



# **SENATE JOURNAL**

**STATE OF ILLINOIS**

**NINETY-EIGHTH GENERAL ASSEMBLY**

**48TH LEGISLATIVE DAY**

**THURSDAY, MAY 9, 2013**

**12:06 O'CLOCK P.M.**

**SENATE**  
**Daily Journal Index**  
**48th Legislative Day**

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The Senate met pursuant to adjournment.  
 Senator Kimberly A. Lightford, Maywood, Illinois, presiding.  
 Prayer by Shaun Lewis, Capitol Commission, Springfield, Illinois.  
 Senator Jacobs led the Senate in the Pledge of Allegiance.

Senator Hunter moved that reading and approval of the Journal of Wednesday, May 8, 2013, be postponed, pending arrival of the printed Journal.  
 The motion prevailed.

### **REPORT RECEIVED**

The Secretary placed before the Senate the following report:

Illiana Expressway - Will, Kankakee (IL) and Lake (IN) Counties Legislative Report - May 1, 2013, submitted by the Department of Transportation.

The foregoing report was ordered received and placed on file in the Secretary's Office.

### **LEGISLATIVE MEASURES FILED**

The following Floor amendments to the Senate Bills listed below have been filed with the Secretary and referred to the Committee on Assignments:

Senate Floor Amendment No. 1 to Senate Bill 1002  
 Senate Floor Amendment No. 4 to Senate Bill 1245  
 Senate Floor Amendment No. 3 to Senate Bill 1361  
 Senate Floor Amendment No. 3 to Senate Bill 2404  
 Senate Floor Amendment No. 4 to Senate Bill 2404  
 Senate Floor Amendment No. 5 to Senate Bill 2404

The following Committee amendments to the House Bills listed below have been filed with the Secretary and referred to the Committee on Assignments:

Senate Committee Amendment No. 2 to House Bill 1040  
 Senate Committee Amendment No. 1 to House Bill 3349

The following Floor amendments to the House Bills listed below have been filed with the Secretary and referred to the Committee on Assignments:

Senate Floor Amendment No. 2 to House Bill 3006  
 Senate Floor Amendment No. 2 to House Bill 3139  
 Senate Floor Amendment No. 1 to House Bill 3172  
 Senate Floor Amendment No. 2 to House Bill 3186  
 Senate Floor Amendment No. 1 to House Bill 3346

### **REPORTS FROM STANDING COMMITTEES**

Senator Landek, Chairperson of the Committee on State Government and Veterans Affairs, to which was referred the following Senate floor amendments, reported that the Committee recommends do adopt:

Senate Amendment No. 1 to Senate Bill 628  
 Senate Amendment No. 4 to Senate Bill 2226

Under the rules, the foregoing floor amendments are eligible for consideration on second reading.

[May 9, 2013]

Senator Landek, Chairperson of the Committee on State Government and Veterans Affairs, to which was referred **Senate Resolution No. 122**, reported the same back with the recommendation that the resolution be adopted.

Under the rules, **Senate Resolution No. 122** was placed on the Secretary's Desk.

Senator Landek, Chairperson of the Committee on State Government and Veterans Affairs, to which was referred **House Bills Numbered 479, 2764, 2879 and 3207**, reported the same back with the recommendation that the bills do pass.

Under the rules, the bills were ordered to a second reading.

Senator Landek, Chairperson of the Committee on State Government and Veterans Affairs, to which was referred **House Bills Numbered 2947, 2955, 3049 and 3260**, reported the same back with amendments having been adopted thereto, with the recommendation that the bills, as amended, do pass.

Under the rules, the bills were ordered to a second reading.

Senator Landek, Chairperson of the Committee on State Government and Veterans Affairs, to which was referred the following Senate floor amendments, reported that the Committee recommends be approved for consideration:

Senate Amendment No. 1 to House Bill 2363

Senate Amendment No. 2 to House Bill 3359

Under the rules, the foregoing floor amendments are eligible for consideration on second reading.

Senator Martinez, Chairperson of the Committee on Licensed Activities and Pensions, to which was referred **House Bills Numbered 140, 1849, 2517, 2767, 2993 and 2996**, reported the same back with the recommendation that the bills do pass.

Under the rules, the bills were ordered to a second reading.

Senator Martinez, Chairperson of the Committee on Licensed Activities and Pensions, to which was referred **House Bills Numbered 84, 595, 2720, 2721 and 3186**, reported the same back with amendments having been adopted thereto, with the recommendation that the bills, as amended, do pass.

Under the rules, the bills were ordered to a second reading.

Senator Martinez, Chairperson of the Committee on Licensed Activities and Pensions, to which was referred the following Senate floor amendment, reported that the Committee recommends do adopt:

Senate Amendment No. 1 to House Bill 3088

Under the rules, the foregoing floor amendment is eligible for consideration on second reading.

Senator Harmon, Chairperson of the Committee on Executive, to which was referred the following Senate floor amendments, reported that the Committee recommends do adopt:

Senate Amendment No. 2 to Senate Bill 1361

Senate Amendment No. 2 to Senate Bill 2404

Under the rules, the foregoing floor amendments are eligible for consideration on second reading.

Senator Harmon, Chairperson of the Committee on Executive, to which was referred **House Bills Numbered 1, 105, 962, 973, 996, 1351, 2408, 2418, 2620, 2747, 2869 and 2943**, reported the same back with the recommendation that the bills do pass.

Under the rules, the bills were ordered to a second reading.

Senator Harmon, Chairperson of the Committee on Executive, to which was referred **House Bills Numbered 11, 101, 1573 and 3133**, reported the same back with amendments having been adopted thereto, with the recommendation that the bills, as amended, do pass.

[May 9, 2013]

Under the rules, the bills were ordered to a second reading.

Senator Hutchinson, Chairperson of the Committee on Revenue, to which was referred **House Bill No. 438**, reported the same back with the recommendation that the bill do pass.

Under the rules, the bill was ordered to a second reading.

Senator Hutchinson, Chairperson of the Committee on Revenue, to which was referred **House Bills Numbered 189 and 3157**, reported the same back with amendments having been adopted thereto, with the recommendation that the bills, as amended, do pass.

Under the rules, the bills were ordered to a second reading.

Senator Haine, Chairperson of the Committee on Insurance, to which was referred **House Bills Numbered 3139 and 3227**, reported the same back with amendments having been adopted thereto, with the recommendation that the bills, as amended, do pass.

Under the rules, the bills were ordered to a second reading.

Senator Holmes, Chairperson of the Committee on Environment, to which was referred **Senate Resolution No. 163**, reported the same back with the recommendation that the resolution be adopted.

Under the rules, **Senate Resolution No. 163** was placed on the Secretary's Desk.

Senator Holmes, Chairperson of the Committee on Environment, to which was referred **House Bill No. 2036**, reported the same back with the recommendation that the bill do pass.

Under the rules, the bill was ordered to a second reading.

Senator Holmes, Chairperson of the Committee on Environment, to which was referred **House Bills Numbered 702 and 3319**, reported the same back with amendments having been adopted thereto, with the recommendation that the bills, as amended, do pass.

Under the rules, the bills were ordered to a second reading.

Senator Jacobs, Chairperson of the Committee on Energy, to which was referred **House Bills Numbered 1745, 2232, 2586 and 2753**, reported the same back with the recommendation that the bills do pass.

Under the rules, the bills were ordered to a second reading.

Senator Jacobs, Chairperson of the Committee on Energy, to which was referred the following Senate floor amendment, reported that the Committee recommends do adopt:

Senate Amendment No. 2 to House Bill 2623

Under the rules, the foregoing floor amendment is eligible for consideration on second reading.

## PRESENTATION OF RESOLUTIONS

### SENATE RESOLUTION NO. 299

Offered by Senator Koehler and all Senators:  
Mourns the death of Roger D. Howerter of Canton.

