SENATE JOURNAL

STATE OF ILLINOIS

ONE HUNDREDTH GENERAL ASSEMBLY

10TH LEGISLATIVE DAY

WEDNESDAY, FEBRUARY 8, 2017

12:38 O'CLOCK P.M.

NO. 10
[February 8, 2017]

SENATE
Daily Journal Index
10th Legislative Day

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The Senate met pursuant to adjournment.
Senator Antonio Munóz, Chicago, Illinois, presiding.
Prayer by Pastor Ronald Young, Victory Church, Swansea, Illinois.
Senator Cunningham led the Senate in the Pledge of Allegiance.

Senator Hunter moved that reading and approval of the Journal of Tuesday, February 7, 2017, be postponed, pending arrival of the printed Journal.
The motion prevailed.

REPORTS RECEIVED

The Secretary placed before the Senate the following reports:

Annual Flex Time Report pursuant to Public Act 87-552, submitted by the Department of Public Health.

Annual Flex Time Report pursuant to Public Act 87-552, submitted by the Capital Development Board.

CMS 2016 Surplus Property Conveyances/Transfers Report, submitted by the Department of Central Management Services.

The foregoing reports were ordered received and placed on file in the Secretary's Office.

LEGISLATIVE MEASURES FILED

The following Committee amendment to the Senate Bill listed below has been filed with the Secretary and referred to the Committee on Assignments:

Amendment No. 1 to Senate Bill 196

The following Floor amendment to the Senate Bill listed below has been filed with the Secretary and referred to the Committee on Assignments:

Amendment No. 3 to Senate Bill 11

PRESENTATION OF RESOLUTION

Senator Murphy offered the following Senate Resolution, which was referred to the Committee on Assignments:

SENATE RESOLUTION NO. 140

WHEREAS, A McKinsey and Company study entitled "Women Matter" showed that companies where women are most strongly represented at board or top-management levels are also the companies that perform the best; companies with three or more women in senior management functions score more highly, on average, on the organizational performance profile than companies with no women at the top, and performance increases significantly once a certain critical mass is attained -- specifically, when there are at least three women on management committees with an average membership of 10 people; and

WHEREAS, An Oklahoma State University study found that board diversity, including diversity with respect to gender and ethnicity, is associated with improved financial value; the study also found a significant positive relationship between the fraction of women or minorities on the board and firm value; and

WHEREAS, A report entitled "Women Directors on Corporate Boards" found that gender diversity on corporate boards contributes to more effective corporate governance and to positive governance outcomes through a variety of board processes as well as through individual interactions; that women directors contribute to important firm-level outcomes as they play direct roles as leaders and mentors, as well as indirect roles as symbols of opportunity for other women, and inspire those women to achieve and stay with their firms; and that more recognition is needed for the valuable contribution of women directors to firm value; and

WHEREAS, Credit Suisse conducted a six-year global research study, commencing in 2006, of more than 2,000 companies worldwide that showed that women on boards improve business performance by key metrics, including stock performance, as demonstrated by the fact that companies with a market capitalization of more than $10 billion, whose boards have women, outperformed shares of comparable businesses with all-male boards by 26%; and

WHEREAS, The Credit Suisse report included the following findings: (1) there has been a greater correlation between stock performance and the presence of women on a board since the financial crisis in 2008; (2) companies with women on their boards significantly outperformed others when the recession occurred; (3) companies with women on their boards tend to be somewhat risk-averse and carry less debt, on average; and (4) net income growth for companies with women on their boards averaged 14% over a six-year period, compared with 10% for those with no women directors; and

WHEREAS, According to the study entitled "Women Directors on Corporate Boards: From Tokenism to Critical Mass" and a report entitled, "Critical Mass on Corporate Boards: Why Three or More Women Enhance Governance", attaining critical mass, going from one or two women directors to at least three women directors, creates an environment where women are no longer seen as outsiders and are able to influence the content and process of board discussions more substantially, and boards of directors need to have at least three women to enable them to interact and exercise an influence on the working style, processes, and tasks of the board, in turn positively affecting the level of organizational innovation within the firm; and

WHEREAS, The State of Illinois has seen a slight uptick in the percentage of women on corporate boards; in 2013, 17.5% of the corporate boards in the State included women, and in 2014, that percentage rose to 17.7; therefore, be it

RESOLVED, BY THE SENATE OF THE ONE HUNDREDTH GENERAL ASSEMBLY OF THE STATE OF ILLINOIS, that we acknowledge that the body of evidence to date concludes that companies perform better when their boards of directors and executive leadership include women and that the State of Illinois has a significant stake in protecting the shareholders of publicly held companies as well as in setting policies that enable such companies to perform better; and be it further

RESOLVED, That we encourage equitable and diverse gender representation on corporate boards of directors and urge that, within the next three years: (1) every publicly held corporation in Illinois with nine or more seats on its board of directors have a minimum of three women on its board; (2) every publicly held corporation in Illinois with at least five but fewer than nine seats on its board of directors have a minimum of two women on its board; and (3) every publicly held corporation in Illinois with fewer than five seats on its board of directors have a minimum of one woman on its board; and be it further

RESOLVED, That a suitable copy of this resolution be presented to Judi Spaletto, Ph.D., Chicago Chapter Chair of WOB2020.

Senator Bush offered the following Senate Joint Resolution, which was ordered printed and referred to the Committee on Assignments:

SENATE JOINT RESOLUTION
CONSTITUTIONAL AMENDMENT NO. 7

SC0007

[February 8, 2017]

RESOLVED, BY THE SENATE OF THE ONE HUNDREDTH GENERAL ASSEMBLY OF THE STATE OF ILLINOIS, THE HOUSE OF REPRESENTATIVES CONCURRING HEREIN, that there shall be submitted to the electors of the State for adoption or rejection at the general election next occurring at least 6 months after the adoption of this resolution a proposition to amend Section 6 of Article IV and Section 2 of Article V of the Illinois Constitution as follows:

ARTICLE IV
THE LEGISLATURE

SECTION 6. ORGANIZATION

(a) A majority of the members elected to each house constitutes a quorum.

(b) On the first day of the January session of the General Assembly in odd-numbered years, the Secretary of State shall convene the House of Representatives to elect from its membership a Speaker of the House of Representatives as presiding officer, and the Governor shall convene the Senate to elect from its membership a President of the Senate as presiding officer.

(c) For purposes of powers of appointment conferred by this Constitution, the Minority Leader of either house is a member of the numerically strongest political party other than the party to which the Speaker or the President belongs, as the case may be. A person who has served four two-year terms as Speaker of the House of Representatives, President of the Senate, Minority Leader of the House of Representatives, or Minority Leader of the Senate may not be re-elected to the same office. Service before the second Wednesday in January of 2019 shall not be considered in the calculation of a person's service.

(d) Each house shall determine the rules of its proceedings, judge the elections, returns and qualifications of its members and choose its officers. No member shall be expelled by either house, except by a vote of two-thirds of the members elected to that house. A member may be expelled only once for the same offense. Each house may punish by imprisonment any person, not a member, guilty of disrespect to the house by disorderly or contemptuous behavior in its presence. Imprisonment shall not extend beyond twenty-four hours at one time unless the person persists in disorderly or contemptuous behavior.
(Source: Illinois Constitution.)

ARTICLE V
THE EXECUTIVE

SECTION 2. TERMS

These elected officers of the Executive Branch shall hold office for four years beginning on the second Monday of January after their election and, except in the case of the Lieutenant Governor, until their successors are qualified. They shall be elected at the general election in 1978 and every four years thereafter. A person may not be elected to the office of Governor or Lieutenant Governor for terms totalling more than eight years for each office. Service before the second Monday in January of 2019 shall not be considered in the calculation of a person's service.
(Source: Illinois Constitution.)

SCHEDULE

This Constitutional Amendment takes effect upon being declared adopted in accordance with Section 7 of the Illinois Constitutional Amendment Act.

Senator T. Cullerton offered the following Senate Joint Resolution, which was ordered printed and referred to the Committee on Assignments:

SENATE JOINT RESOLUTION
CONSTITUTIONAL AMENDMENT NO. 8

SC0008

RESOLVED, BY THE SENATE OF THE ONE HUNDREDTH GENERAL ASSEMBLY OF THE STATE OF ILLINOIS, THE HOUSE OF REPRESENTATIVES CONCURRING HEREIN, that there shall be submitted to the electors of the State for adoption or rejection at the general election next occurring at least 6 months after the adoption of this resolution a proposition to amend Section 2 to Article IV of the Illinois Constitution as follows:

ARTICLE IV
THE LEGISLATURE

SECTION 2. LEGISLATIVE COMPOSITION

(a) One Senator shall be elected from each Legislative District. Immediately following each decennial redistricting, the General Assembly by law shall divide the Legislative Districts as equally as possible into three groups. Senators from one group shall be elected for terms of four years, four years and two years; Senators from the second group, for terms of four years, two years and four years; and Senators from the third group, for terms of two years, four years and four years. The Legislative Districts in each group shall be distributed substantially equally over the State.

(b) Each Legislative District shall be divided into two Representative Districts. In 1982 and every two years thereafter one Representative shall be elected from each Representative District for a term of two years.

(c) To be eligible to serve as a member of the General Assembly, a person must be a United States citizen, at least 21 years old, and for the two years preceding his election or appointment a resident of the district which he is to represent. In the general election following a redistricting, a candidate for the General Assembly may be elected from any district which contains a part of the district in which he resided at the time of the redistricting and reelected if a resident of the new district he represents for 18 months prior to reelection.

(d) Within thirty days after a vacancy occurs, it shall be filled by appointment as provided by law. If the vacancy is in a Senatorial or Representative office with twelve ~~more than twenty-eight~~ months or more remaining in the term, the appointed Senator or Representative shall serve until the next primary or general election, whichever is sooner, at which time a Senator or Representative shall be elected to serve for the remainder of the term. The General Assembly shall provide by law a uniform special election process which shall promote voter participation and provide for the most cost effective special election to fill these vacancies. If the vacancy is in a Representative office or ~~in any other~~ Senatorial office with less than twelve months remaining in the term, the appointment shall be for the remainder of the term. An appointee to fill a vacancy shall be a member of the same political party as the person he succeeds.

(e) No member of the General Assembly shall receive compensation as a public officer or employee from any other governmental entity for time during which he is in attendance as a member of the General Assembly.

No member of the General Assembly during the term for which he was elected or appointed shall be appointed to a public office which shall have been created or the compensation for which shall have been increased by the General Assembly during that term.

(Source: Amendment adopted at general election November 4, 1980.)

SCHEDULE

This Constitutional Amendment takes effect upon being declared adopted in accordance with Section 7 of the Illinois Constitutional Amendment Act.

Senator Althoff asked and obtained unanimous consent to recess for the purpose of a Republican caucus.

REPORTS FROM COMMITTEE ON ASSIGNMENTS

Senator Clayborne, Chairperson of the Committee on Assignments, during its February 8, 2017 meeting, reported that the Committee recommends that **Senate Resolution No. 8** be re-referred from the Committee on Public Health to the Committee on Assignments.

Senator Clayborne, Chairperson of the Committee on Assignments, during its February 8, 2017 meeting, reported that the following Legislative Measures have been approved for consideration:

Floor Amendment No. 2 to Senate Bill 3
Floor Amendment No. 3 to Senate Bill 8
Floor Amendment No. 2 to Senate Bill 10

The foregoing floor amendments were placed on the Secretary's Desk.

Senator Clayborne, Chairperson of the Committee on Assignments, during its February 8, 2017 meeting, reported that the following Legislative Measure has been approved for consideration:

Senate Resolution 8

The foregoing resolution was placed on the Secretary's Desk.

Senator Clayborne, Chairperson of the Committee on Assignments, during its February 8, 2017 meeting, reported that the following Legislative Measure has been approved for consideration:

Floor Amendment No. 3 to Senate Bill 11

The foregoing floor amendment was placed on the Secretary's Desk.

At the hour of 1:10 o'clock p.m., the Chair announced that the Senate stand at recess subject to the call of the Chair.

AFTER RECESS

At the hour of 1:40 o'clock p.m., the Senate resumed consideration of business.
Senator Muñoz, presiding.

PRESENTATION OF RESOLUTIONS

SENATE RESOLUTION NO. 141
Offered by Senator Link and all Senators:
Mourns the death of Scott R. Edmonds of Genoa City, Wisconsin.

SENATE RESOLUTION NO. 142
Offered by Senator Link and all Senators:
Mourns the death of James Lawrence "Jim" Mateja of Lindenhurst.

SENATE RESOLUTION NO. 143
Offered by Senator Link and all Senators:
Mourns the death of Marion E. O'Connell of Waukegan.

SENATE RESOLUTION NO. 144
Offered by Senator Link and all Senators:
Mourns the death of Cynthia L. "Missy" Weakley of Wadsworth.

By unanimous consent, the foregoing resolutions were referred to the Resolutions Consent Calendar.

SENATE BILL RECALLED

On motion of Senator T. Cullerton, **Senate Bill No. 3** was recalled from the order of third reading to the order of second reading.
Committee Amendment No. 1 was held in the Committee on Assignments.
Senator T. Cullerton offered the following amendment and moved its adoption:

AMENDMENT NO. 2 TO SENATE BILL 3
AMENDMENT NO. _2_. Amend Senate Bill 3 by deleting Section 20.

The motion prevailed.
And the amendment was adopted and ordered printed.

There being no further amendments, the foregoing Amendment No. 2 was ordered engrossed, and the bill, as amended, was ordered to a third reading.

READING BILL OF THE SENATE A THIRD TIME

On motion of Senator T. Cullerton, **Senate Bill No. 3** having been transcribed and typed and all amendments adopted thereto having been printed, was taken up and read by title a third time.

And the question being, "Shall this bill pass?" it was decided in the affirmative by the following vote:

YEAS 36; NAYS 14; Present 7.

The following voted in the affirmative:

Aquino	Haine	Link	Silverstein
Bennett	Harmon	Manar	Stadelman
Bertino-Tarrant	Harris	Martinez	Steans
Biss	Holmes	McGuire	Trotter
Bush	Hunter	Morrison	Van Pelt
Castro	Hutchinson	Mulroe	Mr. President
Clayborne	Jones, E.	Muñoz	
Collins	Koehler	Murphy	
Cullerton, T.	Landek	Raoul	
Cunningham	Lightford	Sandoval	

The following voted in the negative:

Althoff	Connelly	Righter	Tracy
Anderson	Fowler	Rose	Weaver
Barickman	McCarter	Schimpf	
Bivins	McConchie	Syverson	

The following voted present:

Brady	Nybo	Radogno	Rooney
McConnaughay	Oberweis	Rezin	

This bill, having received the vote of a constitutional majority of the members elected, was declared passed, and all amendments not adopted were tabled pursuant to Senate Rule No. 5-4(a).

Ordered that the Secretary inform the House of Representatives thereof and ask their concurrence therein.

Senator Hastings asked and obtained unanimous consent for the Journal to reflect his intention to have voted present on **Senate Bill No. 3**.

SENATE BILL RECALLED

On motion of Senator Harmon, **Senate Bill No. 8** was recalled from the order of third reading to the order of second reading.

Committee Amendment No. 1 and Floor Amendment No. 2 were held in the Committee on Assignments.

Senator Harmon offered the following amendment and moved its adoption:

AMENDMENT NO. 3 TO SENATE BILL 8

AMENDMENT NO. _3_. Amend Senate Bill 8 as follows:

on page 7, line 9, after "25-85,", by inserting "40-25,"; and

on page 80, line 1, by replacing "2016" with "2017"; and

on page 80, line 2, by replacing "2017" with "2018"; and

on page 83, immediately below line 3, by inserting the following:

"(30 ILCS 500/40-25)

Sec. 40-25. Length of leases.

(a) Maximum term. Leases shall be for a term not to exceed 10 years inclusive, beginning January, 1, 2010, of proposed contract renewals and shall include a termination option in favor of the State after 5 years. The duration of any lease for real property entered into by a public institution of higher education that requires a capital improvement in excess of $100,000 as a condition of the lease may exceed 10 years, but not more than 30 years, if the governing board of a public institution of higher education, during a public hearing, determines that a lease in excess of 10 years is required or necessary for the use or benefit of that public institution of higher education and is in the best interest of the public institution of higher education. On July 1, 2022 and every 5 years thereafter, the capital improvement minimum established in this subsection (a) shall be adjusted for inflation by the chief procurement officer for higher education as determined by the Consumer Price Index for All Urban Consumers as determined by the United States Department of Labor and rounded to the nearest $100.

(b) Renewal. Leases may include a renewal option. An option to renew may be exercised only when a State purchasing officer determines in writing that renewal is in the best interest of the State and notice of the exercise of the option is published in the appropriate volume of the Procurement Bulletin at least 60 calendar days prior to the exercise of the option.

(c) Subject to appropriation. All leases shall recite that they are subject to termination and cancellation in any year for which the General Assembly fails to make an appropriation to make payments under the terms of the lease.

(d) Holdover. Beginning January 1, 2010, no lease may continue on a month-to-month or other holdover basis for a total of more than 6 months. Beginning July 1, 2010, the Comptroller shall withhold payment of leases beyond this holdover period.

(Source: P.A. 98-1076, eff. 1-1-15.)"; and

on page 83, line 7, by replacing "~~to~~" with " to"; and

by replacing line 26 on page 103 through line 2 on page 104 with: "Service Administration, and the Higher Education Cooperation Act. A chief procurement office may authorize"; and

on page 104, immediately below line 16, by inserting the following:

"(a-15) A public institution of higher education may enter directly into agreements under the cost savings program authorized pursuant to the Midwest Higher Education Cooperation Act, when the institution makes a determination that it is in the best interests of the institution and the State based on estimated cost savings or otherwise, for the procurement of (i) computer and technology related products, equipment, or services and (ii) insurance. These procurements under this subsection (a-15) shall not be governed by any other provisions of this Act. Any public institutions of higher education entering into agreements for procurement through the Midwest Higher Education Cooperation Act shall post notice of the procurements to the appropriate Illinois Procurement Bulletin within 14 days of execution of the agreements.".

The motion prevailed.

And the amendment was adopted and ordered printed.

There being no further amendments, the foregoing Amendment No. 3 was ordered engrossed, and the bill, as amended, was ordered to a third reading.

READING BILL OF THE SENATE A THIRD TIME

On motion of Senator Harmon, **Senate Bill No. 8** having been transcribed and typed and all amendments adopted thereto having been printed, was taken up and read by title a third time.

And the question being, “Shall this bill pass?” it was decided in the affirmative by the following vote:

YEAS 34; NAYS 14; Present 11.

The following voted in the affirmative:

Aquino	Haine	Link	Sandoval
Bennett	Harmon	Manar	Silverstein
Bertino-Tarrant	Harris	Martinez	Stadelman
Biss	Hunter	McGuire	Steans
Bush	Hutchinson	Morrison	Trotter
Clayborne	Jones, E.	Mulroe	Van Pelt
Collins	Koehler	Muñoz	Mr. President
Cullerton, T.	Landek	Murphy	
Cunningham	Lightford	Raoul	

The following voted in the negative:

Anderson	Connelly	McCarter	Tracy
Barickman	Fowler	Righter	Weaver
Bivins	Holmes	Rose	
Castro	McCann	Schimpf	

The following voted present:

Althoff	McConchie	Oberweis	Rooney
Brady	McConnaughay	Radogno	Syverson
Hastings	Nybo	Rezin	

This bill, having received the vote of a constitutional majority of the members elected, was declared passed, and all amendments not adopted were tabled pursuant to Senate Rule No. 5-4(a).

Ordered that the Secretary inform the House of Representatives thereof and ask their concurrence therein.

SENATE BILL RECALLED

On motion of Senator J. Cullerton, **Senate Bill No. 10** was recalled from the order of third reading to the order of second reading.

Committee Amendment No. 1 was held in the Committee on Assignments.

Senator J. Cullerton offered the following amendment and moved its adoption:

AMENDMENT NO. 2 TO SENATE BILL 10

AMENDMENT NO. 2. Amend Senate Bill 10 by replacing everything after the enacting clause with the following:

"Section 5. The Illinois Municipal Code is amended by adding Division 13 to Article 8 as follows:

(65 ILCS 5/Art. 8 Div. 13 heading new)

DIVISION 13. ASSIGNMENT OF RECEIPTS

(65 ILCS 5/8-13-5 new)

Sec. 8-13-5. Definitions. As used in this Article:

"Assignment agreement" means an agreement between a transferring unit and an issuing entity for the conveyance of all or part of any revenues or taxes received by the transferring unit from a State entity.

"Conveyance" means an assignment, sale, transfer, or other conveyance.

"Deposit account" means a designated escrow account established by an issuing entity at a trust company or bank having trust powers for the deposit of transferred receipts under an assignment agreement.

"Issuing entity" means (i) a corporation, trust or other entity that has been established for the limited purpose of issuing obligations for the benefit of a transferring unit, or (ii) a bank or trust company in its

capacity as trustee for obligations issued by such bank or trust company for the benefit of a transferring unit.

"State entity" means the State Comptroller, the State Treasurer, or the Illinois Department of Revenue.

"Transferred receipts" means all or part of any revenues or taxes received from a State entity that have been conveyed by a transferring unit under an assignment agreement.

"Transferring unit" means a home rule municipality located in the State.

(65 ILCS 5/8-13-10 new)

Sec. 8-13-10. Assignment of receipts.

(a) Any transferring unit which receives revenues or taxes from a State entity may (to the extent not prohibited by any applicable statute, regulation, rule, or agreement governing the use of such revenues or taxes) authorize, by ordinance, the conveyance of all or any portion of such revenues or taxes to an issuing entity. Any conveyance of transferred receipts shall: (i) be made pursuant to an assignment agreement in exchange for the net proceeds of obligations issued by the issuing entity for the benefit of the transferring unit and shall, for all purposes, constitute an absolute conveyance of all right, title, and interest therein; (ii) not be deemed a pledge or other security interest for any borrowing by the transferring unit; (iii) be valid, binding, and enforceable in accordance with the terms thereof and of any related instrument, agreement, or other arrangement, including any pledge, grant of security interest, or other encumbrance made by the issuing entity to secure any obligations issued by the issuing entity for the benefit of the transferring unit; and (iv) not be subject to disavowal, disaffirmance, cancellation, or avoidance by reason of insolvency of any party, lack of consideration, or any other fact, occurrence, or State law or rule. On and after the effective date of the conveyance of the transferred receipts, the transferring unit shall have no right, title or interest in or to the transferred receipts conveyed and the transferred receipts so conveyed shall be the property of the issuing entity to the extent necessary to pay the obligations issued by the issuing entity for the benefit of the transferring unit, and shall be received, held, and disbursed by the issuing entity in a trust fund outside the treasury of the transferring unit. An assignment agreement may provide for the periodic reconveyance to the transferring unit of amounts of transferred receipts remaining after the payment of the obligations issued by the issuing entity for the benefit of the transferring unit.

(b) In connection with any conveyance of transferred receipts, the transferring unit is authorized to direct the applicable State entity to deposit or cause to be deposited any amount of such transferred receipts into a deposit account in order to secure the obligations issued by the issuing entity for the benefit of the transferring unit. Where the transferring unit states that such direction is irrevocable, the direction shall be treated by the applicable State entity as irrevocable with respect to the transferred receipts described in such direction. Each State entity shall comply with the terms of any such direction received from a transferring unit and shall execute and deliver such acknowledgments and agreements, including escrow and similar agreements, as the transferring unit may require to effectuate the deposit of transferred receipts in accordance with the direction of the transferring unit.

(c) Not later than the date of issuance by an issuing entity of any obligations secured by collections of transferred receipts, a certified copy of the ordinance authorizing the conveyance of the right to receive the transferred receipts, together with executed copies of the applicable assignment agreement and the agreement providing for the establishment of the deposit account, shall be filed with the State entity having custody of the transferred receipts.

(65 ILCS 5/8-13-15 new)

Sec. 8-13-15. Pledges and agreements of the State. The State of Illinois pledges to and agrees with each transferring unit and issuing entity that the State will not limit or alter the rights and powers vested in the State entities by this Article with respect to the disposition of transferred receipts so as to impair the terms of any contract, including any assignment agreement, made by the transferring unit with the issuing entity or any contract executed by the issuing entity in connection with the issuance of obligations by the issuing entity for the benefit of the transferring unit until all requirements with respect to the deposit by such State entity of transferred receipts for the benefit of such issuing entity have been fully met and discharged. In addition, the State pledges to and agrees with each transferring unit and each issuing entity that the State will not limit or alter the basis on which transferred receipts are to be paid to the issuing entity as provided in this Article, or the use of such funds, so as to impair the terms of any such contract. Each transferring unit and issuing entity is authorized to include these pledges and agreements of the State in any contract executed and delivered as described in this Article. In no way shall the pledge and agreements of the State be interpreted to construe the State as a guarantor of any debt or obligation subject to an assignment agreement under this Division.

(65 ILCS 5/8-13-20 new)

Sec. 8-13-20. Home rule. A home rule unit may not enter into assignment agreements in a manner inconsistent with the provisions of this Article. This Section is a limitation under subsection (i) of Section

6 of Article VII of the Illinois Constitution on the concurrent exercise by home rule units of powers and functions exercised by the State.

Section 99. Effective date. This Act takes effect upon becoming law, but this Act does not take effect at all unless Senate Bills 1, 2, 3, 4, 5, 6, 7, 8, 9, 11, 12, and 13 of the 100th General Assembly become law.".

The motion prevailed.

And the amendment was adopted and ordered printed.

There being no further amendments, the foregoing Amendment No. 2 was ordered engrossed, and the bill, as amended, was ordered to a third reading.

READING BILL OF THE SENATE A THIRD TIME

On motion of Senator J. Cullerton, **Senate Bill No. 10** having been transcribed and typed and all amendments adopted thereto having been printed, was taken up and read by title a third time.

And the question being, "Shall this bill pass?" it was decided in the affirmative by the following vote:

YEAS 36; NAYS 13; Present 10.

The following voted in the affirmative:

Aquino	Haine	Link	Silverstein
Bennett	Harmon	Manar	Stadelman
Bertino-Tarrant	Harris	Martinez	Steans
Biss	Holmes	McGuire	Trotter
Bush	Hunter	Morrison	Van Pelt
Castro	Hutchinson	Mulroe	Mr. President
Clayborne	Jones, E.	Muñoz	
Collins	Koehler	Murphy	
Cullerton, T.	Landek	Raoul	
Cunningham	Lightford	Sandoval	

The following voted in the negative:

Anderson	Fowler	Righter	Weaver
Barickman	McCann	Rose	
Bivins	McCarter	Schimpf	
Connelly	McConchie	Tracy	

The following voted present:

Althoff	McConnaughay	Radogno	Syverson
Brady	Nybo	Rezin	
Hastings	Oberweis	Rooney	

This bill, having received the vote of a constitutional majority of the members elected, was declared passed, and all amendments not adopted were tabled pursuant to Senate Rule No. 5-4(a).

Ordered that the Secretary inform the House of Representatives thereof and ask their concurrence therein.

SENATE BILL RECALLED

On motion of Senator J. Cullerton, **Senate Bill No. 11** was recalled from the order of third reading to the order of second reading.

Committee Amendment No. 1 and Floor Amendment No. 2 were held in the Committee on Assignments.

Senator J. Cullerton offered the following amendment and moved its adoption:

AMENDMENT NO. 3 TO SENATE BILL 11

AMENDMENT NO. 3. Amend Senate Bill 11 by replacing everything after the enacting clause with the following:

"Section 5. The Illinois Public Labor Relations Act is amended by changing Sections 10 and 15 and by adding Section 7.6 as follows:

(5 ILCS 315/7.6 new)

Sec. 7.6. No collective bargaining or interest arbitration regarding certain changes to the Illinois Pension Code.

(a) Notwithstanding any other provision of this Act, employers shall not be required to bargain over matters affected by the changes, the impact of the changes, and the implementation of the changes to Article 15, 16, or 17 of the Illinois Pension Code made by this amendatory Act of the 100th General Assembly, which are deemed to be prohibited subjects of bargaining. Notwithstanding any provision of this Act, the changes, impact of the changes, or implementation of the changes to Article 15, 16, or 17 of the Illinois Pension Code made by this amendatory Act of the 100th General Assembly shall not be subject to interest arbitration or any award issued pursuant to interest arbitration. The provisions of this Section shall not apply to an employment contract or collective bargaining agreement that is in effect on the effective date of this amendatory Act of the 100th General Assembly. However, any such contract or agreement that is modified, amended, renewed, or superseded after the effective date of this amendatory Act of the 100th General Assembly shall be subject to the provisions of this Section. Each employer with active employees participating in a retirement system or pension fund established under Article 15, 16, or 17 of the Illinois Pension Code shall comply with and be subject to the provisions of this amendatory Act of the 100th General Assembly. The provisions of this Section shall not apply to the ability of any employer and employee representative to bargain collectively with regard to the pick up of employee contributions pursuant to Section 15-157.1, 16-152.1, 17-130.1, or 17-130.2 of the Illinois Pension Code.

(b) Subject to and except for the matters set forth in subsection (a) of this Section that are deemed prohibited subjects of bargaining, nothing in this Section shall be construed as otherwise limiting any of the obligations and requirements applicable to employers under any of the provisions of this Act, including, but not limited to, the requirement to bargain collectively with regard to policy matters directly affecting wages, hours, and terms and conditions of employment as well as the impact thereon upon request by employee representatives. Subject to and except for the matters set forth in subsection (a) of this Section that are deemed prohibited subjects of bargaining, nothing in this Section shall be construed as otherwise limiting any of the rights of employees or employee representatives under the provisions of this Act.

(c) In case of any conflict between this Section and any other provisions of this Act or any other law, the provisions of this Section shall control.

(5 ILCS 315/10) (from Ch. 48, par. 1610)

Sec. 10. Unfair labor practices.

(a) It shall be an unfair labor practice for an employer or its agents:

(1) to interfere with, restrain or coerce public employees in the exercise of the rights guaranteed in this Act or to dominate or interfere with the formation, existence or administration of any labor organization or contribute financial or other support to it; provided, an employer shall not be prohibited from permitting employees to confer with him during working hours without loss of time or pay;

(2) to discriminate in regard to hire or tenure of employment or any term or condition of employment in order to encourage or discourage membership in or other support for any labor organization. Nothing in this Act or any other law precludes a public employer from making an agreement with a labor organization to require as a condition of employment the payment of a fair share under paragraph (e) of Section 6;

(3) to discharge or otherwise discriminate against a public employee because he has signed or filed an affidavit, petition or charge or provided any information or testimony under this Act;

(4) subject to and except as provided in Section 7.6, to refuse to bargain collectively in good faith with a labor organization which is the exclusive representative of public employees in an appropriate unit, including, but not limited to, the discussing of grievances with the exclusive representative; however, no actions of the employer

taken to implement or otherwise comply with the provisions of subsection (a) of Section 7.6 shall constitute or give rise to an unfair labor practice under this Act;

(5) to violate any of the rules and regulations established by the Board with jurisdiction over them relating to the conduct of representation elections or the conduct affecting the representation elections;

(6) to expend or cause the expenditure of public funds to any external agent, individual, firm, agency, partnership or association in any attempt to influence the outcome of representational elections held pursuant to Section 9 of this Act; provided, that nothing in this subsection shall be construed to limit an employer's right to internally communicate with its employees as provided in subsection (c) of this Section, to be represented on any matter pertaining to unit determinations, unfair labor practice charges or pre-election conferences in any formal or informal proceeding before the Board, or to seek or obtain advice from legal counsel. Nothing in this paragraph shall be construed to prohibit an employer from expending or causing the expenditure of public funds on, or seeking or obtaining services or advice from, any organization, group, or association established by and including public or educational employers, whether covered by this Act, the Illinois Educational Labor Relations Act or the public employment labor relations law of any other state or the federal government, provided that such services or advice are generally available to the membership of the organization, group or association, and are not offered solely in an attempt to influence the outcome of a particular representational election; or

(7) to refuse to reduce a collective bargaining agreement to writing or to refuse to sign such agreement.

(b) It shall be an unfair labor practice for a labor organization or its agents:

(1) to restrain or coerce public employees in the exercise of the rights guaranteed in this Act, provided, (i) that this paragraph shall not impair the right of a labor organization to prescribe its own rules with respect to the acquisition or retention of membership therein or the determination of fair share payments and (ii) that a labor organization or its agents shall commit an unfair labor practice under this paragraph in duty of fair representation cases only by intentional misconduct in representing employees under this Act;

(2) to restrain or coerce a public employer in the selection of his representatives for the purposes of collective bargaining or the settlement of grievances; or

(3) to cause, or attempt to cause, an employer to discriminate against an employee in violation of subsection (a)(2);

(4) to refuse to bargain collectively in good faith with a public employer, if it has been designated in accordance with the provisions of this Act as the exclusive representative of public employees in an appropriate unit;

(5) to violate any of the rules and regulations established by the boards with jurisdiction over them relating to the conduct of representation elections or the conduct affecting the representation elections;

(6) to discriminate against any employee because he has signed or filed an affidavit, petition or charge or provided any information or testimony under this Act;

(7) to picket or cause to be picketed, or threaten to picket or cause to be picketed, any public employer where an object thereof is forcing or requiring an employer to recognize or bargain with a labor organization of the representative of its employees, or forcing or requiring the employees of an employer to accept or select such labor organization as their collective bargaining representative, unless such labor organization is currently certified as the representative of such employees:

(A) where the employer has lawfully recognized in accordance with this Act any labor organization and a question concerning representation may not appropriately be raised under Section 9 of this Act;

(B) where within the preceding 12 months a valid election under Section 9 of this Act has been conducted; or

(C) where such picketing has been conducted without a petition under Section 9 being filed within a reasonable period of time not to exceed 30 days from the commencement of such picketing; provided that when such a petition has been filed the Board shall forthwith, without regard to the provisions of subsection (a) of Section 9 or the absence of a showing of a substantial interest on the part of the labor organization, direct an election in such unit as the Board finds to be appropriate and shall certify the results thereof; provided further, that nothing in this subparagraph shall be construed to prohibit any picketing or other publicity for the purpose of truthfully advising the public that an employer does not employ members of, or have a contract with, a labor organization unless

an effect of such picketing is to induce any individual employed by any other person in the course of his employment, not to pick up, deliver, or transport any goods or not to perform any services; or

(8) to refuse to reduce a collective bargaining agreement to writing or to refuse to sign such agreement.

(c) The expressing of any views, argument, or opinion or the dissemination thereof, whether in written, printed, graphic, or visual form, shall not constitute or be evidence of an unfair labor practice under any of the provisions of this Act, if such expression contains no threat of reprisal or force or promise of benefit. (Source: P.A. 86-412; 87-736.)

(5 ILCS 315/15) (from Ch. 48, par. 1615)

(Text of Section WITHOUT the changes made by P.A. 98-599, which has been held unconstitutional)

Sec. 15. Act Takes Precedence.

(a) In case of any conflict between the provisions of this Act and any other law (other than Section 5 of the State Employees Group Insurance Act of 1971 and other than the changes made to the Illinois Pension Code by this amendatory Act of the 96th General Assembly), executive order or administrative regulation relating to wages, hours and conditions of employment and employment relations, the provisions of this Act or any collective bargaining agreement negotiated thereunder shall prevail and control. Nothing in this Act shall be construed to replace or diminish the rights of employees established by Sections 28 and 28a of the Metropolitan Transit Authority Act, Sections 2.15 through 2.19 of the Regional Transportation Authority Act. The provisions of this Act are subject to Section 5 of the State Employees Group Insurance Act of 1971. Nothing in this Act shall be construed to replace the necessity of complaints against a sworn peace officer, as defined in Section 2(a) of the Uniform Peace Officer Disciplinary Act, from having a complaint supported by a sworn affidavit.

(b) Except as provided in subsection (a) above, any collective bargaining contract between a public employer and a labor organization executed pursuant to this Act shall supersede any contrary statutes, charters, ordinances, rules or regulations relating to wages, hours and conditions of employment and employment relations adopted by the public employer or its agents. Any collective bargaining agreement entered into prior to the effective date of this Act shall remain in full force during its duration.

