for by law, as soon as may be practical after the
25 effective date of this amendatory Act of the 91st General
26 Assembly, the State Comptroller shall direct and the State
27 Treasurer shall transfer the sum of \$10,000,000 from the
28 General Revenue Fund to the Motor Vehicle License Plate Fund
29 created by Senate Bill 1028 of the 91st General Assembly.

30 (b) In addition to any other transfers that may be
31 provided for by law, as soon as may be practical after the
32 effective date of this amendatory Act of the 91st General

1 Assembly, the State Comptroller shall direct and the State
2 Treasurer shall transfer the sum of \$25,000,000 from the
3 General Revenue Fund to the Fund for Illinois' Future created
4 by Senate Bill 1066 of the 91st General Assembly.

5 (c) In addition to any other transfers that may be
6 provided for by law, on August 30 of each fiscal year's
7 license period, the Illinois Liquor Control Commission shall
8 direct and the State Comptroller and State Treasurer shall
9 transfer from the General Revenue Fund to the Youth
10 Alcoholism and Substance Abuse Prevention Fund an amount
11 equal to the number of retail liquor licenses issued for that
12 fiscal year multiplied by \$50.

13 (d) The payments to programs required under subsection
14 (d) of Section 28.1 of the Horse Racing Act of 1975 shall be
15 made, pursuant to appropriation, from the special funds
16 referred to in the statutes cited in that subsection, rather
17 than directly from the General Revenue Fund.

18 Beginning January 1, 2000, on the first day of each
19 month, or as soon as may be practical thereafter, the State
20 Comptroller shall direct and the State Treasurer shall
21 transfer from the General Revenue Fund to each of the special
22 funds from which payments are to be made under Section
23 28.1(d) of the Horse Racing Act of 1975 an amount equal to
24 1/12 of the annual amount required for those payments from
25 that special fund, which annual amount shall not exceed the
26 annual amount for those payments from that special fund for
27 the calendar year 1998. The special funds to which transfers
28 shall be made under this subsection (d) include, but are not
29 necessarily limited to, the Agricultural Premium Fund; the
30 Metropolitan Exposition Auditorium and Office Building Fund;
31 the Fair and Exposition Fund; the Standardbred Breeders Fund;
32 the Thoroughbred Breeders Fund; and the Illinois Veterans'
33 Rehabilitation Fund.

34 (e) In addition to any other transfers that may be

1 provided for by law, as soon as may be practical after the
2 effective date of this amendatory Act of the 91st General
3 Assembly, but in no event later than June 30, 2000, the State
4 Comptroller shall direct and the State Treasurer shall
5 transfer the sum of \$15,000,000 from the General Revenue Fund
6 to the Fund for Illinois' Future.

7 (f) In addition to any other transfers that may be
8 provided for by law, as soon as may be practical after the
9 effective date of this amendatory Act of the 91st General
10 Assembly, but in no event later than June 30, 2000, the State
11 Comptroller shall direct and the State Treasurer shall
12 transfer the sum of \$70,000,000 from the General Revenue Fund
13 to the Long-Term Care Provider Fund.

14 (f-1) In fiscal year 2002, in addition to any other
15 transfers that may be provided for by law, at the direction
16 of and upon notification from the Governor, the State
17 Comptroller shall direct and the State Treasurer shall
18 transfer amounts not exceeding a total of \$160,000,000 from
19 the General Revenue Fund to the Long-Term Care Provider Fund.

20 (g) In addition to any other transfers that may be
21 provided for by law, on July 1, 2001, or as soon thereafter
22 as may be practical, the State Comptroller shall direct and
23 the State Treasurer shall transfer the sum of \$1,200,000 from
24 the General Revenue Fund to the Violence Prevention Fund.

25 (h) In each of fiscal years 2002 through 2007, but not
26 thereafter, in addition to any other transfers that may be
27 provided for by law, the State Comptroller shall direct and
28 the State Treasurer shall transfer \$5,000,000 from the
29 General Revenue Fund to the Tourism Promotion Fund.