### SENATE RESOLUTION NO. 300

Offered by Senator McGuire and all Senators  
Mourns the death of Theresa Ann "Terri" (nee Farmer) Micetich of Joliet.

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

[May 9, 2013]

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

**SENATE RESOLUTION NO. 298**

WHEREAS, The historic community of Pullman on Chicago's far southeast side was a company-owned town planned and built in the late 19th century by Chicago businessman and industrialist George M. Pullman, founder of the Pullman Palace Car Company, and includes the area east of Cottage Grove Avenue, from East 103rd Street to East 115th Street; and

WHEREAS, The Pullman community includes scores of restored historic homes and buildings, including the Clock Tower Administration Building and Factory, where the Pullman luxury railroad passenger cars were constructed, and the Hotel Florence, which was built as lodging for visiting businessmen and dignitaries; both of these sites are now owned by the State of Illinois and maintained by the Illinois Historic Preservation Agency; and

WHEREAS, Pullman's important role in the nation's history was recognized by the National Park Service through its placement on the National Register of Historic Places in 1969 and its designation as a National Historic Landmark in 1970; and

WHEREAS, Pullman is renowned as one of America's first and most important model industrial towns and for the seminal role this town played in the nation's urban planning, labor, transportation, architectural, and African-American history; and

WHEREAS, The country's first African-American labor union, the Brotherhood of Sleeping Car Porters, was established and led by the legendary labor leader, A. Philip Randolph, and the men hired by the Pullman Company to work as porters on his sleeping cars; this union was instrumental in the formation and advancement of the African-American middle class in America; and

WHEREAS, On March 13, 2013, the Chicago City Council passed a resolution urging Congress to make Pullman a National Historical Park or the President to declare it a National Monument; and

WHEREAS, The Lincoln Home National Historic Site in Springfield is currently the only unit of the National Park System in Illinois; as a National Historical Park, Pullman would be a unique gem to add to the City of Chicago's remarkable and noteworthy destination sites for our tourism industry; and

WHEREAS, The United States House of Representatives introduced H.R. 3894 to authorize the Secretary of the Interior to conduct a Special Resource Study of the Pullman Historic District to determine the suitability and feasibility of designating the site as part of the National Park System; and

WHEREAS, A reconnaissance survey is now being undertaken by the National Park Service to evaluate Pullman's significance, suitability, and feasibility as a potential unit of the National Park Service, which would ensure that the historic structures are protected and accessible for all people to experience; and

WHEREAS, More than \$26 million in State and federal funds have been invested in the Pullman State Historic Site for acquisition and stabilization, and a national park designation would capitalize on this investment; and

WHEREAS, The local community is highly supportive of and would benefit from a revitalized and better utilized site, with enhanced interpretive and educational programs at the Clock Tower Administration Building and Factory and other buildings to teach about the significance of Pullman and the numerous historic and cultural themes associated with it; and

WHEREAS, The Pullman State Historic Site is vital to the community's cultural and historical identity, but remains underutilized and at risk for deferred maintenance; and

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WHEREAS, National parks generate \$31 billion for local economies each year and are shown to incorporate neighborhood historic renovation and spur business growth in urban areas; and

WHEREAS, The general consensus is that now is the time for immediate action to develop the site to realize its full potential; therefore, be it

RESOLVED, BY THE SENATE OF THE NINETY-EIGHTH GENERAL ASSEMBLY OF THE STATE OF ILLINOIS, that we urge Congress to pass a bill establishing Pullman as a National Historical Park or, alternatively, call upon President Barack Obama to exercise his authority by executive order to designate Pullman as a National Monument; and be it further

RESOLVED, That we state our belief that not only should the State of Illinois continue to have a presence and role at Pullman, but various community and civic organizations and institutions, as well as the National Park Service, should play a role and establish strong and lasting partnerships in redeveloping and reenergizing this site; and be it further

RESOLVED, That suitable copies of this resolution be delivered to Governor Pat Quinn, Chicago Mayor Rahm Emanuel, U.S. Senators Richard Durbin and Mark Kirk, the members of the Illinois congressional delegation, National Park Service Director Jonathan Jarvis, and President Barack Obama.

### **READING BILL FROM THE HOUSE OF REPRESENTATIVES A FIRST TIME**

**House Bill No. 2520**, sponsored by Senator Muñoz, was taken up, read by title a first time and referred to the Committee on Assignments.

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

At the hour of 12:15 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 1:10 o'clock p.m., the Senate resumed consideration of business.  
Senator Lightford, presiding.

### **PRESENTATION OF RESOLUTION**

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

#### **SENATE RESOLUTION NO. 301**

WHEREAS, The members of the Illinois Senate recognize the critical importance of reading proficiency for children to prepare for college and careers in the 21st century workplace; and

WHEREAS, The most important period for development of reading proficiency is kindergarten through grade 2; and

WHEREAS, The State of Illinois in 2000 authorized and funded the development of a multifaceted, classroom-based literacy assessment that provides data to design meaningful instruction in order to identify students in need of additional attention and to enable all children to meet the Illinois Learning Standards as measured by the Illinois Standards Achievement Test in grade 3; and

WHEREAS, This assessment, known as the Illinois Snapshot of Early Literacy (ISEL), was developed  
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collaboratively by Illinois institutions of higher education, classroom teachers, and administrators throughout our State; and

WHEREAS, ISEL has been used beneficially to help guide instruction for thousands of Illinois schoolchildren, thus proving its value in literacy development and subsequent advanced reading skills; and

WHEREAS, ISEL is owned by the State Board of Education; and

WHEREAS, ISEL is research-based, valid and reliable, endorsed by national literacy experts, and aligns closely to the Illinois Learning Standards and Common Core State Standards, which have been adopted by Illinois; and

WHEREAS, ISEL is made available by this State to all Illinois schools in paper form free of charge; and

WHEREAS, ISEL is complemented by a sophisticated technology platform that was funded by this State, the Chicago Community Trust, and other charitable foundations and was developed by the Center, Resources for Teaching and Learning, an Illinois 501(c)(3) organization that has worked closely with the State Board of Education and other State agencies for the past 40 years; and

WHEREAS, ISEL can be administered by school districts at a substantially lower cost per student than any other technology-based commercial assessment instrument, thus saving schools a substantial amount of money; and

WHEREAS, ISEL was designed by this State and its collaborators to work effectively with any computer operating system and mobile device, thus further reducing the cost of using this instrument; and

WHEREAS, Illinois has adopted the Common Core State Standards and is a member of the Partnership for Assessment of Readiness for College and Careers (PARCC); and

WHEREAS, Other states have received recognition for the national use of assessments and other diagnostic instruments developed with their own resources; and

WHEREAS, PARCC plans to develop a K-2 formative assessment for early literacy; therefore, be it

RESOLVED, BY THE SENATE OF THE NINETY-EIGHTH GENERAL ASSEMBLY OF THE STATE OF ILLINOIS, that we endorse and encourage the use of ISEL by Illinois schools and by the additional 21 states within the PARCC consortium; and be it further

RESOLVED, That the State of Illinois formally encourages ISBE to make ISEL available to the other states within the PARCC consortium so that their students and teachers may benefit from this excellent assessment, developed in Illinois by Illinois early literacy experts, institutions of higher learning, educators, and administrators; and be it further

RESOLVED, That suitable copies of this resolution be delivered to the Chairperson of the State Board of Education and the PARCC governing board.

#### **READING BILLS FROM THE HOUSE OF REPRESENTATIVES A SECOND TIME**

On motion of Senator Silverstein, **House Bill No. 2832** having been printed, was taken up and read by title a second time.