(c) It is the public policy of this State, pursuant to paragraphs (h) and (i) of Section 6 of Article VII of the Illinois Constitution, that the provisions of this Act are the exclusive exercise by the State of powers and functions which might otherwise be exercised by home rule units. Such powers and functions may not be exercised concurrently, either directly or indirectly, by any unit of local government, including any home rule unit, except as otherwise authorized by this Act.

(d) Notwithstanding any other provision of law, no collective bargaining agreement entered into, renewed, or extended after the effective date of this amendatory Act of the 100th General Assembly or any arbitration award issued under such collective bargaining agreement may violate or conflict with the changes made by this amendatory Act of the 100th General Assembly.

(Source: P.A. 95-331, eff. 8-21-07; 96-889, eff. 1-1-11.)

Section 10. The State Employees Group Insurance Act of 1971 is amended by changing Sections 3 and 10 as follows:

(5 ILCS 375/3) (from Ch. 127, par. 523)

Sec. 3. Definitions. Unless the context otherwise requires, the following words and phrases as used in this Act shall have the following meanings. The Department may define these and other words and phrases separately for the purpose of implementing specific programs providing benefits under this Act.

(a) "Administrative service organization" means any person, firm or corporation experienced in the handling of claims which is fully qualified, financially sound and capable of meeting the service requirements of a contract of administration executed with the Department.

(b) "Annuitant" means (1) an employee who retires, or has retired, on or after January 1, 1966 on an immediate annuity under the provisions of Articles 2, 14 (including an employee who has elected to receive an alternative retirement cancellation payment under Section 14-108.5 of the Illinois Pension Code in lieu of an annuity or who meets the criteria for retirement, but in lieu of receiving an annuity under that Article has elected to receive an accelerated pension benefit payment under Section 14-147.5 of that Article), 15 (including an employee who has retired under the optional retirement program established under Section 15-158.2 or who meets the criteria for retirement but in lieu of receiving an annuity under that Article has elected to receive an accelerated pension benefit payment under Section 15-185.5 of the Article), paragraphs (2), (3), or (5) of Section 16-106 (including an employee who meets the criteria for retirement, but in lieu of receiving an annuity under that Article has elected to receive an accelerated pension benefit payment under Section 16-190.5 of the Illinois Pension Code), or Article 18 of the Illinois Pension Code; (2) any person who was receiving group insurance coverage under this Act as of March 31,

1978 by reason of his status as an annuitant, even though the annuity in relation to which such coverage was provided is a proportional annuity based on less than the minimum period of service required for a retirement annuity in the system involved; (3) any person not otherwise covered by this Act who has retired as a participating member under Article 2 of the Illinois Pension Code but is ineligible for the retirement annuity under Section 2-119 of the Illinois Pension Code; (4) the spouse of any person who is receiving a retirement annuity under Article 18 of the Illinois Pension Code and who is covered under a group health insurance program sponsored by a governmental employer other than the State of Illinois and who has irrevocably elected to waive his or her coverage under this Act and to have his or her spouse considered as the "annuitant" under this Act and not as a "dependent"; or (5) an employee who retires, or has retired, from a qualified position, as determined according to rules promulgated by the Director, under a qualified local government, a qualified rehabilitation facility, a qualified domestic violence shelter or service, or a qualified child advocacy center. (For definition of "retired employee", see (p) post).

(b-5) (Blank).

(b-6) (Blank).

(b-7) (Blank).

(c) "Carrier" means (1) an insurance company, a corporation organized under the Limited Health Service Organization Act or the Voluntary Health Services Plan Act, a partnership, or other nongovernmental organization, which is authorized to do group life or group health insurance business in Illinois, or (2) the State of Illinois as a self-insurer.

(d) "Compensation" means salary or wages payable on a regular payroll by the State Treasurer on a warrant of the State Comptroller out of any State, trust or federal fund, or by the Governor of the State through a disbursing officer of the State out of a trust or out of federal funds, or by any Department out of State, trust, federal or other funds held by the State Treasurer or the Department, to any person for personal services currently performed, and ordinary or accidental disability benefits under Articles 2, 14, 15 (including ordinary or accidental disability benefits under the optional retirement program established under Section 15-158.2), paragraphs (2), (3), or (5) of Section 16-106, or Article 18 of the Illinois Pension Code, for disability incurred after January 1, 1966, or benefits payable under the Workers' Compensation or Occupational Diseases Act or benefits payable under a sick pay plan established in accordance with Section 36 of the State Finance Act. "Compensation" also means salary or wages paid to an employee of any qualified local government, qualified rehabilitation facility, qualified domestic violence shelter or service, or qualified child advocacy center.

(e) "Commission" means the State Employees Group Insurance Advisory Commission authorized by this Act. Commencing July 1, 1984, "Commission" as used in this Act means the Commission on Government Forecasting and Accountability as established by the Legislative Commission Reorganization Act of 1984.

(f) "Contributory", when referred to as contributory coverage, shall mean optional coverages or benefits elected by the member toward the cost of which such member makes contribution, or which are funded in whole or in part through the acceptance of a reduction in earnings or the foregoing of an increase in earnings by an employee, as distinguished from noncontributory coverage or benefits which are paid entirely by the State of Illinois without reduction of the member's salary.

(g) "Department" means any department, institution, board, commission, officer, court or any agency of the State government receiving appropriations and having power to certify payrolls to the Comptroller authorizing payments of salary and wages against such appropriations as are made by the General Assembly from any State fund, or against trust funds held by the State Treasurer and includes boards of trustees of the retirement systems created by Articles 2, 14, 15, 16 and 18 of the Illinois Pension Code. "Department" also includes the Illinois Comprehensive Health Insurance Board, the Board of Examiners established under the Illinois Public Accounting Act, and the Illinois Finance Authority.

(h) "Dependent", when the term is used in the context of the health and life plan, means a member's spouse and any child (1) from birth to age 26 including an adopted child, a child who lives with the member from the time of the filing of a petition for adoption until entry of an order of adoption, a stepchild or adjudicated child, or a child who lives with the member if such member is a court appointed guardian of the child or (2) age 19 or over who has a mental or physical disability from a cause originating prior to the age of 19 (age 26 if enrolled as an adult child dependent). For the health plan only, the term "dependent" also includes (1) any person enrolled prior to the effective date of this Section who is dependent upon the member to the extent that the member may claim such person as a dependent for income tax deduction purposes and (2) any person who has received after June 30, 2000 an organ transplant and who is financially dependent upon the member and eligible to be claimed as a dependent for income tax purposes. A member requesting to cover any dependent must provide documentation as requested by the Department

of Central Management Services and file with the Department any and all forms required by the Department.

(i) "Director" means the Director of the Illinois Department of Central Management Services.

(j) "Eligibility period" means the period of time a member has to elect enrollment in programs or to select benefits without regard to age, sex or health.

(k) "Employee" means and includes each officer or employee in the service of a department who (1) receives his compensation for service rendered to the department on a warrant issued pursuant to a payroll certified by a department or on a warrant or check issued and drawn by a department upon a trust, federal or other fund or on a warrant issued pursuant to a payroll certified by an elected or duly appointed officer of the State or who receives payment of the performance of personal services on a warrant issued pursuant to a payroll certified by a Department and drawn by the Comptroller upon the State Treasurer against appropriations made by the General Assembly from any fund or against trust funds held by the State Treasurer, and (2) is employed full-time or part-time in a position normally requiring actual performance of duty during not less than 1/2 of a normal work period, as established by the Director in cooperation with each department, except that persons elected by popular vote will be considered employees during the entire term for which they are elected regardless of hours devoted to the service of the State, and (3) except that "employee" does not include any person who is not eligible by reason of such person's employment to participate in one of the State retirement systems under Articles 2, 14, 15 (either the regular Article 15 system or the optional retirement program established under Section 15-158.2) or 18, or under paragraph (2), (3), or (5) of Section 16-106, of the Illinois Pension Code, but such term does include persons who are employed during the 6 month qualifying period under Article 14 of the Illinois Pension Code. Such term also includes any person who (1) after January 1, 1966, is receiving ordinary or accidental disability benefits under Articles 2, 14, 15 (including ordinary or accidental disability benefits under the optional retirement program established under Section 15-158.2), paragraphs (2), (3), or (5) of Section 16-106, or Article 18 of the Illinois Pension Code, for disability incurred after January 1, 1966, (2) receives total permanent or total temporary disability under the Workers' Compensation Act or Occupational Disease Act as a result of injuries sustained or illness contracted in the course of employment with the State of Illinois, or (3) is not otherwise covered under this Act and has retired as a participating member under Article 2 of the Illinois Pension Code but is ineligible for the retirement annuity under Section 2-119 of the Illinois Pension Code. However, a person who satisfies the criteria of the foregoing definition of "employee" except that such person is made ineligible to participate in the State Universities Retirement System by clause (4) of subsection (a) of Section 15-107 of the Illinois Pension Code is also an "employee" for the purposes of this Act. "Employee" also includes any person receiving or eligible for benefits under a sick pay plan established in accordance with Section 36 of the State Finance Act. "Employee" also includes (i) each officer or employee in the service of a qualified local government, including persons appointed as trustees of sanitary districts regardless of hours devoted to the service of the sanitary district, (ii) each employee in the service of a qualified rehabilitation facility, (iii) each full-time employee in the service of a qualified domestic violence shelter or service, and (iv) each full-time employee in the service of a qualified child advocacy center, as determined according to rules promulgated by the Director.

(l) "Member" means an employee, annuitant, retired employee or survivor. In the case of an annuitant or retired employee who first becomes an annuitant or retired employee on or after the effective date of this amendatory Act of the 97th General Assembly, the individual must meet the minimum vesting requirements of the applicable retirement system in order to be eligible for group insurance benefits under that system. In the case of a survivor who first becomes a survivor on or after the effective date of this amendatory Act of the 97th General Assembly, the deceased employee, annuitant, or retired employee upon whom the annuity is based must have been eligible to participate in the group insurance system under the applicable retirement system in order for the survivor to be eligible for group insurance benefits under that system.

(m) "Optional coverages or benefits" means those coverages or benefits available to the member on his or her voluntary election, and at his or her own expense.

(n) "Program" means the group life insurance, health benefits and other employee benefits designed and contracted for by the Director under this Act.

(o) "Health plan" means a health benefits program offered by the State of Illinois for persons eligible for the plan.

(p) "Retired employee" means any person who would be an annuitant as that term is defined herein but for the fact that such person retired prior to January 1, 1966. Such term also includes any person formerly employed by the University of Illinois in the Cooperative Extension Service who would be an annuitant but for the fact that such person was made ineligible to participate in the State Universities Retirement System by clause (4) of subsection (a) of Section 15-107 of the Illinois Pension Code.

(q) "Survivor" means a person receiving an annuity as a survivor of an employee or of an annuitant. "Survivor" also includes: (1) the surviving dependent of a person who satisfies the definition of "employee" except that such person is made ineligible to participate in the State Universities Retirement System by clause (4) of subsection (a) of Section 15-107 of the Illinois Pension Code; (2) the surviving dependent of any person formerly employed by the University of Illinois in the Cooperative Extension Service who would be an annuitant except for the fact that such person was made ineligible to participate in the State Universities Retirement System by clause (4) of subsection (a) of Section 15-107 of the Illinois Pension Code; and (3) the surviving dependent of a person who was an annuitant under this Act by virtue of receiving an alternative retirement cancellation payment under Section 14-108.5 of the Illinois Pension Code.

(q-2) "SERS" means the State Employees' Retirement System of Illinois, created under Article 14 of the Illinois Pension Code.

(q-3) "SURS" means the State Universities Retirement System, created under Article 15 of the Illinois Pension Code.

(q-4) "TRS" means the Teachers' Retirement System of the State of Illinois, created under Article 16 of the Illinois Pension Code.

(q-5) (Blank).

(q-6) (Blank).

(q-7) (Blank).

(r) "Medical services" means the services provided within the scope of their licenses by practitioners in all categories licensed under the Medical Practice Act of 1987.

(s) "Unit of local government" means any county, municipality, township, school district (including a combination of school districts under the Intergovernmental Cooperation Act), special district or other unit, designated as a unit of local government by law, which exercises limited governmental powers or powers in respect to limited governmental subjects, any not-for-profit association with a membership that primarily includes townships and township officials, that has duties that include provision of research service, dissemination of information, and other acts for the purpose of improving township government, and that is funded wholly or partly in accordance with Section 85-15 of the Township Code; any not-for-profit corporation or association, with a membership consisting primarily of municipalities, that operates its own utility system, and provides research, training, dissemination of information, or other acts to promote cooperation between and among municipalities that provide utility services and for the advancement of the goals and purposes of its membership; the Southern Illinois Collegiate Common Market, which is a consortium of higher education institutions in Southern Illinois; the Illinois Association of Park Districts; and any hospital provider that is owned by a county that has 100 or fewer hospital beds and has not already joined the program. "Qualified local government" means a unit of local government approved by the Director and participating in a program created under subsection (i) of Section 10 of this Act.

(t) "Qualified rehabilitation facility" means any not-for-profit organization that is accredited by the Commission on Accreditation of Rehabilitation Facilities or certified by the Department of Human Services (as successor to the Department of Mental Health and Developmental Disabilities) to provide services to persons with disabilities and which receives funds from the State of Illinois for providing those services, approved by the Director and participating in a program created under subsection (j) of Section 10 of this Act.

(u) "Qualified domestic violence shelter or service" means any Illinois domestic violence shelter or service and its administrative offices funded by the Department of Human Services (as successor to the Illinois Department of Public Aid), approved by the Director and participating in a program created under subsection (k) of Section 10.

(v) "TRS benefit recipient" means a person who:

(1) is not a "member" as defined in this Section; and

(2) is receiving a monthly benefit or retirement annuity under Article 16 of the Illinois Pension Code; and

(3) either (i) has at least 8 years of creditable service under Article 16 of the Illinois Pension Code, or (ii) was enrolled in the health insurance program offered under that Article on January 1, 1996, or (iii) is the survivor of a benefit recipient who had at least 8 years of creditable service under Article 16 of the Illinois Pension Code or was enrolled in the health insurance program offered under that Article on the effective date of this amendatory Act of 1995, or (iv) is a recipient or survivor of a recipient of a disability benefit under Article 16 of the Illinois Pension Code.

(w) "TRS dependent beneficiary" means a person who:

(1) is not a "member" or "dependent" as defined in this Section; and

(2) is a TRS benefit recipient's: (A) spouse, (B) dependent parent who is receiving at least half of his or her support from the TRS benefit recipient, or (C) natural, step, adjudicated, or adopted child who is (i) under age 26, (ii) was, on January 1, 1996, participating as a dependent beneficiary in the health insurance program offered under Article 16 of the Illinois Pension Code, or (iii) age 19 or over who has a mental or physical disability from a cause originating prior to the age of 19 (age 26 if enrolled as an adult child).

"TRS dependent beneficiary" does not include, as indicated under paragraph (2) of this subsection (w), a dependent of the survivor of a TRS benefit recipient who first becomes a dependent of a survivor of a TRS benefit recipient on or after the effective date of this amendatory Act of the 97th General Assembly unless that dependent would have been eligible for coverage as a dependent of the deceased TRS benefit recipient upon whom the survivor benefit is based.

(x) "Military leave" refers to individuals in basic training for reserves, special/advanced training, annual training, emergency call up, activation by the President of the United States, or any other training or duty in service to the United States Armed Forces.

(y) (Blank).

(z) "Community college benefit recipient" means a person who:

(1) is not a "member" as defined in this Section; and

(2) is receiving a monthly survivor's annuity or retirement annuity under Article 15 of the Illinois Pension Code; and

(3) either (i) was a full-time employee of a community college district or an association of community college boards created under the Public Community College Act (other than an employee whose last employer under Article 15 of the Illinois Pension Code was a community college district subject to Article VII of the Public Community College Act) and was eligible to participate in a group health benefit plan as an employee during the time of employment with a community college district (other than a community college district subject to Article VII of the Public Community College Act) or an association of community college boards, or (ii) is the survivor of a person described in item (i).

(aa) "Community college dependent beneficiary" means a person who:

(1) is not a "member" or "dependent" as defined in this Section; and

(2) is a community college benefit recipient's: (A) spouse, (B) dependent parent who is receiving at least half of his or her support from the community college benefit recipient, or (C) natural, step, adjudicated, or adopted child who is (i) under age 26, or (ii) age 19 or over and has a mental or physical disability from a cause originating prior to the age of 19 (age 26 if enrolled as an adult child).

"Community college dependent beneficiary" does not include, as indicated under paragraph (2) of this subsection (aa), a dependent of the survivor of a community college benefit recipient who first becomes a dependent of a survivor of a community college benefit recipient on or after the effective date of this amendatory Act of the 97th General Assembly unless that dependent would have been eligible for coverage as a dependent of the deceased community college benefit recipient upon whom the survivor annuity is based.

(bb) "Qualified child advocacy center" means any Illinois child advocacy center and its administrative offices funded by the Department of Children and Family Services, as defined by the Children's Advocacy Center Act (55 ILCS 80/), approved by the Director and participating in a program created under subsection (n) of Section 10.

(Source: P.A. 98-488, eff. 8-16-13; 99-143, eff. 7-27-15.)

(5 ILCS 375/10) (from Ch. 127, par. 530)

Sec. 10. Contributions by the State and members.

(a) The State shall pay the cost of basic non-contributory group life insurance and, subject to member paid contributions set by the Department or required by this Section and except as provided in this Section, the basic program of group health benefits on each eligible member, except a member, not otherwise covered by this Act, who has retired as a participating member under Article 2 of the Illinois Pension Code but is ineligible for the retirement annuity under Section 2-119 of the Illinois Pension Code, and part of each eligible member's and retired member's premiums for health insurance coverage for enrolled dependents as provided by Section 9. The State shall pay the cost of the basic program of group health benefits only after benefits are reduced by the amount of benefits covered by Medicare for all members and dependents who are eligible for benefits under Social Security or the Railroad Retirement system or who had sufficient Medicare-covered government employment, except that such reduction in benefits shall apply only to those members and dependents who (1) first become eligible for such Medicare coverage on or after July 1, 1992; or (2) are Medicare-eligible members or dependents of a local government unit which began participation in the program on or after July 1, 1992; or (3) remain eligible for, but no longer receive

Medicare coverage which they had been receiving on or after July 1, 1992. The Department may determine the aggregate level of the State's contribution on the basis of actual cost of medical services adjusted for age, sex or geographic or other demographic characteristics which affect the costs of such programs.

The cost of participation in the basic program of group health benefits for the dependent or survivor of a living or deceased retired employee who was formerly employed by the University of Illinois in the Cooperative Extension Service and would be an annuitant but for the fact that he or she was made ineligible to participate in the State Universities Retirement System by clause (4) of subsection (a) of Section 15-107 of the Illinois Pension Code shall not be greater than the cost of participation that would otherwise apply to that dependent or survivor if he or she were the dependent or survivor of an annuitant under the State Universities Retirement System.

(a-1) (Blank).

(a-2) (Blank).

(a-3) (Blank).

(a-4) (Blank).

(a-5) (Blank).

(a-6) (Blank).

(a-7) (Blank).

(a-8) Any annuitant, survivor, or retired employee may waive or terminate coverage in the program of group health benefits. Any such annuitant, survivor, or retired employee who has waived or terminated coverage may enroll or re-enroll in the program of group health benefits only during the annual benefit choice period, as determined by the Director; except that in the event of termination of coverage due to nonpayment of premiums, the annuitant, survivor, or retired employee may not re-enroll in the program.

(a-8.5) Beginning on the effective date of this amendatory Act of the 97th General Assembly, the Director of Central Management Services shall, on an annual basis, determine the amount that the State shall contribute toward the basic program of group health benefits on behalf of annuitants (including individuals who (i) participated in the General Assembly Retirement System, the State Employees' Retirement System of Illinois, the State Universities Retirement System, the Teachers' Retirement System of the State of Illinois, or the Judges Retirement System of Illinois and (ii) qualify as annuitants under subsection (b) of Section 3 of this Act), survivors (including individuals who (i) receive an annuity as a survivor of an individual who participated in the General Assembly Retirement System, the State Employees' Retirement System of Illinois, the State Universities Retirement System, the Teachers' Retirement System of the State of Illinois, or the Judges Retirement System of Illinois and (ii) qualify as survivors under subsection (q) of Section 3 of this Act), and retired employees (as defined in subsection (p) of Section 3 of this Act). The remainder of the cost of coverage for each annuitant, survivor, or retired employee, as determined by the Director of Central Management Services, shall be the responsibility of that annuitant, survivor, or retired employee.

Contributions required of annuitants, survivors, and retired employees shall be the same for all retirement systems and shall also be based on whether an individual has made an election under Section 15-135.1 of the Illinois Pension Code. Contributions may be based on annuitants', survivors', or retired employees' Medicare eligibility, but may not be based on Social Security eligibility.

(a-9) No later than May 1 of each calendar year, the Director of Central Management Services shall certify in writing to the Executive Secretary of the State Employees' Retirement System of Illinois the amounts of the Medicare supplement health care premiums and the amounts of the health care premiums for all other retirees who are not Medicare eligible.

A separate calculation of the premiums based upon the actual cost of each health care plan shall be so certified.

The Director of Central Management Services shall provide to the Executive Secretary of the State Employees' Retirement System of Illinois such information, statistics, and other data as he or she may require to review the premium amounts certified by the Director of Central Management Services.

The Department of Central Management Services, or any successor agency designated to procure healthcare contracts pursuant to this Act, is authorized to establish funds, separate accounts provided by any bank or banks as defined by the Illinois Banking Act, or separate accounts provided by any savings and loan association or associations as defined by the Illinois Savings and Loan Act of 1985 to be held by the Director, outside the State treasury, for the purpose of receiving the transfer of moneys from the Local Government Health Insurance Reserve Fund. The Department may promulgate rules further defining the methodology for the transfers. Any interest earned by moneys in the funds or accounts shall inure to the Local Government Health Insurance Reserve Fund. The transferred moneys, and interest accrued thereon, shall be used exclusively for transfers to administrative service organizations or their financial institutions for payments of claims to claimants and providers under the self-insurance health plan. The transferred

moneys, and interest accrued thereon, shall not be used for any other purpose including, but not limited to, reimbursement of administration fees due the administrative service organization pursuant to its contract or contracts with the Department.

(a-10) To the extent that participation, benefits, or premiums under this Act are based on a person's service credit under an Article of the Illinois Pension Code, service credit terminated in exchange for an accelerated pension benefit payment under Section 14-147.5, 15-185.5, or 16-190.5 of that Code shall be included in determining a person's service credit for the purposes of this Act.

(b) State employees who become eligible for this program on or after January 1, 1980 in positions normally requiring actual performance of duty not less than 1/2 of a normal work period but not equal to that of a normal work period, shall be given the option of participating in the available program. If the employee elects coverage, the State shall contribute on behalf of such employee to the cost of the employee's benefit and any applicable dependent supplement, that sum which bears the same percentage as that percentage of time the employee regularly works when compared to normal work period.

(c) The basic non-contributory coverage from the basic program of group health benefits shall be continued for each employee not in pay status or on active service by reason of (1) leave of absence due to illness or injury, (2) authorized educational leave of absence or sabbatical leave, or (3) military leave. This coverage shall continue until expiration of authorized leave and return to active service, but not to exceed 24 months for leaves under item (1) or (2). This 24-month limitation and the requirement of returning to active service shall not apply to persons receiving ordinary or accidental disability benefits or retirement benefits through the appropriate State retirement system or benefits under the Workers' Compensation or Occupational Disease Act.

(d) The basic group life insurance coverage shall continue, with full State contribution, where such person is (1) absent from active service by reason of disability arising from any cause other than self-inflicted, (2) on authorized educational leave of absence or sabbatical leave, or (3) on military leave.

(e) Where the person is in non-pay status for a period in excess of 30 days or on leave of absence, other than by reason of disability, educational or sabbatical leave, or military leave, such person may continue coverage only by making personal payment equal to the amount normally contributed by the State on such person's behalf. Such payments and coverage may be continued: (1) until such time as the person returns to a status eligible for coverage at State expense, but not to exceed 24 months or (2) until such person's employment or annuitant status with the State is terminated (exclusive of any additional service imposed pursuant to law).

(f) The Department shall establish by rule the extent to which other employee benefits will continue for persons in non-pay status or who are not in active service.

(g) The State shall not pay the cost of the basic non-contributory group life insurance, program of health benefits and other employee benefits for members who are survivors as defined by paragraphs (1) and (2) of subsection (q) of Section 3 of this Act. The costs of benefits for these survivors shall be paid by the survivors or by the University of Illinois Cooperative Extension Service, or any combination thereof. However, the State shall pay the amount of the reduction in the cost of participation, if any, resulting from the amendment to subsection (a) made by this amendatory Act of the 91st General Assembly.

(h) Those persons occupying positions with any department as a result of emergency appointments pursuant to Section 8b.8 of the Personnel Code who are not considered employees under this Act shall be given the option of participating in the programs of group life insurance, health benefits and other employee benefits. Such persons electing coverage may participate only by making payment equal to the amount normally contributed by the State for similarly situated employees. Such amounts shall be determined by the Director. Such payments and coverage may be continued until such time as the person becomes an employee pursuant to this Act or such person's appointment is terminated.

(i) Any unit of local government within the State of Illinois may apply to the Director to have its employees, annuitants, and their dependents provided group health coverage under this Act on a non-insured basis. To participate, a unit of local government must agree to enroll all of its employees, who may select coverage under either the State group health benefits plan or a health maintenance organization that has contracted with the State to be available as a health care provider for employees as defined in this Act. A unit of local government must remit the entire cost of providing coverage under the State group health benefits plan or, for coverage under a health maintenance organization, an amount determined by the Director based on an analysis of the sex, age, geographic location, or other relevant demographic variables for its employees, except that the unit of local government shall not be required to enroll those of its employees who are covered spouses or dependents under this plan or another group policy or plan providing health benefits as long as (1) an appropriate official from the unit of local government attests that each employee not enrolled is a covered spouse or dependent under this plan or another group policy or plan, and (2) at least 50% of the employees are enrolled and the unit of local government remits the

entire cost of providing coverage to those employees, except that a participating school district must have enrolled at least 50% of its full-time employees who have not waived coverage under the district's group health plan by participating in a component of the district's cafeteria plan. A participating school district is not required to enroll a full-time employee who has waived coverage under the district's health plan, provided that an appropriate official from the participating school district attests that the full-time employee has waived coverage by participating in a component of the district's cafeteria plan. For the purposes of this subsection, "participating school district" includes a unit of local government whose primary purpose is education as defined by the Department's rules.

Employees of a participating unit of local government who are not enrolled due to coverage under another group health policy or plan may enroll in the event of a qualifying change in status, special enrollment, special circumstance as defined by the Director, or during the annual Benefit Choice Period. A participating unit of local government may also elect to cover its annuitants. Dependent coverage shall be offered on an optional basis, with the costs paid by the unit of local government, its employees, or some combination of the two as determined by the unit of local government. The unit of local government shall be responsible for timely collection and transmission of dependent premiums.

The Director shall annually determine monthly rates of payment, subject to the following constraints:

(1) In the first year of coverage, the rates shall be equal to the amount normally charged to State employees for elected optional coverages or for enrolled dependents coverages or other contributory coverages, or contributed by the State for basic insurance coverages on behalf of its employees, adjusted for differences between State employees and employees of the local government in age, sex, geographic location or other relevant demographic variables, plus an amount sufficient to pay for the additional administrative costs of providing coverage to employees of the unit of local government and their dependents.

(2) In subsequent years, a further adjustment shall be made to reflect the actual prior years' claims experience of the employees of the unit of local government.

In the case of coverage of local government employees under a health maintenance organization, the Director shall annually determine for each participating unit of local government the maximum monthly amount the unit may contribute toward that coverage, based on an analysis of (i) the age, sex, geographic location, and other relevant demographic variables of the unit's employees and (ii) the cost to cover those employees under the State group health benefits plan. The Director may similarly determine the maximum monthly amount each unit of local government may contribute toward coverage of its employees' dependents under a health maintenance organization.

Monthly payments by the unit of local government or its employees for group health benefits plan or health maintenance organization coverage shall be deposited in the Local Government Health Insurance Reserve Fund.

The Local Government Health Insurance Reserve Fund is hereby created as a nonappropriated trust fund to be held outside the State Treasury, with the State Treasurer as custodian. The Local Government Health Insurance Reserve Fund shall be a continuing fund not subject to fiscal year limitations. The Local Government Health Insurance Reserve Fund is not subject to administrative charges or charge-backs, including but not limited to those authorized under Section 8h of the State Finance Act. All revenues arising from the administration of the health benefits program established under this Section shall be deposited into the Local Government Health Insurance Reserve Fund. Any interest earned on moneys in the Local Government Health Insurance Reserve Fund shall be deposited into the Fund. All expenditures from this Fund shall be used for payments for health care benefits for local government and rehabilitation facility employees, annuitants, and dependents, and to reimburse the Department or its administrative service organization for all expenses incurred in the administration of benefits. No other State funds may be used for these purposes.

A local government employer's participation or desire to participate in a program created under this subsection shall not limit that employer's duty to bargain with the representative of any collective bargaining unit of its employees.

(j) Any rehabilitation facility within the State of Illinois may apply to the Director to have its employees, annuitants, and their eligible dependents provided group health coverage under this Act on a non-insured basis. To participate, a rehabilitation facility must agree to enroll all of its employees and remit the entire cost of providing such coverage for its employees, except that the rehabilitation facility shall not be required to enroll those of its employees who are covered spouses or dependents under this plan or another group policy or plan providing health benefits as long as (1) an appropriate official from the rehabilitation facility attests that each employee not enrolled is a covered spouse or dependent under this plan or another group policy or plan, and (2) at least 50% of the employees are enrolled and the rehabilitation facility remits the entire cost of providing coverage to those employees. Employees of a participating rehabilitation

facility who are not enrolled due to coverage under another group health policy or plan may enroll in the event of a qualifying change in status, special enrollment, special circumstance as defined by the Director, or during the annual Benefit Choice Period. A participating rehabilitation facility may also elect to cover its annuitants. Dependent coverage shall be offered on an optional basis, with the costs paid by the rehabilitation facility, its employees, or some combination of the 2 as determined by the rehabilitation facility. The rehabilitation facility shall be responsible for timely collection and transmission of dependent premiums.

The Director shall annually determine quarterly rates of payment, subject to the following constraints:

(1) In the first year of coverage, the rates shall be equal to the amount normally charged to State employees for elected optional coverages or for enrolled dependents coverages or other contributory coverages on behalf of its employees, adjusted for differences between State employees and employees of the rehabilitation facility in age, sex, geographic location or other relevant demographic variables, plus an amount sufficient to pay for the additional administrative costs of providing coverage to employees of the rehabilitation facility and their dependents.

(2) In subsequent years, a further adjustment shall be made to reflect the actual prior years' claims experience of the employees of the rehabilitation facility.

Monthly payments by the rehabilitation facility or its employees for group health benefits shall be deposited in the Local Government Health Insurance Reserve Fund.

(k) Any domestic violence shelter or service within the State of Illinois may apply to the Director to have its employees, annuitants, and their dependents provided group health coverage under this Act on a non-insured basis. To participate, a domestic violence shelter or service must agree to enroll all of its employees and pay the entire cost of providing such coverage for its employees. The domestic violence shelter shall not be required to enroll those of its employees who are covered spouses or dependents under this plan or another group policy or plan providing health benefits as long as (1) an appropriate official from the domestic violence shelter attests that each employee not enrolled is a covered spouse or dependent under this plan or another group policy or plan and (2) at least 50% of the employees are enrolled and the domestic violence shelter remits the entire cost of providing coverage to those employees. Employees of a participating domestic violence shelter who are not enrolled due to coverage under another group health policy or plan may enroll in the event of a qualifying change in status, special enrollment, or special circumstance as defined by the Director or during the annual Benefit Choice Period. A participating domestic violence shelter may also elect to cover its annuitants. Dependent coverage shall be offered on an optional basis, with employees, or some combination of the 2 as determined by the domestic violence shelter or service. The domestic violence shelter or service shall be responsible for timely collection and transmission of dependent premiums.

The Director shall annually determine rates of payment, subject to the following constraints:

(1) In the first year of coverage, the rates shall be equal to the amount normally charged to State employees for elected optional coverages or for enrolled dependents coverages or other contributory coverages on behalf of its employees, adjusted for differences between State employees and employees of the domestic violence shelter or service in age, sex, geographic location or other relevant demographic variables, plus an amount sufficient to pay for the additional administrative costs of providing coverage to employees of the domestic violence shelter or service and their dependents.

(2) In subsequent years, a further adjustment shall be made to reflect the actual prior years' claims experience of the employees of the domestic violence shelter or service.

Monthly payments by the domestic violence shelter or service or its employees for group health insurance shall be deposited in the Local Government Health Insurance Reserve Fund.

(l) A public community college or entity organized pursuant to the Public Community College Act may apply to the Director initially to have only annuitants not covered prior to July 1, 1992 by the district's health plan provided health coverage under this Act on a non-insured basis. The community college must execute a 2-year contract to participate in the Local Government Health Plan. Any annuitant may enroll in the event of a qualifying change in status, special enrollment, special circumstance as defined by the Director, or during the annual Benefit Choice Period.

The Director shall annually determine monthly rates of payment subject to the following constraints: for those community colleges with annuitants only enrolled, first year rates shall be equal to the average cost to cover claims for a State member adjusted for demographics, Medicare participation, and other factors; and in the second year, a further adjustment of rates shall be made to reflect the actual first year's claims experience of the covered annuitants.

(l-5) The provisions of subsection (l) become inoperative on July 1, 1999.

(m) The Director shall adopt any rules deemed necessary for implementation of this amendatory Act of 1989 (Public Act 86-978).

(n) Any child advocacy center within the State of Illinois may apply to the Director to have its employees, annuitants, and their dependents provided group health coverage under this Act on a non-insured basis. To participate, a child advocacy center must agree to enroll all of its employees and pay the entire cost of providing coverage for its employees. The child advocacy center shall not be required to enroll those of its employees who are covered spouses or dependents under this plan or another group policy or plan providing health benefits as long as (1) an appropriate official from the child advocacy center attests that each employee not enrolled is a covered spouse or dependent under this plan or another group policy or plan and (2) at least 50% of the employees are enrolled and the child advocacy center remits the entire cost of providing coverage to those employees. Employees of a participating child advocacy center who are not enrolled due to coverage under another group health policy or plan may enroll in the event of a qualifying change in status, special enrollment, or special circumstance as defined by the Director or during the annual Benefit Choice Period. A participating child advocacy center may also elect to cover its annuitants. Dependent coverage shall be offered on an optional basis, with the costs paid by the child advocacy center, its employees, or some combination of the 2 as determined by the child advocacy center. The child advocacy center shall be responsible for timely collection and transmission of dependent premiums.

The Director shall annually determine rates of payment, subject to the following constraints:

(1) In the first year of coverage, the rates shall be equal to the amount normally charged to State employees for elected optional coverages or for enrolled dependents coverages or other contributory coverages on behalf of its employees, adjusted for differences between State employees and employees of the child advocacy center in age, sex, geographic location, or other relevant demographic variables, plus an amount sufficient to pay for the additional administrative costs of providing coverage to employees of the child advocacy center and their dependents.

(2) In subsequent years, a further adjustment shall be made to reflect the actual prior years' claims experience of the employees of the child advocacy center.

Monthly payments by the child advocacy center or its employees for group health insurance shall be deposited into the Local Government Health Insurance Reserve Fund.

(Source: P.A. 97-695, eff. 7-1-12; 98-488, eff. 8-16-13.)

Section 15. The Civil Administrative Code of Illinois is amended by adding Section 5-647 as follows:

(20 ILCS 5/5-647 new)

Sec. 5-647. Future increases in income. A Department must not pay, offer, or agree to pay any future increase in income, as that term is defined in Section 15-112.1 or 16-121.1 of the Illinois Pension Code, to any person in a manner that violates Section 15-132.9 or 16-122.9 of the Illinois Pension Code.