30 (i) On or after July 1, 2001 and until May 1, 2002, in
31 addition to any other transfers that may be provided for by
32 law, at the direction of and upon notification from the
33 Governor, the State Comptroller shall direct and the State
34 Treasurer shall transfer amounts not exceeding a total of

1 \$80,000,000 from the General Revenue Fund to the Tobacco
 2 Settlement Recovery Fund. Any amounts so transferred shall
 3 be re-transferred by the State Comptroller and the State
 4 Treasurer from the Tobacco Settlement Recovery Fund to the
 5 General Revenue Fund at the direction of and upon
 6 notification from the Governor, but in any event on or before
 7 June 30, 2002.

8 (j) On or after July 1, 2001 and no later than June 30,
 9 2002, in addition to any other transfers that may be provided
 10 for by law, at the direction of and upon notification from
 11 the Governor, the State Comptroller shall direct and the
 12 State Treasurer shall transfer amounts not to exceed the
 13 following sums into the Statistical Services Revolving Fund:

14	From the General Revenue Fund.....	\$8,450,000
15	From the Public Utility Fund.....	1,700,000
16	From the Transportation Regulatory Fund.....	2,650,000
17	From the Title III Social Security and	
18	Employment Fund.....	3,700,000
19	From the Professions Indirect Cost Fund.....	4,050,000
20	From the Underground Storage Tank Fund.....	550,000
21	From the Agricultural Premium Fund.....	750,000
22	From the State Pensions Fund.....	200,000
23	From the Road Fund.....	2,000,000
24	From the Health Facilities	
25	Planning Fund.....	1,000,000
26	From the Savings and Residential Finance	
27	Regulatory Fund.....	130,800
28	From the Appraisal Administration Fund.....	28,600
29	From the Pawnbroker Regulation Fund.....	3,600
30	From the Auction Regulation	
31	Administration Fund.....	35,800
32	From the Bank and Trust Company Fund.....	634,800
33	From the Real Estate License	
34	Administration Fund.....	313,600

1 (k) In addition to any other transfers that may be
2 provided for by law, as soon as may be practical after the
3 effective date of this amendatory Act of the 92nd General
4 Assembly, the State Comptroller shall direct and the State
5 Treasurer shall transfer the sum of \$2,000,000 from the
6 General Revenue Fund to the Teachers Health Insurance
7 Security Fund.

8 (k-1) In addition to any other transfers that may be
9 provided for by law, on July 1, 2002, or as soon as may be
10 practical thereafter, the State Comptroller shall direct and
11 the State Treasurer shall transfer the sum of \$2,000,000 from
12 the General Revenue Fund to the Teachers Health Insurance
13 Security Fund.

14 (k-2) In addition to any other transfers that may be
15 provided for by law, on July 1, 2003, or as soon as may be
16 practical thereafter, the State Comptroller shall direct and
17 the State Treasurer shall transfer the sum of \$2,000,000 from
18 the General Revenue Fund to the Teachers Health Insurance
19 Security Fund.

20 (Source: P.A. 91-25, eff. 6-9-99; 91-704, eff. 5-17-00;
21 92-11, eff. 6-11-01.)

22 Section 20. The Illinois Pension Code is amended by
23 changing Section 16-158 as follows:

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

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

27 (a) The State shall make contributions to the System by
28 means of appropriations from the Common School Fund and other
29 State funds of amounts which, together with other employer
30 contributions, employee contributions, investment income, and
31 other income, will be sufficient to meet the cost of
32 maintaining and administering the System on a 90% funded

1 basis in accordance with actuarial recommendations.

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

7 (a-1) Annually, on or before November 15, the board
8 shall certify to the Governor the amount of the required
9 State contribution for the coming fiscal year. The
10 certification shall include a copy of the actuarial
11 recommendations upon which it is based.

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

15 (b-1) Beginning in State fiscal year 1996, on the 15th
16 day of each month, or as soon thereafter as may be
17 practicable, the Board shall submit vouchers for payment of
18 State contributions to the System, in a total monthly amount
19 of one-twelfth of the required annual State contribution
20 certified under subsection (a-1). These vouchers shall be
21 paid by the State Comptroller and Treasurer by warrants drawn
22 on the funds appropriated to the System for that fiscal year.