The following amendment was offered in the Committee on Judiciary, adopted and ordered printed:

#### **AMENDMENT NO. 1 TO HOUSE BILL 2832**

AMENDMENT NO. 1. Amend House Bill 2832 as follows:

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on page 5, line 12, by inserting "that is recorded in the grantor's index or the grantee's index" immediately after "instrument"; and

on page 5, line 17, by replacing "place" with "record"; and

on page 5, line 18, by replacing "Property Index" with "grantor's index or the grantee's index".

There being no further amendments, the bill, as amended, was ordered to a third reading.

On motion of Senator Noland, **House Bill No. 2862** was taken up, read by title a second time and ordered to a third reading.

On motion of Senator Manar, **House Bill No. 2918** was taken up, read by title a second time and ordered to a third reading.

At the hour of 1:15 o'clock p.m., the Chair announced that the Senate stand at ease.

#### AT EASE

At the hour of 1:23 o'clock p.m., the Senate resumed consideration of business.  
Senator Lightford, presiding.

#### REPORT FROM COMMITTEE ON ASSIGNMENTS

Senator Clayborne, Chairperson of the Committee on Assignments, during its May 9, 2013 meeting, reported the following House Bills have been assigned to the indicated Standing Committees of the Senate:

Environment: **House Bill No. 1391.**

Executive: **House Bills Numbered 1375 and 2520.**

Labor and Commerce: **House Bill No. 922.**

Local Government: **House Bill No. 2239.**

Senator Clayborne, Chairperson of the Committee on Assignments, during its May 9, 2013 meeting, reported the following House Resolution has been assigned to the indicated Standing Committee of the Senate:

Executive: **House Joint Resolution No. 9.**

Senator Clayborne, Chairperson of the Committee on Assignments, during its May 9, 2013 meeting, reported that the Committee recommends that **Senate Bills numbered 2555, 2556, 2557, 2558 and 2559** be re-referred to the Committee on Assignments.

Senator Clayborne, Chairperson of the Committee on Assignments, during its May 9, 2013 meeting, to which was referred **Senate Bill No. 629** on April 30, 2013, reported that the Committee recommends that the bill be approved for consideration and returned to the calendar in its former position.

The report of the Committee was concurred in.

And **Senate Bill No. 629** was returned to the order of third reading.

[May 9, 2013]

Senator Clayborne, Chairperson of the Committee on Assignments, during its May 9, 2013 meeting, reported that the following Legislative Measures have been approved for consideration:

**Senate Floor Amendment No. 3 to Senate Bill 1361**  
**Senate Floor Amendment No. 4 to Senate Bill 2404**  
**Senate Floor Amendment No. 5 to Senate Bill 2404**

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

### SENATE BILL RECALLED

On motion of Senator Kotowski, **Senate Bill No. 1361** was recalled from the order of third reading to the order of second reading.

Senator Kotowski offered the following amendment and moved its adoption:

#### AMENDMENT NO. 2 TO SENATE BILL 1361

AMENDMENT NO. 2. Amend Senate Bill 1361, AS AMENDED, by replacing everything after the enacting clause with the following:

"Section 5. The Illinois Governmental Ethics Act is amended by changing Sections 1-105, 1-110, 4A-102, 4A-103, and 4A-108 and by adding Sections 1-102.5, 1-104.3, 1-104.4, 1-104.5, 1-105.2, 1-105.3, 1-105.4, 1-105.6, 1-105.7, 1-112.5, 1-113.6, and 1-113.7 as follows:

(5 ILCS 420/1-102.5 new)

Sec. 1-102.5. "Asset" means, for the purposes of Sections 4A-102 and 4A-103, an item that is owned and has monetary value. For the purposes of Sections 4A-102 and 4A-103, assets include, but are not limited to: stocks, bonds (except those issued by the federal, state, or local governments), sector mutual funds, sector exchange traded funds, commodity futures, investment real estate, and partnership interests. For the purposes of Sections 4A-102 and 4A-103, assets do not include: personal residences; personal vehicles; savings or checking accounts; bonds, notes, or securities issued by any branch of federal, state, or local government; Medicare benefits; inheritances or bequests; diversified mutual funds; annuities; pensions (including government pensions); retirement accounts; college savings plans that are qualified tuition plans; non-income producing trust holdings; or tangible personal property.

(5 ILCS 420/1-104.3 new)

Sec. 1-104.3. "Creditor" means, for the purposes of Sections 4A-102 and 4A-103, an individual, organization, or other business entity to whom money or its equivalent is owed, no matter whether that obligation is secured or unsecured, except that if a filer makes a loan to members of his or her family, a political committee registered with the Illinois State Board of Elections, or a political committee, principal campaign committee, or authorized committee registered with the Federal Election Commission, then that filer does not, by making such a loan, become a creditor of that individual or entity for the purposes of Sections 4A-102 and 4A-103 of this Act.

(5 ILCS 420/1-104.4 new)

Sec. 1-104.4. "Debt" means, for the purposes of Sections 4A-102 and 4A-103, any money or monetary obligation owed at any time during the preceding calendar year to an individual, company, or other organization, other than a loan that is from a financial institution, government agency, or business entity and that is granted on terms made available to the general public. For the purposes of Sections 4A-102 and 4A-103, "debt" includes, but is not limited to: personal loans from friends or business associates, business loans made outside the lender's regular course of business, and loans made at below market rates. For the purposes of Sections 4A-102 and 4A-103, "debt" does not include: (i) debts to or from financial institutions or government entities, such as mortgages, student loans, credit card debts, or loans secured by automobiles, household furniture, or appliances, as long as those loans were made on terms available to the general public and do not exceed the purchase price of the items securing them; or (ii) debts to or from a political committee registered with the Illinois State Board of Elections or political committees, principal campaign committees, or authorized committees registered with the Federal Election Commission.

(5 ILCS 420/1-104.5 new)

Sec. 1-104.5. "Diversified funds" means investment products, such as mutual funds, exchange traded funds, or unit investment trusts, that invest in a wide variety of securities.

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(5 ILCS 420/1-105) (from Ch. 127, par. 601-105)

Sec. 1-105. "Economic opportunity" means any purchase, sale, lease, contract, option, or other transaction or arrangement involving property or services wherein a legislator or, in the case of Sections 4A-102 and 4A-103, the filer may gain an economic benefit. The term shall not include gifts.

(Source: Laws 1967, p. 3401.)

(5 ILCS 420/1-105.2 new)

Sec. 1-105.2. "Economic relationship" means, for the purposes of Sections 4A-102 and 4A-103, any relationship that provides the filer with income or an economic opportunity. For the purposes of Sections 4A-102 and 4A-103, economic relationships include, but are not limited to, ownership interests in family-owned businesses and creditor-debtor relationships with third parties other than commercial lending institutions.

(5 ILCS 420/1-105.3 new)

Sec. 1-105.3. "Family" means, for the purposes of Sections 4A-102 and 4A-103, a filer's spouse (including a party to a civil union or a registered domestic partner), children, step-children, parents, step-parents, siblings, step-siblings, half-siblings, brothers-in-law, sisters-in-law, sons-in-law, daughters-in-law, aunts, uncles, nieces, nephews, great aunts, great uncles, first cousins, grandfathers, grandmothers, grandsons, and granddaughters, as well as the father, mother, grandfather, and grandmother of the filer's spouse (including a party to a civil union or a registered domestic partner).

(5 ILCS 420/1-105.4 new)

Sec. 1-105.4. "Filer" means, for the purposes of Section 4A-102 and 4A-103, a person required to file a statement of economic interests pursuant to this Act.

(5 ILCS 420/1-105.6 new)

Sec. 1-105.6. "Income" means, for the purposes of Sections 4A-102 and 4A-103, income from whatever source derived, required to be reported on the filer's federal income tax return, including, but not limited to: compensation received for services rendered or to be rendered (as reported on any Internal Revenue Service forms, including, but not limited to, W-2, 1099, or K-1); earnings or capital gains from the sale of assets; profit; interest or dividend income from all assets; revenue from leases and rentals, royalties, prizes, awards, or barter; forgiveness of debt; and earnings derived from annuities or trusts other than testamentary trusts. "Income" does not include compensation earned for service in the position that necessitates the filing of the statement of economic interests, and income from the sale of a personal residence or personal vehicle.