Section 20. The Illinois Pension Code is amended by changing Sections 2-101, 2-105, 2-107, 2-108, 2-119.1, 2-124, 2-126, 2-134, 2-162, 14-131, 14-135.08, 14-152.1, 15-108.1, 15-111, 15-136, 15-155, 15-157, 15-165, 15-198, 16-121, 16-133.1, 16-136.1, 16-152, 16-158, 16-203, 17-116, 17-119.2, 17-129, 17-130, 18-131, 18-140, 20-121, 20-123, 20-124, and 20-125 and by adding Sections 2-105.3, 2-107.9, 2-107.10, 2-110.3, 2-165.1, 2-166.1, 14-147.5, 15-112.1, 15-112.2, 15-132.9, 15-185.5, 15-200.1, 15-201.1, 16-107.1, 16-121.1, 16-121.2, 16-122.9, 16-190.5, 16-205.1, 16-206.1, 17-106.05, 17-113.4, 17-113.5, 17-113.6, and 17-115.5 as follows:

(40 ILCS 5/2-101) (from Ch. 108 1/2, par. 2-101)

Sec. 2-101. Creation of system. A retirement system is created to provide retirement annuities, survivor's annuities and other benefits for certain members of the General Assembly, certain elected state officials, and their beneficiaries.

The system shall be known as the "General Assembly Retirement System". All its funds and property shall be a trust separate from all other entities, maintained for the purpose of securing payment of annuities and benefits under this Article.

Participation in the retirement system created under this Article is restricted to persons who became participants before the effective date of this amendatory Act of the 100th General Assembly. Beginning on that date, the System shall not accept any new participants.

(Source: P.A. 83-1440.)

(40 ILCS 5/2-105) (from Ch. 108 1/2, par. 2-105)

Sec. 2-105. Member. "Member": Members of the General Assembly of this State, including persons who enter military service while a member of the General Assembly, and any person serving as Governor, Lieutenant Governor, Secretary of State, Treasurer, Comptroller, or Attorney General for the period of service in such office.

Any person who has served for 10 or more years as Clerk or Assistant Clerk of the House of Representatives, Secretary or Assistant Secretary of the Senate, or any combination thereof, may elect to become a member of this system while thenceforth engaged in such service by filing a written election with the board. Any person so electing shall be deemed an active member of the General Assembly for the purpose of validating and transferring any service credits earned under any of the funds and systems established under Articles 3 through 18 of this Code.

However, notwithstanding any other provision of this Article, a person shall not be deemed a member for the purposes of this Article unless he or she became a participant of the System before the effective date of this amendatory Act of the 100th General Assembly.

(Source: P.A. 85-1008.)

(40 ILCS 5/2-105.3 new)

Sec. 2-105.3. Tier 1 employee. "Tier 1 employee": A participant who first became a participant before January 1, 2011.

(40 ILCS 5/2-107) (from Ch. 108 1/2, par. 2-107)

Sec. 2-107. Participant. "Participant": Any member who elects to participate; and any former member who elects to continue participation under Section 2-117.1, for the duration of such continued participation. However, notwithstanding any other provision of this Article, a person shall not be deemed a participant for the purposes of this Article unless he or she became a participant of the System before the effective date of this amendatory Act of the 100th General Assembly.

(Source: P.A. 86-1488.)

(40 ILCS 5/2-107.9 new)

Sec. 2-107.9. Future increase in income. "Future increase in income" means an increase to a Tier 1 employee's base pay that is offered to the Tier 1 employee for service under this Article after June 30, 2018 that qualifies as "salary", as defined in Section 2-108, or would qualify as "salary" but for the fact that it was offered to and accepted by the Tier 1 employee under the condition set forth in subsection (c) of Section 2-110.3.

(40 ILCS 5/2-107.10 new)

Sec. 2-107.10. Base pay. As used in Section 2-107.9 of this Code, "base pay" means the Tier 1 employee's annualized rate of salary as of June 30, 2018. For a person returning to active service as a Tier 1 employee after June 30, 2018, however, "base pay" means the employee's annualized rate of salary as of the employee's last date of service prior to July 1, 2018. The System shall calculate the base pay of each Tier 1 employee pursuant to this Section.

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

(Text of Section WITHOUT the changes made by P.A. 98-599, which has been held unconstitutional)

Sec. 2-108. Salary. "Salary":

(1) For members of the General Assembly, the total compensation paid to the member by the State for one year of service, including the additional amounts, if any, paid to the member as an officer pursuant to Section 1 of "An Act in relation to the compensation and emoluments of the members of the General Assembly", approved December 6, 1907, as now or hereafter amended.

(2) For the State executive officers specified in Section 2-105, the total compensation paid to the member for one year of service.

(3) For members of the System who are participants under Section 2-117.1, or who are serving as Clerk or Assistant Clerk of the House of Representatives or Secretary or Assistant Secretary of the Senate, the total compensation paid to the member for one year of service, but not to exceed the salary of the highest salaried officer of the General Assembly.

However, in the event that federal law results in any participant receiving imputed income based on the value of group term life insurance provided by the State, such imputed income shall not be included in salary for the purposes of this Article.

Notwithstanding any other provision of this Section, "salary" does not include any future increase in income that is offered for service to a Tier 1 employee under this Article pursuant to the condition set forth in subsection (c) of Section 2-110.3 and accepted under that condition by a Tier 1 employee who has made the election under paragraph (2) of subsection (a) of Section 2-110.3.

Notwithstanding any other provision of this Section, "salary" does not include any consideration payment made to a Tier 1 employee.

(Source: P.A. 86-27; 86-273; 86-1028; 86-1488.)

(40 ILCS 5/2-110.3 new)

Sec. 2-110.3. Election by Tier 1 employees.

(a) Each active Tier 1 employee shall make an irrevocable election either:

(1) to agree to delay his or her eligibility for automatic annual increases in retirement annuity as provided in subsection (a-1) of Section 2-119.1 and to have the amount of the automatic annual increases in his or her retirement annuity and survivor's annuity that are otherwise provided for in this Article calculated, instead, as provided in subsection (a-1) of Section 2-119.1; or

(2) to not agree to paragraph (1) of this subsection.

The election required under this subsection (a) shall be made by each active Tier 1 employee no earlier than January 1, 2018 and no later than March 31, 2018, except that a person who returns to active service as a Tier 1 employee under this Article on or after January 1, 2018 and has not yet made an election under this Section must make the election under this subsection (a) within 60 days after returning to active service as a Tier 1 employee.

If a Tier 1 employee fails for any reason to make a required election under this subsection within the time specified, then the employee shall be deemed to have made the election under paragraph (2) of this subsection.

(a-5) If this Section is enjoined or stayed by an Illinois court or a court of competent jurisdiction pending the entry of a final and unappealable decision, and this Section is determined to be constitutional or otherwise valid by a final unappealable decision of an Illinois court or a court of competent jurisdiction, then the election procedure set forth in subsection (a) of this Section shall commence on the 180th calendar day after the date of the issuance of the final unappealable decision and shall conclude at the end of the 270th calendar day after that date.

(a-10) All elections under subsection (a) that are made or deemed to be made before July 1, 2018 shall take effect on July 1, 2018. Elections that are made or deemed to be made on or after July 1, 2018 shall take effect on the first day of the month following the month in which the election is made or deemed to be made.

(b) As adequate and legal consideration provided under this amendatory Act of the 100th General Assembly for making an election under paragraph (1) of subsection (a) of this Section, the State of Illinois shall be expressly and irrevocably prohibited from offering any future increases in income to a Tier 1 employee who has made an election under paragraph (1) of subsection (a) of this Section on the condition of not constituting salary under Section 2-108.

As adequate and legal consideration provided under this amendatory Act of the 100th General Assembly for making an election under paragraph (1) of subsection (a) of this Section, each Tier 1 employee who has made an election under paragraph (1) of subsection (a) of this Section shall receive a consideration payment equal to 10% of the contributions made by or on behalf of the employee under Section 2-126 before the effective date of that election. The State Comptroller shall pay the consideration payment to the Tier 1 employee out of funds appropriated for that purpose under Section 1.9 of the State Pension Funds Continuing Appropriation Act. The System shall calculate the amount of each consideration payment and, by July 1, 2018, shall certify to the State Comptroller the amount of the consideration payment, together with the name, address, and any other available payment information of the Tier 1 employee as found in the records of the System. The System shall make additional calculations and certifications of consideration payments to the State Comptroller as the System deems necessary.

(c) A Tier 1 employee who makes the election under paragraph (2) of subsection (a) of this Section shall not be subject to paragraph (1) of subsection (a) of this Section. However, each future increase in income offered for service as a member under this Article to a Tier 1 employee who has made the election under paragraph (2) of subsection (a) of this Section shall be offered expressly and irrevocably on the condition of not constituting salary under Section 2-108 and that the Tier 1 employee's acceptance of the offered future increase in income shall constitute his or her agreement to that condition.

(d) The System shall make a good faith effort to contact each Tier 1 employee subject to this Section. The System shall mail information describing the required election to each Tier 1 employee by United States Postal Service mail to his or her last known address on file with the System. If the Tier 1 employee is not responsive to other means of contact, it is sufficient for the System to publish the details of any required elections on its website or to publish those details in a regularly published newsletter or other existing public forum.

Tier 1 employees who are subject to this Section shall be provided with an election packet containing information regarding their options, as well as the forms necessary to make the required election. Upon request, the System shall offer Tier 1 employees an opportunity to receive information from the System before making the required election. The information may be provided through video materials, group presentations, individual consultation with a member or authorized representative of the System in person or by telephone or other electronic means, or any combination of those methods. The System shall not provide advice or counseling with respect to which election a Tier 1 employee should make or specific to the legal or tax circumstances of or consequences to the Tier 1 employee.

The System shall inform Tier 1 employees in the election packet required under this subsection that the Tier 1 employee may also wish to obtain information and counsel relating to the election required under this Section from any other available source, including, but not limited to, labor organizations and private counsel.

In no event shall the System, its staff, or the Board be held liable for any information given to a member regarding the elections under this Section. The System shall coordinate with the Illinois Department of Central Management Services and each other retirement system administering an election in accordance with this amendatory Act of the 100th General Assembly to provide information concerning the impact of the election set forth in this Section.

(e) Notwithstanding any other provision of law, each future increase in income offered by the State of Illinois for service as a member must be offered expressly and irrevocably on the condition of not constituting "salary" under Section 2-108 to any Tier 1 employee who has made an election under paragraph (2) of subsection (a) of this Section. The offer shall also provide that the Tier 1 employee's acceptance of the offered future increase in income shall constitute his or her agreement to the condition set forth in this subsection.

For purposes of legislative intent, the condition set forth in this subsection shall be construed in a manner that ensures that the condition is not violated or circumvented through any contrivance of any kind.

(f) A member's election under this Section is not a prohibited election under subdivision (j)(1) of Section 1-119 of this Code.

(g) No provision of this Section shall be interpreted in a way that would cause the System to cease to be a qualified plan under Section 401(a) of the Internal Revenue Code of 1986. The provisions of this Section shall be subject to and implemented in a manner that complies with Section 11 of Article IV of the Illinois Constitution.

(h) If an election created by this amendatory Act in any other Article of this Code or any change deriving from that election is determined to be unconstitutional or otherwise invalid by a final unappealable decision of an Illinois court or a court of competent jurisdiction, the invalidity of that provision shall not in any way affect the validity of this Section or the changes deriving from the election required under this Section.

(40 ILCS 5/2-119.1) (from Ch. 108 1/2, par. 2-119.1)

(Text of Section WITHOUT the changes made by P.A. 98-599, which has been held unconstitutional)

Sec. 2-119.1. Automatic increase in retirement annuity.

(a) Except as provided in subsection (a-1), a ~~A~~ participant who retires after June 30, 1967, and who has not received an initial increase under this Section before the effective date of this amendatory Act of 1991, shall, in January or July next following the first anniversary of retirement, whichever occurs first, and in the same month of each year thereafter, but in no event prior to age 60, have the amount of the originally granted retirement annuity increased as follows: for each year through 1971, 1 1/2%; for each year from 1972 through 1979, 2%; and for 1980 and each year thereafter, 3%. Annuitants who have received an initial increase under this subsection prior to the effective date of this amendatory Act of 1991 shall continue to receive their annual increases in the same month as the initial increase.

(a-1) Notwithstanding any other provision of this Article, for a Tier 1 employee who made the election under paragraph (1) of subsection (a) of Section 2-110.3:

(1) The initial increase in retirement annuity under this Section shall occur on the January 1 occurring either on or after the attainment of age 67 or the fifth anniversary of the annuity start date, whichever is earlier.

(2) The amount of each automatic annual increase in retirement annuity or survivor's annuity occurring on or after the effective date of that election shall be calculated as a percentage of the originally granted retirement annuity or survivor's annuity, equal to 3% or one-half the annual unadjusted percentage increase (but not less than zero) in the consumer price index-u for the 12 months ending with the September preceding each November 1, whichever is less. If the annual unadjusted percentage change in the consumer price index-u for the 12 months ending with the September preceding each November 1 is zero or there is a decrease, then the annuity shall not be increased.

For the purposes of this Section, "consumer price index-u" means the index published by the Bureau of Labor Statistics of the United States Department of Labor that measures the average change in prices of goods and services purchased by all urban consumers, United States city average, all items, 1982-84 = 100. The new amount resulting from each annual adjustment shall be determined by the Public Pension Division of the Department of Insurance and made available to the board of the retirement system by November 1 of each year.

(b) Beginning January 1, 1990, for eligible participants who remain in service after attaining 20 years of creditable service, the 3% increases provided under subsection (a) shall begin to accrue on the January

1 next following the date upon which the participant (1) attains age 55, or (2) attains 20 years of creditable service, whichever occurs later, and shall continue to accrue while the participant remains in service; such increases shall become payable on January 1 or July 1, whichever occurs first, next following the first anniversary of retirement. For any person who has service credit in the System for the entire period from January 15, 1969 through December 31, 1992, regardless of the date of termination of service, the reference to age 55 in clause (1) of this subsection (b) shall be deemed to mean age 50.

This subsection (b) does not apply to any person who first becomes a member of the System after August 8, 2003 (the effective date of Public Act 93-494) ~~this amendatory Act of the 93rd General Assembly~~.

(b-5) Notwithstanding any other provision of this Article, a participant who first becomes a participant on or after January 1, 2011 (the effective date of Public Act 96-889) shall, in January or July next following the first anniversary of retirement, whichever occurs first, and in the same month of each year thereafter, but in no event prior to age 67, have the amount of the retirement annuity then being paid increased by 3% or the annual unadjusted percentage increase in the Consumer Price Index for All Urban Consumers as determined by the Public Pension Division of the Department of Insurance under subsection (a) of Section 2-108.1, whichever is less.

(c) The foregoing provisions relating to automatic increases are not applicable to a participant who retires before having made contributions (at the rate prescribed in Section 2-126) for automatic increases for less than the equivalent of one full year. However, in order to be eligible for the automatic increases, such a participant may make arrangements to pay to the system the amount required to bring the total contributions for the automatic increase to the equivalent of one year's contributions based upon his or her last salary.

(d) A participant who terminated service prior to July 1, 1967, with at least 14 years of service is entitled to an increase in retirement annuity beginning January, 1976, and to additional increases in January of each year thereafter.

The initial increase shall be 1 1/2% of the originally granted retirement annuity multiplied by the number of full years that the annuitant was in receipt of such annuity prior to January 1, 1972, plus 2% of the originally granted retirement annuity for each year after that date. The subsequent annual increases shall be at the rate of 2% of the originally granted retirement annuity for each year through 1979 and at the rate of 3% for 1980 and thereafter.

(e) Beginning January 1, 1990, and except as provided in subsection (a-1), all automatic annual increases payable under this Section shall be calculated as a percentage of the total annuity payable at the time of the increase, including previous increases granted under this Article.

(Source: P.A. 96-889, eff. 1-1-11; 96-1490, eff. 1-1-11.)

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

(Text of Section WITHOUT the changes made by P.A. 98-599, which has been held unconstitutional)

Sec. 2-124. Contributions by State.

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

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

(c) For State fiscal years 2018 through 2045 (except as otherwise provided for fiscal year 2019), the minimum contribution to the System to be made by the State for each fiscal year shall be an amount determined by the System to be sufficient to bring the total assets of the System up to 90% of the total actuarial liabilities of the System by the end of State fiscal year 2045. In making these determinations, the required State contribution shall be calculated each year as a level percentage of total payroll, including payroll that is not deemed pensionable, but excluding payroll attributable to participants in the defined contribution plan under Section 2-165.1, over the years remaining to and including fiscal year 2045 and shall be determined under the projected unit credit actuarial cost method.

For State fiscal year 2019:

(1) The initial calculation and certification shall be based on the amount determined above.

(2) For purposes of the recertification due on or before May 1, 2018, the recalculation of the required State contribution for fiscal year 2019 shall take into account the effect on the System's liabilities of the elections made under Section 2-110.3.

(3) For purposes of the recertification due on or before October 1, 2018, the total required State contribution for fiscal year 2019 shall be reduced by the amount of the consideration payments made to Tier 1 employees who made the election under paragraph (1) of subsection (a) of Section 2-110.3.

Beginning in State fiscal year 2018, any increase or decrease in State contribution over the prior fiscal year due exclusively to changes in actuarial or investment assumptions adopted by the Board shall be included in the State contribution to the System, as a percentage of the applicable employee payroll, and shall be increased in equal annual increments so that by the State fiscal year occurring 5 years after the adoption of the actuarial or investment assumptions, the State is contributing at the rate otherwise required under this Section.

If Section 2-110.3 is determined to be unconstitutional or otherwise invalid by a final unappealable decision of an Illinois court or a court of competent jurisdiction, then the changes made to this Section by this amendatory Act of the 100th General Assembly shall not take effect and are repealed by operation of law.

For State fiscal years 2012 through 2017 ~~2045~~, the minimum contribution to the System to be made by the State for each fiscal year shall be an amount determined by the System to be sufficient to bring the total assets of the System up to 90% of the total actuarial liabilities of the System by the end of State fiscal year 2045. In making these determinations, the required State contribution shall be calculated each year as a level percentage of payroll over the years remaining to and including fiscal year 2045 and shall be determined under the projected unit credit actuarial cost method.

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

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

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

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

Notwithstanding any other provision of this Article, the total required State contribution for State fiscal year 2010 is $10,454,000 and shall be made from the proceeds of bonds sold in fiscal year 2010 pursuant to Section 7.2 of the General Obligation Bond Act, less (i) the pro rata share of bond sale expenses determined by the System's share of total bond proceeds, (ii) any amounts received from the General Revenue Fund in fiscal year 2010, and (iii) any reduction in bond proceeds due to the issuance of discounted bonds, if applicable.

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

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

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

Notwithstanding any other provision of this Section, the required State contribution for State fiscal year 2005 and for fiscal year 2008 and each fiscal year thereafter, as calculated under this Section and certified under Section 2-134, shall not exceed an amount equal to (i) the amount of the required State contribution that would have been calculated under this Section for that fiscal year if the System had not received any payments under subsection (d) of Section 7.2 of the General Obligation Bond Act, minus (ii) the portion of the State's total debt service payments for that fiscal year on the bonds issued in fiscal year 2003 for the purposes of that Section 7.2, as determined and certified by the Comptroller, that is the same as the System's portion of the total moneys distributed under subsection (d) of Section 7.2 of the General Obligation Bond Act. In determining this maximum for State fiscal years 2008 through 2010, however, the amount referred to in item (i) shall be increased, as a percentage of the applicable employee payroll,

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

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

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

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

(Source: P.A. 96-43, eff. 7-15-09; 96-1497, eff. 1-14-11; 96-1511, eff. 1-27-11; 96-1554, eff. 3-18-11; 97-813, eff. 7-13-12.)

(40 ILCS 5/2-126) (from Ch. 108 1/2, par. 2-126)

(Text of Section WITHOUT the changes made by P.A. 98-599, which has been held unconstitutional)

Sec. 2-126. Contributions by participants.

(a) Each participant shall contribute toward the cost of his or her retirement annuity a percentage of each payment of salary received by him or her for service as a member as follows: for service between October 31, 1947 and January 1, 1959, 5%; for service between January 1, 1959 and June 30, 1969, 6%; for service between July 1, 1969 and January 10, 1973, 6 1/2%; for service after January 10, 1973, 7%; for service after December 31, 1981, 8 1/2%.

(b) Beginning August 2, 1949, each male participant, and from July 1, 1971, each female participant shall contribute towards the cost of the survivor's annuity 2% of salary.

A participant who has no eligible survivor's annuity beneficiary may elect to cease making contributions for survivor's annuity under this subsection. A survivor's annuity shall not be payable upon the death of a person who has made this election, unless prior to that death the election has been revoked and the amount of the contributions that would have been paid under this subsection in the absence of the election is paid to the System, together with interest at the rate of 4% per year from the date the contributions would have been made to the date of payment.

(c) Beginning July 1, 1967, each participant shall contribute 1% of salary towards the cost of automatic increase in annuity provided in Section 2-119.1. These contributions shall be made concurrently with contributions for retirement annuity purposes.

(d) In addition, each participant serving as an officer of the General Assembly shall contribute, for the same purposes and at the same rates as are required of a regular participant, on each additional payment received as an officer. If the participant serves as an officer for at least 2 but less than 4 years, he or she shall contribute an amount equal to the amount that would have been contributed had the participant served as an officer for 4 years. Persons who serve as officers in the 87th General Assembly but cannot receive the additional payment to officers because of the ban on increases in salary during their terms may nonetheless make contributions based on those additional payments for the purpose of having the additional payments included in their highest salary for annuity purposes; however, persons electing to make these additional contributions must also pay an amount representing the corresponding employer contributions, as calculated by the System.

(e) Notwithstanding any other provision of this Article, the required contribution of a participant who first becomes a participant on or after January 1, 2011 shall not exceed the contribution that would be due under this Article if that participant's highest salary for annuity purposes were $106,800, plus any increases in that amount under Section 2-108.1.

(f) Beginning July 1, 2018 or the effective date of the Tier 1 employee's election under paragraph (1) of subsection (a) of Section 2-110.3, whichever is later, in lieu of the contributions otherwise required under this Section, each Tier 1 employee who made the election under paragraph (1) of subsection (a) of Section 2-110.3 shall contribute 8.5% of each payment of salary toward the cost of his or her retirement annuity and 1.85% of each payment of salary toward the cost of the survivor's annuity.

(g) Notwithstanding subsection (f) of this Section, beginning July 1, 2018 or the effective date of the Tier 1 employee's election under paragraph (1) of subsection (a) of Section 2-110.3, whichever is later, in lieu of the contributions otherwise required under this Section, each Tier 1 employee who made the election under paragraph (1) of subsection (a) of Section 2-110.3 and has elected to cease making contributions for survivor's annuity under subsection (b) of this Section, shall contribute 8.55% of each payment of salary toward the cost of his or her retirement annuity.

(Source: P.A. 96-1490, eff. 1-1-11.)

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

(Text of Section WITHOUT the changes made by P.A. 98-599, which has been held unconstitutional)

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

(a) The Board shall certify to the Governor on or before December 15 of each year until December 15, 2011 the amount of the required State contribution to the System for the next fiscal year and shall specifically identify the System's projected State normal cost for that fiscal year. The certification shall include a copy of the actuarial recommendations upon which it is based and shall specifically identify the System's projected State normal cost for that fiscal year.

On or before November 1 of each year, beginning November 1, 2012, the Board shall submit to the State Actuary, the Governor, and the General Assembly a proposed certification of the amount of the required State contribution to the System for the next fiscal year, along with all of the actuarial assumptions, calculations, and data upon which that proposed certification is based. On or before January 1 of each year beginning January 1, 2013, the State Actuary shall issue a preliminary report concerning the proposed certification and identifying, if necessary, recommended changes in actuarial assumptions that the Board must consider before finalizing its certification of the required State contributions. On or before January 15, 2013 and every January 15 thereafter, the Board shall certify to the Governor and the General Assembly the amount of the required State contribution for the next fiscal year. The Board's certification must note any deviations from the State Actuary's recommended changes, the reason or reasons for not following the State Actuary's recommended changes, and the fiscal impact of not following the State Actuary's recommended changes on the required State contribution.

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

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

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

As soon as practical after the effective date of this amendatory Act of the 100th General Assembly, the State Actuary and the Board shall recalculate and recertify to the Governor and the General Assembly the amount of the State contribution to the System for State fiscal year 2018, taking into account the changes in required State contributions made by this amendatory Act of the 100th General Assembly.

On or before May 1, 2018, the Board shall recalculate and recertify to the Governor and the General Assembly the amount of the required State contribution to the System for State fiscal year 2019, taking into account the effect on the System's liabilities of the elections made under Section 2-110.3.

On or before October 1, 2018, the Board shall recalculate and recertify to the Governor and the General Assembly the amount of the required State contribution to the System for State fiscal year 2019, taking into account the reduction specified under item (3) of subsection (c) of Section 2-124.

(b) Beginning in State fiscal year 1996, on or as soon as possible after the 15th day of each month the Board shall submit vouchers for payment of State contributions to the System, in a total monthly amount of one-twelfth of the required annual State contribution certified under subsection (a). From the effective date of this amendatory Act of the 93rd General Assembly through June 30, 2004, the Board shall not submit vouchers for the remainder of fiscal year 2004 in excess of the fiscal year 2004 certified contribution amount determined under this Section after taking into consideration the transfer to the System under subsection (d) of Section 6z-61 of the State Finance Act. These vouchers shall be paid by the State Comptroller and Treasurer by warrants drawn on the funds appropriated to the System for that fiscal year. If in any month the amount remaining unexpended from all other appropriations to the System for the applicable fiscal year (including the appropriations to the System under Section 8.12 of the State Finance Act and Section 1 of the State Pension Funds Continuing Appropriation Act) is less than the amount lawfully vouchered under this Section, the difference shall be paid from the General Revenue Fund under the continuing appropriation authority provided in Section 1.1 of the State Pension Funds Continuing Appropriation Act.

(c) The full amount of any annual appropriation for the System for State fiscal year 1995 shall be transferred and made available to the System at the beginning of that fiscal year at the request of the Board.

Any excess funds remaining at the end of any fiscal year from appropriations shall be retained by the System as a general reserve to meet the System's accrued liabilities.

(Source: P.A. 96-1497, eff. 1-14-11; 96-1511, eff. 1-27-11; 97-694, eff. 6-18-12.)

(40 ILCS 5/2-162)

(Text of Section WITHOUT the changes made by P.A. 98-599, which has been held unconstitutional)

Sec. 2-162. Application and expiration of new benefit increases.

(a) As used in this Section, "new benefit increase" means an increase in the amount of any benefit provided under this Article, or an expansion of the conditions of eligibility for any benefit under this Article, that results from an amendment to this Code that takes effect after the effective date of this amendatory Act of the 94th General Assembly. "New benefit increase", however, does not include any benefit increase resulting from the changes made to this Article by this amendatory Act of the 100th General Assembly.

(b) Notwithstanding any other provision of this Code or any subsequent amendment to this Code, every new benefit increase is subject to this Section and shall be deemed to be granted only in conformance with and contingent upon compliance with the provisions of this Section.

(c) The Public Act enacting a new benefit increase must identify and provide for payment to the System of additional funding at least sufficient to fund the resulting annual increase in cost to the System as it accrues.

Every new benefit increase is contingent upon the General Assembly providing the additional funding required under this subsection. The Commission on Government Forecasting and Accountability shall analyze whether adequate additional funding has been provided for the new benefit increase and shall report its analysis to the Public Pension Division of the Department of Insurance ~~Financial and Professional Regulation~~. A new benefit increase created by a Public Act that does not include the additional funding required under this subsection is null and void. If the Public Pension Division determines that the additional funding provided for a new benefit increase under this subsection is or has become inadequate, it may so certify to the Governor and the State Comptroller and, in the absence of corrective action by the General Assembly, the new benefit increase shall expire at the end of the fiscal year in which the certification is made.

(d) Every new benefit increase shall expire 5 years after its effective date or on such earlier date as may be specified in the language enacting the new benefit increase or provided under subsection (c). This does not prevent the General Assembly from extending or re-creating a new benefit increase by law.

(e) Except as otherwise provided in the language creating the new benefit increase, a new benefit increase that expires under this Section continues to apply to persons who applied and qualified for the affected benefit while the new benefit increase was in effect and to the affected beneficiaries and alternate payees of such persons, but does not apply to any other person, including without limitation a person who continues in service after the expiration date and did not apply and qualify for the affected benefit while the new benefit increase was in effect.

(Source: P.A. 94-4, eff. 6-1-05.)

(40 ILCS 5/2-165.1 new)

Sec. 2-165.1. Defined contribution plan.

(a) By July 1, 2018, the System shall prepare and implement a voluntary defined contribution plan for up to 5% of eligible active Tier 1 employees. The System shall determine the 5% cap by the number of active Tier 1 employees on the effective date of this Section. The defined contribution plan developed under this Section shall be a plan that aggregates employer and employee contributions in individual participant accounts which, after meeting any other requirements, are used for payouts after retirement in accordance with this Section and any other applicable laws.

As used in this Section, "defined benefit plan" means the retirement plan available under this Article to Tier 1 employees who have not made the election authorized under this Section.

(1) Under the defined contribution plan, an active Tier 1 employee of this System could elect to cease accruing benefits in the defined benefit plan under this Article and begin accruing benefits for future service in the defined contribution plan. Service credit under the defined contribution plan may be used for determining retirement eligibility under the defined benefit plan.

(2) Participants in the defined contribution plan shall pay employee contributions at the same rate as Tier 1 employees in this System who do not participate in the defined contribution plan.

(3) State contributions shall be paid into the accounts of all participants in the defined contribution plan at a uniform rate, expressed as a percentage of compensation and determined for each year. This rate shall be no higher than the employer's normal cost for Tier 1 employees in the defined benefit plan for that year, as determined by the System and expressed as a percentage of compensation, and shall be no lower than 3% of compensation. The State shall adjust this rate annually.

(4) The defined contribution plan shall require 5 years of participation in the defined contribution plan before vesting in State contributions. If the participant fails to vest in them, the State contributions, and the earnings thereon, shall be forfeited.

(5) The defined contribution plan may provide for participants in the plan to be eligible for defined disability benefits. If it does, the System shall reduce the employee contributions credited to the participant's defined contribution plan account by an amount determined by the System to cover the cost of offering such benefits.

(6) The defined contribution plan shall provide a variety of options for investments. These options shall include investments handled by the Illinois State Board of Investment as well as private sector investment options.

(7) The defined contribution plan shall provide a variety of options for payouts to retirees and their survivors.

(8) To the extent authorized under federal law and as authorized by the System, the plan shall allow former participants in the plan to transfer or roll over employee and vested State contributions, and the earnings thereon, into other qualified retirement plans.

(9) The System shall reduce the employee contributions credited to the participant's defined contribution plan account by an amount determined by the System to cover the cost of offering these benefits and any applicable administrative fees.

(b) Only persons who are active Tier 1 employees of the System on the effective date of this Section are eligible to participate in the defined contribution plan. Participation in the defined contribution plan shall be limited to the first 5% of eligible persons who elect to participate. The election to participate in the defined contribution plan is voluntary and irrevocable.

(c) An eligible active Tier 1 employee may irrevocably elect to participate in the defined contribution plan by filing with the System a written application to participate that is received by the System prior to its determination that 5% of eligible persons have elected to participate in the defined contribution plan.

When the System first determines that 5% of eligible persons have elected to participate in the defined contribution plan, the System shall provide notice to previously eligible employees that the plan is no longer available and shall cease accepting applications to participate.

(d) The System shall make a good faith effort to contact each active Tier 1 employee who is eligible to participate in the defined contribution plan. The System shall mail information describing the option to join the defined contribution plan to each of these employees to his or her last known address on file with the System. If the employee is not responsive to other means of contact, it is sufficient for the System to publish the details of the option on its website.

Upon request for further information describing the option, the System shall provide employees with information from the System before exercising the option to join the plan, including information on the impact to their vested benefits or non-vested service. The individual consultation shall include projections of the participant's defined benefits at retirement or earlier termination of service and the value of the participant's account at retirement or earlier termination of service. The System shall not provide advice or counseling with respect to whether the employee should exercise the option. The System shall inform Tier 1 employees who are eligible to participate in the defined contribution plan that they may also wish to obtain information and counsel relating to their option from any other available source, including but not limited to labor organizations, private counsel, and financial advisors.

(e) In no event shall the System, its staff, its authorized representatives, or the Board be liable for any information given to an employee under this Section. The System may coordinate with the Illinois Department of Central Management Services and other retirement systems administering a defined contribution plan in accordance with this amendatory Act of the 100th General Assembly to provide information concerning the impact of the option set forth in this Section.

(f) Notwithstanding any other provision of this Section, no person shall begin participating in the defined contribution plan until it has attained qualified plan status and received all necessary approvals from the U.S. Internal Revenue Service.

(g) The System shall report on its progress under this Section, including the available details of the defined contribution plan and the System's plans for informing eligible Tier 1 employees about the plan, to the Governor and the General Assembly on or before January 15, 2018.

(h) The Illinois State Board of Investments shall be the plan sponsor for the defined contribution plan established under this Section.

(i) The intent of this amendatory Act of the 100th General Assembly is to ensure that the State's normal cost of participation in the defined contribution plan is similar, and if possible equal, to the State's normal cost of participation in the defined benefit plan, unless a lower State's normal cost is necessary to ensure cost neutrality.

(j) If Section 2-110.3 is determined to be unconstitutional or otherwise invalid by a final unappealable decision of an Illinois court or a court of competent jurisdiction, then this Section shall not take effect and is repealed by operation of law.

(40 ILCS 5/2-166.1 new)

Sec. 2-166.1. Defined contribution plan; termination. If the defined contribution plan is terminated or becomes inoperative pursuant to law, then each participant in the plan shall automatically be deemed to have been a contributing Tier 1 employee in the System's defined benefit plan during the time in which he or she participated in the defined contribution plan, and for that purpose the System shall be entitled to recover the amounts in the participant's defined contribution accounts.

(40 ILCS 5/14-131)

Sec. 14-131. Contributions by State.

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

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

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

The Board shall also determine a State contribution rate for each fiscal year, expressed as a percentage of payroll, based on the total required State contribution for that fiscal year (less the amount received by the System from appropriations under Section 8.12 of the State Finance Act and Section 1 of the State Pension Funds Continuing Appropriation Act, if any, for the fiscal year ending on the June 30 immediately preceding the applicable November 15 certification deadline), the estimated payroll (including all forms of compensation) for personal services rendered by eligible employees, and the recommendations of the actuary.

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

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

(c-1) Notwithstanding subsection (c) of this Section, for fiscal years 2010, 2012, 2013, 2014, 2015, 2016, and 2017 only, contributions by the several departments are not required to be made for General Revenue Funds payrolls processed by the Comptroller. Payrolls paid by the several departments from all other State funds must continue to be processed pursuant to subsection (c) of this Section.

(c-2) For State fiscal years 2010, 2012, 2013, 2014, 2015, 2016, and 2017 only, on or as soon as possible after the 15th day of each month, the Board shall submit vouchers for payment of State contributions to the System, in a total monthly amount of one-twelfth of the fiscal year General Revenue Fund contribution as certified by the System pursuant to Section 14-135.08 of the Illinois Pension Code.

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

(e) For State fiscal years 2018 through 2045, the minimum contribution to the System to be made by the State for each fiscal year shall be an amount determined by the System to be sufficient to bring the

total assets of the System up to 90% of the total actuarial liabilities of the System by the end of State fiscal year 2045. In making these determinations, the required State contribution shall be calculated each year as a level percentage of total payroll, including payroll that is not deemed pensionable, over the years remaining to and including fiscal year 2045 and shall be determined under the projected unit credit actuarial cost method.

Beginning in State fiscal year 2018, any increase or decrease in State contribution over the prior fiscal year due exclusively to changes in actuarial or investment assumptions adopted by the Board shall be included in the State contribution to the System, as a percentage of the applicable employee payroll, and shall be increased in equal annual increments so that by the State fiscal year occurring 5 years after the adoption of the actuarial or investment assumptions, the State is contributing at the rate otherwise required under this Section.

For State fiscal years 2012 through 2017 ~~2045~~, the minimum contribution to the System to be made by the State for each fiscal year shall be an amount determined by the System to be sufficient to bring the total assets of the System up to 90% of the total actuarial liabilities of the System by the end of State fiscal year 2045. In making these determinations, the required State contribution shall be calculated each year as a level percentage of payroll over the years remaining to and including fiscal year 2045 and shall be determined under the projected unit credit actuarial cost method.