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

32 (b-2) Allocations from the Common School Fund
33 apportioned to school districts not coming under this System
34 shall not be diminished or affected by the provisions of this

1 Article.

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

13 For State fiscal years 1996 through 2010, the State
14 contribution to the System, as a percentage of the applicable
15 employee payroll, shall be increased in equal annual
16 increments so that by State fiscal year 2011, the State is
17 contributing at the rate required under this Section; except
18 that in the following specified State fiscal years, the State
19 contribution to the System shall not be less than the
20 following indicated percentages of the applicable employee
21 payroll, even if the indicated percentage will produce a
22 State contribution in excess of the amount otherwise required
23 under this subsection and subsection (a), and notwithstanding
24 any contrary certification made under subsection (a-1) before
25 the effective date of this amendatory Act of 1998: 10.02% in
26 FY 1999; 10.77% in FY 2000; 11.47% in FY 2001; 12.16% in FY
27 2002; 12.86% in FY 2003; 13.56% in FY 2004; 14.25% in FY
28 2005; 14.95% in FY 2006; 15.65% in FY 2007; 16.34% in FY
29 2008; 17.04% in FY 2009; and 17.74% in FY 2010.

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

34 (c) Payment of the required State contributions and of

1 all pensions, retirement annuities, death benefits, refunds,
2 and other benefits granted under or assumed by this System,
3 and all expenses in connection with the administration and
4 operation thereof, are obligations of the State.

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

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

22 However, with respect to benefits granted under Section
23 16-133.4 or 16-133.5 to a teacher as defined in paragraph (8)
24 of Section 16-106, the employer's contribution shall be 12%
25 (rather than 20%) of the member's highest annual salary rate
26 for each year of creditable service granted, and the employer
27 shall also pay the required employee contribution on behalf
28 of the teacher. For the purposes of Sections 16-133.4 and
29 16-133.5, a teacher as defined in paragraph (8) of Section
30 16-106 who is serving in that capacity while on leave of
31 absence from another employer under this Article shall not be
32 considered an employee of the employer from which the teacher
33 is on leave.

34 (e) Beginning July 1, 1998, every employer of a teacher

1 shall pay to the System an employer contribution computed as
2 follows:

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

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

9 The school district or other employing unit may pay these
10 employer contributions out of any source of funding available
11 for that purpose and shall forward the contributions to the
12 System on the schedule established for the payment of member
13 contributions.

14 These employer contributions are intended to offset a
15 portion of the cost to the System of the increases in
16 retirement benefits resulting from this amendatory Act of
17 1998.

18 Each employer of teachers is entitled to a credit against
19 the contributions required under this subsection (e) with
20 respect to salaries paid to teachers for the period January
21 1, 2002 through June 30, 2003, equal to the amount paid by
22 that employer under subsection (a-5) of Section 6.6 of the
23 State Employees Group Insurance Act of 1971 with respect to
24 salaries paid to teachers for that period.

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

30 If an employer is required by a contract in effect on May
31 1, 1998 between the employer and an employee organization to
32 pay, on behalf of all its full-time employees covered by this
33 Article, all mandatory employee contributions required under
34 this Article, then the employer shall be excused from paying

1 the employer contribution required under this subsection (e)
 2 for the balance of the term of that contract. The employer
 3 and the employee organization shall jointly certify to the
 4 System the existence of the contractual requirement, in such
 5 form as the System may prescribe. This exclusion shall cease
 6 upon the termination, extension, or renewal of the contract
 7 at any time after May 1, 1998.
 8 (Source: P.A. 90-582, eff. 5-27-98.)

9 Section 90. The State Mandates Act is amended by adding
 10 Section 8.26 as follows:

11 (30 ILCS 805/8.26 new)
 12 Sec. 8.26. Exempt mandate. Notwithstanding Sections 6
 13 and 8 of this Act, no reimbursement by the State is required
 14 for the implementation of any mandate created by this
 15 amendatory Act of the 92nd General Assembly.

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