(5 ILCS 420/1-105.7 new)

Sec. 1-105.7. "Investment real estate" means any real property, other than a filer's personal residences, purchased to produce a profit, whether from income or resale.

(5 ILCS 420/1-110) (from Ch. 127, par. 601-110)

Sec. 1-110. "Lobbyist" means an individual who is required to be registered to engage in lobbying activities pursuant to any statute, regulation, or ordinance adopted by a unit of government in the State of Illinois any person required to be registered under "An Act concerning lobbying and providing a penalty for violation thereof", approved July 10, 1957, as amended.

(Source: Laws 1967, p. 3401.)

(5 ILCS 420/1-112.5 new)

Sec. 1-112.5. "Personal residence" means, for the purposes of Sections 4A-102 and 4A-103, a filer's primary home residence and any residential real property held by the filer and used by the filer for residential rather than commercial or income generating purposes.

(5 ILCS 420/1-113.6 new)

Sec. 1-113.6. "Sector funds" means mutual funds or exchange traded funds invested in a particular industry or business.

(5 ILCS 420/1-113.7 new)

Sec. 1-113.7. "Spouse" means a party to a marriage, a party to a civil union, or a registered domestic partner.

(5 ILCS 420/4A-102) (from Ch. 127, par. 604A-102)

Sec. 4A-102. The statement of economic interests required by this Article shall include the economic interests of the person making the statement as provided in this Section. The following interests shall be listed by all persons required to file:

(1) each asset that has a value of more than \$10,000 as of the end of the preceding calendar year and is: (i) held in the filer's name, (ii) held jointly by the filer with his or her spouse, or (iii) held jointly by the filer with his or her minor child or children;

(2) excluding the income from the position that requires the filing of a statement of economic interests under this Act, each source of income that generated in excess of \$2,500 in income during the

preceding calendar year (as reported on the filer's federal income tax return covering the preceding calendar year) and, if the sale or transfer of an asset produced more than \$2,500 in capital gains during the preceding calendar year, the transaction date on which that asset was sold or transferred;

(3) each creditor of a debt in excess of \$5,000 that, during the preceding calendar year, was: (i) owed by the filer, (ii) owed jointly by the filer with his or her spouse or (iii) owed jointly by the filer with his or her minor child or children;

(4) each debtor of a debt in excess of \$5,000 that, during the preceding calendar year, was: (i) owed to the filer, (ii) owed jointly to the filer with his or her spouse or (iii) owed jointly to the filer with his or her minor child or children;

(5) each lobbyist who is registered with any unit of government in the State of Illinois and with whom the filer maintains an economic relationship and each lobbyist registered with any unit of government in the State of Illinois who is a member of the filer's family; and

(6) each source and type of gift or gifts, or honorarium or honoraria, valued singly or in the aggregate in excess of \$1,000 that was received during the preceding calendar year.

For the purposes of this Section, the unit of local government in relation to which a person is required to file under item (o) of Section 4A-101 shall be the unit of local government that contributes to the pension fund of which such person is a member of the board.

The interest (if constructively controlled by the person making the statement) of a spouse or any other party, shall be considered to be the same as the interest of the person making the statement. Campaign receipts shall not be included in this statement.

(a) The following interests shall be listed by all persons required to file:

(1) The name, address and type of practice of any professional organization or individual professional practice in which the person making the statement was an officer, director, associate, partner or proprietor, or served in any advisory capacity, from which income in excess of \$1,200 was derived during the preceding calendar year;

(2) The nature of professional services (other than services rendered to the unit or units of government in relation to which the person is required to file) and the nature of the entity to which they were rendered if fees exceeding \$5,000 were received during the preceding calendar year from the entity for professional services rendered by the person making the statement.

(3) The identity (including the address or legal description of real estate) of any capital asset from which a capital gain of \$5,000 or more was realized in the preceding calendar year.

(4) The name of any unit of government which has employed the person making the statement during the preceding calendar year other than the unit or units of government in relation to which the person is required to file.

(5) The name of any entity from which a gift or gifts, or honorarium or honoraria, valued singly or in the aggregate in excess of \$500, was received during the preceding calendar year.

(b) The following interests shall also be listed by persons listed in items (a) through (f), item (l), item (n), and item (p) of Section 4A-101:

(1) The name and instrument of ownership in any entity doing business in the State of Illinois, in which an ownership interest held by the person at the date of filing is in excess of \$5,000 fair market value or from which dividends of in excess of \$1,200 were derived during the preceding calendar year. (In the case of real estate, location thereof shall be listed by street address, or if none, then by legal description). No time or demand deposit in a financial institution, nor any debt instrument need be listed;

(2) Except for professional service entities, the name of any entity and any position held therein from which income of in excess of \$1,200 was derived during the preceding calendar year, if the entity does business in the State of Illinois. No time or demand deposit in a financial institution, nor any debt instrument need be listed.

(3) The identity of any compensated lobbyist with whom the person making the statement maintains a close economic association, including the name of the lobbyist and specifying the legislative matter or matters which are the object of the lobbying activity, and describing the general type of economic activity of the client or principal on whose behalf that person is lobbying.

(c) The following interests shall also be listed by persons listed in items (g), (h), (i), and (o) of Section 4A-101:

(1) The name and instrument of ownership in any entity doing business with a unit of local government in relation to which the person is required to file if the ownership interest of the person filing is greater than \$5,000 fair market value as of the date of filing or if dividends in excess of \$1,200 were received from the entity during the preceding calendar year. (In the case of real estate, location thereof shall be listed by street address, or if none, then by legal description). No time or demand deposit in a financial institution, nor any debt instrument need be listed.

(2) Except for professional service entities, the name of any entity and any position held therein from which income in excess of \$1,200 was derived during the preceding calendar year if the entity does business with a unit of local government in relation to which the person is required to file. No time or demand deposit in a financial institution, nor any debt instrument need be listed.

(3) The name of any entity and the nature of the governmental action requested by any entity which has applied to a unit of local government in relation to which the person must file for any license, franchise or permit for annexation, zoning or rezoning of real estate during the preceding calendar year if the ownership interest of the person filing is in excess of \$5,000 fair market value at the time of filing or if income or dividends in excess of \$1,200 were received by the person filing from the entity during the preceding calendar year.

For the purposes of this Section, the unit of local government in relation to which a person required to file under item (e) of Section 4A-101 shall be the unit of local government that contributes to the pension fund of which such person is a member of the board.

(Source: P.A. 96-6, eff. 4-3-09; 97-754, eff. 7-6-12.)

(5 ILCS 420/4A-103) (from Ch. 127, par. 604A-103)

Sec. 4A-103. The statement of economic interests required by this Article to be filed with the Secretary of State or county clerk shall be filled in by typewriting or hand printing, shall be verified, dated, and signed by the person making the statement and shall contain substantially the following:

### STATEMENT OF ECONOMIC INTERESTS

#### INSTRUCTIONS:

You may find the following documents helpful to you in completing this form:

- (1) federal income tax returns, including any related schedules, attachments, and forms; and
- (2) investment and brokerage statements.

To complete this form, you do not need to disclose specific amounts or values or report interests relating either to political committees registered with the Illinois State Board of Elections or to political committees, principal campaign committees, or authorized committees registered with the Federal Election Commission.

The information you disclose will be available to the public.

You must answer all 6 questions. Certain questions will ask you to report any applicable assets or debts held in your name; held jointly with your spouse; or held jointly by you with your minor child. If you have any concerns about whether an interest should be reported, please consult your department's ethics officer, if applicable.