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

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

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

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

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

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

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

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

Notwithstanding any other provision of this Section, the required State contribution for State fiscal year 2005 and for fiscal year 2008 and each fiscal year thereafter, as calculated under this Section and certified under Section 14-135.08, shall not exceed an amount equal to (i) the amount of the required State contribution that would have been calculated under this Section for that fiscal year if the System had not received any payments under subsection (d) of Section 7.2 of the General Obligation Bond Act, minus (ii) the portion of the State's total debt service payments for that fiscal year on the bonds issued in fiscal year 2003 for the purposes of that Section 7.2, as determined and certified by the Comptroller, that is the same as the System's portion of the total moneys distributed under subsection (d) of Section 7.2 of the General Obligation Bond Act. In determining this maximum for State fiscal years 2008 through 2010, however, the amount referred to in item (i) shall be increased, as a percentage of the applicable employee payroll, in equal increments calculated from the sum of the required State contribution for State fiscal year 2007 plus the applicable portion of the State's total debt service payments for fiscal year 2007 on the bonds issued in fiscal year 2003 for the purposes of Section 7.2 of the General Obligation Bond Act, so that, by State fiscal year 2011, the State is contributing at the rate otherwise required under this Section.

(f) After the submission of all payments for eligible employees from personal services line items in fiscal year 2004 have been made, the Comptroller shall provide to the System a certification of the sum of all fiscal year 2004 expenditures for personal services that would have been covered by payments to the System under this Section if the provisions of this amendatory Act of the 93rd General Assembly had not been enacted. Upon receipt of the certification, the System shall determine the amount due to the System based on the full rate certified by the Board under Section 14-135.08 for fiscal year 2004 in order to meet the State's obligation under this Section. The System shall compare this amount due to the amount received by the System in fiscal year 2004 through payments under this Section and under Section 6z-61 of the State Finance Act. If the amount due is more than the amount received, the difference shall be termed the "Fiscal Year 2004 Shortfall" for purposes of this Section, and the Fiscal Year 2004 Shortfall shall be satisfied under Section 1.2 of the State Pension Funds Continuing Appropriation Act. If the amount due is less than the amount received, the difference shall be termed the "Fiscal Year 2004 Overpayment" for purposes of this Section, and the Fiscal Year 2004 Overpayment shall be repaid by the System to the Pension Contribution Fund as soon as practicable after the certification.

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

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

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

(i) After the submission of all payments for eligible employees from personal services line items paid from the General Revenue Fund in fiscal year 2010 have been made, the Comptroller shall provide to the System a certification of the sum of all fiscal year 2010 expenditures for personal services that would have been covered by payments to the System under this Section if the provisions of this amendatory Act of the 96th General Assembly had not been enacted. Upon receipt of the certification, the System shall determine the amount due to the System based on the full rate certified by the Board under Section 14-135.08 for fiscal year 2010 in order to meet the State's obligation under this Section. The System shall compare this amount due to the amount received by the System in fiscal year 2010 through payments under this Section. If the amount due is more than the amount received, the difference shall be termed the "Fiscal Year 2010 Shortfall" for purposes of this Section, and the Fiscal Year 2010 Shortfall shall be satisfied under Section 1.2 of the State Pension Funds Continuing Appropriation Act. If the amount due is less than the amount received, the difference shall be termed the "Fiscal Year 2010 Overpayment" for purposes of this Section, and the Fiscal Year 2010 Overpayment shall be repaid by the System to the General Revenue Fund as soon as practicable after the certification.

(j) After the submission of all payments for eligible employees from personal services line items paid from the General Revenue Fund in fiscal year 2011 have been made, the Comptroller shall provide to the System a certification of the sum of all fiscal year 2011 expenditures for personal services that would have been covered by payments to the System under this Section if the provisions of this amendatory Act of the 96th General Assembly had not been enacted. Upon receipt of the certification, the System shall determine the amount due to the System based on the full rate certified by the Board under Section 14-135.08 for fiscal year 2011 in order to meet the State's obligation under this Section. The System shall compare this amount due to the amount received by the System in fiscal year 2011 through payments under this Section.

If the amount due is more than the amount received, the difference shall be termed the "Fiscal Year 2011 Shortfall" for purposes of this Section, and the Fiscal Year 2011 Shortfall shall be satisfied under Section 1.2 of the State Pension Funds Continuing Appropriation Act. If the amount due is less than the amount received, the difference shall be termed the "Fiscal Year 2011 Overpayment" for purposes of this Section, and the Fiscal Year 2011 Overpayment shall be repaid by the System to the General Revenue Fund as soon as practicable after the certification.

(k) For fiscal years 2012 through 2017 only, after the submission of all payments for eligible employees from personal services line items paid from the General Revenue Fund in the fiscal year have been made, the Comptroller shall provide to the System a certification of the sum of all expenditures in the fiscal year for personal services. Upon receipt of the certification, the System shall determine the amount due to the System based on the full rate certified by the Board under Section 14-135.08 for the fiscal year in order to meet the State's obligation under this Section. The System shall compare this amount due to the amount received by the System for the fiscal year. If the amount due is more than the amount received, the difference shall be termed the "Prior Fiscal Year Shortfall" for purposes of this Section, and the Prior Fiscal Year Shortfall shall be satisfied under Section 1.2 of the State Pension Funds Continuing Appropriation Act. If the amount due is less than the amount received, the difference shall be termed the "Prior Fiscal Year Overpayment" for purposes of this Section, and the Prior Fiscal Year Overpayment shall be repaid by the System to the General Revenue Fund as soon as practicable after the certification.
(Source: P.A. 98-24, eff. 6-19-13; 98-674, eff. 6-30-14; 99-8, eff. 7-9-15; 99-523, eff. 6-30-16.)

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

(Text of Section WITHOUT the changes made by P.A. 98-599, which has been held unconstitutional)

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

(a) To certify to the Governor and to each department, on or before November 15 of each year until November 15, 2011, the required rate for State contributions to the System for the next State fiscal year, as determined under subsection (b) of Section 14-131. The certification to the Governor under this subsection (a) shall include a copy of the actuarial recommendations upon which the rate is based and shall specifically identify the System's projected State normal cost for that fiscal year.

(a-5) On or before November 1 of each year, beginning November 1, 2012, the Board shall submit to the State Actuary, the Governor, and the General Assembly a proposed certification of the amount of the required State contribution to the System for the next fiscal year, along with all of the actuarial assumptions, calculations, and data upon which that proposed certification is based. On or before January 1 of each year beginning January 1, 2013, the State Actuary shall issue a preliminary report concerning the proposed certification and identifying, if necessary, recommended changes in actuarial assumptions that the Board must consider before finalizing its certification of the required State contributions. On or before January 15, 2013 and each January 15 thereafter, the Board shall certify to the Governor and the General Assembly the amount of the required State contribution for the next fiscal year. The Board's certification must note any deviations from the State Actuary's recommended changes, the reason or reasons for not following the State Actuary's recommended changes, and the fiscal impact of not following the State Actuary's recommended changes on the required State contribution.

(b) The certifications under subsections (a) and (a-5) shall include an additional amount necessary to pay all principal of and interest on those general obligation bonds due the next fiscal year authorized by Section 7.2(a) of the General Obligation Bond Act and issued to provide the proceeds deposited by the State with the System in July 2003, representing deposits other than amounts reserved under Section 7.2(c) of the General Obligation Bond Act. For State fiscal year 2005, the Board shall make a supplemental certification of the additional amount necessary to pay all principal of and interest on those general obligation bonds due in State fiscal years 2004 and 2005 authorized by Section 7.2(a) of the General Obligation Bond Act and issued to provide the proceeds deposited by the State with the System in July 2003, representing deposits other than amounts reserved under Section 7.2(c) of the General Obligation Bond Act, as soon as practical after the effective date of this amendatory Act of the 93rd General Assembly.

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

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

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

As soon as practical after the effective date of this amendatory Act of the 100th General Assembly, the State Actuary and the Board shall recalculate and recertify to the Governor and the General Assembly the amount of the State contribution to the System for State fiscal year 2018, taking into account the changes in required State contributions made by this amendatory Act of the 100th General Assembly.

(Source: P.A. 96-1497, eff. 1-14-11; 96-1511, eff. 1-27-11; 97-694, eff. 6-18-12.)

(40 ILCS 5/14-147.5 new)

Sec. 14-147.5. Accelerated pension benefit payment.

(a) As used in this Section:

"Eligible person" means a person who:

(1) has terminated service;

(2) has accrued sufficient service credit to be eligible to receive a retirement annuity under this Article;

(3) has not received any retirement annuity under this Article; and

(4) does not have a QILDRO in effect against him or her under this Article.

"Pension benefit" means the benefits under this Article, or Article 1 as it relates to those benefits, including any anticipated annual increases, that an eligible person is entitled to upon attainment of the applicable retirement age. "Pension benefit" also includes applicable survivor's or disability benefits.

(b) Before January 1, 2018, and annually thereafter, the System shall calculate, using actuarial tables and other assumptions adopted by the Board, the net present value of pension benefits for each eligible person and shall offer each eligible person the opportunity to irrevocably elect to receive an amount determined by the System to be equal to 70% of the net present value of his or her pension benefits in lieu of receiving any pension benefit. The offer shall specify the dollar amount that the eligible person will receive if he or she so elects and shall expire when a subsequent offer is made to an eligible person or when the System determines that 10% of eligible persons in that year have made the election under this subsection, whichever occurs first. The System shall make a good faith effort to contact every eligible person to notify him or her of the election and of the amount of the accelerated pension benefit payment.

Until the System determines that 10% of eligible persons in that year have made the election under this subsection, an eligible person may irrevocably elect to receive an accelerated pension benefit payment in the amount that the System offers under this subsection in lieu of receiving any pension benefit. A person who elects to receive an accelerated pension benefit payment under this Section may not elect to proceed under the Retirement Systems Reciprocal Act with respect to service under this Article.

(c) A person's credits and creditable service under this Article shall be terminated upon the person's receipt of an accelerated pension benefit payment under this Section, and no other benefit shall be paid under this Article based on those terminated credits and creditable service, including any retirement, survivor, or other benefit; except that to the extent that participation, benefits, or premiums under the State Employees Group Insurance Act of 1971 are based on the amount of service credit, the terminated service credit shall be used for that purpose.

(d) If a person who has received an accelerated pension benefit payment under this Section returns to active service under this Article, then:

(1) Any benefits under the System earned as a result of that return to active service shall be based solely on the person's credits and creditable service arising from the return to active service.

(2) The accelerated pension benefit payment may not be repaid to the System, and the terminated credits and creditable service may not under any circumstances be reinstated.

(e) As a condition of receiving an accelerated pension benefit payment, an eligible person must have another retirement plan or account qualified under the Internal Revenue Code of 1986, as amended, for the accelerated pension benefit payment to be rolled into. The accelerated pension benefit payment under this Section may be subject to withholding or payment of applicable taxes, but to the extent permitted by federal law, a person who receives an accelerated pension benefit payment under this Section must direct the System to pay all of that payment as a rollover into another retirement plan or account qualified under the Internal Revenue Code of 1986, as amended.

(f) Before January 1, 2019 and every January 1 thereafter, the Board shall certify to the Illinois Finance Authority and the General Assembly the amount by which the total amount of accelerated pension benefit payments made under this Section exceed the amount appropriated to the System for the purpose of making those payments.

(g) The Board shall adopt any rules necessary to implement this Section.

(h) No provision of this Section shall be interpreted in a way that would cause the applicable System to cease to be a qualified plan under the Internal Revenue Code of 1986.

(i) Notwithstanding any other provision of this Section, in no case shall the total amount of accelerated pension benefit payments paid under this Section, Section 15-185.5, and Section 16-190.5 cause the Illinois Finance Authority to issue more than the $250,000,000 of State Pension Obligation Acceleration Bonds authorized in subsection (c-5) of Section 801-40 of the Illinois Finance Authority Act.

(40 ILCS 5/14-152.1)

(Text of Section WITHOUT the changes made by P.A. 98-599, which has been held unconstitutional)

Sec. 14-152.1. Application and expiration of new benefit increases.

(a) As used in this Section, "new benefit increase" means an increase in the amount of any benefit provided under this Article, or an expansion of the conditions of eligibility for any benefit under this Article, that results from an amendment to this Code that takes effect after June 1, 2005 (the effective date of Public Act 94-4). "New benefit increase", however, does not include any benefit increase resulting from the changes made to this Article by Public Act 96-37 or by this amendatory Act of the 100th General Assembly ~~this amendatory Act of the 96th General Assembly~~.

(b) Notwithstanding any other provision of this Code or any subsequent amendment to this Code, every new benefit increase is subject to this Section and shall be deemed to be granted only in conformance with and contingent upon compliance with the provisions of this Section.

(c) The Public Act enacting a new benefit increase must identify and provide for payment to the System of additional funding at least sufficient to fund the resulting annual increase in cost to the System as it accrues.

Every new benefit increase is contingent upon the General Assembly providing the additional funding required under this subsection. The Commission on Government Forecasting and Accountability shall analyze whether adequate additional funding has been provided for the new benefit increase and shall report its analysis to the Public Pension Division of the Department of Financial and Professional Regulation. A new benefit increase created by a Public Act that does not include the additional funding required under this subsection is null and void. If the Public Pension Division determines that the additional funding provided for a new benefit increase under this subsection is or has become inadequate, it may so certify to the Governor and the State Comptroller and, in the absence of corrective action by the General Assembly, the new benefit increase shall expire at the end of the fiscal year in which the certification is made.

(d) Every new benefit increase shall expire 5 years after its effective date or on such earlier date as may be specified in the language enacting the new benefit increase or provided under subsection (c). This does not prevent the General Assembly from extending or re-creating a new benefit increase by law.

(e) Except as otherwise provided in the language creating the new benefit increase, a new benefit increase that expires under this Section continues to apply to persons who applied and qualified for the affected benefit while the new benefit increase was in effect and to the affected beneficiaries and alternate payees of such persons, but does not apply to any other person, including without limitation a person who continues in service after the expiration date and did not apply and qualify for the affected benefit while the new benefit increase was in effect.

(Source: P.A. 96-37, eff. 7-13-09.)

(40 ILCS 5/15-108.1)

Sec. 15-108.1. Tier 1 member; Tier 1 employee.

"Tier 1 member": A participant or an annuitant of a retirement annuity under this Article, other than a participant in the self-managed plan under Section 15-158.2, who first became a participant or member before January 1, 2011 under any reciprocal retirement system or pension fund established under this Code, other than a retirement system or pension fund established under Articles 2, 3, 4, 5, 6, or 18 of this Code. "Tier 1 member" includes a person who first became a participant under this System before January 1, 2011 and who accepts a refund and is subsequently reemployed by an employer on or after January 1, 2011.

"Tier 1 employee": A Tier 1 member who is a participating employee, unless he or she is a disability benefit recipient under Section 15-150. However, for the purposes of the election under Section 15-132.9, "Tier 1 employee" does not include an individual who has made an irrevocable election on or before June 1, 2017 to retire from service pursuant to the terms of an employment contract or a collective bargaining agreement in effect on June 1, 2017, excluding any extension, amendment, or renewal of that agreement on or after that date, and has notified the System of that election.

(Source: P.A. 98-92, eff. 7-16-13.)

(40 ILCS 5/15-111) (from Ch. 108 1/2, par. 15-111)

Sec. 15-111. Earnings.

(a) "Earnings": Subject to Section 15-111.5, an amount paid for personal services equal to the sum of the basic compensation plus extra compensation for summer teaching, overtime or other extra service. For periods for which an employee receives service credit under subsection (c) of Section 15-113.1 or Section 15-113.2, earnings are equal to the basic compensation on which contributions are paid by the employee during such periods. Compensation for employment which is irregular, intermittent and temporary shall not be considered earnings, unless the participant is also receiving earnings from the employer as an employee under Section 15-107.

With respect to transition pay paid by the University of Illinois to a person who was a participating employee employed in the fire department of the University of Illinois's Champaign-Urbana campus immediately prior to the elimination of that fire department:

(1) "Earnings" includes transition pay paid to the employee on or after the effective date of this amendatory Act of the 91st General Assembly.

(2) "Earnings" includes transition pay paid to the employee before the effective date of this amendatory Act of the 91st General Assembly only if (i) employee contributions under Section 15-157 have been withheld from that transition pay or (ii) the employee pays to the System before January 1, 2001 an amount representing employee contributions under Section 15-157 on that transition pay. Employee contributions under item (ii) may be paid in a lump sum, by withholding from additional transition pay accruing before January 1, 2001, or in any other manner approved by the System. Upon payment of the employee contributions on transition pay, the corresponding employer contributions become an obligation of the State.

(a-5) Notwithstanding any other provision of this Section, "earnings" does not include any future increase in income that is offered for service by an employer to a Tier 1 employee under this Article pursuant to the condition set forth in subsection (c) of Section 15-132.9 and accepted under that condition by a Tier 1 employee who has made the election under paragraph (2) of subsection (a) of Section 15-132.9.

(a-10) Notwithstanding any other provision of this Section, "earnings" does not include any consideration payment made to a Tier 1 employee.

(b) For a Tier 2 member, the annual earnings shall not exceed $106,800; however, that amount shall annually thereafter be increased by the lesser of (i) 3% of that amount, including all previous adjustments, or (ii) one half the annual unadjusted percentage increase (but not less than zero) in the consumer price index-u for the 12 months ending with the September preceding each November 1, including all previous adjustments.

For the purposes of this Section, "consumer price index u" means the index published by the Bureau of Labor Statistics of the United States Department of Labor that measures the average change in prices of goods and services purchased by all urban consumers, United States city average, all items, 1982-84 = 100. The new amount resulting from each annual adjustment shall be determined by the Public Pension Division of the Department of Insurance and made available to the boards of the retirement systems and pension funds by November 1 of each year.

(c) With each submission of payroll information in the manner prescribed by the System, the employer shall certify that the payroll information is correct and complies with all applicable State and federal laws. (Source: P.A. 98-92, eff. 7-16-13; 99-897, eff. 1-1-17.)

(40 ILCS 5/15-112.1 new)

Sec. 15-112.1. Future increase in income. "Future increase in income" means an increase to a Tier 1 employee's base pay that is offered by an employer to the Tier 1 employee for service under this Article after June 30, 2018 that qualifies as "earnings", as defined in Section 15-111, or would qualify as "earnings" but for the fact that it was offered to and accepted by the Tier 1 employee under the condition set forth in subsection (c) of Section 15-132.9. The term "future increase in income" includes an increase to a Tier 1 employee's base pay that is paid to the Tier 1 employee pursuant to an extension, amendment, or renewal of any such employment contract or collective bargaining agreement after the effective date of this Section.

(40 ILCS 5/15-112.2 new)

Sec. 15-112.2. Base pay. As used in Section 15-112.1 of this Code, "base pay" means the greater of either (i) the Tier 1 employee's annualized rate of earnings as of June 30, 2018, or (ii) the Tier 1 employee's annualized rate of earnings immediately preceding the expiration, renewal, or amendment of an employment contract or collective bargaining agreement in effect on the effective date of this Section. For a person returning to participating employee status as a Tier 1 employee after June 30, 2018, however, "base pay" means the employee's annualized rate of earnings as of the employee's last date of service prior to July 1, 2018. The System shall calculate the base pay of each Tier 1 employee pursuant to this Section.

(40 ILCS 5/15-132.9 new)

Sec. 15-132.9. Election by Tier 1 employees.

(a) Each Tier 1 employee shall make an irrevocable election either:

(1) to agree to delay his or her eligibility for automatic annual increases in retirement annuity as provided in subsection (d-1) of Section 15-136 and to have the amount of the automatic annual increases in his or her retirement annuity and survivor annuity that are otherwise provided for in this Article calculated, instead, as provided in subsection (d-1) of Section 15-136; or

(2) to not agree to the provisions of paragraph (1) of this subsection.

The election required under this subsection (a) shall be made by each Tier 1 employee no earlier than January 1, 2018 and no later than March 31, 2018, except that:

(i) a person who becomes a Tier 1 employee under this Article on or after January 1, 2018 must make the election under this subsection (a) within 60 days after becoming a Tier 1 employee;

(ii) a person who returns to participating employee status as a Tier 1 employee under this Article on or after January 1, 2018 and has not yet made an election under this Section must make the election under this subsection (a) within 60 days after returning to participating employee status as a Tier 1 employee; and

(iii) a person who returns to participating employee status as a Tier 1 employee under this Article but who has not made an election under Section 15-134.5 must make the election under this subsection (a) at the same time as the election under Section 15-134.5 and within the timeframes required by that Section.

If a Tier 1 employee fails for any reason to make a required election under this subsection within the time specified, then the employee shall be deemed to have made the election under paragraph (2) of this subsection.

(a-5) If this Section is enjoined or stayed by an Illinois court or a court of competent jurisdiction pending the entry of a final and unappealable decision, and this Section is determined to be constitutional or otherwise valid by a final unappealable decision of an Illinois court or a court of competent jurisdiction, then the election procedure set forth in subsection (a) of this Section shall commence on the 180th calendar day after the date of the issuance of the final unappealable decision and shall conclude at the end of the 270th calendar day after that date.

(a-10) All elections under subsection (a) that are made or deemed to be made before July 1, 2018 shall take effect on July 1, 2018. Elections that are made or deemed to be made on or after July 1, 2018 shall take effect on the first day of the month following the month in which the election is made or deemed to be made.

(b) As adequate and legal consideration provided under this amendatory Act of the 100th General Assembly for making an election under paragraph (1) of subsection (a) of this Section, the employer shall be expressly and irrevocably prohibited from offering any future increases in income to a Tier 1 employee who has made an election under paragraph (1) of subsection (a) of this Section on the condition of not constituting earnings under Section 15-111.

As adequate and legal consideration provided under this amendatory Act of the 100th General Assembly for making an election under paragraph (1) of subsection (a) of this Section, each Tier 1 employee who has made an election under paragraph (1) of subsection (a) of this Section shall receive a consideration payment equal to 10% of the contributions made by or on behalf of the employee under Section 15-157 before the effective date of that election. The State Comptroller shall pay the consideration payment to the Tier 1 employee out of funds appropriated for that purpose under Section 1.9 of the State Pension Funds Continuing Appropriation Act. The System shall calculate the amount of each consideration payment and, by July 1, 2018, shall certify to the State Comptroller the amount of the consideration payment, together with the name, address, and any other available payment information of the Tier 1 employee as found in the records of the System. The System shall make additional calculations and certifications of consideration payments to the State Comptroller as the System deems necessary.

(c) A Tier 1 employee who makes the election under paragraph (2) of subsection (a) of this Section shall not be subject to paragraph (1) of subsection (a) of this Section. However, each future increase in income offered by an employer under this Article to a Tier 1 employee who has made the election under paragraph (2) of subsection (a) of this Section shall be offered by the employer expressly and irrevocably on the condition of not constituting earnings under Section 15-111 and that the Tier 1 employee's acceptance of the offered future increase in income shall constitute his or her agreement to that condition.

(d) The System shall make a good faith effort to contact each Tier 1 employee subject to this Section. The System shall mail information describing the required election to each Tier 1 employee by United States Postal Service mail to his or her last known address on file with the System. If the Tier 1 employee is not responsive to other means of contact, it is sufficient for the System to publish the details of any required elections on its website or to publish those details in a regularly published newsletter or other existing public forum.

Tier 1 employees who are subject to this Section shall be provided with an election packet containing information regarding their options, as well as the forms necessary to make the required election. Upon request, the System shall offer Tier 1 employees an opportunity to receive information from the System before making the required election. The information may consist of video materials, benefit estimators, group presentations, individual consultation with a member or authorized representative of the System in person or by telephone or other electronic means, or any combination of these methods. The System shall not provide advice or counseling with respect to which election a Tier 1 employee should make or specific to the legal or tax circumstances of or consequences to the Tier 1 employee.

The System shall inform Tier 1 employees in the election packet required under this subsection that the Tier 1 employee may also wish to obtain information and counsel relating to the election required under this Section from any other available source, including, but not limited to, labor organizations and private counsel.

In no event shall the System, its staff, or the Board be held liable for any information given to a member regarding the elections under this Section. The System shall coordinate with the Illinois Department of Central Management Services and each other retirement system administering an election in accordance with this amendatory Act of the 100th General Assembly to provide information concerning the impact of the election set forth in this Section.

(e) Notwithstanding any other provision of law, an employer under this Article is required to offer each future increase in income expressly and irrevocably on the condition of not constituting "earnings" under Section 15-111 to any Tier 1 employee who has made an election under paragraph (2) of subsection (a) of this Section. The offer shall also provide that the Tier 1 employee's acceptance of the offered future increase in income shall constitute his or her agreement to the condition set forth in this subsection.

For purposes of legislative intent, the condition set forth in this subsection shall be construed in a manner that ensures that the condition is not violated or circumvented through any contrivance of any kind.

(f) A member's election under this Section is not a prohibited election under subdivision (j)(1) of Section 1-119 of this Code.

(g) No provision of this Section shall be interpreted in a way that would cause the System to cease to be a qualified plan under Section 401(a) of the Internal Revenue Code of 1986.

(h) If an election created by this amendatory Act in any other Article of this Code or any change deriving from that election is determined to be unconstitutional or otherwise invalid by a final unappealable decision of an Illinois court or a court of competent jurisdiction, the invalidity of that provision shall not in any way affect the validity of this Section or the changes deriving from the election required under this Section.

(40 ILCS 5/15-136) (from Ch. 108 1/2, par. 15-136)

(Text of Section WITHOUT the changes made by P.A. 98-599, which has been held unconstitutional)

Sec. 15-136. Retirement annuities - Amount. The provisions of this Section 15-136 apply only to those participants who are participating in the traditional benefit package or the portable benefit package and do not apply to participants who are participating in the self-managed plan.

(a) The amount of a participant's retirement annuity, expressed in the form of a single-life annuity, shall be determined by whichever of the following rules is applicable and provides the largest annuity:

Rule 1: The retirement annuity shall be 1.67% of final rate of earnings for each of the first 10 years of service, 1.90% for each of the next 10 years of service, 2.10% for each year of service in excess of 20 but not exceeding 30, and 2.30% for each year in excess of 30; or for persons who retire on or after January 1, 1998, 2.2% of the final rate of earnings for each year of service.

Rule 2: The retirement annuity shall be the sum of the following, determined from amounts credited to the participant in accordance with the actuarial tables and the effective rate of interest in effect at the time the retirement annuity begins:

(i) the normal annuity which can be provided on an actuarially equivalent basis, by the accumulated normal contributions as of the date the annuity begins;

(ii) an annuity from employer contributions of an amount equal to that which can be provided on an actuarially equivalent basis from the accumulated normal contributions made by the participant under Section 15-113.6 and Section 15-113.7 plus 1.4 times all other accumulated normal contributions made by the participant; and

(iii) the annuity that can be provided on an actuarially equivalent basis from the entire contribution made by the participant under Section 15-113.3.

With respect to a police officer or firefighter who retires on or after August 14, 1998, the accumulated normal contributions taken into account under clauses (i) and (ii) of this Rule 2 shall include the additional normal contributions made by the police officer or firefighter under Section 15-157(a).

The amount of a retirement annuity calculated under this Rule 2 shall be computed solely on the basis of the participant's accumulated normal contributions, as specified in this Rule and defined in Section 15-116. Neither an employee or employer contribution for early retirement under Section 15-136.2 nor any other employer contribution shall be used in the calculation of the amount of a retirement annuity under this Rule 2.

This amendatory Act of the 91st General Assembly is a clarification of existing law and applies to every participant and annuitant without regard to whether status as an employee terminates before the effective date of this amendatory Act.

This Rule 2 does not apply to a person who first becomes an employee under this Article on or after July 1, 2005.

Rule 3: The retirement annuity of a participant who is employed at least one-half time during the period on which his or her final rate of earnings is based, shall be equal to the participant's years of service not to exceed 30, multiplied by (1) $96 if the participant's final rate of earnings is less than $3,500, (2) $108 if the final rate of earnings is at least $3,500 but less than $4,500, (3) $120 if the final rate of earnings is at least $4,500 but less than $5,500, (4) $132 if the final rate of earnings is at least $5,500 but less than $6,500, (5) $144 if the final rate of earnings is at least $6,500 but less than $7,500, (6) $156 if the final rate of earnings is at least $7,500 but less than $8,500, (7) $168 if the final rate of earnings is at least $8,500 but less than $9,500, and (8) $180 if the final rate of earnings is $9,500 or more, except that the annuity for those persons having made an election under Section 15-154(a-1) shall be calculated and payable under the portable retirement benefit program pursuant to the provisions of Section 15-136.4.

Rule 4: A participant who is at least age 50 and has 25 or more years of service as a police officer or firefighter, and a participant who is age 55 or over and has at least 20 but less than 25 years of service as a police officer or firefighter, shall be entitled to a retirement annuity of 2 1/4% of the final rate of earnings for each of the first 10 years of service as a police officer or firefighter, 2 1/2% for each of the next 10 years of service as a police officer or firefighter, and 2 3/4% for each year of service as a police officer or firefighter in excess of 20. The retirement annuity for all other service shall be computed under Rule 1. A Tier 2 member is eligible for a retirement annuity calculated under Rule 4 only if that Tier 2 member meets the service requirements for that benefit calculation as prescribed under this Rule 4 in addition to the applicable age requirement under subsection (a-5) of Section 15-135.

For purposes of this Rule 4, a participant's service as a firefighter shall also include the following:

(i) service that is performed while the person is an employee under subsection (h) of Section 15-107; and

(ii) in the case of an individual who was a participating employee employed in the fire department of the University of Illinois's Champaign-Urbana campus immediately prior to the elimination of that fire department and who immediately after the elimination of that fire department transferred to another job with the University of Illinois, service performed as an employee of the University of Illinois in a position other than police officer or firefighter, from the date of that transfer until the employee's next termination of service with the University of Illinois.

(b) For a Tier 1 member, the retirement annuity provided under Rules 1 and 3 above shall be reduced by 1/2 of 1% for each month the participant is under age 60 at the time of retirement. However, this reduction shall not apply in the following cases:

(1) For a disabled participant whose disability benefits have been discontinued because he or she has exhausted eligibility for disability benefits under clause (6) of Section 15-152;

(2) For a participant who has at least the number of years of service required to retire at any age under subsection (a) of Section 15-135; or

(3) For that portion of a retirement annuity which has been provided on account of service of the participant during periods when he or she performed the duties of a police officer or firefighter, if these duties were performed for at least 5 years immediately preceding the date the retirement annuity is to begin.

(b-5) The retirement annuity of a Tier 2 member who is retiring after attaining age 62 with at least 10 years of service credit shall be reduced by 1/2 of 1% for each full month that the member's age is under age 67.

(c) The maximum retirement annuity provided under Rules 1, 2, 4, and 5 shall be the lesser of (1) the annual limit of benefits as specified in Section 415 of the Internal Revenue Code of 1986, as such Section may be amended from time to time and as such benefit limits shall be adjusted by the Commissioner of Internal Revenue, and (2) 80% of final rate of earnings.

(d) Subject to the provisions of subsection (d-1), a ~~A~~ Tier 1 member whose status as an employee terminates after August 14, 1969 shall receive automatic increases in his or her retirement annuity as follows:

Effective January 1 immediately following the date the retirement annuity begins, the annuitant shall receive an increase in his or her monthly retirement annuity of 0.125% of the monthly retirement annuity provided under Rule 1, Rule 2, Rule 3, or Rule 4 contained in this Section, multiplied by the number of full months which elapsed from the date the retirement annuity payments began to January 1, 1972, plus 0.1667% of such annuity, multiplied by the number of full months which elapsed from January 1, 1972, or the date the retirement annuity payments began, whichever is later, to January 1, 1978, plus 0.25% of such annuity multiplied by the number of full months which elapsed from January 1, 1978, or the date the retirement annuity payments began, whichever is later, to the effective date of the increase.

The annuitant shall receive an increase in his or her monthly retirement annuity on each January 1 thereafter during the annuitant's life of 3% of the monthly annuity provided under Rule 1, Rule 2, Rule 3, or Rule 4 contained in this Section. The change made under this subsection by P.A. 81-970 is effective January 1, 1980 and applies to each annuitant whose status as an employee terminates before or after that date.

Beginning January 1, 1990, and except as provided in subsection (d-1), all automatic annual increases payable under this Section shall be calculated as a percentage of the total annuity payable at the time of the increase, including all increases previously granted under this Article.

The change made in this subsection by P.A. 85-1008 is effective January 26, 1988, and is applicable without regard to whether status as an employee terminated before that date.

(d-1) Notwithstanding any other provision of this Article, for a Tier 1 employee who made the election under paragraph (1) of subsection (a) of Section 15-132.9:

(1) The initial increase in retirement annuity under this Section shall occur on the January 1 occurring either on or after the attainment of age 67 or the fifth anniversary of the annuity start date, whichever is earlier.

(2) The amount of each automatic annual increase in retirement annuity or survivor annuity occurring on or after the effective date of that election shall be calculated as a percentage of the originally granted retirement annuity or survivor annuity, equal to 3% or one-half the annual unadjusted percentage increase (but not less than zero) in the consumer price index-u for the 12 months ending with the September preceding each November 1, whichever is less. If the annual unadjusted percentage change in the consumer price index-u for the 12 months ending with the September preceding each November 1 is zero or there is a decrease, then the annuity shall not be increased.

For the purposes of this Section, "consumer price index-u" means the index published by the Bureau of Labor Statistics of the United States Department of Labor that measures the average change in prices of goods and services purchased by all urban consumers, United States city average, all items, 1982-84 = 100. The new amount resulting from each annual adjustment shall be determined by the Public Pension Division of the Department of Insurance and made available to the board of the retirement system by November 1 of each year.

(d-5) A retirement annuity of a Tier 2 member shall receive annual increases on the January 1 occurring either on or after the attainment of age 67 or the first anniversary of the annuity start date, whichever is later. Each annual increase shall be calculated at 3% or one half the annual unadjusted percentage increase (but not less than zero) in the consumer price index-u for the 12 months ending with the September preceding each November 1, whichever is less, of the originally granted retirement annuity. If the annual unadjusted percentage change in the consumer price index-u for the 12 months ending with the September preceding each November 1 is zero or there is a decrease, then the annuity shall not be increased.

(e) If, on January 1, 1987, or the date the retirement annuity payment period begins, whichever is later, the sum of the retirement annuity provided under Rule 1 or Rule 2 of this Section and the automatic annual increases provided under the preceding subsection or Section 15-136.1, amounts to less than the retirement annuity which would be provided by Rule 3, the retirement annuity shall be increased as of January 1, 1987, or the date the retirement annuity payment period begins, whichever is later, to the amount which would be provided by Rule 3 of this Section. Such increased amount shall be considered as the retirement annuity in determining benefits provided under other Sections of this Article. This paragraph applies without regard to whether status as an employee terminated before the effective date of this amendatory Act of 1987, provided that the annuitant was employed at least one-half time during the period on which the final rate of earnings was based.

(f) A participant is entitled to such additional annuity as may be provided on an actuarially equivalent basis, by any accumulated additional contributions to his or her credit. However, the additional contributions made by the participant toward the automatic increases in annuity provided under this Section shall not be taken into account in determining the amount of such additional annuity.

(g) If, (1) by law, a function of a governmental unit, as defined by Section 20-107 of this Code, is transferred in whole or in part to an employer, and (2) a participant transfers employment from such

governmental unit to such employer within 6 months after the transfer of the function, and (3) the sum of (A) the annuity payable to the participant under Rule 1, 2, or 3 of this Section (B) all proportional annuities payable to the participant by all other retirement systems covered by Article 20, and (C) the initial primary insurance amount to which the participant is entitled under the Social Security Act, is less than the retirement annuity which would have been payable if all of the participant's pension credits validated under Section 20-109 had been validated under this system, a supplemental annuity equal to the difference in such amounts shall be payable to the participant.

(h) On January 1, 1981, an annuitant who was receiving a retirement annuity on or before January 1, 1971 shall have his or her retirement annuity then being paid increased $1 per month for each year of creditable service. On January 1, 1982, an annuitant whose retirement annuity began on or before January 1, 1977, shall have his or her retirement annuity then being paid increased $1 per month for each year of creditable service.