Please ensure that the information you provide is complete and accurate. If you need more space than the form allows, please attach additional pages for your response. If you are subject to the State Officials and Employees Ethics Act, your ethics officer must review your statement of economic interests before you file it. Failure to complete the statement in good faith and within the prescribed deadline may subject you to fines, imprisonment, or both.

#### DEFINITIONS, EXAMPLES AND FURTHER INSTRUCTIONS:

As used in this form:

"Asset" means an item that is owned and has monetary value. Assets include, but are not limited to: stocks, bonds (except those issued by the federal, state or local governments), sector mutual funds, sector exchange traded funds, commodity futures, investment real estate and partnership interests. "Asset" does not include: personal residences; personal vehicles; savings or checking accounts; bonds, notes or securities issued by any branch of federal, state or local government; Medicare benefits; inheritances or bequests; diversified mutual funds; diversified exchange traded funds; annuities; pensions (including government pensions); retirement accounts; college savings plans that are qualified tuition plans; non-income producing trust holdings; or tangible personal property.

"Creditor" means an individual, organization, or other business entity to whom money or its equivalent is owed, no matter whether that obligation is secured or unsecured, except that if a filer makes a loan to members of his or her family, a political committee registered with the Illinois State Board of Elections, or a political committee, principal campaign committee, or authorized committee registered with the Federal Election Commission, then that filer does not, for the purposes of this form, become a creditor of that individual or entity by making such a loan.

"Debt" means any money or monetary obligation owed at any time during the preceding calendar year to an individual, company, or other organization, other than a loan that is from a financial institution, government agency, or business entity and that is granted on terms made available to the general public. "Debt" includes, but is not limited to: personal loans from friends or business associates, business loans

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made outside the lender's regular course of business, and loans made at below market rates. "Debt" does not include: (i) debts to or from financial institutions or government entities, such as mortgages, student loans, credit card debts, or loans secured by automobiles, household furniture, or appliances, as long as those loans were made on terms available to the general public and do not exceed the purchase price of the items securing them; or (ii) debts to or from political committees registered with the Illinois State Board of Elections or political committees, principal campaign committees, or authorized committees registered with the Federal Election Commission.

"Diversified funds" are investment products, such as mutual funds, exchange traded funds, or unit investment trusts, that invest in a wide variety of securities.

"Economic opportunity" means any purchase, sale, lease, contract, option or other transaction or arrangement involving property or services wherein the filer may gain an economic benefit. The term shall not include gifts.

"Economic relationship" means any relationship that provides the filer with income or an economic opportunity. Economic relationships include, but are not limited to, ownership interests in family-owned businesses and creditor-debtor relationships with third parties other than commercial lending institutions.

"Family" means a filer's spouse, children, step-children, parents, step-parents, siblings, step-siblings, half-siblings, brothers-in-law, sisters-in-law, sons-in-law, daughters-in-law, aunts, uncles, nieces, nephews, great aunts, great uncles, first cousins, grandfathers, grandmothers, grandsons, and granddaughters, as well as the father, mother, grandfather, and grandmother of the filer's spouse.

"Income" means, for the purposes of Sections 4A-102 and 4A-103, income from whatever source derived, required to be reported on the filer's federal income tax return, including, but not limited to: compensation received for services rendered or to be rendered (as reported on any Internal Revenue Service forms, including, but not limited to, W-2, 1099, or K-1); earnings or capital gains from the sale of assets; profit; interest or dividend income from all assets; revenue from leases and rentals, royalties, prizes, awards or barter; forgiveness of debt; and earnings annuities or trusts other than testamentary trusts. "Income" does not include compensation earned from service in the position that necessitates the filing of the statement of economic interests or income from the sale of a personal residence or personal vehicle.

"Investment real estate" means any real property, other than a filer's personal residences, purchased to produce a profit, whether from income or resale.

"Lobbyist" means an individual who is required to be registered to engage in lobbying activities pursuant to any statute, regulation, or ordinance adopted by a unit of government in the State of Illinois.

"Personal residence" means a filer's primary home residence and any residential real property held by the filer and used by the filer for residential rather than commercial or income generating purposes.

"Sector funds" means mutual funds or exchange traded funds invested in a particular industry or business.

"Spouse" means a party to a marriage, a party to a civil union, or a registered domestic partner.

**BASIC INFORMATION:**

Name: .....

Job title:.....

Office, department, or agency that requires you to file this form:.

Other offices, departments, or agencies that require you to file a Statement of Economic Interests form: .

Full mailing address: .....

Preferred e-mail address (optional) .....

**QUESTIONS:**

1. If you have any single asset that was worth more than \$10,000 as of the end of the preceding calendar year and is held in your name, held jointly by you with your spouse, or held jointly by you with your minor child, list such assets below. If you do not have any such assets, list "none" below.

.....  
.....  
.....  
.....  
.....

2. Excluding the position for which you are required to file this form, list the source of any income in excess of \$2,500 in income as reported on your federal income tax return covering the preceding calendar year. If you sold an asset that produced more than \$2,500 in capital gains in the preceding calendar year, list the name of the asset and the transaction date on which the sale or transfer took place.

If you had no other sources of income exceeding \$2,500, list "none" below.

<u>Source of Income / Name of Asset</u>	<u>Date Sold (if applicable)</u>
.....	.....
.....	.....
.....	.....

3. Excluding debts incurred on terms available to the general public, such as mortgages, student loans, and credit card debts, if you owed any single debt in the preceding calendar year exceeding \$5,000, list the creditor of the debt below. If you had no such debts, list "none" below.

List the creditor for all applicable debts owed by you, owed jointly by you with your spouse, or owed jointly by you with your minor child. In addition to the types of debts listed above, you do not need to report any debts to or from financial institutions or government agencies, such as debts secured by automobiles, household furniture or appliances, as long as the debt was made on terms available to the general public and does not exceed the purchase price of the item securing the loan, debts to members of your family, or debts to or from a political committee registered with the Illinois State Board of Elections or any political committee, principal campaign committee, or authorized committee registered with the Federal Election Commission.

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4. Excluding debts owed to you by members of your family or by a political committee, if there is any entity or person who owed any debt to you in the preceding calendar year exceeding \$5,000, list the debtor below. If no such debts were owed to you, list "none" below.

List the debtor for all applicable debts owed to you, owed jointly to you with your spouse, or owed jointly to you with your minor child. You do not need to report loans made to members of your family or to a political committee registered with the Illinois State Board of Elections or any political committee, principal campaign committee, or authorized committee registered with the Federal Election Commission.

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.....

5. If you maintain an economic relationship with a lobbyist or if a member of your family is a lobbyist registered with any unit of government in the State of Illinois, list the name of the lobbyist below and identify the nature of your relationship with the lobbyist. If you do not have an economic association with a lobbyist, list "none" below.

<u>Name of Lobbyist</u>	<u>Relationship to Filer</u>
.....	.....
.....	.....
.....	.....

6. List the name of any person, organization, or entity that was the source of a gift or gifts, or honorarium or honoraria, valued singly or in the aggregate in excess of \$1,000 received during the preceding calendar year.

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**VERIFICATION:**

"I declare that this statement of economic interests (including any attachments) has been examined by me and to the best of my knowledge and belief is a true, correct and complete statement of my economic interests as required by the Illinois Governmental Ethics Act. I understand that the penalty for willfully filing a false or incomplete statement is a fine not to exceed \$2,500 or imprisonment in a penal institution other than the penitentiary not to exceed one year, or both fine and imprisonment."

Printed Name of Filer.....

Date.....

Signature.....

If this statement of economic interests requires ethics officer review prior to filing, the applicable ethics officer must complete the following:

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CERTIFICATION OF ETHICS OFFICER REVIEW:

"In accordance with law, as Ethics Officer, I reviewed this statement of economic interests prior to its filing."

Printed Name of Ethics Officer.....

Date.....

Signature.....

STATEMENT OF ECONOMIC INTEREST  
(TYPE OR HAND-PRINT)

.....  
(name)

.....  
(each office or position of employment for which this statement is filed)

.....  
(full mailing address)

GENERAL DIRECTIONS:

The interest (if constructively controlled by the person making the statement) of a spouse or any other party, shall be considered to be the same as the interest of the person making the statement.

Campaign receipts shall not be included in this statement.

If additional space is needed, please attach supplemental listing.

1. List the name and instrument of ownership in any entity doing business in the State of Illinois, in which the ownership interest held by the person at the date of filing is in excess of \$5,000 fair market value or from which dividends in excess of \$1,200 were derived during the preceding calendar year. (In the case of real estate, location thereof shall be listed by street address, or if none, then by legal description.) No time or demand deposit in a financial institution, nor any debt instrument need be listed.

Business Entity	Instrument of Ownership
.....	.....
.....	.....
.....	.....

2. List the name, address and type of practice of any professional organization in which the person making the statement was an officer, director, associate, partner or proprietor or served in any advisory capacity, from which income in excess of \$1,200 was derived during the preceding calendar year.

Name	Address	Type of Practice
.....	.....	.....
.....	.....	.....
.....	.....	.....

3. List the nature of professional services rendered (other than to the State of Illinois) to each entity from which income exceeding \$5,000 was received for professional services rendered during the preceding calendar year by the person making the statement.

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4. List the identity (including the address or legal description of real estate) of any capital asset from which a capital gain of \$5,000 or more was realized during the preceding calendar year.

.....  
.....

5. List the identity of any compensated lobbyist with whom the person making the statement maintains a close economic association, including the name of the lobbyist and specifying the legislative matter or matters which are the object of the lobbying activity, and describing the general type of economic activity of the client or principal on whose behalf that person is lobbying.

Lobbyist	Legislative Matter	Client or Principal
.....	.....	.....
.....	.....	.....

6. List the name of any entity doing business in the State of Illinois from which income in excess of \$1,200 was derived during the preceding calendar year other than for professional services and the title or description of any position held in that entity. (In the case of real estate, location thereof shall be listed by street address, or if none, then by legal description). No time or demand deposit in a financial institution nor any debt instrument need be listed.

Entity Position Held

.....  
 .....  
 .....  
 7. List the name of any unit of government which employed the person making the statement during the preceding calendar year other than the unit or units of government in relation to which the person is required to file.  
 .....

.....  
 .....  
 .....  
 8. List the name of any entity from which a gift or gifts, or honorarium or honoraria, valued singly or in the aggregate in excess of \$500, was received during the preceding calendar year.  
 .....

.....  
 VERIFICATION:

"I declare that this statement of economic interests (including any accompanying schedules and statements) has been examined by me and to the best of my knowledge and belief is a true, correct and complete statement of my economic interests as required by the Illinois Governmental Ethics Act. I understand that the penalty for willfully filing a false or incomplete statement shall be a fine not to exceed \$1,000 or imprisonment in a penal institution other than the penitentiary not to exceed one year, or both fine and imprisonment."  
 .....

.....  
 (date of filing) (signature of person making the statement)

(Source: P.A. 95-173, eff. 1-1-08.)

(5 ILCS 420/4A-108)

Sec. 4A-108. Internet-based systems of filing: required training for ethics officers.

(a) Notwithstanding any other provision of this Act or any other law, the Secretary of State and county clerks are a county clerk is authorized to institute an Internet-based system for the filing of statements of economic interests in their offices ~~his or her office~~. With respect to county clerk systems, ~~the~~ The determination to institute such a system shall be in the sole discretion of the county clerk and shall meet the requirements set out in this Section. With respect to a Secretary of State system, the determination to institute such a system shall be in the sole discretion of the Secretary of State and shall meet the requirements set out in this Section and those Sections of the State Officials and Employees Act requiring ethics officer review prior to filing. The system shall include a means to amend a statement of economic interest. When this Section does not modify or remove the requirements set forth elsewhere in this Article, those requirements shall apply to any system of Internet-based filing authorized by this Section. When this Section does modify or remove the requirements set forth elsewhere in this Article, the provisions of this Section shall apply to any system of Internet-based filing authorized by this Section.

(b) In any system of Internet-based filing of statements of economic interests instituted by the Secretary of State or a county clerk:

(1) Any filing of an Internet-based statement of economic interests shall be the equivalent of the filing of a verified, written statement of economic interests as required by Section 4A-101 and the equivalent of the filing of a verified, dated, and signed statement of economic interests as required by Section ~~4A-103~~ 4A-104.

(2) ~~The Secretary of State and county clerks who institute~~ A county clerk who institutes a system of Internet-based filing of statements of economic interests shall establish a password-protected ~~website~~ web site to receive the filings of such statements. A website established under this Section shall set forth and provide a means of responding to the form's questions ~~items~~ set forth in Section ~~4A-103~~ 4A-102 that are required of a person who files a statement of economic interests with that officer. A website established under this Section shall set forth and provide a means for generating a printable receipt page, acknowledging filing.

(3) The times for the filing of statements of economic interests set forth in Section 4A-105 shall be followed in any system of Internet-based filing of statements of economic interests; provided that a candidate for elective office who is required to file a statement of economic interests in relation to his or her candidacy pursuant to Section 4A-105(a) ~~shall not use the Internet to file his or her statement of economic interests but shall file his or her statement of economic interests in a written or printed form~~ and shall receive a written or printed receipt for his or her filing.

(4) In the first year of the implementation of a system of Internet-based filing of statements of economic interests, each person required to file such a statement is to be notified in writing of his or her obligation to file his or her statement of economic interests ~~and the option to file by way of the Internet-based system or by way of standardized form~~. If access to the web site requires

a code or password, this information shall be included in the notice prescribed by this paragraph.

(5) When a person required to file a statement of economic interests has supplied the Secretary of State or a

county clerk, as applicable, with an email address for the purpose of receiving notices under this Article by email, a notice sent by email to the supplied email address shall be the equivalent of a notice sent by first class mail, as set forth in Section 4A-106. A person who has supplied such an email address shall notify the Secretary of State or county clerk, as applicable, when his or her email address changes or if he or she no longer wishes to receive notices by email.

(6) If any person who is required to file a statement of economic interests and who has chosen to receive notices by email fails to file his or her statement by May 10, then the Secretary of State or county clerk, as applicable, shall send an additional email notice on that date, informing the person that he or she has not filed and describing the penalties for late filing and failing to file. This notice shall be in addition to other notices provided for in this Article.

(7) Each county clerk who institutes a system of Internet-based filing of statements of economic interests may also institute an Internet-based process for the filing of the list of names and addresses of persons required to file statements of economic interests by the chief administrative officers of units of local government that must file such information with that county clerk pursuant to Section 4A-106. Whenever a county clerk institutes such a system under this paragraph, every unit of local government must use the system to file this information.

(8) The Secretary of State and any Any county clerk who institutes a system of Internet-based filing of statements of economic interests shall post the contents of such statements filed with him or her available for inspection and copying on a publicly accessible website. Such postings shall not include the addresses of the filers.

(c) Each person serving as an ethics officer under the State Officials and Employees Ethics Act shall, within 6 months after the effective date of this amendatory Act of the 98th General Assembly, successfully complete an electronic training curriculum to be developed by the Secretary of State and thereafter successfully complete an annual training program. Thereafter, whenever a new ethics officer is designated under the State Officials and Employees Ethics Act, that person shall successfully complete the electronic training curriculum within 30 days after assuming the position. Successful completion of the required training curriculum within the periods provided shall be a prerequisite to continue serving as an ethics officer.

(Source: P.A. 96-1336, eff. 1-1-11; 97-212, eff. 7-28-11.)

(5 ILCS 420/4A-104 rep.)

Section 10. The Illinois Governmental Ethics Act is amended by repealing Sections 4A-104.