(i) On January 1, 1987, any annuitant whose retirement annuity began on or before January 1, 1977, shall have the monthly retirement annuity increased by an amount equal to 8¢ per year of creditable service times the number of years that have elapsed since the annuity began.

(Source: P.A. 97-933, eff. 8-10-12; 97-968, eff. 8-16-12; 98-92, eff. 7-16-13.)

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

Sec. 15-155. Employer contributions.

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

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

(a-1) For State fiscal years 2018 through 2045 (except as otherwise provided for fiscal year 2019), the minimum contribution to the System to be made by the State for each fiscal year shall be an amount determined by the System to be sufficient to bring the total assets of the System up to 90% of the total actuarial liabilities of the System by the end of State fiscal year 2045. In making these determinations, the required State contribution shall be calculated each year as a level percentage of total payroll, including payroll that is not deemed pensionable, but excluding payroll attributable to participants in the defined contribution plan under Section 15-200.1, over the years remaining to and including fiscal year 2045 and shall be determined under the projected unit credit actuarial cost method.

For State fiscal year 2019:

(1) The initial calculation and certification shall be based on the amount determined above.

(2) For purposes of the recertification due on or before May 1, 2018, the recalculation of the required State contribution for fiscal year 2019 shall take into account the effect on the System's liabilities of the elections made under Section 15-132.9.

(3) For purposes of the recertification due on or before October 1, 2018, the total required State contribution for fiscal year 2019 shall be reduced by the amount of the consideration payments made to Tier 1 employees who made the election under paragraph (1) of subsection (a) of Section 15-132.9.

Beginning in State fiscal year 2018, any increase or decrease in State contribution over the prior fiscal year due exclusively to changes in actuarial or investment assumptions adopted by the Board shall be included in the State contribution to the System, as a percentage of the applicable employee payroll, and shall be increased in equal annual increments so that by the State fiscal year occurring 5 years after the adoption of the actuarial or investment assumptions, the State is contributing at the rate otherwise required under this Section.

For State fiscal years 2012 through 2017 ~~2045~~, the minimum contribution to the System to be made by the State for each fiscal year shall be an amount determined by the System to be sufficient to bring the total assets of the System up to 90% of the total actuarial liabilities of the System by the end of State fiscal year 2045. In making these determinations, the required State contribution shall be calculated each year as a level percentage of payroll over the years remaining to and including fiscal year 2045 and shall be determined under the projected unit credit actuarial cost method.

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

Notwithstanding any other provision of this Article, the total required State contribution for State fiscal year 2006 is $166,641,900.

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

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

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

Notwithstanding any other provision of this Article, the total required State contribution for State fiscal year 2011 is the amount recertified by the System on or before April 1, 2011 pursuant to Section 15-165 and shall be made from the State Pensions Fund and proceeds of bonds sold in fiscal year 2011 pursuant to Section 7.2 of the General Obligation Bond Act, less (i) the pro rata share of bond sale expenses determined by the System's share of total bond proceeds, (ii) any amounts received from the General Revenue Fund in fiscal year 2011, and (iii) any reduction in bond proceeds due to the issuance of discounted bonds, if applicable.

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

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

Notwithstanding any other provision of this Section, the required State contribution for State fiscal year 2005 and for fiscal year 2008 and each fiscal year thereafter, as calculated under this Section and certified under Section 15-165, shall not exceed an amount equal to (i) the amount of the required State contribution that would have been calculated under this Section for that fiscal year if the System had not received any payments under subsection (d) of Section 7.2 of the General Obligation Bond Act, minus (ii) the portion of the State's total debt service payments for that fiscal year on the bonds issued in fiscal year 2003 for the purposes of that Section 7.2, as determined and certified by the Comptroller, that is the same as the System's portion of the total moneys distributed under subsection (d) of Section 7.2 of the General Obligation Bond Act. In determining this maximum for State fiscal years 2008 through 2010, however, the amount referred to in item (i) shall be increased, as a percentage of the applicable employee payroll, in equal increments calculated from the sum of the required State contribution for State fiscal year 2007 plus the applicable portion of the State's total debt service payments for fiscal year 2007 on the bonds issued in fiscal year 2003 for the purposes of Section 7.2 of the General Obligation Bond Act, so that, by State fiscal year 2011, the State is contributing at the rate otherwise required under this Section.

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

(b-1) The City of Urbana and the City of Champaign shall each make employer contributions to this System for their respective firefighter employees who participate in this System pursuant to subsection (h) of Section 15-107. The rate of contributions to be made by those municipalities shall be determined annually by the Board on the basis of the actuarial assumptions adopted by the Board and the recommendations of the actuary, and shall be expressed as a percentage of salary for each such employee. The Board shall certify the rate to the affected municipalities as soon as may be practical. The employer

contributions required under this subsection shall be remitted by the municipality to the System at the same time and in the same manner as employee contributions.

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

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

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

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

(g) For academic years beginning on or after June 1, 2005 and before July 1, 2018, if ~~If~~ the amount of a participant's earnings for any academic year used to determine the final rate of earnings, determined on a full-time equivalent basis, exceeds the amount of his or her earnings with the same employer for the previous academic year, determined on a full-time equivalent basis, by more than 6%, the participant's employer shall pay to the System, in addition to all other payments required under this Section and in accordance with guidelines established by the System, the present value of the increase in benefits resulting from the portion of the increase in earnings that is in excess of 6%. This present value shall be computed by the System on the basis of the actuarial assumptions and tables used in the most recent actuarial valuation of the System that is available at the time of the computation. The System may require the employer to provide any pertinent information or documentation.

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

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

When assessing payment for any amount due under this subsection (g), the System shall include earnings, to the extent not established by a participant under Section 15-113.11 or 15-113.12, that would have been paid to the participant had the participant not taken (i) periods of voluntary or involuntary furlough occurring on or after July 1, 2015 and on or before June 30, 2017 or (ii) periods of voluntary pay reduction in lieu of furlough occurring on or after July 1, 2015 and on or before June 30, 2017. Determining earnings that would have been paid to a participant had the participant not taken periods of voluntary or involuntary furlough or periods of voluntary pay reduction shall be the responsibility of the employer, and shall be reported in a manner prescribed by the System.

(g-1) For academic years beginning on or after July 1, 2018, if the amount of a participant's earnings for any academic year used to determine the final rate of earnings, determined on a full-time equivalent basis, exceeds the amount of his or her earnings with the same employer for the previous academic year, determined on a full-time equivalent basis, by more than the unadjusted percentage increase in the consumer price index-u for the calendar year immediately preceding the beginning of the academic year, published by the Public Pension Division of the Department of Insurance by November 1 of each year, then the participant's employer shall pay to the System, in addition to all other payments required under this Section and in accordance with guidelines established by the System, the present value of the increase

in benefits resulting from the portion of the increase in earnings that is in excess of the unadjusted percentage increase in the consumer price index-u for the applicable calendar year. This present value shall be computed by the System on the basis of the actuarial assumptions and tables used in the most recent actuarial valuation of the System that is available at the time of the computation. The System may require the employer to provide any pertinent information or documentation.

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

The employer contributions required under this subsection (g-1) may be paid in the form of a lump sum within 90 days after receipt of the bill. If the employer contributions are not paid within 90 days after receipt of the bill, then interest shall be charged at a rate equal to the System's annual actuarially assumed rate of return on investment compounded annually from the 91st day after receipt of the bill. Payments must be concluded within 3 years after the employer's receipt of the bill.

For the purposes of this Section, "consumer price index-u" means the index published by the Bureau of Labor Statistics of the United States Department of Labor that measures the average change in prices of goods and services purchased by all urban consumers, United States city average, all items, 1982-84 = 100. The new amount resulting from each annual adjustment shall be determined by the Public Pension Division of the Department of Insurance and made available to the boards of the retirement systems and pension funds by November 1 of each year.

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

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

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

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

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

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

(i-1) When assessing payment for any amount due under subsection (g-1), the System shall exclude salary increases paid to participants under contracts or collective bargaining agreements entered into, amended, or renewed before the effective date of this amendatory Act of the 100th General Assembly.

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

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

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

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

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

(j-5) For academic years beginning on or after July 1, 2018, if the amount of a participant's earnings for any academic year, determined on a full-time equivalent basis, exceeds $140,000, the participant's employer shall pay to the System, in addition to all other payments required under this Section and in accordance with guidelines established by the System, the amount of the earnings that exceed $140,000 multiplied by the level percentage of payroll used in that fiscal year, as determined by the System, to be sufficient to bring the total assets of the System up to 90% of the total actuarial liabilities of the System by the end of State fiscal year 2045. This amount shall be computed by the System on the basis of the actuarial assumptions and tables used in the most recent actuarial valuation of the System that is available at the time of the computation. The System may require the employer to provide any pertinent information or documentation.

Whenever it determines that a payment is or may be required under this subsection, the System shall calculate the amount of the payment and bill the employer for that amount. The bill shall specify the calculations used to determine the amount due. If the employer disputes the amount of the bill, it may, within 30 days after receipt of the bill, apply to the System in writing for a recalculation. The application must specify in detail the grounds of the dispute. Upon receiving a timely application for recalculation, the System shall review the application and, if appropriate, recalculate the amount due.

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

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

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

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

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

(n) If Section 15-132.9 is determined to be unconstitutional or otherwise invalid by a final unappealable decision of an Illinois court or a court of competent jurisdiction, then the changes made to this Section by this amendatory Act of the 100th General Assembly shall not take effect and are repealed by operation of law.

(Source: P.A. 98-92, eff. 7-16-13; 98-463, eff. 8-16-13; 99-897, eff. 1-1-17.)

(40 ILCS 5/15-157) (from Ch. 108 1/2, par. 15-157)

Sec. 15-157. Employee Contributions.

(a) Each participating employee shall make contributions towards the retirement benefits payable under the retirement program applicable to the employee from each payment of earnings applicable to employment under this system on and after the date of becoming a participant as follows: Prior to

September 1, 1949, 3 1/2% of earnings; from September 1, 1949 to August 31, 1955, 5%; from September 1, 1955 to August 31, 1969, 6%; from September 1, 1969, 6 1/2%. These contributions are to be considered as normal contributions for purposes of this Article.

Each participant who is a police officer or firefighter shall make normal contributions of 8% of each payment of earnings applicable to employment as a police officer or firefighter under this system on or after September 1, 1981, unless he or she files with the board within 60 days after the effective date of this amendatory Act of 1991 or 60 days after the board receives notice that he or she is employed as a police officer or firefighter, whichever is later, a written notice waiving the retirement formula provided by Rule 4 of Section 15-136. This waiver shall be irrevocable. If a participant had met the conditions set forth in Section 15-132.1 prior to the effective date of this amendatory Act of 1991 but failed to make the additional normal contributions required by this paragraph, he or she may elect to pay the additional contributions plus compound interest at the effective rate. If such payment is received by the board, the service shall be considered as police officer service in calculating the retirement annuity under Rule 4 of Section 15-136. While performing service described in clause (i) or (ii) of Rule 4 of Section 15-136, a participating employee shall be deemed to be employed as a firefighter for the purpose of determining the rate of employee contributions under this Section.

(b) Starting September 1, 1969, each participating employee shall make additional contributions of 1/2 of 1% of earnings to finance a portion of the cost of the annual increases in retirement annuity provided under Section 15-136, except that with respect to participants in the self-managed plan this additional contribution shall be used to finance the benefits obtained under that retirement program. Beginning July 1, 2018 or the effective date of the Tier 1 employee's election under paragraph (1) of subsection (a) of Section 15-132.9, whichever is later, each Tier 1 employee who made the election under paragraph (1) of subsection (a) of Section 15-132.9 is no longer required to make contributions under this subsection.

(c) Except as provided in subsection (c-5), in ~~In~~ addition to the amounts described in subsections (a) and (b) of this Section, each participating employee shall make contributions of 1% of earnings applicable under this system on and after August 1, 1959. The contributions made under this subsection (c) shall be considered as survivor's insurance contributions for purposes of this Article if the employee is covered under the traditional benefit package, and such contributions shall be considered as additional contributions for purposes of this Article if the employee is participating in the self-managed plan or has elected to participate in the portable benefit package and has completed the applicable one-year waiting period. Contributions in excess of $80 during any fiscal year beginning before August 31, 1969 and in excess of $120 during any fiscal year thereafter until September 1, 1971 shall be considered as additional contributions for purposes of this Article.

(c-5) Beginning July 1, 2018 or the effective date of the Tier 1 employee's election under paragraph (1) of subsection (a) of Section 15-132.9, whichever is later, in lieu of the contributions otherwise required under subsection (c), each Tier 1 employee who made the election under paragraph (1) of subsection (a) of Section 15-132.9 shall make contributions of 0.7% of earnings applicable under this System and each Tier 1 employee who is a police officer or firefighter who makes normal contributions of 8% of each payment of earnings applicable to employment as a police officer or firefighter under this System and who made the election under paragraph (1) of subsection (a) of Section 15-132.9 shall make contributions of 0.55% of earnings applicable under this System. The contributions made under this subsection (c-5) shall be considered as survivor's insurance contributions for purposes of this Article and such contributions shall be considered as additional contributions for purposes of this Article if the employee has elected to participate in the portable benefit package and has completed the applicable one-year waiting period.

(d) If the board by board rule so permits and subject to such conditions and limitations as may be specified in its rules, a participant may make other additional contributions of such percentage of earnings or amounts as the participant shall elect in a written notice thereof received by the board.

(e) That fraction of a participant's total accumulated normal contributions, the numerator of which is equal to the number of years of service in excess of that which is required to qualify for the maximum retirement annuity, and the denominator of which is equal to the total service of the participant, shall be considered as accumulated additional contributions. The determination of the applicable maximum annuity and the adjustment in contributions required by this provision shall be made as of the date of the participant's retirement.

(f) Notwithstanding the foregoing, a participating employee shall not be required to make contributions under this Section after the date upon which continuance of such contributions would otherwise cause his or her retirement annuity to exceed the maximum retirement annuity as specified in clause (1) of subsection (c) of Section 15-136.

(g) A participant may make contributions for the purchase of service credit under this Article; however, only a participating employee may make optional contributions under subsection (b) of Section 15-157.1 of this Article.

(h) A Tier 2 member shall not make contributions on earnings that exceed the limitation as prescribed under subsection (b) of Section 15-111 of this Article.

(Source: P.A. 98-92, eff. 7-16-13; 99-450, eff. 8-24-15.)

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

(Text of Section WITHOUT the changes made by P.A. 98-599, which has been held unconstitutional)

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

(a) The Board shall certify to the Governor on or before November 15 of each year until November 15, 2011 the appropriation required from State funds for the purposes of this System for the following fiscal year. The certification under this subsection (a) shall include a copy of the actuarial recommendations upon which it is based and shall specifically identify the System's projected State normal cost for that fiscal year and the projected State cost for the self-managed plan for that fiscal year.

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

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

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

(a-5) On or before November 1 of each year, beginning November 1, 2012, the Board shall submit to the State Actuary, the Governor, and the General Assembly a proposed certification of the amount of the required State contribution to the System for the next fiscal year, along with all of the actuarial assumptions, calculations, and data upon which that proposed certification is based. On or before January 1 of each year, beginning January 1, 2013, the State Actuary shall issue a preliminary report concerning the proposed certification and identifying, if necessary, recommended changes in actuarial assumptions that the Board must consider before finalizing its certification of the required State contributions. On or before January 15, 2013 and each January 15 thereafter, the Board shall certify to the Governor and the General Assembly the amount of the required State contribution for the next fiscal year. The Board's certification must note, in a written response to the State Actuary, any deviations from the State Actuary's recommended changes, the reason or reasons for not following the State Actuary's recommended changes, and the fiscal impact of not following the State Actuary's recommended changes on the required State contribution.

(a-10) As soon as practical after the effective date of this amendatory Act of the 100th General Assembly, the State Actuary and the Board shall recalculate and recertify to the Governor and the General Assembly the amount of the State contribution to the System for State fiscal year 2018, taking into account the changes in required State contributions made by this amendatory Act of the 100th General Assembly.

(a-15) On or before May 1, 2018, the Board shall recalculate and recertify to the Governor and the General Assembly the amount of the required State contribution to the System for State fiscal year 2019, taking into account the effect on the System's liabilities of the elections made under Section 15-132.9.

On or before October 1, 2018, the Board shall recalculate and recertify to the Governor and the General Assembly the amount of the required State contribution to the System for State fiscal year 2019, taking into account the reduction specified under item (3) of subsection (a-1) of Section 15-155.

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

(c) Beginning in State fiscal year 1996, on or as soon as possible after the 15th day of each month the Board shall submit vouchers for payment of State contributions to the System, in a total monthly amount of one-twelfth of the required annual State contribution certified under subsection (a). From the effective date of this amendatory Act of the 93rd General Assembly through June 30, 2004, the Board shall not submit vouchers for the remainder of fiscal year 2004 in excess of the fiscal year 2004 certified contribution amount determined under this Section after taking into consideration the transfer to the System under subsection (b) of Section 6z-61 of the State Finance Act. These vouchers shall be paid by

the State Comptroller and Treasurer by warrants drawn on the funds appropriated to the System for that fiscal year.

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

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

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

(Source: P.A. 97-694, eff. 6-18-12; 98-92, eff. 7-16-13.)

(40 ILCS 5/15-185.5 new)

Sec. 15-185.5. Accelerated pension benefit payment.

(a) As used in this Section:

"Eligible person" means a person who:

(1) has terminated service;

(2) has accrued sufficient service credit to be eligible to receive a retirement annuity under this Article;

(3) has not received any retirement annuity under this Article;

(4) does not have a QILDRO in effect against him or her under this Article; and

(5) is not a participant in the self-managed plan under Section 15-158.2.

"Pension benefit" means the benefits under this Article, or Article 1 as it relates to those benefits, including any anticipated annual increases, that an eligible person is entitled to upon attainment of the applicable retirement age. "Pension benefit" also includes applicable survivor's or disability benefits.

(b) Before January 1, 2018, and annually thereafter, the System shall calculate, using actuarial tables and other assumptions adopted by the Board, the net present value of pension benefits for each eligible person and shall offer each eligible person the opportunity to irrevocably elect to receive an amount determined by the System to be equal to 70% of the net present value of his or her pension benefits in lieu of receiving any pension benefit. The offer shall specify the dollar amount that the eligible person will receive if he or she so elects and shall expire when a subsequent offer is made to an eligible person or when the System determines that 10% of eligible persons in that year have made the election under this subsection, whichever occurs first. The System shall make a good faith effort to contact every eligible person to notify him or her of the election and of the amount of the accelerated pension benefit payment.

Until the System determines that 10% of eligible persons in that year have made the election under this subsection, an eligible person may irrevocably elect to receive an accelerated pension benefit payment in the amount that the System offers under this subsection in lieu of receiving any pension benefit. A person who elects to receive an accelerated pension benefit payment under this Section may not elect to proceed under the Retirement Systems Reciprocal Act with respect to service under this Article.

(c) A person's credits and creditable service under this Article shall be terminated upon the person's receipt of an accelerated pension benefit payment under this Section, and no other benefit shall be paid under this Article based on those terminated credits and creditable service, including any retirement, survivor, or other benefit; except that to the extent that participation, benefits, or premiums under the State Employees Group Insurance Act of 1971 are based on the amount of service credit, the terminated service credit shall be used for that purpose.

(d) If a person who has received an accelerated pension benefit payment under this Section returns to participating employee status under this Article, then:

(1) Any benefits under the System earned as a result of that return to participating employee status shall be based solely on the person's credits and creditable service arising from the return to participating employee status.

(2) The accelerated pension benefit payment may not be repaid to the System, and the terminated credits and creditable service may not under any circumstances be reinstated.

(e) As a condition of receiving an accelerated pension benefit payment, an eligible person must have another retirement plan or account qualified under the Internal Revenue Code of 1986, as amended, for the accelerated pension benefit payment to be rolled into. The accelerated pension benefit payment under this Section may be subject to withholding or payment of applicable taxes, but to the extent permitted by federal law, a person who receives an accelerated pension benefit payment under this Section must direct the System to pay all of that payment as a rollover into another retirement plan or account qualified under the Internal Revenue Code of 1986, as amended.

(f) Before January 1, 2019 and every January 1 thereafter, the Board shall certify to the Illinois Finance Authority and the General Assembly the amount by which the total amount of accelerated pension benefit payments made under this Section exceed the amount appropriated to the System for the purpose of making those payments.

(g) The Board shall adopt any rules necessary to implement this Section.

(h) No provision of this Section shall be interpreted in a way that would cause the applicable System to cease to be a qualified plan under the Internal Revenue Code of 1986.

(i) Notwithstanding any other provision of this Section, in no case shall the total amount of accelerated pension benefit payments paid under this Section, Section 14-147.5, and Section 16-190.5 cause the Illinois Finance Authority to issue more than the $250,000,000 of State Pension Obligation Acceleration Bonds authorized in subsection (c-5) of Section 801-40 of the Illinois Finance Authority Act.

(40 ILCS 5/15-198)

(Text of Section WITHOUT the changes made by P.A. 98-599, which has been held unconstitutional)

Sec. 15-198. Application and expiration of new benefit increases.

(a) As used in this Section, "new benefit increase" means an increase in the amount of any benefit provided under this Article, or an expansion of the conditions of eligibility for any benefit under this Article, that results from an amendment to this Code that takes effect after the effective date of this amendatory Act of the 94th General Assembly. "New benefit increase", however, does not include any benefit increase resulting from the changes made to this Article by this amendatory Act of the 100th General Assembly.

(b) Notwithstanding any other provision of this Code or any subsequent amendment to this Code, every new benefit increase is subject to this Section and shall be deemed to be granted only in conformance with and contingent upon compliance with the provisions of this Section.

(c) The Public Act enacting a new benefit increase must identify and provide for payment to the System of additional funding at least sufficient to fund the resulting annual increase in cost to the System as it accrues.

Every new benefit increase is contingent upon the General Assembly providing the additional funding required under this subsection. The Commission on Government Forecasting and Accountability shall analyze whether adequate additional funding has been provided for the new benefit increase and shall report its analysis to the Public Pension Division of the Department of Insurance ~~Financial and Professional Regulation~~. A new benefit increase created by a Public Act that does not include the additional funding required under this subsection is null and void. If the Public Pension Division determines that the additional funding provided for a new benefit increase under this subsection is or has become inadequate, it may so certify to the Governor and the State Comptroller and, in the absence of corrective action by the General Assembly, the new benefit increase shall expire at the end of the fiscal year in which the certification is made.

(d) Every new benefit increase shall expire 5 years after its effective date or on such earlier date as may be specified in the language enacting the new benefit increase or provided under subsection (c). This does not prevent the General Assembly from extending or re-creating a new benefit increase by law.

(e) Except as otherwise provided in the language creating the new benefit increase, a new benefit increase that expires under this Section continues to apply to persons who applied and qualified for the affected benefit while the new benefit increase was in effect and to the affected beneficiaries and alternate payees of such persons, but does not apply to any other person, including without limitation a person who continues in service after the expiration date and did not apply and qualify for the affected benefit while the new benefit increase was in effect.

(Source: P.A. 94-4, eff. 6-1-05.)

(40 ILCS 5/15-200.1 new)

Sec. 15-200.1. Defined contribution plan.

(a) By July 1, 2018, the System shall prepare and implement a voluntary defined contribution plan for up to 5% of eligible Tier 1 employees. The System shall determine the 5% cap by the number of Tier 1

employees on the effective date of this Section. The defined contribution plan developed under this Section shall be a plan that aggregates employer and employee contributions in individual participant accounts which, after meeting any other requirements, are used for payouts after retirement in accordance with this Section and any other applicable laws.

As used in this Section, "defined benefit plan" means the retirement plan available under this Article to Tier 1 employees who have not made the election authorized under this Section.

(1) Under the defined contribution plan, a Tier 1 employee of this System could elect to cease accruing benefits in the defined benefit plan under this Article and begin accruing benefits for future service in the defined contribution plan. Service credit under the defined contribution plan may be used for determining retirement eligibility under the defined benefit plan. A Tier 1 employee who elects to cease accruing benefits in his or her defined benefit plan shall be prohibited from purchasing service credit on or after the date of his or her election. A Tier 1 employee making the irrevocable election provided under this Section shall not receive interest accruals to his or her Rule 2 benefit on or after the date of his or her election.

(2) Participants in the defined contribution plan shall pay employee contributions at the same rate as other participants under this Article as determined by the System.

(3) State contributions shall be paid into the accounts of all participants in the defined contribution plan at a uniform rate, expressed as a percentage of earnings and determined for each year. This rate shall be no higher than the employer's normal cost for Tier 1 employees in the defined benefit plan for that year, as determined by the System and expressed as a percentage of earnings, and shall be no lower than 3% of earnings. The State shall adjust this rate annually.

(4) The defined contribution plan shall require 5 years of participation in the defined contribution plan before vesting in State contributions. If the participant fails to vest in them, the State contributions, and the earnings thereon, shall be forfeited.

(5) The defined contribution plan may provide for participants in the plan to be eligible for the defined disability benefits available to other participants under this Article. If it does, the System shall reduce the employee contributions credited to the member's defined contribution plan account by an amount determined by the System to cover the cost of offering such benefits.

(6) The defined contribution plan shall provide a variety of options for investments. These options shall include investments handled by the System as well as private sector investment options.

(7) The defined contribution plan shall provide a variety of options for payouts to retirees and their survivors.

(8) To the extent authorized under federal law and as authorized by the System, the plan shall allow former participants in the plan to transfer or roll over employee and vested State contributions, and the earnings thereon, into other qualified retirement plans.

(9) The System shall reduce the employee contributions credited to the member's defined contribution plan account by an amount determined by the System to cover the cost of offering these benefits and any applicable administrative fees.

(b) Only persons who are Tier 1 employees of the System on the effective date of this Section are eligible to participate in the defined contribution plan. Participation in the defined contribution plan shall be limited to the first 5% of eligible persons who elect to participate. The election to participate in the defined contribution plan is voluntary and irrevocable.

(c) An eligible Tier 1 employee may irrevocably elect to participate in the defined contribution plan by filing with the System a written application to participate that is received by the System prior to its determination that 5% of eligible persons have elected to participate in the defined contribution plan.

When the System first determines that 5% of eligible persons have elected to participate in the defined contribution plan, the System shall provide notice to previously eligible employees that the plan is no longer available and shall cease accepting applications to participate.

(d) The System shall make a good faith effort to contact each Tier 1 employee who is eligible to participate in the defined contribution plan. The System shall mail information describing the option to join the defined contribution plan to each of these employees to his or her last known address on file with the System. If the employee is not responsive to other means of contact, it is sufficient for the System to publish the details of the option on its website.

Upon request for further information describing the option, the System shall provide employees with information from the System before exercising the option to join the plan, including information on the impact to their vested benefits or non-vested service. The individual consultation shall include projections of the member's defined benefits at retirement or earlier termination of service and the value of the member's account at retirement or earlier termination of service. The System shall not provide advice or counseling with respect to whether the employee should exercise the option. The System shall inform Tier

1 employees who are eligible to participate in the defined contribution plan that they may also wish to obtain information and counsel relating to their option from any other available source, including but not limited to labor organizations, private counsel, and financial advisors.

(e) In no event shall the System, its staff, its authorized representatives, or the Board be liable for any information given to an employee under this Section. The System may coordinate with the Illinois Department of Central Management Services and other retirement systems administering a defined contribution plan in accordance with this amendatory Act of the 100th General Assembly to provide information concerning the impact of the option set forth in this Section.

(f) Notwithstanding any other provision of this Section, no person shall begin participating in the defined contribution plan until it has attained qualified plan status and received all necessary approvals from the U.S. Internal Revenue Service.

(g) The System shall report on its progress under this Section, including the available details of the defined contribution plan and the System's plans for informing eligible Tier 1 employees about the plan, to the Governor and the General Assembly on or before January 15, 2018.

(h) If a Tier 1 employee has not made an election under Section 15-134.5 of this Code, then the plan prescribed under this Section shall not apply to that Tier 1 employee and that Tier 1 employee shall remain eligible to make the election prescribed under Section 15-134.5.

(i) The intent of this amendatory Act of the 100th General Assembly is to ensure that the State's normal cost of participation in the defined contribution plan is similar, and if possible equal, to the State's normal cost of participation in the defined benefit plan, unless a lower State's normal cost is necessary to ensure cost neutrality.

(j) If Section 15-132.9 is determined to be unconstitutional or otherwise invalid by a final unappealable decision of an Illinois court or a court of competent jurisdiction, then this Section shall not take effect and is repealed by operation of law.

(40 ILCS 5/15-201.1 new)

Sec. 15-201.1. Defined contribution plan; termination. If the defined contribution plan is terminated or becomes inoperative pursuant to law, then each participant in the plan shall automatically be deemed to have been a contributing Tier 1 employee participating in the System's defined benefit plan during the time in which he or she participated in the defined contribution plan, and for that purpose the System shall be entitled to recover the amounts in the participant's defined contribution accounts.

(40 ILCS 5/16-107.1 new)

Sec. 16-107.1. Tier 1 employee. "Tier 1 employee": A teacher under this Article who first became a member or participant before January 1, 2011 under any reciprocal retirement system or pension fund established under this Code other than a retirement system or pension fund established under Article 2, 3, 4, 5, 6, or 18 of this Code. However, for the purposes of the election under Section 16-122.9, "Tier 1 employee" does not include a teacher under this Article who would qualify as a Tier 1 employee but who has made an irrevocable election on or before June 1, 2017 to retire from service pursuant to the terms of an employment contract or a collective bargaining agreement in effect on June 1, 2017, excluding any extension, amendment, or renewal of that agreement after that date, and has notified the System of that election.

(40 ILCS 5/16-121) (from Ch. 108 1/2, par. 16-121)

(Text of Section WITHOUT the changes made by P.A. 98-599, which has been held unconstitutional)

Sec. 16-121. Salary. "Salary": The actual compensation received by a teacher during any school year and recognized by the system in accordance with rules of the board. For purposes of this Section, "school year" includes the regular school term plus any additional period for which a teacher is compensated and such compensation is recognized by the rules of the board.

Notwithstanding any other provision of this Section, "salary" does not include any future increase in income that is offered by an employer for service as a Tier 1 employee under this Article pursuant to the condition set forth in subsection (c) of Section 16-122.9 and accepted under that condition by a Tier 1 employee who has made the election under paragraph (2) of subsection (a) of Section 16-122.9.

Notwithstanding any other provision of this Section, "salary" does not include any consideration payment made to a Tier 1 employee.

(Source: P.A. 84-1028.)

(40 ILCS 5/16-121.1 new)

Sec. 16-121.1. Future increase in income. "Future increase in income" means an increase to a Tier 1 employee's base pay that is offered by an employer to the Tier 1 employee for service under this Article after June 30, 2018 that qualifies as "salary", as defined in Section 16-121, or would qualify as "salary" but for the fact that it was offered to and accepted by the Tier 1 employee under the condition set forth in subsection (c) of Section 16-122.9. The term "future increase in income" includes an increase to a Tier 1

employee's base pay that is paid to the Tier 1 employee pursuant to an extension, amendment, or renewal of any such employment contract or collective bargaining agreement after the effective date of this Section.

(40 ILCS 5/16-121.2 new)

Sec. 16-121.2. Base pay. As used in Section 16-121.1 of this Code, "base pay" means the greater of either (i) the Tier 1 employee's annualized rate of salary as of June 30, 2018, or (ii) the Tier 1 employee's annualized rate of salary immediately preceding the expiration, renewal, or amendment of an employment contract or collective bargaining agreement in effect on the effective date of this Section. For a person returning to active service as a Tier 1 employee after June 30, 2018, however, "base pay" means the employee's annualized rate of salary as of the employee's last date of service prior to July 1, 2018. The System shall calculate the base pay of each Tier 1 employee pursuant to this Section.

(40 ILCS 5/16-122.9 new)

Sec. 16-122.9. Election by Tier 1 employees.

(a) Each active Tier 1 employee shall make an irrevocable election either:

(1) to agree to delay his or her eligibility for automatic annual increases in retirement annuity as provided in subsection (a-1) of Section 16-133.1 or subsection (b-1) of Section 16-136.1, whichever is applicable, and to have the amount of the automatic annual increases in his or her retirement annuity and survivor benefit that are otherwise provided for in this Article calculated, instead, as provided in subsection (a-1) of Section 16-133.1 or subsection (b-1) of Section 16-136.1, whichever is applicable; or

(2) to not agree to paragraph (1) of this subsection.

The election required under this subsection (a) shall be made by each active Tier 1 employee no earlier than January 1, 2018 and no later than March 31, 2018, except that:

(i) a person who becomes a Tier 1 employee under this Article on or after February 1, 2018 must make the election under this subsection (a) within 60 days after becoming a Tier 1 employee; and

(ii) a person who returns to active service as a Tier 1 employee under this Article on or after February 1, 2018 and has not yet made an election under this Section must make the election under this subsection (a) within 60 days after returning to active service as a Tier 1 employee.

If a Tier 1 employee fails for any reason to make a required election under this subsection within the time specified, then the employee shall be deemed to have made the election under paragraph (2) of this subsection.

(a-5) If this Section is enjoined or stayed by an Illinois court or a court of competent jurisdiction pending the entry of a final and unappealable decision, and this Section is determined to be constitutional or otherwise valid by a final unappealable decision of an Illinois court or a court of competent jurisdiction, then the election procedure set forth in subsection (a) of this Section shall commence on the 180th calendar day after the date of the issuance of the final unappealable decision and shall conclude at the end of the 270th calendar day after that date.

(a-10) All elections under subsection (a) that are made or deemed to be made before July 1, 2018 shall take effect on July 1, 2018. Elections that are made or deemed to be made on or after July 1, 2018 shall take effect on the first day of the month following the month in which the election is made or deemed to be made.

(b) As adequate and legal consideration provided under this amendatory Act of the 100th General Assembly for making an election under paragraph (1) of subsection (a) of this Section, an employer shall be expressly and irrevocably prohibited from offering any future increases in income to a Tier 1 employee who has made an election under paragraph (1) of subsection (a) of this Section on the condition of not constituting salary under Section 16-121.

As adequate and legal consideration provided under this amendatory Act of the 100th General Assembly for making an election under paragraph (1) of subsection (a) of this Section, each Tier 1 employee who has made an election under paragraph (1) of subsection (a) of this Section shall receive a consideration payment equal to 10% of the contributions made by or on behalf of the employee under paragraphs (1), (2), and (3) of subsection (a) of Section 16-152 before the effective date of that election. The State Comptroller shall pay the consideration payment to the Tier 1 employee out of funds appropriated for that purpose under Section 1.9 of the State Pension Funds Continuing Appropriation Act. The System shall calculate the amount of each consideration payment and, by July 1, 2018, shall certify to the State Comptroller the amount of the consideration payment, together with the name, address, and any other available payment information of the Tier 1 employee as found in the records of the System. The System shall make additional calculations and certifications of consideration payments to the State Comptroller as the System deems necessary.

(c) A Tier 1 employee who makes the election under paragraph (2) of subsection (a) of this Section shall not be subject to paragraph (1) of subsection (a) of this Section. However, each future increase in income offered by an employer under this Article to a Tier 1 employee who has made the election under paragraph

(2) of subsection (a) of this Section shall be offered by the employer expressly and irrevocably on the condition of not constituting salary under Section 16-121 and that the Tier 1 employee's acceptance of the offered future increase in income shall constitute his or her agreement to that condition.

(d) The System shall make a good faith effort to contact each Tier 1 employee subject to this Section. The System shall mail information describing the required election to each Tier 1 employee by United States Postal Service mail to his or her last known address on file with the System. If the Tier 1 employee is not responsive to other means of contact, it is sufficient for the System to publish the details of any required elections on its website or to publish those details in a regularly published newsletter or other existing public forum.

Tier 1 employees who are subject to this Section shall be provided with an election packet containing information regarding their options, as well as the forms necessary to make the required election. Upon request, the System shall offer Tier 1 employees an opportunity to receive information from the System before making the required election. The information may consist of video materials, group presentations, individual consultation with a member or authorized representative of the System in person or by telephone or other electronic means, or any combination of those methods. The System shall not provide advice or counseling with respect to which election a Tier 1 employee should make or specific to the legal or tax circumstances of or consequences to the Tier 1 employee.