Section 15. The Lobbyist Registration Act is amended by changing Section 6 as follows:

(25 ILCS 170/6) (from Ch. 63, par. 176)

Sec. 6. Reports.

(a) Lobbyist reports. Except as otherwise provided in this Section, every lobbyist registered under this Act who is solely employed by a lobbying entity shall file an affirmation, verified under oath pursuant to Section 1-109 of the Code of Civil Procedure, with the Secretary of State attesting to the accuracy of any reports filed pursuant to subsection (b) as those reports pertain to work performed by the lobbyist. Any lobbyist registered under this Act who is not solely employed by a lobbying entity shall personally file reports required of lobbying entities pursuant to subsection (b). A lobbyist may, if authorized so to do by a lobbying entity by whom he or she is employed or retained, file lobbying entity reports pursuant to subsection (b) provided that the lobbying entity may delegate the filing of the lobbying entity report to only one lobbyist in any reporting period.

(b) Lobbying entity reports. Every lobbying entity registered under this Act shall report expenditures related to lobbying. The report shall itemize each individual expenditure or transaction and shall include the name of the official on whose behalf the expenditure was made, the name of the client if the expenditure was made on behalf of a client, the total amount of the expenditure, a description of the expenditure, the vendor or purveyor to whom the expenditure was made (including the address or location of the expenditure), the date on which the expenditure occurred and the subject matter of the lobbying activity, if any. Each expenditure required to be reported shall include all expenses made for or on behalf of an official or his or her immediate family member living with the official.

(b-1) The report shall include any change or addition to the client list information, required in Section 5 for registration, since the last report, including the names and addresses of all clients who retained the lobbying entity together with an itemized description for each client of the following: (1) lobbying

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regarding executive action, including the name of any executive agency lobbied and the subject matter; (2) lobbying regarding legislative action, including the General Assembly and any other agencies lobbied and the subject matter; and (3) lobbying regarding administrative action, including the agency lobbied and the subject matter. Registrants who made no reportable expenditures during a reporting period shall file a report stating that no expenditures were incurred.

(b-2) Expenditures attributable to lobbying officials shall be listed and reported according to the following categories:

(1) travel and lodging on behalf of others, including, but not limited to, all travel and living accommodations made for or on behalf of State officials during sessions of the General Assembly.

(2) meals, beverages and other entertainment.

(3) gifts (indicating which, if any, are on the basis of personal friendship).

(4) honoraria.

(5) any other thing or service of value not listed under categories (1) through (4),

setting forth a description of the expenditure. The category travel and lodging includes, but is not limited to, all travel and living accommodations made for or on behalf of State officials in the State capital during sessions of the General Assembly.

(b-3) ~~If expenditures are~~ Expenditures incurred for hosting receptions, benefits, and other large gatherings held for purposes of goodwill or otherwise to influence executive, legislative, or administrative action and if the total number of State officials invited to such an event is equal to or greater than the number of State legislators in the smaller minority caucus of either the House of Representatives or the Senate, as defined in the rules of those chambers, then to which there are 25 or more State officials invited shall be reported listing only the total amount of the expenditure, the date of the event, and the estimated number of officials in attendance shall be reported.

(b-5) The report must include a description of any business or familial relationship, or both, that a registrant has with an official who he or she is registered to lobby under this Act. For the purposes of this subsection, "familial relationship" includes those people related to the registrant as spouse, as defined in the Illinois Governmental Ethics Act, child, step-child, parent, step-parent, sibling, step-sibling, half-sibling, parent-in-law, brother-in-law, sister-in-law, son-in-law, daughter-in-law, aunt, uncle, niece, nephew, great aunt, great uncle, first cousin, grandfather, grandmother, grandson and granddaughter, as well as the father, mother, grandfather and grandmother of the filer's spouse.

(b-7) Matters excluded from reports. The following items need not be included in the report:

(1) Reasonable and bona fide expenditures made by the registrant who is a member of a legislative or State study commission or committee while attending and participating in meetings and hearings of such commission or committee.

(2) Reasonable and bona fide expenditures made by the registrant for personal sustenance, lodging, travel, office expenses and clerical or support staff.

(3) Salaries, fees, and other compensation paid to the registrant for the purposes of lobbying.

(4) Any contributions required to be reported under Article 9 of the Election Code.

(5) Expenditures made by a registrant on behalf of an official that are returned or reimbursed prior to the deadline for submission of the report.

(c) A registrant who terminates employment or duties which required him or her to register under this Act shall give the Secretary of State, within 30 days after the date of such termination, written notice of such termination and shall include therewith a report of the expenditures described herein, covering the period of time since the filing of his or her last report to the date of termination of employment. Such notice and report shall be final and relieve such registrant of further reporting under this Act, unless and until he or she later takes employment or assumes duties requiring him or her to again register under this Act.

(d) Failure to file any such report within the time designated or the reporting of incomplete information shall constitute a violation of this Act.

A registrant shall preserve for a period of 2 years all receipts and records used in preparing reports under this Act.

(e) Within 30 days after a filing deadline or as provided by rule, the lobbyist shall notify each official on whose behalf an expenditure has been reported. Notification shall include the name of the registrant, the total amount of the expenditure, a description of the expenditure, the date on which the expenditure occurred, and the subject matter of the lobbying activity.

(f) A report for the period beginning January 1, 2010 and ending on June 30, 2010 shall be filed no later than July 15, 2010, and a report for the period beginning July 1, 2010 and ending on December 31,

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2010 shall be filed no later than January 15, 2011. Beginning January 1, 2011, reports shall be filed semi-monthly as follows: (i) for the period beginning the first day of the month through the 15th day of the month, the report shall be filed no later than the 20th day of the month and (ii) for the period beginning on the 16th day of the month through the last day of the month, the report shall be filed no later than the 5th day of the following month. A report filed under this Act is due in the Office of the Secretary of State no later than the close of business on the date on which it is required to be filed.

(g) All reports filed under this Act shall be filed in a format or on forms prescribed by the Secretary of State.

(Source: P.A. 96-555, eff. 1-1-10; 96-1358, eff. 7-28-10.)

Section 99. Effective date. This Act takes effect January 1, 2015."

The motion prevailed.

And the amendment was adopted and ordered printed.

Senator Kotowski offered the following amendment and moved its adoption:

**AMENDMENT NO. 3 TO SENATE BILL 1361**

AMENDMENT NO. 3. Amend Senate Bill 1361, AS AMENDED, with reference to page and line numbers of Senate Amendment No. 2, as follows:

on page 5, in lines 1 and 2, by replacing "great aunts, great uncles," with "great-aunts, great-uncles,"; and

on page 5, in line 24, by replacing ", and" with "or"; and

on page 15, in line 2, by replacing "owned" with "owed"; and

on page 15, in line 9, by replacing "from" with "form"; and

on page 16, in line 17, by replacing "step-siblings" with "step-siblings,"; and

on page 16, in lines 19 and 20, by replacing "great aunts, great uncles," with "great-aunts, great-uncles,"; and

on page 16, in line 24, by replacing "income" with "income,"; and

on page 26, in line 24, immediately after "Employees", by inserting "Ethics"; and

on page 34, in lines 9 and 10, by replacing "great aunt, great uncle," with "great-aunt, great-uncle,".

The motion prevailed.

And the amendment was adopted and ordered printed.

There being no further amendments, the foregoing Amendments numbered 2 and 3 were 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 Kotowski, **Senate Bill No. 1361** 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 52; NAY 1.