The System shall inform Tier 1 employees in the election packet required under this subsection that the Tier 1 employee may also wish to obtain information and counsel relating to the election required under this Section from any other available source, including, but not limited to, labor organizations and private counsel.

In no event shall the System, its staff, or the Board be held liable for any information given to a member regarding the elections under this Section. The System shall coordinate with the Illinois Department of Central Management Services and each other retirement system administering an election in accordance with this amendatory Act of the 100th General Assembly to provide information concerning the impact of the election set forth in this Section.

(e) Notwithstanding any other provision of law, an employer under this Article is required to offer each future increase in income expressly and irrevocably on the condition of not constituting "salary" under Section 16-121 to any Tier 1 employee who has made an election under paragraph (2) of subsection (a) of this Section. The offer shall also provide that the Tier 1 employee's acceptance of the offered future increase in income shall constitute his or her agreement to the condition set forth in this subsection.

For purposes of legislative intent, the condition set forth in this subsection shall be construed in a manner that ensures that the condition is not violated or circumvented through any contrivance of any kind.

(f) A member's election under this Section is not a prohibited election under subdivision (j)(1) of Section 1-119 of this Code.

(g) No provision of this Section shall be interpreted in a way that would cause the System to cease to be a qualified plan under Section 401(a) of the Internal Revenue Code of 1986.

(h) If an election created by this amendatory Act in any other Article of this Code or any change deriving from that election is determined to be unconstitutional or otherwise invalid by a final unappealable decision of an Illinois court or a court of competent jurisdiction, the invalidity of that provision shall not in any way affect the validity of this Section or the changes deriving from the election required under this Section.

(40 ILCS 5/16-133.1) (from Ch. 108 1/2, par. 16-133.1)

(Text of Section WITHOUT the changes made by P.A. 98-599, which has been held unconstitutional)

Sec. 16-133.1. Automatic annual increase in annuity.

(a) Each member with creditable service and retiring on or after August 26, 1969 is entitled to the automatic annual increases in annuity provided under this Section while receiving a retirement annuity or disability retirement annuity from the system.

Except as otherwise provided in subsection (a-1), an ~~An~~ annuitant shall first be entitled to an initial increase under this Section on the January 1 next following the first anniversary of retirement, or January 1 of the year next following attainment of age 61, whichever is later. At such time, the system shall pay an initial increase determined as follows:

(1) 1.5% of the originally granted retirement annuity or disability retirement annuity multiplied by the number of years elapsed, if any, from the date of retirement until January 1, 1972, plus

(2) 2% of the originally granted annuity multiplied by the number of years elapsed, if any, from the date of retirement or January 1, 1972, whichever is later, until January 1, 1978, plus

(3) 3% of the originally granted annuity multiplied by the number of years elapsed from the date of retirement or January 1, 1978, whichever is later, until the effective date of the initial increase.

However, the initial annual increase calculated under this Section for the recipient of a disability retirement annuity granted under Section 16-149.2 shall be reduced by an amount equal to the total of all increases in that annuity received under Section 16-149.5 (but not exceeding 100% of the amount of the initial increase otherwise provided under this Section).

Except as otherwise provided in subsection (a-1), following ~~Following~~ the initial increase, automatic annual increases in annuity shall be payable on each January 1 thereafter during the lifetime of the annuitant, determined as a percentage of the originally granted retirement annuity or disability retirement annuity for increases granted prior to January 1, 1990, and calculated as a percentage of the total amount of annuity, including previous increases under this Section, for increases granted on or after January 1, 1990, as follows: 1.5% for periods prior to January 1, 1972, 2% for periods after December 31, 1971 and prior to January 1, 1978, and 3% for periods after December 31, 1977.

(a-1) Notwithstanding any other provision of this Article, for a Tier 1 employee who made the election under paragraph (1) of subsection (a) of Section 16-122.9:

(1) The initial increase in retirement annuity under this Section shall occur on the January 1 occurring either on or after the attainment of age 67 or the fifth anniversary of the annuity start date, whichever is earlier.

(2) The amount of each automatic annual increase in retirement annuity and survivor benefit occurring on or after the effective date of that election shall be calculated as a percentage of the originally granted retirement annuity or survivor benefit, equal to 3% or one-half the annual unadjusted percentage increase (but not less than zero) in the consumer price index-u for the 12 months ending with the September preceding each November 1, whichever is less. If the annual unadjusted percentage change in the consumer price index-u for the 12 months ending with the September preceding each November 1 is zero or there is a decrease, then the annuity shall not be increased.

For the purposes of this Section, "consumer price index-u" means the index published by the Bureau of Labor Statistics of the United States Department of Labor that measures the average change in prices of goods and services purchased by all urban consumers, United States city average, all items, 1982-84 = 100. The new amount resulting from each annual adjustment shall be determined by the Public Pension Division of the Department of Insurance and made available to the board of the retirement system by November 1 of each year.

(b) The automatic annual increases in annuity provided under this Section shall not be applicable unless a member has made contributions toward such increases for a period equivalent to one full year of creditable service. If a member contributes for service performed after August 26, 1969 but the member becomes an annuitant before such contributions amount to one full year's contributions based on the salary at the date of retirement, he or she may pay the necessary balance of the contributions to the system and be eligible for the automatic annual increases in annuity provided under this Section.

(c) Each member shall make contributions toward the cost of the automatic annual increases in annuity as provided under Section 16-152.

(d) An annuitant receiving a retirement annuity or disability retirement annuity on July 1, 1969, who subsequently re-enters service as a teacher is eligible for the automatic annual increases in annuity provided under this Section if he or she renders at least one year of creditable service following the latest re-entry.

(e) In addition to the automatic annual increases in annuity provided under this Section, an annuitant who meets the service requirements of this Section and whose retirement annuity or disability retirement annuity began on or before January 1, 1971 shall receive, on January 1, 1981, an increase in the annuity then being paid of one dollar per month for each year of creditable service. On January 1, 1982, an annuitant whose retirement annuity or disability retirement annuity began on or before January 1, 1977 shall receive an increase in the annuity then being paid of one dollar per month for each year of creditable service.

On January 1, 1987, any annuitant whose retirement annuity began on or before January 1, 1977, shall receive an increase in the monthly retirement annuity equal to 8¢ per year of creditable service times the number of years that have elapsed since the annuity began.

(Source: P.A. 91-927, eff. 12-14-00.)

(40 ILCS 5/16-136.1) (from Ch. 108 1/2, par. 16-136.1)

(Text of Section WITHOUT the changes made by P.A. 98-599, which has been held unconstitutional)

Sec. 16-136.1. Annual increase for certain annuitants.

(a) Any annuitant receiving a retirement annuity on June 30, 1969 and any member retiring after June 30, 1969 shall be eligible for the annual increases provided under this Section provided the annuitant is ineligible for the automatic annual increase in annuity provided under Section 16-133.1, and provided further that (1) retirement occurred at age 55 or over and was based on 5 or more years of creditable service

or (2) if retirement occurred prior to age 55, the retirement annuity was based on 20 or more years of creditable service.

(b) Except as otherwise provided in subsection (b-1), an ~~An~~ annuitant entitled to increases under this Section shall be entitled to the initial increase as of the later of: (1) January 1 following attainment of age 65, (2) January 1 following the first anniversary of retirement, or (3) the first day of the month following receipt of the required qualifying contribution from the annuitant. The initial monthly increase shall be computed on the basis of the period elapsed between the later of the date of last retirement or attainment of age 50 and the date of qualification for the initial increase, at the rate of 1 1/2% of the original monthly retirement annuity per year for periods prior to September 1, 1971, and at the rate of 2% per year for periods between September 1, 1971 and September 1, 1978, and at the rate of 3% per year for periods thereafter.

Except as otherwise provided in subsection (b-1), if applicable, an ~~An~~ annuitant who has received an initial increase under this Section~~,~~ shall be entitled, on each January 1 following the granting of the initial increase, to an increase of 3% of the original monthly retirement annuity for increases granted prior to January 1, 1990, and equal to 3% of the total annuity, including previous increases under this Section, for increases granted on or after January 1, 1990. The original monthly retirement annuity for computations under this subsection (b) shall be considered to be $83.34 for any annuitant entitled to benefits under Section 16-134. The minimum original disability retirement annuity for computations under this subsection (b) shall be considered to be $33.34 per month for any annuitant retired on account of disability.

(b-1) Notwithstanding any other provision of this Article, for a Tier 1 employee who made the election under paragraph (1) of subsection (a) of Section 16-122.9:

(1) The initial increase in retirement annuity under this Section shall occur on the January 1 occurring either on or after the attainment of age 67 or the fifth anniversary of the annuity start date, whichever is earlier.

(2) The amount of each automatic annual increase in retirement annuity or survivor benefit occurring on or after the effective date of that election shall be calculated as a percentage of the originally granted retirement annuity or survivor benefit, equal to 3% or one-half the annual unadjusted percentage increase (but not less than zero) in the consumer price index-u for the 12 months ending with the September preceding each November 1, whichever is less. If the annual unadjusted percentage change in the consumer price index-u for the 12 months ending with the September preceding each November 1 is zero or there is a decrease, then the annuity shall not be increased.

For the purposes of this Section, "consumer price index-u" means the index published by the Bureau of Labor Statistics of the United States Department of Labor that measures the average change in prices of goods and services purchased by all urban consumers, United States city average, all items, 1982-84 = 100. The new amount resulting from each annual adjustment shall be determined by the Public Pension Division of the Department of Insurance and made available to the board of the retirement system by November 1 of each year.

(c) An annuitant who otherwise qualifies for annual increases under this Section must make a one-time payment of 1% of the monthly final average salary for each full year of the creditable service forming the basis of the retirement annuity or, if the retirement annuity was not computed using final average salary, 1% of the original monthly retirement annuity for each full year of service forming the basis of the retirement annuity.

(d) In addition to other increases which may be provided by this Section, regardless of creditable service, annuitants not meeting the service requirements of Section 16-133.1 and whose retirement annuity began on or before January 1, 1971 shall receive, on January 1, 1981, an increase in the retirement annuity then being paid of one dollar per month for each year of creditable service forming the basis of the retirement allowance. On January 1, 1982, annuitants whose retirement annuity began on or before January 1, 1977, shall receive an increase in the retirement annuity then being paid of one dollar per month for each year of creditable service.

On January 1, 1987, any annuitant whose retirement annuity began on or before January 1, 1977, shall receive an increase in the monthly retirement annuity equal to 8¢ per year of creditable service times the number of years that have elapsed since the annuity began.

(Source: P.A. 86-273.)

(40 ILCS 5/16-152) (from Ch. 108 1/2, par. 16-152)

(Text of Section WITHOUT the changes made by P.A. 98-599, which has been held unconstitutional)

Sec. 16-152. Contributions by members.

(a) Except as otherwise provided in subsection (a-5), each ~~Each~~ member shall make contributions for membership service to this System as follows:

(1) Effective July 1, 1998, contributions of 7.50% of salary towards the cost of the

retirement annuity. Such contributions shall be deemed "normal contributions".

(2) Effective July 1, 1969, contributions of 1/2 of 1% of salary toward the cost of the automatic annual increase in retirement annuity provided under Section 16-133.1.

(3) Effective July 24, 1959, contributions of 1% of salary towards the cost of survivor benefits. Such contributions shall not be credited to the individual account of the member and shall not be subject to refund except as provided under Section 16-143.2.

(4) Effective July 1, 2005, contributions of 0.40% of salary toward the cost of the early retirement without discount option provided under Section 16-133.2. This contribution shall cease upon termination of the early retirement without discount option as provided in Section 16-133.2.

(a-5) Beginning July 1, 2018 or the effective date of the Tier 1 employee's election under paragraph (1) of subsection (a) of Section 16-122.9, whichever is later, in lieu of the contributions otherwise required under subsection (a), each Tier 1 employee who made the election under paragraph (1) of subsection (a) of Section 16-122.9 shall make contributions as follows:

(1) Contributions of 7.50% of salary towards the cost of the retirement annuity. Such contributions shall be deemed "normal contributions".

(2) Contributions of 0.60% towards the cost of survivor benefits. Such contributions shall not be credited to the individual account of the member and shall not be subject to refund except as provided in Section 16-143.2.

(3) Contributions of 0.40% of salary toward the cost of the early retirement without discount option provided under Section 16-133.2. This contribution shall cease upon termination of the early retirement without discount option as provided in Section 16-133.2.

(b) The minimum required contribution for any year of full-time teaching service shall be $192.

(c) Contributions shall not be required of any annuitant receiving a retirement annuity who is given employment as permitted under Section 16-118 or 16-150.1.

(d) A person who (i) was a member before July 1, 1998, (ii) retires with more than 34 years of creditable service, and (iii) does not elect to qualify for the augmented rate under Section 16-129.1 shall be entitled, at the time of retirement, to receive a partial refund of contributions made under this Section for service occurring after the later of June 30, 1998 or attainment of 34 years of creditable service, in an amount equal to 1.00% of the salary upon which those contributions were based.

(e) A member's contributions toward the cost of early retirement without discount made under item (a)(4) of this Section shall not be refunded if the member has elected early retirement without discount under Section 16-133.2 and has begun to receive a retirement annuity under this Article calculated in accordance with that election. Otherwise, a member's contributions toward the cost of early retirement without discount made under item (a)(4) of this Section shall be refunded according to whichever one of the following circumstances occurs first:

(1) The contributions shall be refunded to the member, without interest, within 120 days after the member's retirement annuity commences, if the member does not elect early retirement without discount under Section 16-133.2.

(2) The contributions shall be included, without interest, in any refund claimed by the member under Section 16-151.

(3) The contributions shall be refunded to the member's designated beneficiary (or if there is no beneficiary, to the member's estate), without interest, if the member dies without having begun to receive a retirement annuity under this Article.

(4) The contributions shall be refunded to the member, without interest, if the early retirement without discount option provided under subsection (d) of Section 16-133.2 is terminated. In that event, the System shall provide to the member, within 120 days after the option is terminated, an application for a refund of those contributions.

(Source: P.A. 98-42, eff. 6-28-13; 98-92, eff. 7-16-13; 99-642, eff. 7-28-16.)

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

(Text of Section WITHOUT the changes made by P.A. 98-599, which has been held unconstitutional)

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

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

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

(a-1) Annually, on or before November 15 until November 15, 2011, the Board shall certify to the Governor the amount of the required State contribution for the coming fiscal year. The certification under this subsection (a-1) shall include a copy of the actuarial recommendations upon which it is based and shall specifically identify the System's projected State normal cost for that fiscal year.

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

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

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

(a-5) On or before November 1 of each year, beginning November 1, 2012, the Board shall submit to the State Actuary, the Governor, and the General Assembly a proposed certification of the amount of the required State contribution to the System for the next fiscal year, along with all of the actuarial assumptions, calculations, and data upon which that proposed certification is based. On or before January 1 of each year, beginning January 1, 2013, the State Actuary shall issue a preliminary report concerning the proposed certification and identifying, if necessary, recommended changes in actuarial assumptions that the Board must consider before finalizing its certification of the required State contributions. On or before January 15, 2013 and each January 15 thereafter, the Board shall certify to the Governor and the General Assembly the amount of the required State contribution for the next fiscal year. The Board's certification must note any deviations from the State Actuary's recommended changes, the reason or reasons for not following the State Actuary's recommended changes, and the fiscal impact of not following the State Actuary's recommended changes on the required State contribution.

(a-10) As soon as practical after the effective date of this amendatory Act of the 100th General Assembly, the State Actuary and the Board shall recalculate and recertify to the Governor and the General Assembly the amount of the State contribution to the System for State fiscal year 2018, taking into account the changes in required State contributions made by this amendatory Act of the 100th General Assembly.

(a-15) On or before May 1, 2018, the Board shall recalculate and recertify to the Governor and the General Assembly the amount of the required State contribution to the System for State fiscal year 2019, taking into account the effect on the System's liabilities of the elections made under Section 16-122.9.

On or before October 1, 2018, the Board shall recalculate and recertify to the Governor and the General Assembly the amount of the required State contribution to the System for State fiscal year 2019, taking into account the reduction specified under item (3) of subsection (b-3) of this Section.

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

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

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

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

(b-3) For State fiscal years 2018 through 2045 (except as otherwise provided for fiscal year 2019), the minimum contribution to the System to be made by the State for each fiscal year shall be an amount determined by the System to be sufficient to bring the total assets of the System up to 90% of the total

actuarial liabilities of the System by the end of State fiscal year 2045. In making these determinations, the required State contribution shall be calculated each year as a level percentage of total payroll, including payroll that is not deemed pensionable, but excluding payroll attributable to participants in the defined contribution plan under Section 16-205.1, over the years remaining to and including fiscal year 2045 and shall be determined under the projected unit credit actuarial cost method.

For State fiscal year 2019:

(1) The initial calculation and certification shall be based on the amount determined above.

(2) For purposes of the recertification due on or before May 1, 2018, the recalculation of the required State contribution for fiscal year 2019 shall take into account the effect on the System's liabilities of the elections made under Section 16-122.9.

(3) For purposes of the recertification due on or before October 1, 2018, the total required State contribution for fiscal year 2019 shall be reduced by the amount of the consideration payments made to Tier 1 employees who made the election under paragraph (1) of subsection (a) of Section 16-122.9.

Beginning in State fiscal year 2018, any increase or decrease in State contribution over the prior fiscal year due exclusively to changes in actuarial or investment assumptions adopted by the Board shall be included in the State contribution to the System, as a percentage of the applicable employee payroll, and shall be increased in equal annual increments so that by the State fiscal year occurring 5 years after the adoption of the actuarial or investment assumptions, the State is contributing at the rate otherwise required under this Section.

For State fiscal years 2012 through 2017 ~~2045~~, the minimum contribution to the System to be made by the State for each fiscal year shall be an amount determined by the System to be sufficient to bring the total assets of the System up to 90% of the total actuarial liabilities of the System by the end of State fiscal year 2045. In making these determinations, the required State contribution shall be calculated each year as a level percentage of payroll over the years remaining to and including fiscal year 2045 and shall be determined under the projected unit credit actuarial cost method.

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

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

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

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

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

Notwithstanding any other provision of this Article, the total required State contribution for State fiscal year 2011 is the amount recertified by the System on or before April 1, 2011 pursuant to subsection (a-1) of this Section and shall be made from the proceeds of bonds sold in fiscal year 2011 pursuant to Section 7.2 of the General Obligation Bond Act, less (i) the pro rata share of bond sale expenses determined by the System's share of total bond proceeds, (ii) any amounts received from the Common School Fund in fiscal year 2011, and (iii) any reduction in bond proceeds due to the issuance of discounted bonds, if applicable. This amount shall include, in addition to the amount certified by the System, an amount necessary to meet employer contributions required by the State as an employer under paragraph (e) of this Section, which may also be used by the System for contributions required by paragraph (a) of Section 16-127.

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

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

Notwithstanding any other provision of this Section, the required State contribution for State fiscal year 2005 and for fiscal year 2008 and each fiscal year thereafter, as calculated under this Section and certified under subsection (a-1), shall not exceed an amount equal to (i) the amount of the required State contribution that would have been calculated under this Section for that fiscal year if the System had not received any payments under subsection (d) of Section 7.2 of the General Obligation Bond Act, minus (ii) the portion of the State's total debt service payments for that fiscal year on the bonds issued in fiscal year 2003 for the purposes of that Section 7.2, as determined and certified by the Comptroller, that is the same as the System's portion of the total moneys distributed under subsection (d) of Section 7.2 of the General Obligation Bond Act. In determining this maximum for State fiscal years 2008 through 2010, however, the amount referred to in item (i) shall be increased, as a percentage of the applicable employee payroll, in equal increments calculated from the sum of the required State contribution for State fiscal year 2007 plus the applicable portion of the State's total debt service payments for fiscal year 2007 on the bonds issued in fiscal year 2003 for the purposes of Section 7.2 of the General Obligation Bond Act, so that, by State fiscal year 2011, the State is contributing at the rate otherwise required under this Section.

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

If members are paid from special trust or federal funds which are administered by the employing unit, whether school district or other unit, the employing unit shall pay to the System from such funds the full accruing retirement costs based upon that service, which, beginning July 1, 2014, shall be at a rate, expressed as a percentage of salary, equal to the total minimum contribution to the System to be made by the State for that fiscal year, including both normal cost and unfunded liability components, expressed as a percentage of payroll, as determined by the System under subsection (b-3) of this Section. Employer contributions, based on salary paid to members from federal funds, may be forwarded by the distributing agency of the State of Illinois to the System prior to allocation, in an amount determined in accordance with guidelines established by such agency and the System. Any contribution for fiscal year 2015 collected as a result of the change made by this amendatory Act of the 98th General Assembly shall be considered a State contribution under subsection (b-3) of this Section.

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

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

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

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

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

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

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

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

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

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

(f) For school years beginning on or after June 1, 2005 and before July 1, 2018, if ~~If~~ the amount of a teacher's salary for any school year used to determine final average salary exceeds the member's annual full-time salary rate with the same employer for the previous school year by more than 6%, the teacher's employer shall pay to the System, in addition to all other payments required under this Section and in accordance with guidelines established by the System, the present value of the increase in benefits resulting from the portion of the increase in salary that is in excess of 6%. This present value shall be computed by the System on the basis of the actuarial assumptions and tables used in the most recent actuarial valuation of the System that is available at the time of the computation. If a teacher's salary for the 2005-2006 school year is used to determine final average salary under this subsection (f), then the changes made to this subsection (f) by Public Act 94-1057 shall apply in calculating whether the increase in his or her salary is in excess of 6%. For the purposes of this Section, change in employment under Section 10-21.12 of the School Code on or after June 1, 2005 shall constitute a change in employer. The System may require the employer to provide any pertinent information or documentation. The changes made to this subsection (f) by this amendatory Act of the 94th General Assembly apply without regard to whether the teacher was in service on or after its effective date.

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

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

(f-1) For school years beginning on or after July 1, 2018, if the amount of a teacher's salary for any school year used to determine final average salary exceeds the member's annual full-time salary rate with the same employer for the previous school year by more than the unadjusted percentage increase in the consumer price index-u for the calendar year immediately preceding the beginning of the school year, published by the Public Pension Division of the Department of Insurance by November 1 of each year, then the teacher's employer shall pay to the System, in addition to all other payments required under this Section and in accordance with guidelines established by the System, the present value of the increase in benefits resulting from the portion of the increase in salary that is in excess of the unadjusted percentage increase in the consumer price index-u for the applicable calendar year. This present value shall be computed by the System on the basis of the actuarial assumptions and tables used in the most recent actuarial valuation of the System that is available at the time of the computation. The System may require the employer to provide any pertinent information or documentation.

Whenever it determines that a payment is or may be required under this subsection (f-1), the System shall calculate the amount of the payment and bill the employer for that amount. The bill shall specify the

calculations used to determine the amount due. If the employer disputes the amount of the bill, it may, within 30 days after receipt of the bill, apply to the System in writing for a recalculation. The application must specify in detail the grounds of the dispute and, if the employer asserts that the calculation is subject to subsection (h-1) of this Section, must include an affidavit setting forth and attesting to all facts within the employer's knowledge that are pertinent to the applicability of subsection (h-1). Upon receiving a timely application for recalculation, the System shall review the application and, if appropriate, recalculate the amount due.

The employer contributions required under this subsection (f-1) may be paid in the form of a lump sum within 90 days after receipt of the bill. If the employer contributions are not paid within 90 days after receipt of the bill, then interest shall be charged at a rate equal to the System's annual actuarially assumed rate of return on investment compounded annually from the 91st day after receipt of the bill. Payments must be concluded within 3 years after the employer's receipt of the bill.

For the purposes of this Section, "consumer price index-u" means the index published by the Bureau of Labor Statistics of the United States Department of Labor that measures the average change in prices of goods and services purchased by all urban consumers, United States city average, all items, 1982-84 = 100. The new amount resulting from each annual adjustment shall be determined by the Public Pension Division of the Department of Insurance and made available to the boards of the retirement systems and pension funds by November 1 of each year.

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

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

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

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

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

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

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

(h-1) When assessing payment for any amount due under subsection (f-1), the System shall exclude earnings increases paid to participants under contracts or collective bargaining agreements entered into, amended, or renewed before the effective date of this amendatory Act of the 100th General Assembly.

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

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

(2) The dollar amount by which each employer's contribution to the System was changed

due to recalculations required by Public Act 94-1057.

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

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

(i-5) For school years beginning on or after July 1, 2018, if the amount of a participant's salary for any school year, determined on a full-time equivalent basis, exceeds $140,000, the participant's employer shall pay to the System, in addition to all other payments required under this Section and in accordance with guidelines established by the System, the amount of earnings that exceed $140,000 multiplied by the level percentage of payroll used in that fiscal year as determined by the System to be sufficient to bring the total assets of the System up to 90% of the total actuarial liabilities of the System by the end of State fiscal year 2045. This amount shall be computed by the System on the basis of the actuarial assumptions and tables used in the most recent actuarial valuation of the System that is available at the time of the computation. The System may require the employer to provide any pertinent information or documentation.

Whenever it determines that a payment is or may be required under this subsection, the System shall calculate the amount of the payment and bill the employer for that amount. The bill shall specify the calculations used to determine the amount due. If the employer disputes the amount of the bill, it may, within 30 days after receipt of the bill, apply to the System in writing for a recalculation. The application must specify in detail the grounds of the dispute. Upon receiving a timely application for recalculation, the System shall review the application and, if appropriate, recalculate the amount due.

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

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

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

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

(l) If Section 16-122.9 is determined to be unconstitutional or otherwise invalid by a final unappealable decision of an Illinois court or a court of competent jurisdiction, then the changes made to this Section by this amendatory Act of the 100th General Assembly shall not take effect and are repealed by operation of law.

(Source: P.A. 96-43, eff. 7-15-09; 96-1497, eff. 1-14-11; 96-1511, eff. 1-27-11; 96-1554, eff. 3-18-11; 97-694, eff. 6-18-12; 97-813, eff. 7-13-12; 98-674, eff. 6-30-14.)

(40 ILCS 5/16-190.5 new)

Sec. 16-190.5. Accelerated pension benefit payment.

(a) As used in this Section:

"Eligible person" means a person who:

(1) has terminated service;

(2) has accrued sufficient service credit to be eligible to receive a retirement annuity under this Article;

(3) has not received any retirement annuity under this Article; and

(4) does not have a QILDRO in effect against him or her under this Article.

"Pension benefit" means the benefits under this Article, or Article 1 as it relates to those benefits, including any anticipated annual increases, that an eligible person is entitled to upon attainment of the applicable retirement age. "Pension benefit" also includes applicable survivor's or disability benefits.

(b) Before January 1, 2018, and annually thereafter, the System shall calculate, using actuarial tables and other assumptions adopted by the Board, the net present value of pension benefits for each eligible person and shall offer each eligible person the opportunity to irrevocably elect to receive an amount determined by the System to be equal to 70% of the net present value of his or her pension benefits in lieu of receiving any pension benefit. The offer shall specify the dollar amount that the eligible person will receive if he or she so elects and shall expire when a subsequent offer is made to an eligible person or when the System determines that 10% of eligible persons in that year have made the election under this

subsection, whichever occurs first. The System shall make a good faith effort to contact every eligible person to notify him or her of the election and of the amount of the accelerated pension benefit payment.

Until the System determines that 10% of eligible persons in that year have made the election under this subsection, an eligible person may irrevocably elect to receive an accelerated pension benefit payment in the amount that the System offers under this subsection in lieu of receiving any pension benefit. A person who elects to receive an accelerated pension benefit payment under this Section may not elect to proceed under the Retirement Systems Reciprocal Act with respect to service under this Article.

(c) A person's credits and creditable service under this Article shall be terminated upon the person's receipt of an accelerated pension benefit payment under this Section, and no other benefit shall be paid under this Article based on those terminated credits and creditable service, including any retirement, survivor, or other benefit; except that to the extent that participation, benefits, or premiums under the State Employees Group Insurance Act of 1971 are based on the amount of service credit, the terminated service credit shall be used for that purpose.

(d) If a person who has received an accelerated pension benefit payment under this Section returns to active service under this Article, then:

(1) Any benefits under the System earned as a result of that return to active service shall be based solely on the person's credits and creditable service arising from the return to active service.

(2) The accelerated pension benefit payment may not be repaid to the System, and the terminated credits and creditable service may not under any circumstances be reinstated.

(e) As a condition of receiving an accelerated pension benefit payment, an eligible person must have another retirement plan or account qualified under the Internal Revenue Code of 1986, as amended, for the accelerated pension benefit payment to be rolled into. The accelerated pension benefit payment under this Section may be subject to withholding or payment of applicable taxes, but to the extent permitted by federal law, a person who receives an accelerated pension benefit payment under this Section must direct the System to pay all of that payment as a rollover into another retirement plan or account qualified under the Internal Revenue Code of 1986, as amended.

(f) Before January 1, 2019 and every January 1 thereafter, the Board shall certify to the Illinois Finance Authority and the General Assembly the amount by which the total amount of accelerated pension benefit payments made under this Section exceed the amount appropriated to the System for the purpose of making those payments.

(g) The Board shall adopt any rules necessary to implement this Section.

(h) No provision of this Section shall be interpreted in a way that would cause the applicable System to cease to be a qualified plan under the Internal Revenue Code of 1986.

(i) Notwithstanding any other provision of this Section, in no case shall the total amount of accelerated pension benefit payments paid under this Section, Section 14-147.5, and Section 15-185.5, and Section 16-190.5 cause the Illinois Finance Authority to issue more than the $250,000,000 of State Pension Obligation Acceleration Bonds authorized in subsection (c-5) of Section 801-40 of the Illinois Finance Authority Act.

(40 ILCS 5/16-203)

(Text of Section WITHOUT the changes made by P.A. 98-599, which has been held unconstitutional)

Sec. 16-203. Application and expiration of new benefit increases.

(a) As used in this Section, "new benefit increase" means an increase in the amount of any benefit provided under this Article, or an expansion of the conditions of eligibility for any benefit under this Article, that results from an amendment to this Code that takes effect after June 1, 2005 (the effective date of Public Act 94-4). "New benefit increase", however, does not include any benefit increase resulting from the changes made to this Article by Public Act 95-910 or this amendatory Act of the 100th ~~95th~~ General Assembly.

(b) Notwithstanding any other provision of this Code or any subsequent amendment to this Code, every new benefit increase is subject to this Section and shall be deemed to be granted only in conformance with and contingent upon compliance with the provisions of this Section.

(c) The Public Act enacting a new benefit increase must identify and provide for payment to the System of additional funding at least sufficient to fund the resulting annual increase in cost to the System as it accrues.

Every new benefit increase is contingent upon the General Assembly providing the additional funding required under this subsection. The Commission on Government Forecasting and Accountability shall analyze whether adequate additional funding has been provided for the new benefit increase and shall report its analysis to the Public Pension Division of the Department of Insurance ~~Financial and Professional Regulation~~. A new benefit increase created by a Public Act that does not include the additional funding required under this subsection is null and void. If the Public Pension Division

determines that the additional funding provided for a new benefit increase under this subsection is or has become inadequate, it may so certify to the Governor and the State Comptroller and, in the absence of corrective action by the General Assembly, the new benefit increase shall expire at the end of the fiscal year in which the certification is made.

(d) Every new benefit increase shall expire 5 years after its effective date or on such earlier date as may be specified in the language enacting the new benefit increase or provided under subsection (c). This does not prevent the General Assembly from extending or re-creating a new benefit increase by law.

(e) Except as otherwise provided in the language creating the new benefit increase, a new benefit increase that expires under this Section continues to apply to persons who applied and qualified for the affected benefit while the new benefit increase was in effect and to the affected beneficiaries and alternate payees of such persons, but does not apply to any other person, including without limitation a person who continues in service after the expiration date and did not apply and qualify for the affected benefit while the new benefit increase was in effect.

(Source: P.A. 94-4, eff. 6-1-05; 95-910, eff. 8-26-08.)

(40 ILCS 5/16-205.1 new)

Sec. 16-205.1. Defined contribution plan.

(a) By July 1, 2018, the System shall prepare and implement a voluntary defined contribution plan for up to 5% of eligible active Tier 1 employees. The System shall determine the 5% cap by the number of active Tier 1 employees on the effective date of this Section. The defined contribution plan developed under this Section shall be a plan that aggregates employer and employee contributions in individual participant accounts which, after meeting any other requirements, are used for payouts after retirement in accordance with this Section and any other applicable laws.

As used in this Section, "defined benefit plan" means the retirement plan available under this Article to Tier 1 employees who have not made the election authorized under this Section.

(1) Under the defined contribution plan, an active Tier 1 employee of this System could elect to cease accruing benefits in the defined benefit plan under this Article and begin accruing benefits for future service in the defined contribution plan. Service credit under the defined contribution plan may be used for determining retirement eligibility under the defined benefit plan. An active Tier 1 employee who elects to cease accruing benefits in his or her defined benefit plan shall be prohibited from purchasing service credit on or after the date of his or her election. A Tier 1 employee making the irrevocable election provided under this Section shall not receive interest accruals to his or her benefit under paragraph (A) of subsection (a) of Section 16-133 on or after the date of his or her election.

(2) Participants in the defined contribution plan shall pay employee contributions at the same rate as Tier 1 employees in this System who do not participate in the defined contribution plan.

(3) State contributions shall be paid into the accounts of all participants in the defined contribution plan at a uniform rate, expressed as a percentage of salary and determined for each year. This rate shall be no higher than the employer's normal cost for Tier 1 employees in the defined benefit plan for that year, as determined by the System and expressed as a percentage of salary, and shall be no lower than 0% of salary. The State shall adjust this rate annually.

(4) The defined contribution plan shall require 5 years of participation in the defined contribution plan before vesting in State contributions. If the participant fails to vest in them, the State contributions, and the earnings thereon, shall be forfeited.

(5) The defined contribution plan may provide for participants in the plan to be eligible for the defined disability benefits available to other participants under this Article. If it does, the System shall reduce the employee contributions credited to the member's defined contribution plan account by an amount determined by the System to cover the cost of offering such benefits.

(6) The defined contribution plan shall provide a variety of options for investments. These options shall include investments in a fund created by the System and managed in accordance with legal and fiduciary standards, as well as investment options otherwise available.

(7) The defined contribution plan shall provide a variety of options for payouts to retirees and their survivors.

(8) To the extent authorized under federal law and as authorized by the System, the plan shall allow former participants in the plan to transfer or roll over employee and vested State contributions, and the earnings thereon, into other qualified retirement plans.

(9) The System shall reduce the employee contributions credited to the member's defined contribution plan account by an amount determined by the System to cover the cost of offering these benefits and any applicable administrative fees.

(b) Only persons who are active Tier 1 employees of the System on the effective date of this Section are eligible to participate in the defined contribution plan. Participation in the defined contribution plan shall

be limited to the first 5% of eligible persons who elect to participate. The election to participate in the defined contribution plan is voluntary and irrevocable.

(c) An eligible Tier 1 employee may irrevocably elect to participate in the defined contribution plan by filing with the System a written application to participate that is received by the System prior to its determination that 5% of eligible persons have elected to participate in the defined contribution plan.

When the System first determines that 5% of eligible persons have elected to participate in the defined contribution plan, the System shall provide notice to previously eligible employees that the plan is no longer available and shall cease accepting applications to participate.

(d) The System shall make a good faith effort to contact each active Tier 1 employee who is eligible to participate in the defined contribution plan. The System shall mail information describing the option to join the defined contribution plan to each of these employees to his or her last known address on file with the System. If the employee is not responsive to other means of contact, it is sufficient for the System to publish the details of the option on its website.

Upon request for further information describing the option, the System shall provide employees with information from the System before exercising the option to join the plan, including information on the impact to their vested benefits or non-vested service. The individual consultation shall include projections of the member's defined benefits at retirement or earlier termination of service and the value of the member's account at retirement or earlier termination of service. The System shall not provide advice or counseling with respect to whether the employee should exercise the option. The System shall inform Tier 1 employees who are eligible to participate in the defined contribution plan that they may also wish to obtain information and counsel relating to their option from any other available source, including but not limited to labor organizations, private counsel, and financial advisors.

(e) In no event shall the System, its staff, its authorized representatives, or the Board be liable for any information given to an employee under this Section. The System may coordinate with the Illinois Department of Central Management Services and other retirement systems administering a defined contribution plan in accordance with this amendatory Act of the 100th General Assembly to provide information concerning the impact of the option set forth in this Section.

(f) Notwithstanding any other provision of this Section, no person shall begin participating in the defined contribution plan until it has attained qualified plan status and received all necessary approvals from the U.S. Internal Revenue Service.

(g) The System shall report on its progress under this Section, including the available details of the defined contribution plan and the System's plans for informing eligible Tier 1 employees about the plan, to the Governor and the General Assembly on or before January 15, 2018.

(h) The intent of this amendatory Act of the 100th General Assembly is to ensure that the State's normal cost of participation in the defined contribution plan is similar, and if possible equal, to the State's normal cost of participation in the defined benefit plan, unless a lower State's normal cost is necessary to ensure cost neutrality.

(i) If Section 16-122.9 is determined to be unconstitutional or otherwise invalid by a final unappealable decision of an Illinois court or a court of competent jurisdiction, then this Section shall not take effect and is repealed by operation of law.

(40 ILCS 5/16-206.1 new)

Sec. 16-206.1. Defined contribution plan; termination. If the defined contribution plan is terminated or becomes inoperative pursuant to law, then each participant in the plan shall automatically be deemed to have been a contributing Tier 1 employee in the System's defined benefit plan during the time in which he or she participated in the defined contribution plan, and for that purpose the System shall be entitled to recover the amounts in the participant's defined contribution accounts.

(40 ILCS 5/17-106.05 new)

Sec. 17-106.05. Tier 1 employee. "Tier 1 employee": A teacher under this Article who first became a member or participant before January 1, 2011 under any reciprocal retirement system or pension fund established under this Code other than a retirement system or pension fund established under Article 2, 3, 4, 5, 6, or 18 of this Code. However, for the purposes of the election under Section 17-115.5, "Tier 1 employee" does not include a teacher under this Article who would qualify as a Tier 1 employee but who has made an irrevocable election on or before June 1, 2017 to retire from service pursuant to the terms of an employment contract or a collective bargaining agreement in effect on June 1, 2017, excluding any extension, amendment, or renewal of that agreement after that date, and has notified the Fund of that election.

(40 ILCS 5/17-113.4 new)

Sec. 17-113.4. Salary. "Salary" means any income in any form that qualifies as "average salary" or "annual rate of salary" for purposes of paragraph (1) of subsection (c) of Section 17-116 and "salary" for payroll deduction purposes under Sections 17-130, 17-131, and 17-132.

Notwithstanding any other provision of this Section, "salary" does not include any future increase in income that is offered by an employer for service as a Tier 1 employee under this Article pursuant to the condition set forth in subsection (c) of Section 17-115.5 and accepted under that condition by a Tier 1 employee who has made the election under paragraph (2) of subsection (a) of Section 17-115.5.

(40 ILCS 5/17-113.5 new)

Sec. 17-113.5. Future increase in income. "Future increase in income" means an increase to a Tier 1 employee's base pay that is offered by an employer to the Tier 1 employee for service under this Article after June 30, 2018 that qualifies as "salary", as defined in Section 17-113.4, or would qualify as "salary" but for the fact that it was offered to and accepted by the Tier 1 employee under the condition set forth in subsection (c) of Section 17-115.5. The term "future increase in income" includes an increase to a Tier 1 employee's base pay that is paid to the Tier 1 employee pursuant to an extension, amendment, or renewal of any employment contract or collective bargaining agreement after the effective date of this Section.

(40 ILCS 5/17-113.6 new)

Sec. 17-113.6. Base pay. As used in Section 17-113.5 of this Code, "base pay" means the greater of either (i) the Tier 1 employee's annualized rate of salary as of June 30, 2018, or (ii) the Tier 1 employee's annualized rate of salary immediately preceding the expiration, renewal, or amendment of an employment contract or collective bargaining agreement in effect on the effective date of this Section. For a person returning to active service as a Tier 1 employee after June 30, 2018, however, "base pay" means the employee's annualized rate of salary as of the employee's last date of service prior to July 1, 2018. The Fund shall calculate the base pay of each Tier 1 employee pursuant to this Section.

(40 ILCS 5/17-115.5 new)

Sec. 17-115.5. Election by Tier 1 employees.

(a) Each active Tier 1 employee shall make an irrevocable election either:

(1) to agree to delay his or her eligibility for automatic annual increases in service retirement pension as provided in Section 17-119.2 and to have the amount of the automatic annual increases in his or her service retirement pension and survivor's pension that are otherwise provided for in this Article calculated, instead, as provided in Section 17-119.2; or

(2) to not agree to paragraph (1) of this subsection.

The election required under this subsection (a) shall be made by each active Tier 1 employee no earlier than January 1, 2018 and no later than March 31, 2018, except that:

(i) a person who becomes a Tier 1 employee under this Article on or after January 1, 2018 must make the election under this subsection (a) within 60 days after becoming a Tier 1 employee; and

(ii) a person who returns to active service as a Tier 1 employee under this Article on or after January 1, 2018 and has not yet made an election under this Section must make the election under this subsection (a) within 60 days after returning to active service as a Tier 1 employee.

If a Tier 1 employee fails for any reason to make a required election under this subsection within the time specified, then the employee shall be deemed to have made the election under paragraph (2) of this subsection.

(a-5) If this Section is enjoined or stayed by an Illinois court or a court of competent jurisdiction pending the entry of a final and unappealable decision, and this Section is determined to be constitutional or otherwise valid by a final unappealable decision of an Illinois court or a court of competent jurisdiction, then the election procedure set forth in subsection (a) of this Section shall commence on the 180th calendar day after the date of the issuance of the final unappealable decision and shall conclude at the end of the 270th calendar day after that date.

(a-10) All elections under subsection (a) that are made or deemed to be made before July 1, 2018 shall take effect on July 1, 2018. Elections that are made or deemed to be made on or after July 1, 2018 shall take effect on the first day of the month following the month in which the election is made or deemed to be made.

(b) As adequate and legal consideration provided under this amendatory Act of the 100th General Assembly for making an election under paragraph (1) of subsection (a) of this Section, an employer shall be expressly and irrevocably prohibited from offering any future increases in income to a Tier 1 employee who has made an election under paragraph (1) of subsection (a) of this Section on the condition of not constituting salary under Section 17-113.4.

As adequate and legal consideration provided under this amendatory Act of the 100th General Assembly for making an election under paragraph (1) of subsection (a) of this Section, each Tier 1 employee who has made an election under paragraph (1) of subsection (a) of this Section shall receive a consideration

payment equal to 10% of the contributions made by or on behalf of the employee under Section 17-130 before the effective date of that election. The State Comptroller shall pay the consideration payment to the Tier 1 employee out of funds appropriated for that purpose under Section 1.9 of the State Pension Funds Continuing Appropriation Act. The Fund shall calculate the amount of each consideration payment and, by July 1, 2018, shall certify to the State Comptroller the amount of the consideration payment, together with the name, address, and any other available payment information of the Tier 1 employee as found in the records of the Fund. The Fund shall make additional calculations and certifications of consideration payments to the State Comptroller as the Fund deems necessary.

(c) A Tier 1 employee who makes the election under paragraph (2) of subsection (a) of this Section shall not be subject to paragraph (1) of subsection (a) of this Section. However, each future increase in income offered by an employer under this Article to a Tier 1 employee who has made the election under paragraph (2) of subsection (a) of this Section shall be offered by the employer expressly and irrevocably on the condition of not constituting salary under Section 17-113.4 and that the Tier 1 employee's acceptance of the offered future increase in income shall constitute his or her agreement to that condition.

(d) The Fund shall make a good faith effort to contact each Tier 1 employee subject to this Section. The Fund shall mail information describing the required election to each Tier 1 employee by United States Postal Service mail to his or her last known address on file with the Fund. If the Tier 1 employee is not responsive to other means of contact, it is sufficient for the Fund to publish the details of any required elections on its website or to publish those details in a regularly published newsletter or other existing public forum.

Tier 1 employees who are subject to this Section shall be provided with an election packet containing information regarding their options, as well as the forms necessary to make the required election. Upon request, the Fund shall offer Tier 1 employees an opportunity to receive information from the Fund before making the required election. The information may consist of video materials, group presentations, individual consultation with a member or authorized representative of the Fund in person or by telephone or other electronic means, or any combination of those methods. The Fund shall not provide advice or counseling with respect to which election a Tier 1 employee should make or specific to the legal or tax circumstances of or consequences to the Tier 1 employee.

The Fund shall inform Tier 1 employees in the election packet required under this subsection that the Tier 1 employee may also wish to obtain information and counsel relating to the election required under this Section from any other available source, including, but not limited to, labor organizations and private counsel.

In no event shall the Fund, its staff, or the Board be held liable for any information given to a member regarding the elections under this Section. The Fund shall coordinate with the Illinois Department of Central Management Services and each other retirement system administering an election in accordance with this amendatory Act of the 100th General Assembly to provide information concerning the impact of the election set forth in this Section.

(e) Notwithstanding any other provision of law, an employer under this Article is required to offer each future increase in income expressly and irrevocably on the condition of not constituting "salary" under Section 17-113.4 to any Tier 1 employee who has made an election under paragraph (2) of subsection (a) of this Section. The offer shall also provide that the Tier 1 employee's acceptance of the offered future increase in income shall constitute his or her agreement to the condition set forth in this subsection.

For purposes of legislative intent, the condition set forth in this subsection shall be construed in a manner that ensures that the condition is not violated or circumvented through any contrivance of any kind.

(f) A member's election under this Section is not a prohibited election under subdivision (j)(1) of Section 1-119 of this Code.

(g) No provision of this Section shall be interpreted in a way that would cause the Fund to cease to be a qualified plan under Section 401(a) of the Internal Revenue Code of 1986.

(h) If an election created by this amendatory Act in any other Article of this Code or any change deriving from that election is determined to be unconstitutional or otherwise invalid by a final unappealable decision of an Illinois court or a court of competent jurisdiction, the invalidity of that provision shall not in any way affect the validity of this Section or the changes deriving from the election required under this Section.

(40 ILCS 5/17-116) (from Ch. 108 1/2, par. 17-116)

Sec. 17-116. Service retirement pension.

(a) Each teacher having 20 years of service upon attainment of age 55, or who thereafter attains age 55 shall be entitled to a service retirement pension upon or after attainment of age 55; and each teacher in service on or after July 1, 1971, with 5 or more but less than 20 years of service shall be entitled to receive a service retirement pension upon or after attainment of age 62.

(b) The service retirement pension for a teacher who retires on or after June 25, 1971, at age 60 or over, shall be calculated as follows:

(1) For creditable service earned before July 1, 1998 that has not been augmented under Section 17-119.1: 1.67% for each of the first 10 years of service; 1.90% for each of the next 10 years of service; 2.10% for each year of service in excess of 20 but not exceeding 30; and 2.30% for each year of service in excess of 30, based upon average salary as herein defined.

(2) For creditable service earned on or after July 1, 1998 by a member who has at least 30 years of creditable service on July 1, 1998 and who does not elect to augment service under Section 17-119.1: 2.3% of average salary for each year of creditable service earned on or after July 1, 1998.

(3) For all other creditable service: 2.2% of average salary for each year of creditable service.

(c) When computing such service retirement pensions, the following conditions shall apply:

1. Average salary shall consist of the average annual rate of salary for the 4 consecutive years of validated service within the last 10 years of service when such average annual rate was highest. In the determination of average salary for retirement allowance purposes, for members who commenced employment after August 31, 1979, that part of the salary for any year shall be excluded which exceeds the annual full-time salary rate for the preceding year by more than 20%. In the case of a member who commenced employment before August 31, 1979 and who receives salary during any year after September 1, 1983 which exceeds the annual full time salary rate for the preceding year by more than 20%, an Employer and other employers of eligible contributors as defined in Section 17-106 shall pay to the Fund an amount equal to the present value of the additional service retirement pension resulting from such excess salary. The present value of the additional service retirement pension shall be computed by the Board on the basis of actuarial tables adopted by the Board. If a member elects to receive a pension from this Fund provided by Section 20-121, his salary under the State Universities Retirement System and the Teachers' Retirement System of the State of Illinois shall be considered in determining such average salary. Amounts paid after the effective date of this amendatory Act of 1991 for unused vacation time earned after that effective date shall not under any circumstances be included in the calculation of average salary or the annual rate of salary for the purposes of this Article.

2. Proportionate credit shall be given for validated service of less than one year.

3. For retirement at age 60 or over the pension shall be payable at the full rate.

4. For separation from service below age 60 to a minimum age of 55, the pension shall be discounted at the rate of 1/2 of one per cent for each month that the age of the contributor is less than 60, but a teacher may elect to defer the effective date of pension in order to eliminate or reduce this discount. This discount shall not be applicable to any participant who has at least 34 years of service or a retirement pension of at least 74.6% of average salary on the date the retirement annuity begins.

5. No additional pension shall be granted for service exceeding 45 years. Beginning June 26, 1971 no pension shall exceed the greater of $1,500 per month or 75% of average salary as herein defined.

6. Service retirement pensions shall begin on the effective date of resignation, retirement, the day following the close of the payroll period for which service credit was validated, or the time the person resigning or retiring attains age 55, or on a date elected by the teacher, whichever shall be latest; provided that, for a person who first becomes a member after the effective date of this amendatory Act of the 99th General Assembly, the benefit shall not commence more than one year prior to the date of the Fund's receipt of an application for the benefit.

7. A member who is eligible to receive a retirement pension of at least 74.6% of average salary and will attain age 55 on or before December 31 during the year which commences on July 1 shall be deemed to attain age 55 on the preceding June 1.

8. A member retiring after the effective date of this amendatory Act of 1998 shall receive a pension equal to 75% of average salary if the member is qualified to receive a retirement pension equal to at least 74.6% of average salary under this Article or as proportional annuities under Article 20 of this Code.

(d) Notwithstanding any other provision of this Section, annual salary does not include any future increase in income that is offered for service to a Tier 1 employee under this Article pursuant to the condition set forth in subsection (c) of Section 17-115.5 and accepted under that condition by a Tier 1 employee who has made the election under paragraph (2) of subsection (a) of Section 17-115.5.

Notwithstanding any other provision of this Section, annual salary does not include any consideration payment made to a Tier 1 employee.

(Source: P.A. 99-702, eff. 7-29-16.)

(40 ILCS 5/17-119.2 new)

Sec. 17-119.2. Automatic annual increases in service retirement pension and survivor's pension for certain Tier 1 employees. Notwithstanding any other provision of this Article, for a Tier 1 employee who made the election under paragraph (1) of subsection (a) of Section 17-115.5:

(1) The initial increase in service retirement pension shall occur on the January 1 occurring either on or after the attainment of age 67 or the fifth anniversary of the pension start date, whichever is earlier.

(2) The amount of each automatic annual increase in service retirement pension or survivor's pension occurring on or after the effective date of that election shall be calculated as a percentage of the originally granted service retirement pension or survivor's pension, equal to 3% or one-half the annual unadjusted percentage increase (but not less than zero) in the consumer price index-u for the 12 months ending with the September preceding each November 1, whichever is less. If the annual unadjusted percentage change in the consumer price index-u for the 12 months ending with the September preceding each November 1 is zero or there is a decrease, then the annuity shall not be increased.

For the purposes of this Section, "consumer price index-u" means the index published by the Bureau of Labor Statistics of the United States Department of Labor that measures the average change in prices of goods and services purchased by all urban consumers, United States city average, all items, 1982-84 = 100. The new amount resulting from each annual adjustment shall be determined by the Public Pension Division of the Department of Insurance and made available to the Board by November 1 of each year.

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

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

(a) If in any fiscal year of the Board of Education ending prior to 1997 the total amounts paid to the Fund from the Board of Education (other than under this subsection, and other than amounts used for making or "picking up" contributions on behalf of teachers) and from the State do not equal the total contributions made by or on behalf of the teachers for such year, or if the total income of the Fund in any such fiscal year of the Board of Education from all sources is less than the total such expenditures by the Fund for such year, the Board of Education shall, in the next succeeding year, in addition to any other payment to the Fund set apart and appropriate from moneys from its tax levy for educational purposes, a sum sufficient to remove such deficiency or deficiencies, and promptly pay such sum into the Fund in order to restore any of the reserves of the Fund that may have been so temporarily applied. Any amounts received by the Fund after December 4, 1997 from State appropriations, including under Section 17-127, shall be a credit against and shall fully satisfy any obligation that may have arisen, or be claimed to have arisen, under this subsection (a) as a result of any deficiency or deficiencies in the fiscal year of the Board of Education ending in calendar year 1997.

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

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

(iii) Notwithstanding any other provision of this Section, the Board of Education's total required contribution to the Fund for fiscal year 2013 under this Section is $196,000,000.

(iv) For fiscal years 2014 through 2059, the minimum contribution to the Fund to be made by the Board of Education in each fiscal year shall be an amount determined by the Fund to be sufficient to bring the total assets of the Fund up to 90% of the total actuarial liabilities of the Fund by the end of fiscal year 2059. In making these determinations, the required Board of Education contribution shall be calculated each year as a level percentage of the applicable employee payrolls over the years remaining to and including fiscal year 2059 and shall be determined under the projected unit credit actuarial cost method.

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

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

(vii) Any contribution by the State to or for the benefit of the Fund, including, without limitation, as referred to under Section 17-127, shall be a credit against any contribution required to be made by the Board of Education under this subsection (b).

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

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

Beginning in fiscal year 2018, any increase or decrease in the Board of Education's contribution over the prior fiscal year due exclusively to changes in actuarial or investment assumptions adopted by the Board shall be included in the Board of Education's contribution to the Fund, as a percentage of the applicable employee payroll, and shall be increased in equal annual increments so that by the fiscal year occurring 5 years after the adoption of the actuarial or investment assumptions, the Board of Education is contributing at the rate otherwise required under this Section.

(d) As soon as practical after the effective date of this amendatory Act of the 100th General Assembly, the Board shall recalculate and recertify to the Board of Education the amount of the required Board of Education contribution to the Fund for fiscal year 2019, taking into account the changes in required Board of Education contributions made by this amendatory Act of the 100th General Assembly.

On or before May 1, 2018, the Board shall recalculate and recertify to the Board of Education the amount of the required Board of Education contribution to the Fund for fiscal year 2019, taking into account the effect on the Fund's liabilities of the elections made under Section 17-115.5.

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

(40 ILCS 5/17-130) (from Ch. 108 1/2, par. 17-130)

Sec. 17-130. Participants' contributions by payroll deductions.

(a) Except as provided in subsection (a-5), there ~~There~~ shall be deducted from the salary of each teacher 7.50% of his salary for service or disability retirement pension and 0.5% of salary for the annual increase in base pension.

In addition, there shall be deducted from the salary of each teacher 1% of his salary for survivors' and children's pensions.

(a-5) Beginning on July 1, 2018 or the effective date of the Tier 1 employee's election under paragraph (1) of Section 17-115.5, whichever is later, in lieu of the contributions otherwise required under subsection (a), each Tier 1 employee who made the election under paragraph (1) of Section 17-115.5 shall make contributions of 7.50% of salary for service or disability retirement pension and 0.6% of salary for survivors' and children's pensions.

(b) An Employer and any employer of eligible contributors as defined in Section 17-106 is authorized to make the necessary deductions from the salaries of its teachers. Such amounts shall be included as a part of the Fund. An Employer and any employer of eligible contributors as defined in Section 17-106 shall formulate such rules and regulations as may be necessary to give effect to the provisions of this Section.

(c) All persons employed as teachers shall, by such employment, accept the provisions of this Article and of Sections 34-83 to 34-85, inclusive, of "The School Code", approved March 18, 1961, as amended, and thereupon become contributors to the Fund in accordance with the terms thereof. The provisions of this Article and of those Sections shall become a part of the contract of employment.

(d) A person who (i) was a member before July 1, 1998, (ii) retires with more than 34 years of creditable service, and (iii) does not elect to qualify for the augmented rate under Section 17-119.1 shall be entitled, at the time of retirement, to receive a partial refund of contributions made under this Section for service occurring after the later of June 30, 1998 or attainment of 34 years of creditable service, in an amount equal to 1.00% of the salary upon which those contributions were based.

(Source: P.A. 97-8, eff. 6-13-11.)

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

Sec. 18-131. Financing; employer contributions.

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

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

(c) For State fiscal years 2018 through 2045, the minimum contribution to the System to be made by the State for each fiscal year shall be an amount determined by the System to be sufficient to bring the total assets of the System up to 90% of the total actuarial liabilities of the System by the end of State fiscal year 2045. In making these determinations, the required State contribution shall be calculated each year as a level percentage of total payroll, including payroll that is not deemed pensionable, over the years remaining to and including fiscal year 2045 and shall be determined under the projected unit credit actuarial cost method.

Beginning in State fiscal year 2018, any increase or decrease in State contribution over the prior fiscal year due exclusively to changes in actuarial or investment assumptions adopted by the Board shall be included in the State contribution to the System, as a percentage of the applicable employee payroll, and shall be increased in equal annual increments so that by the State fiscal year occurring 5 years after the adoption of the actuarial or investment assumptions, the State is contributing at the rate otherwise required under this Section.

If Section 2-110.3, 15-132.9, 16-122.9, or 17-115.5 is determined to be unconstitutional or otherwise invalid by a final unappealable decision of an Illinois court or a court of competent jurisdiction, then the changes made to this Section by this amendatory Act of the 100th General Assembly shall not take effect and are repealed by operation of law.

For State fiscal years 2012 through 2017 ~~2045~~, the minimum contribution to the System to be made by the State for each fiscal year shall be an amount determined by the System to be sufficient to bring the total assets of the System up to 90% of the total actuarial liabilities of the System by the end of State fiscal year 2045. In making these determinations, the required State contribution shall be calculated each year as a level percentage of payroll over the years remaining to and including fiscal year 2045 and shall be determined under the projected unit credit actuarial cost method.

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

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

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

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

Notwithstanding any other provision of this Article, the total required State contribution for State fiscal year 2010 is $78,832,000 and shall be made from the proceeds of bonds sold in fiscal year 2010 pursuant to Section 7.2 of the General Obligation Bond Act, less (i) the pro rata share of bond sale expenses determined by the System's share of total bond proceeds, (ii) any amounts received from the General Revenue Fund in fiscal year 2010, and (iii) any reduction in bond proceeds due to the issuance of discounted bonds, if applicable.

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

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

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

Notwithstanding any other provision of this Section, the required State contribution for State fiscal year 2005 and for fiscal year 2008 and each fiscal year thereafter, as calculated under this Section and certified under Section 18-140, shall not exceed an amount equal to (i) the amount of the required State contribution that would have been calculated under this Section for that fiscal year if the System had not received any payments under subsection (d) of Section 7.2 of the General Obligation Bond Act, minus (ii) the portion of the State's total debt service payments for that fiscal year on the bonds issued in fiscal year 2003 for the purposes of that Section 7.2, as determined and certified by the Comptroller, that is the same as the System's portion of the total moneys distributed under subsection (d) of Section 7.2 of the General Obligation Bond Act. In determining this maximum for State fiscal years 2008 through 2010, however, the amount referred to in item (i) shall be increased, as a percentage of the applicable employee payroll,

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

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

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

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

(Source: P.A. 96-43, eff. 7-15-09; 96-1497, eff. 1-14-11; 96-1511, eff. 1-27-11; 96-1554, eff. 3-18-11; 97-813, eff. 7-13-12.)

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

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

(a) The Board shall certify to the Governor, on or before November 15 of each year until November 15, 2011, the amount of the required State contribution to the System for the following fiscal year and shall specifically identify the System's projected State normal cost for that fiscal year. The certification shall include a copy of the actuarial recommendations upon which it is based and shall specifically identify the System's projected State normal cost for that fiscal year.

On or before November 1 of each year, beginning November 1, 2012, the Board shall submit to the State Actuary, the Governor, and the General Assembly a proposed certification of the amount of the required State contribution to the System for the next fiscal year, along with all of the actuarial assumptions, calculations, and data upon which that proposed certification is based. On or before January 1 of each year beginning January 1, 2013, the State Actuary shall issue a preliminary report concerning the proposed certification and identifying, if necessary, recommended changes in actuarial assumptions that the Board must consider before finalizing its certification of the required State contributions. On or before January 15, 2013 and every January 15 thereafter, the Board shall certify to the Governor and the General Assembly the amount of the required State contribution for the next fiscal year. The Board's certification must note any deviations from the State Actuary's recommended changes, the reason or reasons for not following the State Actuary's recommended changes, and the fiscal impact of not following the State Actuary's recommended changes on the required State contribution.

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

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

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

As soon as practical after the effective date of this amendatory Act of the 100th General Assembly, the State Actuary and the Board shall recalculate and recertify to the Governor and the General Assembly the amount of the State contribution to the System for State fiscal year 2017, taking into account the changes in required State contributions made by this amendatory Act of the 100th General Assembly.

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

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

(Source: P.A. 96-1497, eff. 1-14-11; 96-1511, eff. 1-27-11; 97-694, eff. 6-18-12.)

(40 ILCS 5/20-121) (from Ch. 108 1/2, par. 20-121)

(Text of Section WITHOUT the changes made by P.A. 98-599, which has been held unconstitutional)

Sec. 20-121. Calculation of proportional retirement annuities.

(a) Upon retirement of the employee, a proportional retirement annuity shall be computed by each participating system in which pension credit has been established on the basis of pension credits under each system. The computation shall be in accordance with the formula or method prescribed by each participating system which is in effect at the date of the employee's latest withdrawal from service covered by any of the systems in which he has pension credits which he elects to have considered under this Article. However, the amount of any retirement annuity payable under the self-managed plan established under Section 15-158.2 of this Code or under the defined contribution plan established under Article 2, 15, or 16 of this Code depends solely on the value of the participant's vested account balances and is not subject to any proportional adjustment under this Section.

(a-5) For persons who participate in a defined contribution plan established under Article 2, 15, or 16 of this Code to whom the provisions of this Article apply, the pension credits established under the defined contribution plan may be considered in determining eligibility for or the amount of the defined benefit retirement annuity that is payable by any other participating system.

(b) Combined pension credit under all retirement systems subject to this Article shall be considered in determining whether the minimum qualification has been met and the formula or method of computation which shall be applied, except as may be otherwise provided with respect to vesting in State or employer contributions in a defined contribution plan. If a system has a step-rate formula for calculation of the retirement annuity, pension credits covering previous service which have been established under another system shall be considered in determining which range or ranges of the step-rate formula are to be applicable to the employee.

(c) Interest on pension credit shall continue to accumulate in accordance with the provisions of the law governing the retirement system in which the same has been established during the time an employee is in the service of another employer, on the assumption such employee, for interest purposes for pension credit, is continuing in the service covered by such retirement system.

(Source: P.A. 91-887, eff. 7-6-00.)

(40 ILCS 5/20-123) (from Ch. 108 1/2, par. 20-123)

(Text of Section WITHOUT the changes made by P.A. 98-599, which has been held unconstitutional)

Sec. 20-123. Survivor's annuity. The provisions governing a retirement annuity shall be applicable to a survivor's annuity. Appropriate credits shall be established for survivor's annuity purposes in those participating systems which provide survivor's annuities, according to the same conditions and subject to the same limitations and restrictions herein prescribed for a retirement annuity. If a participating system has no survivor's annuity benefit, or if the survivor's annuity benefit under that system is waived, pension credit established in that system shall not be considered in determining eligibility for or the amount of the survivor's annuity which may be payable by any other participating system.

For persons who participate in the self-managed plan established under Section 15-158.2 or the portable benefit package established under Section 15-136.4, pension credit established under Article 15 may be considered in determining eligibility for or the amount of the survivor's annuity that is payable by any other participating system, but pension credit established in any other system shall not result in any right to a survivor's annuity under the Article 15 system.

For persons who participate in a defined contribution plan established under Article 2, 15, or 16 of this Code to whom the provisions of this Article apply, the pension credits established under the defined contribution plan may be considered in determining eligibility for or the amount of the defined benefit survivor's annuity that is payable by any other participating system, but pension credits established in any other system shall not result in any right to or increase in the value of a survivor's annuity under the defined contribution plan, which depends solely on the options chosen and the value of the participant's vested account balances and is not subject to any proportional adjustment under this Section.

(Source: P.A. 91-887, eff. 7-6-00.)

(40 ILCS 5/20-124) (from Ch. 108 1/2, par. 20-124)

(Text of Section WITHOUT the changes made by P.A. 98-599, which has been held unconstitutional)

Sec. 20-124. Maximum benefits.

(a) In no event shall the combined retirement or survivors annuities exceed the highest annuity which would have been payable by any participating system in which the employee has pension credits, if all of his pension credits had been validated in that system.

If the combined annuities should exceed the highest maximum as determined in accordance with this Section, the respective annuities shall be reduced proportionately according to the ratio which the amount of each proportional annuity bears to the aggregate of all such annuities.

(b) In the case of a participant in the self-managed plan established under Section 15-158.2 of this Code to whom the provisions of this Article apply:

(i) For purposes of calculating the combined retirement annuity and the proportionate reduction, if any, in a retirement annuity other than one payable under the self-managed plan, the amount of the Article 15 retirement annuity shall be deemed to be the highest annuity to which the annuitant would have been entitled if he or she had participated in the traditional benefit package as defined in Section 15-103.1 rather than the self-managed plan.

(ii) For purposes of calculating the combined survivor's annuity and the proportionate reduction, if any, in a survivor's annuity other than one payable under the self-managed plan, the amount of the Article 15 survivor's annuity shall be deemed to be the highest survivor's annuity to which the survivor would have been entitled if the deceased employee had participated in the traditional benefit package as defined in Section 15-103.1 rather than the self-managed plan.

(iii) Benefits payable under the self-managed plan are not subject to proportionate reduction under this Section.

(c) In the case of a participant in a defined contribution plan established under Article 2, 15, or 16 of this Code to whom the provisions of this Article apply:

(i) For purposes of calculating the combined retirement annuity and the proportionate reduction, if any, in a defined benefit retirement annuity, any benefit payable under the defined contribution plan shall not be considered.

(ii) For purposes of calculating the combined survivor's annuity and the proportionate reduction, if any, in a defined benefit survivor's annuity, any benefit payable under the defined contribution plan shall not be considered.

(iii) Benefits payable under a defined contribution plan established under Article 2, 15, or 16 of this Code are not subject to proportionate reduction under this Section.

(Source: P.A. 91-887, eff. 7-6-00.)

(40 ILCS 5/20-125) (from Ch. 108 1/2, par. 20-125)

(Text of Section WITHOUT the changes made by P.A. 98-599, which has been held unconstitutional)

Sec. 20-125. Return to employment - suspension of benefits. If a retired employee returns to employment which is covered by a system from which he is receiving a proportional annuity under this Article, his proportional annuity from all participating systems shall be suspended during the period of re-employment, except that this suspension does not apply to any distributions payable under the self-managed plan established under Section 15-158.2 or under a defined contribution plan established under Article 2, 15, or 16 of this Code.

The provisions of the Article under which such employment would be covered shall govern the determination of whether the employee has returned to employment, and if applicable the exemption of temporary employment or employment not exceeding a specified duration or frequency, for all participating systems from which the retired employee is receiving a proportional annuity under this Article, notwithstanding any contrary provisions in the other Articles governing such systems.

(Source: P.A. 91-887, eff. 7-6-00.)

(40 ILCS 5/2-165 rep.) (40 ILCS 5/2-166 rep.) (40 ILCS 5/15-200 rep.) (40 ILCS 5/15-201 rep.) (40 ILCS 5/16-205 rep.) (40 ILCS 5/16-206 rep.)

Section 25. The Illinois Pension Code is amended by repealing Sections 2-165, 2-166, 15-200, 15-201, 16-205, and 16-206.

Section 30. The State Pension Funds Continuing Appropriation Act is amended by adding Section 1.9 as follows:

(40 ILCS 15/1.9 new)

Sec. 1.9. Appropriation for consideration payment. There is hereby appropriated from the General Revenue Fund to the State Comptroller, on a continuing basis, all amounts necessary for the payment of consideration payments under subsection (b) of Sections 2-110.3, 15-132.9, 16-122.9, and 17-115.5 of the Illinois Pension Code, in the amounts certified to the State Comptroller by the respective retirement system or pension fund.

Section 35. The School Code is amended by changing Sections 24-1, 24-8, and 34-18.53 as follows:

(105 ILCS 5/24-1) (from Ch. 122, par. 24-1)

Sec. 24-1. Appointment-Salaries-Payment-School month-School term.) School boards shall appoint all teachers, determine qualifications of employment and fix the amount of their salaries subject to any limitation set forth in this Act and subject to any applicable restrictions in Section 16-122.9 of the Illinois Pension Code. They shall pay the wages of teachers monthly, subject, however, to the provisions of Section 24-21. The school month shall be the same as the calendar month but by resolution the school board may adopt for its use a month of 20 days, including holidays. The school term shall consist of at least the minimum number of pupil attendance days required by Section 10-19, any additional legal school holidays, days of teachers' institutes, or equivalent professional educational experiences, and one or two days at the beginning of the school term when used as a teachers' workshop.

(Source: P.A. 80-249.)

(105 ILCS 5/24-8) (from Ch. 122, par. 24-8)

Sec. 24-8. Minimum salary. In fixing the salaries of teachers, school boards shall pay those who serve on a full-time basis not less than a rate for the school year that is based upon training completed in a recognized institution of higher learning, as follows: for the school year beginning July 1, 1980 and thereafter, less than a bachelor's degree, $9,000; 120 semester hours or more and a bachelor's degree, $10,000; 150 semester hours or more and a master's degree, $11,000.

Based upon previous public school experience in this State or any other State, territory, dependency or possession of the United States, or in schools operated by or under the auspices of the United States, teachers who serve on a full-time basis shall have their salaries increased to at least the following amounts above the starting salary for a teacher in such district in the same classification: with less than a bachelor's degree, $750 after 5 years; with 120 semester hours or more and a bachelor's degree, $1,000 after 5 years and $1,600 after 8 years; with 150 semester hours or more and a master's degree, $1,250 after 5 years, $2,000 after 8 years and $2,750 after 13 years. However, any salary increase is subject to any applicable restrictions in Section 16-122.9 of the Illinois Pension Code.

For the purpose of this Section a teacher's salary shall include any amount paid by the school district on behalf of the teacher, as teacher contributions, to the Teachers' Retirement System of the State of Illinois.

If a school board establishes a schedule for teachers' salaries based on education and experience, not inconsistent with this Section, all certificated nurses employed by that board shall be paid in accordance with the provisions of such schedule (subject to any applicable restrictions in Section 16-122.9 of the Illinois Pension Code).

For purposes of this Section, a teacher who submits a certificate of completion to the school office prior to the first day of the school term shall be considered to have the degree stated in such certificate.

(Source: P.A. 83-913.)

(105 ILCS 5/34-18.53 new)

Sec. 34-18.53. Future increase in income. The Board of Education must not pay, offer, or agree to pay any future increase in income, as that term is defined in Section 17-113.5 of the Illinois Pension Code, to any person in a manner that violates Section 17-115.5 of the Illinois Pension Code.

Section 40. The State Universities Civil Service Act is amended by changing Section 36d as follows:

(110 ILCS 70/36d) (from Ch. 24 1/2, par. 38b3)

Sec. 36d. Powers and duties of the Merit Board. The Merit Board shall have the power and duty-

(1) To approve a classification plan prepared under its direction, assigning to each class positions of substantially similar duties. The Merit Board shall have power to delegate to its Director the duty of assigning each position in the classified service to the appropriate class in the classification plan approved by the Merit Board.

(2) To prescribe the duties of each class of positions and the qualifications required by employment in that class.

(3) To prescribe the range of compensation for each class or to fix a single rate of compensation for employees in a particular class; and to establish other conditions of employment which an employer and employee representatives have agreed upon as fair and equitable. The Merit Board shall direct the payment of the "prevailing rate of wages" in those classifications in which, on January 1, 1952, any employer is paying such prevailing rate and in such other classes as the Merit Board may thereafter determine. "Prevailing rate of wages" as used herein shall be the wages paid generally in the locality in which the work is being performed to employees engaged in work of a similar character. Subject to any applicable restrictions in Section 15-132.9 or 16-122.9 of the Illinois Pension Code, each ~~Each~~ employer covered by the University System shall be authorized to negotiate with representatives

of employees to determine appropriate ranges or rates of compensation or other conditions of employment and may recommend to the Merit Board for establishment the rates or ranges or other conditions of employment which the employer and employee representatives have agreed upon as fair and equitable , but excluding the changes, the impact of changes, and the implementation of the changes set forth in this amendatory Act of the 100th General Assembly. Any rates or ranges established prior to January 1, 1952, and hereafter, shall not be changed except in accordance with the procedures herein provided.

(4) To recommend to the institutions and agencies specified in Section 36e standards for hours of work, holidays, sick leave, overtime compensation and vacation for the purpose of improving conditions of employment covered therein and for the purpose of insuring conformity with the prevailing rate principal.

(5) To prescribe standards of examination for each class, the examinations to be related to the duties of such class. The Merit Board shall have power to delegate to the Director and his staff the preparation, conduct and grading of examinations. Examinations may be written, oral, by statement of training and experience, in the form of tests of knowledge, skill, capacity, intellect, aptitude; or, by any other method, which in the judgment of the Merit Board is reasonable and practical for any particular classification. Different examining procedures may be determined for the examinations in different classifications but all examinations in the same classification shall be uniform.

(6) To authorize the continuous recruitment of personnel and to that end, to delegate to the Director and his staff the power and the duty to conduct open and continuous competitive examinations for all classifications of employment.

(7) To cause to be established from the results of examinations registers for each class of positions in the classified service of the State Universities Civil Service System, of the persons who shall attain the minimum mark fixed by the Merit Board for the examination; and such persons shall take rank upon the registers as candidates in the order of their relative excellence as determined by examination, without reference to priority of time of examination.

(8) To provide by its rules for promotions in the classified service. Vacancies shall be filled by promotion whenever practicable. For the purpose of this paragraph, an advancement in class shall constitute a promotion.

(9) To set a probationary period of employment of no less than 6 months and no longer than 12 months for each class of positions in the classification plan, the length of the probationary period for each class to be determined by the Director.

(10) To provide by its rules for employment at regular rates of compensation of persons with physical disabilities in positions in which the disability does not prevent the individual from furnishing satisfactory service.

(11) To make and publish rules, to carry out the purpose of the State Universities Civil Service System and for examination, appointments, transfers and removals and for maintaining and keeping records of the efficiency of officers and employees and groups of officers and employees in accordance with the provisions of Sections 36b to 36q, inclusive, and said Merit Board may from time to time make changes in such rules.

(12) To appoint a Director and such assistants and other clerical and technical help as may be necessary efficiently to administer Sections 36b to 36q, inclusive. To authorize the Director to appoint an assistant resident at the place of employment of each employer specified in Section 36e and this assistant may be authorized to give examinations and to certify names from the regional registers provided in Section 36k.

(13) To submit to the Governor of this state on or before November 1 of each year prior to the regular session of the General Assembly a report of the University System's business and an estimate of the amount of appropriation from state funds required for the purpose of administering the University System.

(Source: P.A. 99-143, eff. 7-27-15.)

Section 45. The University of Illinois Act is amended by adding Section 100 as follows:

(110 ILCS 305/100 new)

Sec. 100. Future increases in income. The University of Illinois must not pay, offer, or agree to pay any future increase in income, as that term is defined in Section 15-112.1 or 16-121.1 of the Illinois Pension Code, to any person in a manner that violates Section 15-132.9 or 16-122.9 of the Illinois Pension Code.

Section 50. The Southern Illinois University Management Act is amended by adding Section 85 as follows:

(110 ILCS 520/85 new)

Sec. 85. Future increases in income. Southern Illinois University must not pay, offer, or agree to pay any future increase in income, as that term is defined in Section 15-112.1 or 16-121.1 of the Illinois Pension Code, to any person in a manner that violates Section 15-132.9 or 16-122.9 of the Illinois Pension Code.

Section 55. The Chicago State University Law is amended by adding Section 5-195 as follows:

(110 ILCS 660/5-195 new)

Sec. 5-195. Future increases in income. Chicago State University must not pay, offer, or agree to pay any future increase in income, as that term is defined in Section 15-112.1 or 16-121.1 of the Illinois Pension Code, to any person in a manner that violates Section 15-132.9 or 16-122.9 of the Illinois Pension Code.

Section 60. The Eastern Illinois University Law is amended by adding Section 10-195 as follows:

(110 ILCS 665/10-195 new)

Sec. 10-195. Future increases in income. Eastern Illinois University must not pay, offer, or agree to pay any future increase in income, as that term is defined in Section 15-112.1 or 16-121.1 of the Illinois Pension Code, to any person in a manner that violates Section 15-132.9 or 16-122.9 of the Illinois Pension Code.

Section 65. The Governors State University Law is amended by adding Section 15-195 as follows:

(110 ILCS 670/15-195 new)

Sec. 15-195. Future increases in income. Governors State University must not pay, offer, or agree to pay any future increase in income, as that term is defined in Section 15-112.1 or 16-121.1 of the Illinois Pension Code, to any person in a manner that violates Section 15-132.9 or 16-122.9 of the Illinois Pension Code.

Section 70. The Illinois State University Law is amended by adding Section 20-200 as follows:

(110 ILCS 675/20-200 new)

Sec. 20-200. Future increases in income. Illinois State University must not pay, offer, or agree to pay any future increase in income, as that term is defined in Section 15-112.1 or 16-121.1 of the Illinois Pension Code, to any person in a manner that violates Section 15-132.9 or 16-122.9 of the Illinois Pension Code.

Section 75. The Northeastern Illinois University Law is amended by adding Section 25-195 as follows:

(110 ILCS 680/25-195 new)

Sec. 25-195. Future increases in income. Northeastern Illinois University must not pay, offer, or agree to pay any future increase in income, as that term is defined in Section 15-112.1 or 16-121.1 of the Illinois Pension Code, to any person in a manner that violates Section 15-132.9 or 16-122.9 of the Illinois Pension Code.

Section 80. The Northern Illinois University Law is amended by adding Section 30-205 as follows:

(110 ILCS 685/30-205 new)

Sec. 30-205. Future increases in income. Northern Illinois University must not pay, offer, or agree to pay any future increase in income, as that term is defined in Section 15-112.1 or 16-121.1 of the Illinois Pension Code, to any person in a manner that violates Section 15-132.9 or 16-122.9 of the Illinois Pension Code.

Section 85. The Western Illinois University Law is amended by adding Section 35-200 as follows:

(110 ILCS 690/35-200 new)

Sec. 35-200. Future increases in income. Western Illinois University must not pay, offer, or agree to pay any future increase in income, as that term is defined in Section 15-112.1 or 16-121.1 of the Illinois Pension Code, to any person in a manner that violates Section 15-132.9 or 16-122.9 of the Illinois Pension Code.

Section 90. The Public Community College Act is amended by changing Sections 3-26 and 3-42 as follows:

(110 ILCS 805/3-26) (from Ch. 122, par. 103-26)

Sec. 3-26. (a) To make appointments and fix the salaries of a chief administrative officer, who shall be the executive officer of the board, other administrative personnel, and all teachers, but subject to any applicable restrictions in Section 15-132.9 or 16-122.9 of the Illinois Pension Code. In making these appointments and fixing the salaries, the board may make no discrimination on account of sex, race, creed, color or national origin.

(b) Upon the written request of an employee, to withhold from the compensation of that employee the membership dues of such employee payable to any specified labor organization as defined in the Illinois Educational Labor Relations Act. Under such arrangement, an amount shall be withheld for each regular payroll period which is equal to the prorata share of the annual membership dues plus any payments or contributions and the board shall pay such withholding to the specified labor organization within 10 working days from the time of the withholding.

(Source: P.A. 83-1014.)

(110 ILCS 805/3-42) (from Ch. 122, par. 103-42)

Sec. 3-42. To employ such personnel as may be needed, to establish policies governing their employment and dismissal, and to fix the amount of their compensation, subject to any applicable restrictions in Section 15-132.9 or 16-122.9 of the Illinois Pension Code. In the employment, establishment of policies and fixing of compensation the board may make no discrimination on account of sex, race, creed, color or national origin.

Residence within any community college district or outside any community college district shall not be considered:

(a) in determining whether to retain or not retain any employee of a community college employed prior to July 1, 1977 or prior to the adoption by the community college board of a resolution making residency within the community college district of some or all employees a condition of employment, whichever is later;

(b) in assigning, promoting or transferring any employee of a community college to an office or position employed prior to July 1, 1977 or prior to the adoption by the community college board of a resolution making residency within the community college district of some or all employees a condition of employment, whichever is later; or

(c) in determining the salary or other compensation of any employee of a community college.

(Source: P.A. 80-248.)

Section 95. The Illinois Educational Labor Relations Act is amended by changing Sections 4, 14, and 17 and by adding Section 10.6 as follows:

(115 ILCS 5/4) (from Ch. 48, par. 1704)

Sec. 4. Employer rights. Employers shall not be required to bargain over matters of inherent managerial policy, which shall include such areas of discretion or policy as the functions of the employer, standards of services, its overall budget, the organizational structure and selection of new employees and direction of employees. Employers, however, shall be required to bargain collectively with regard to policy matters directly affecting wages (but subject to any applicable restrictions in Section 15-132.9, 16-122.9, or 17-115.5 of the Illinois Pension Code), hours and terms and conditions of employment as well as the impact thereon upon request by employee representatives, but excluding the changes, the impact of changes, and the implementation of the changes set forth in this amendatory Act of the 100th General Assembly. To preserve the rights of employers and exclusive representatives which have established collective bargaining relationships or negotiated collective bargaining agreements prior to the effective date of this Act, employers shall be required to bargain collectively with regard to any matter concerning wages (but subject to any applicable restrictions in Section 15-132.9, 16-122.9, or 17-115.5 of the Illinois Pension Code), hours or conditions of employment about which they have bargained for and agreed to in a collective bargaining agreement prior to the effective date of this Act, but excluding the changes, the impact of changes, and the implementation of the changes set forth in this amendatory Act of the 100th General Assembly.

(Source: P.A. 83-1014.)

(115 ILCS 5/10.6 new)

Sec. 10.6. No collective bargaining or interest arbitration regarding certain changes to the Illinois Pension Code.

(a) Notwithstanding any other provision of this Act, employers shall not be required to bargain over matters affected by the changes, the impact of the changes, and the implementation of the changes to Article 15, 16, or 17 of the Illinois Pension Code made by this amendatory Act of the 100th General Assembly, which are deemed to be prohibited subjects of bargaining. Notwithstanding any provision of this Act, the changes, impact of the changes, or implementation of the changes to Article 15, 16, or 17 of the Illinois Pension Code made by this amendatory Act of the 100th General Assembly shall not be subject to interest arbitration or any award issued pursuant to interest arbitration. The provisions of this Section shall not apply to an employment contract or collective bargaining agreement that is in effect on the effective date of this amendatory Act of the 100th General Assembly. However, any such contract or

agreement that is modified, amended, renewed, or superseded after the effective date of this amendatory Act of the 100th General Assembly shall be subject to the provisions of this Section. The provisions of this Section shall not apply to the ability of any employer and employee representative to bargain collectively with regard to the pick up of employee contributions pursuant to Section 15-157.1, 16-152.1, 17-130.1, or 17-130.2 of the Illinois Pension Code.

(b) Nothing in this Section shall be construed as otherwise limiting any of the obligations and requirements applicable to employers under any of the provisions of this Act, including, but not limited to, the requirement to bargain collectively with regard to policy matters directly affecting wages, hours, and terms and conditions of employment as well as the impact thereon upon request by employee representatives, except for the matters set forth in subsection (a) of this Section that are deemed prohibited subjects of bargaining. Nothing in this Section shall be construed as otherwise limiting any of the rights of employees or employee representatives under the provisions of this Act, except for the matters set forth in subsection (a) of this Section that are deemed prohibited subjects of bargaining.

(c) In case of any conflict between this Section and any other provisions of this Act or any other law, the provisions of this Section shall control.

(115 ILCS 5/14) (from Ch. 48, par. 1714)

Sec. 14. Unfair labor practices.

(a) Educational employers, their agents or representatives are prohibited from:

(1) Interfering, restraining or coercing employees in the exercise of the rights guaranteed under this Act.

(2) Dominating or interfering with the formation, existence or administration of any employee organization.

(3) Discriminating in regard to hire or tenure of employment or any term or condition of employment to encourage or discourage membership in any employee organization.

(4) Discharging or otherwise discriminating against an employee because he or she has signed or filed an affidavit, authorization card, petition or complaint or given any information or testimony under this Act.

(5) Subject to and except as provided in Section 10.6, refusing ~~Refusing~~ to bargain collectively in good faith with an employee representative which is the exclusive representative of employees in an appropriate unit, including but not limited to the discussing of grievances with the exclusive representative; provided, however, that if an alleged unfair labor practice involves interpretation or application of the terms of a collective bargaining agreement and said agreement contains a grievance and arbitration procedure, the Board may defer the resolution of such dispute to the grievance and arbitration procedure contained in said agreement. However, no actions of the employer taken to implement or otherwise comply with the provisions of subsection (a) of Section 10.6 shall constitute or give rise to an unfair labor practice under this Act.

(6) Refusing to reduce a collective bargaining agreement to writing and signing such agreement.

(7) Violating any of the rules and regulations promulgated by the Board regulating the conduct of representation elections.

(8) Refusing to comply with the provisions of a binding arbitration award.

(9) Expending or causing the expenditure of public funds to any external agent, individual, firm, agency, partnership or association in any attempt to influence the outcome of representational elections held pursuant to paragraph (c) of Section 7 of this Act; provided, that nothing in this subsection shall be construed to limit an employer's right to be represented on any matter pertaining to unit determinations, unfair labor practice charges or pre-election conferences in any formal or informal proceeding before the Board, or to seek or obtain advice from legal counsel. Nothing in this paragraph shall be construed to prohibit an employer from expending or causing the expenditure of public funds on, or seeking or obtaining services or advice from, any organization, group or association established by, and including educational or public employers, whether or not covered by this Act, the Illinois Public Labor Relations Act or the public employment labor relations law of any other state or the federal government, provided that such services or advice are generally available to the membership of the organization, group, or association, and are not offered solely in an attempt to influence the outcome of a particular representational election.

(b) Employee organizations, their agents or representatives or educational employees are prohibited from:

(1) Restraining or coercing employees in the exercise of the rights guaranteed under

this Act, provided that a labor organization or its agents shall commit an unfair labor practice under this paragraph in duty of fair representation cases only by intentional misconduct in representing employees under this Act.

(2) Restraining or coercing an educational employer in the selection of his representative for the purposes of collective bargaining or the adjustment of grievances.

(3) Refusing to bargain collectively in good faith with an educational employer, if they have been designated in accordance with the provisions of this Act as the exclusive representative of employees in an appropriate unit.

(4) Violating any of the rules and regulations promulgated by the Board regulating the conduct of representation elections.

(5) Refusing to reduce a collective bargaining agreement to writing and signing such agreement.

(6) Refusing to comply with the provisions of a binding arbitration award.

(c) The expressing of any views, argument, opinion or the dissemination thereof, whether in written, printed, graphic or visual form, shall not constitute or be evidence of an unfair labor practice under any of the provisions of this Act, if such expression contains no threat of reprisal or force or promise of benefit.

(d) The actions of a Financial Oversight Panel created pursuant to Section 1A-8 of the School Code due to a district violating a financial plan shall not constitute or be evidence of an unfair labor practice under any of the provisions of this Act. Such actions include, but are not limited to, reviewing, approving, or rejecting a school district budget or a collective bargaining agreement.

(Source: P.A. 89-572, eff. 7-30-96.)

(115 ILCS 5/17) (from Ch. 48, par. 1717)

Sec. 17. Effect on other laws. In case of any conflict between the provisions of this Act and any other law (other than Section 15-132.9, 16-122.9, or 17-115.5 of the Illinois Pension Code), executive order or administrative regulation, the provisions of this Act shall prevail and control. The provisions of this Act are subject to any applicable restrictions in Section 15-132.9, 16-122.9, or 17-115.5 of the Illinois Pension Code, as well as the changes, impact of changes, and implementation of changes set forth in this amendatory Act of the 100th General Assembly. Nothing in this Act shall be construed to replace or diminish the rights of employees established by Section 36d of "An Act to create the State Universities Civil Service System", approved May 11, 1905, as amended or modified.

(Source: P.A. 83-1014.)

Section 900. The State Mandates Act is amended by adding Section 8.41 as follows:

(30 ILCS 805/8.41 new)

Sec. 8.41. Exempt mandate. Notwithstanding Sections 6 and 8 of this Act, no reimbursement by the State is required for the implementation of any mandate created by this amendatory Act of the 100th General Assembly.

Section 970. Severability. Except as otherwise provided in this Act, the provisions of this Act are severable under Section 1.31 of the Statute on Statutes.

Section 999. Effective date. This Act takes effect upon becoming law, but this Act does not take effect at all unless Senate Bills 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 12, and 13 of the 100th General Assembly become law.".

The motion prevailed.

And the amendment was adopted and ordered printed.

There being no further amendments, the foregoing Amendment No. 3 was ordered engrossed, and the bill, as amended, was ordered to a third reading.

READING BILL OF THE SENATE A THIRD TIME

On motion of Senator J. Cullerton, **Senate Bill No. 11** having been transcribed and typed and all amendments adopted thereto having been printed, was taken up and read by title a third time.

And the question being, “Shall this bill pass?” it was decided in the negative by the following vote:

YEAS 18; NAYS 29; Present 10.

The following voted in the affirmative:

Clayborne	Koehler	Muñoz	Trotter
Haine	Link	Raoul	Van Pelt
Harmon	Martinez	Sandoval	Mr. President
Hunter	McGuire	Silverstein	
Jones, E.	Morrison	Steans	

The following voted in the negative:

Anderson	Collins	Hutchinson	Righter
Aquino	Connelly	Landek	Rose
Barickman	Cullerton, T.	Manar	Schimpf
Bennett	Cunningham	McCann	Tracy
Bertino-Tarrant	Fowler	McCarter	Weaver
Biss	Harris	Mulroe	
Bivins	Hastings	Murphy	
Castro	Holmes	Rezin	

The following voted present:

Althoff	McConnaughay	Radogno	Syverson
Brady	Nybo	Rooney	
McConchie	Oberweis	Stadelman	

This bill, having failed to receive the vote of a constitutional majority of the members elected, was declared lost, and all amendments not adopted were tabled pursuant to Senate Rule No. 5-4(a).

Senator Bush asked and obtained unanimous consent for the Journal to reflect her intention to have voted present on **Senate Bill No. 11**.

CONSIDERATION OF RESOLUTION ON SECRETARY'S DESK

Senator Hunter moved that **Senate Resolution No. 8**, on the Secretary's Desk, be taken up for immediate consideration.

The motion prevailed.

Senator Hunter moved that Senate Resolution No. 8 be adopted.

The motion prevailed.

And the resolution was adopted.

At the hour of 2:38 o'clock p.m., Senator Trotter, presiding.

Senator Muñoz, Chairperson of the Committee on Executive Appointments, moved that the Senate resolve itself into Executive Session to consider the report of that Committee relative to the appointment messages.

The motion prevailed.

EXECUTIVE SESSION

Senator Muñoz, Chairperson of the Committee on Executive Appointments, to which was referred Appointment Message 990361, reported the same back with the recommendation that the Senate advise and consent to the following appointment:

Appointment Message No. 990361

Title of Office: Member

Agency or Other Body: Illinois Committee for Agricultural Education

Start Date: November 2, 2015

End Date: March 13, 2018

Name: Kevin Daugherty

Residence: 102 E. Oak St., Le Roy, IL 61752

Annual Compensation: Expenses

Per diem: Not Applicable

Nominee's Senator: Senator Chapin Rose

Most Recent Holder of Office: Constance Niemann

Superseded Appointment Message: Not Applicable

Senator Muñoz moved that the Senate advise and consent to the foregoing appointment.
And on that motion, a call of the roll was had resulting as follows:

YEAS 54; NAYS None.

The following voted in the affirmative:

Althoff	Cunningham	McCann	Rooney
Anderson	Fowler	McConchie	Rose
Aquino	Haine	McConnaughay	Sandoval
Bennett	Harmon	McGuire	Schimpf
Bertino-Tarrant	Harris	Morrison	Silverstein
Biss	Holmes	Mulroe	Stadelman
Bivins	Hunter	Muñoz	Steans
Brady	Hutchinson	Murphy	Tracy
Bush	Jones, E.	Nybo	Trotter
Castro	Koehler	Oberweis	Van Pelt
Clayborne	Lightford	Radogno	Weaver
Collins	Link	Raoul	Mr. President
Connelly	Manar	Rezin	
Cullerton, T.	Martinez	Righter	

The motion prevailed.
Whereupon the President of the Senate announced confirmation of the foregoing appointment.

Senator Muñoz, Chairperson of the Committee on Executive Appointments, to which was referred Appointment Message 990366, reported the same back with the recommendation that the Senate advise and consent to the following appointment:

Appointment Message No. 990366

Title of Office: Inspector General

Agency or Other Body: Illinois State Toll Highway Authority

Start Date: November 9, 2015

End Date: June 30, 2020

Name: Theodor Hengesbach

Residence: 1624 N. New England Ave., Chicago, IL 60707

Annual Compensation: Set by Illinois State Toll Highway Authority

Per diem: Not Applicable

Nominee's Senator: Senator Don Harmon

Most Recent Holder of Office: James Wagner

Superseded Appointment Message: Not Applicable

Senator Muñoz moved that the Senate advise and consent to the foregoing appointment. And on that motion, a call of the roll was had resulting as follows:

YEAS 56; NAYS None.

The following voted in the affirmative:

Althoff	Cunningham	McConchie	Sandoval
Anderson	Fowler	McConnaughay	Schimpf
Aquino	Haine	McGuire	Silverstein
Barickman	Harris	Morrison	Stadelman
Bennett	Holmes	Mulroe	Steans
Bertino-Tarrant	Hunter	Muñoz	Syverson
Biss	Hutchinson	Murphy	Tracy
Bivins	Jones, E.	Nybo	Trotter
Brady	Koehler	Oberweis	Van Pelt
Bush	Lightford	Radogno	Weaver
Castro	Link	Raoul	Mr. President
Clayborne	Manar	Rezin	
Collins	Martinez	Righter	
Connelly	McCann	Rooney	
Cullerton, T.	McCarter	Rose	

The motion prevailed.
Whereupon the President of the Senate announced confirmation of the foregoing appointment.

Senator Muñoz, Chairperson of the Committee on Executive Appointments, to which was referred Appointment Message 990368, reported the same back with the recommendation that the Senate advise and consent to the following appointment:

Appointment Message No. 990368

Title of Office: Member

Agency or Other Body: Illinois Committee for Agricultural Education

Start Date: November 16, 2015

End Date: March 13, 2018

Name: Rylan Rusk

Residence: 1203 E. Cherry St., Olney, IL 62450

Annual Compensation: Expenses

Per diem: Not Applicable

Nominee's Senator: Senator Dale A. Righter

Most Recent Holder of Office: Timothy Reed

Superseded Appointment Message: Not Applicable

Senator Muñoz moved that the Senate advise and consent to the foregoing appointment.
And on that motion, a call of the roll was had resulting as follows:

YEAS 59; NAYS None.

The following voted in the affirmative:

Althoff	Cunningham	Martinez	Righter
Anderson	Fowler	McCann	Rooney
Aquino	Haine	McCarter	Rose
Barickman	Harmon	McConchie	Sandoval
Bennett	Harris	McConnaughay	Schimpf
Bertino-Tarrant	Hastings	McGuire	Silverstein
Biss	Holmes	Morrison	Stadelman
Bivins	Hunter	Mulroe	Steans
Brady	Hutchinson	Muñoz	Syverson
Bush	Jones, E.	Murphy	Tracy
Castro	Koehler	Nybo	Trotter
Clayborne	Landek	Oberweis	Van Pelt
Collins	Lightford	Radogno	Weaver
Connelly	Link	Raoul	Mr. President
Cullerton, T.	Manar	Rezin	

The motion prevailed.
Whereupon the President of the Senate announced confirmation of the foregoing appointment.

Senator Muñoz, Chairperson of the Committee on Executive Appointments, to which was referred Appointment Message 990370, reported the same back with the recommendation that the Senate advise and consent to the following appointment:

Appointment Message No. 990370

Title of Office: Member and Chair

Agency or Other Body: Health Facilities and Services Review Board

Start Date: November 23, 2015

End Date: July 1, 2018

Name: Kathryn Olson

Residence: 1100 Tilton Park Dr., Rochelle, IL 61068

Annual Compensation: Expenses

Per diem: Not Applicable

Nominee's Senator: Senator Tim Bivins

Most Recent Holder of Office: Reappointment

Superseded Appointment Message: Not Applicable

Senator Muñoz moved that the Senate advise and consent to the foregoing appointment.
And on that motion, a call of the roll was had resulting as follows:

YEAS 58; NAYS None.

The following voted in the affirmative:

Althoff	Cunningham	McCann	Rooney
Anderson	Fowler	McCarter	Rose
Aquino	Haine	McConchie	Sandoval
Barickman	Harmon	McConnaughay	Schimpf
Bennett	Harris	McGuire	Silverstein
Bertino-Tarrant	Holmes	Morrison	Stadelman
Biss	Hunter	Mulroe	Steans
Bivins	Hutchinson	Muñoz	Syverson
Brady	Jones, E.	Murphy	Tracy
Bush	Koehler	Nybo	Trotter
Castro	Landek	Oberweis	Van Pelt
Clayborne	Lightford	Radogno	Weaver
Collins	Link	Raoul	Mr. President
Connelly	Manar	Rezin	
Cullerton, T.	Martinez	Righter	

The motion prevailed.
Whereupon the President of the Senate announced confirmation of the foregoing appointment.

Senator Muñoz, Chairperson of the Committee on Executive Appointments, to which was referred Appointment Message 990371, reported the same back with the recommendation that the Senate advise and consent to the following appointment:

Appointment Message No. 990371

Title of Office: Member

Agency or Other Body: Health Facilities and Services Review Board

Start Date: November 23, 2015

End Date: July 1, 2018

Name: John McGlasson

Residence: 402 E. Payson St., Pontiac, IL 61764

Annual Compensation: Expenses

Per diem: Not Applicable

Nominee's Senator: Senator Jason A. Barickman

Most Recent Holder of Office: Philip Bradley

Superseded Appointment Message: Not Applicable

Senator Muñoz moved that the Senate advise and consent to the foregoing appointment.
And on that motion, a call of the roll was had resulting as follows:

YEAS 56; NAYS None.

The following voted in the affirmative:

Althoff	Fowler	McCarter	Rose
Anderson	Haine	McConchie	Sandoval
Aquino	Harmon	McConnaughay	Silverstein
Barickman	Harris	McGuire	Stadelman
Bennett	Holmes	Morrison	Steans
Bertino-Tarrant	Hunter	Mulroe	Syverson
Biss	Hutchinson	Muñoz	Tracy
Bivins	Jones, E.	Murphy	Trotter
Brady	Koehler	Nybo	Van Pelt
Bush	Landek	Oberweis	Weaver
Castro	Lightford	Radogno	Mr. President
Clayborne	Link	Raoul	
Collins	Manar	Rezin	
Connelly	Martinez	Righter	
Cunningham	McCann	Rooney	

The motion prevailed.
Whereupon the President of the Senate announced confirmation of the foregoing appointment.

Senator Muñoz, Chairperson of the Committee on Executive Appointments, to which was referred Appointment Message 990374, reported the same back with the recommendation that the Senate advise and consent to the following appointment:

Appointment Message No. 990374

Title of Office: Member

Agency or Other Body: Medical Licensing Board

Start Date: December 7, 2015

End Date: January 1, 2018

Name: Nicholas Parise

Residence: 614 S. St. Cecilia Dr., Mt. Prospect, IL 60056

Annual Compensation: Expenses

Per diem: Not Applicable

Nominee's Senator: Senator Matt Murphy

Most Recent Holder of Office: Dennis Palmer

Superseded Appointment Message: Not Applicable

Senator Muñoz moved that the Senate advise and consent to the foregoing appointment.
And on that motion, a call of the roll was had resulting as follows:

YEAS 58; NAYS None.

The following voted in the affirmative:

Althoff	Cunningham	McCann	Rooney
Anderson	Fowler	McCarter	Rose
Aquino	Haine	McConchie	Sandoval
Barickman	Harmon	McConnaughay	Schimpf
Bennett	Harris	McGuire	Silverstein
Bertino-Tarrant	Holmes	Morrison	Stadelman
Biss	Hunter	Mulroe	Steans
Bivins	Hutchinson	Muñoz	Syverson
Brady	Jones, E.	Murphy	Tracy
Bush	Koehler	Nybo	Trotter
Castro	Landek	Oberweis	Van Pelt
Clayborne	Lightford	Radogno	Weaver
Collins	Link	Raoul	Mr. President
Connelly	Manar	Rezin	
Cullerton, T.	Martinez	Righter	

The motion prevailed.
Whereupon the President of the Senate announced confirmation of the foregoing appointment.

Senator Muñoz, Chairperson of the Committee on Executive Appointments, to which was referred Appointment Message 990375, reported the same back with the recommendation that the Senate advise and consent to the following appointment:

Appointment Message No. 990375

Title of Office: Member

Agency or Other Body: Mid-Illinois Medical District

Start Date: December 7, 2015

End Date: June 30, 2017

Name: Roland Cross

Residence: 1121 Rantoul St., Springfield, IL 62704

Annual Compensation: Expenses

Per diem: Not Applicable

Nominee's Senator: Senator Wm. Sam McCann

Most Recent Holder of Office: Virginia Cooper

Superseded Appointment Message: Not Applicable

Senator Muñoz moved that the Senate advise and consent to the foregoing appointment.
And on that motion, a call of the roll was had resulting as follows:

YEAS 59; NAYS None.

The following voted in the affirmative:

Althoff	Cunningham	Martinez	Righter
Anderson	Fowler	McCann	Rooney
Aquino	Haine	McCarter	Rose
Barickman	Harmon	McConchie	Sandoval
Bennett	Harris	McConnaughay	Schimpf
Bertino-Tarrant	Hastings	McGuire	Silverstein
Biss	Holmes	Morrison	Stadelman
Bivins	Hunter	Mulroe	Steans
Brady	Hutchinson	Muñoz	Syverson
Bush	Jones, E.	Murphy	Tracy
Castro	Koehler	Nybo	Trotter
Clayborne	Landek	Oberweis	Van Pelt
Collins	Lightford	Radogno	Weaver
Connelly	Link	Raoul	Mr. President
Cullerton, T.	Manar	Rezin	

The motion prevailed.
Whereupon the President of the Senate announced confirmation of the foregoing appointment.

Senator Muñoz, Chairperson of the Committee on Executive Appointments, to which was referred Appointment Message 990376, reported the same back with the recommendation that the Senate advise and consent to the following appointment:

Appointment Message No. 990376

Title of Office: Member

Agency or Other Body: Mid-Illinois Medical District

Start Date: December 7, 2015

End Date: June 30, 2020

Name: Mitchell Johnson

Residence: 1612 Scarlett Place, Springfield, IL 62704

Annual Compensation: Expenses

Per diem: Not Applicable

Nominee's Senator: Senator Wm. Sam McCann

Most Recent Holder of Office: Lu Ann Johnson

Superseded Appointment Message: Not Applicable

Senator Muñoz moved that the Senate advise and consent to the foregoing appointment.
And on that motion, a call of the roll was had resulting as follows:

YEAS 58; NAYS None.

The following voted in the affirmative:

Althoff	Cunningham	McCann	Rooney
Anderson	Fowler	McCarter	Rose
Aquino	Haine	McConchie	Sandoval

Barickman	Harmon	McConnaughay	Schimpf
Bennett	Harris	McGuire	Silverstein
Bertino-Tarrant	Hastings	Morrison	Stadelman
Biss	Holmes	Mulroe	Steans
Bivins	Hunter	Muñoz	Syverson
Brady	Hutchinson	Murphy	Tracy
Bush	Jones, E.	Nybo	Trotter
Castro	Koehler	Oberweis	Van Pelt
Clayborne	Lightford	Radogno	Weaver
Collins	Link	Raoul	Mr. President
Connelly	Manar	Rezin	
Cullerton, T.	Martinez	Righter	

The motion prevailed.

Whereupon the President of the Senate announced confirmation of the foregoing appointment.

On motion of Senator Muñoz, the Executive Session arose and the Senate resumed consideration of business.

Senator Trotter, presiding.

COMMITTEE MEETING ANNOUNCEMENT

The Chair announced the following previously scheduled committees to meet immediately upon adjournment:

Executive in Room 212
Licensed Activities and Pensions in Room 400
State Government in Room 409

At the hour of 2:55 o'clock p.m., the Chair announced that the Senate stand at ease.

AT EASE

At the hour of 3:02 o'clock p.m., the Senate resumed consideration of business.

Senator Trotter, presiding.

REPORT FROM COMMITTEE ON ASSIGNMENTS

Senator Clayborne, Chairperson of the Committee on Assignments, during its February 8, 2017 meeting, reported the following Legislative Measures have been assigned to the indicated Standing Committees of the Senate:

Agriculture: **SENATE BILL 709**.

Appropriations I: **SENATE BILLS 597 and 740**.

Appropriations II: **SENATE BILL 583**.

Commerce and Economic Development: **SENATE BILL 867**.

Criminal Law: **SENATE BILLS 189, 681, 702 and 840**.

Education: **SENATE BILLS 668, 698, 704, 756, 757, 764, 767, 791, 863 and 865**.

Energy: **SENATE BILLS 730 and 777**.

Environment and Conservation: **SENATE BILL 774**.

Executive: **SENATE BILLS 651, 662, 729, 739, 759, 762, 775, 780, 834, 835, 836 and 870**.

Financial Institutions: **SENATE BILLS 718, 734, 746 and 776**.

Gaming: **SENATE BILL 629**.

Government Reform: **SENATE BILLS 701 and 773**.

Higher Education: **SENATE BILLS 736, 837, 875 and 887**.

Human Services: **SENATE BILLS 624, 696, 752 and 869**.

Insurance: **SENATE BILL 735**.

Judiciary: **SENATE BILLS 640, 656, 699, 720, 721, 722, 723, 724, 725, 726, 727, 728, 731, 758, 766, 822, 861, 862, 881, 882, 883, 884, 885 and 890**.

Labor: **SENATE BILL 858**.

Licensed Activities and Pensions: **SENATE BILLS 708, 747, 768, 769, 770, 771, 772, 778 and 779**; **Committee Amendment No. 1 to Senate Bill 589; Committee Amendment No. 2 to Senate Bill 589**.

Local Government: **SENATE BILLS 669, 695, 751, 851 and 864**; **Committee Amendment No. 1 to Senate Bill 196**.

Public Health: **SENATE BILLS 741 and 868**.

Revenue: **SENATE BILLS 631, 686, 742, 744, 845, 849, 850, 859, 871 and 872**.

State Government: **SENATE BILLS 707, 763, 765 and 886**.

Transportation: **SENATE BILLS 789, 874 and 880**.

Veterans Affairs: **SENATE BILLS 705, 860 and 866**.

Senator Clayborne, Chairperson of the Committee on Assignments, during its February 8, 2017 meeting, reported the following Legislative Measures have been assigned to the indicated Standing Committees of the Senate:

Environment and Conservation: **Senate Joint Resolution No. 15.**

Revenue: **Senate Resolution No. 113.**

State Government: **Senate Resolutions Numbered 93 and 94.**

Pursuant to Senate Rule 3-8 (b-1), the following amendments will remain in the Committee on Assignments:

Floor Amendment No. 2 to Senate Bill 6
Floor Amendment No. 2 to Senate Bill 7
Floor Amendment No. 2 to Senate Bill 8
Floor Amendment No. 2 to Senate Bill 9
Floor Amendment No. 2 to Senate Bill 11
Floor Amendment No. 2 to Senate Bill 12
Floor Amendment No. 2 to Senate Bill 13

Floor Amendment No. 3 to Senate Bill 13

At the hour of 3:07 o'clock p.m., the Chair announced the Senate stand adjourned until Thursday, February 9, 2017, at 9:30 o'clock a.m.