The following voted in the affirmative:

Althoff

Barickman

Biss

Haine

Harmon

Hastings

Manar

Martinez

McCann

Rose

Sandoval

Silverstein

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Bivins	Holmes	McConnaughay	Stadelman
Brady	Hunter	McGuire	Stears
Bush	Hutchinson	Morrison	Sullivan
Clayborne	Jones, E.	Mulroe	Syverson
Collins	Koehler	Muñoz	Trotter
Connelly	Kotowski	Murphy	Van Pelt
Cunningham	LaHood	Noland	Mr. President
Delgado	Landek	Radogno	
Duffy	Lightford	Raoul	
Forby	Link	Rezin	
Frerichs	Luechtefeld	Righter	

The following voted in the negative:

Jacobs

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. 2404** was recalled from the order of third reading to the order of second reading.

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

#### AMENDMENT NO. 2 TO SENATE BILL 2404

AMENDMENT NO. 2. Amend Senate Bill 2404 by replacing everything after the enacting clause with the following:

"Section 5. The Illinois Public Labor Relations Act is amended by changing Section 4 as follows:  
(5 ILCS 315/4) (from Ch. 48, par. 1604)

Sec. 4. Management 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, examination techniques and direction of employees. Employers, however, shall be required 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, but excluding (i) the payment of the additional member contributions set forth in subsections (a-1) and (a-5) of Sections 14-133, 15-157, and 16-152 of the Illinois Pension Code and (ii) the provision of compensation or benefits to employees who make the election under Section 14-106.5, 15-132.9, or 16-122.9 of the Illinois Pension Code in order to offset all or part of any compensation or benefit limitations included as part of the elections under those Sections.

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, 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 (i) the payment of the additional member contributions set forth in subsections (a-1) and (a-5) of Sections 14-133, 15-157, and 16-152 of the Illinois Pension Code and (ii) the provision of compensation or benefits to employees who make the election under Section 14-106.5, 15-132.9, or 16-122.9 of the Illinois Pension Code in order to offset all or part of any compensation or benefit limitations included as part of the elections under those Sections.

The chief judge of the judicial circuit that employs a public employee who is a court reporter, as defined in the Court Reporters Act, has the authority to hire, appoint, promote, evaluate, discipline, and discharge court reporters within that judicial circuit.

Nothing in this amendatory Act of the 94th General Assembly shall be construed to intrude upon the

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judicial functions of any court. This amendatory Act of the 94th General Assembly applies only to nonjudicial administrative matters relating to the collective bargaining rights of court reporters. (Source: P.A. 94-98, eff. 7-1-05.)

Section 10. The State Employees Group Insurance Act of 1971 is amended by changing Sections 6.9 and 6.10 and by adding Sections 6.10A and 6.16 as follows:

(5 ILCS 375/6.9)

Sec. 6.9. Health benefits for community college benefit recipients and community college dependent beneficiaries.

(a) Purpose. It is the purpose of this amendatory Act of 1997 to establish a uniform program of health benefits for community college benefit recipients and their dependent beneficiaries under the administration of the Department of Central Management Services.

(b) Creation of program. Beginning July 1, 1999, the Department of Central Management Services shall be responsible for administering a program of health benefits for community college benefit recipients and community college dependent beneficiaries under this Section. The State Universities Retirement System and the boards of trustees of the various community college districts shall cooperate with the Department in this endeavor.

(c) Eligibility. All community college benefit recipients and community college dependent beneficiaries shall be eligible to participate in the program established under this Section, without any interruption or delay in coverage or limitation as to pre-existing medical conditions. Eligibility to participate shall be determined by the State Universities Retirement System. Eligibility information shall be communicated to the Department of Central Management Services in a format acceptable to the Department.

(d) Coverage. The health benefit coverage provided under this Section shall be a program of health, dental, and vision benefits.

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

(e) Insurance rates and premiums. The Director shall determine the insurance rates and premiums for community college benefit recipients and community college dependent beneficiaries. Rates and premiums may be based in part on age and eligibility for federal Medicare coverage. The Director shall also determine premiums that will allow for the establishment of an actuarially sound reserve for this program.

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

(1) For a community college benefit recipient, costs shall be an amount equal to the difference between the projected costs of health benefits under the program and projected contributions from community college districts, active contributors, and other income of the program. Other income of the program shall exclude contributions made by the State to retire unpaid claims of the program up to 75% of the total insurance rate shall be paid from the Community College Health Insurance Security Fund.

(2) The balance of the rate of insurance, including the entire premium for any coverage for community college dependent beneficiaries that has been elected, shall be paid by deductions authorized by the community college benefit recipient to be withheld from his or her monthly annuity or benefit payment from the State Universities Retirement System; except that (i) if the balance of the cost of coverage exceeds the amount of the monthly annuity or benefit payment, the difference shall be paid directly to the State Universities Retirement System by the community college benefit recipient, and (ii) all or part of the balance of the cost of coverage may, at the option of the board of trustees of the community college district, be paid to the State Universities Retirement System by the board of the community college district from which the community college benefit recipient retired. The State Universities Retirement System shall promptly deposit all moneys withheld by or paid to it under this subdivision (e)(2) into the Community College Health Insurance Security Fund. These moneys shall not be considered assets of the State Universities Retirement System.

(f) Financing. All revenues arising from the administration of the health benefit program established under this Section shall be deposited into the Community College Health Insurance Security Fund, which is hereby created as a nonappropriated trust fund to be held outside the State Treasury, with the State Treasurer as custodian. Any interest earned on moneys in the Community College Health Insurance Security Fund shall be deposited into the Fund.

Moneys in the Community College Health Insurance Security Fund shall be used only to pay the costs of the health benefit program established under this Section, including associated administrative costs

and the establishment of a program reserve. Beginning January 1, 1999, the Department of Central Management Services may make expenditures from the Community College Health Insurance Security Fund for those costs.

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

(h) Continuation of program. It is the intention of the General Assembly that the program of health benefits provided under this Section be maintained on an ongoing, affordable basis. The program of health benefits provided under this Section may be amended by the State and is not intended to be a pension or retirement benefit subject to protection under Article XIII, Section 5 of the Illinois Constitution.

(i) Other health benefit plans. A health benefit plan provided by a community college district (other than a community college district subject to Article VII of the Public Community College Act) under the terms of a collective bargaining agreement in effect on or prior to the effective date of this amendatory Act of 1997 shall continue in force according to the terms of that agreement, unless otherwise mutually agreed by the parties to that agreement and the affected retiree. A community college benefit recipient or community college dependent beneficiary whose coverage under such a plan expires shall be eligible to begin participating in the program established under this Section without any interruption or delay in coverage or limitation as to pre-existing medical conditions.

This Act does not prohibit any community college district from offering additional health benefits for its retirees or their dependents or survivors.

(Source: P.A. 90-497, eff. 8-18-97; 90-655, eff. 7-30-98.)

(5 ILCS 375/6.10)

Sec. 6.10. Contributions to the Community College Health Insurance Security Fund.

(a) Beginning January 1, 1999, every active contributor of the State Universities Retirement System (established under Article 15 of the Illinois Pension Code) who (1) is a full-time employee of 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 and (2) is not an employee as defined in Section 3 of this Act shall make contributions toward the cost of community college annuitant and survivor health benefits at the rate of 0.50% of salary. Beginning July 1, 2014, the contribution rate under this subsection (a) shall be 0.93% of salary.

These contributions shall be deducted by the employer and paid to the State Universities Retirement System as service agent for the Department of Central Management Services. The System may use the same processes for collecting the contributions required by this subsection that it uses to collect the contributions received from those employees under Section 15-157 of the Illinois Pension Code. An employer may agree to pick up or pay the contributions required under this subsection on behalf of the employee; such contributions shall be deemed to have been paid by the employee.

The State Universities Retirement System shall promptly deposit all moneys collected under this subsection (a) into the Community College Health Insurance Security Fund created in Section 6.9 of this Act. The moneys collected under this Section shall be used only for the purposes authorized in Section 6.9 of this Act and shall not be considered to be assets of the State Universities Retirement System. Contributions made under this Section are not transferable to other pension funds or retirement systems and are not refundable upon termination of service.

(b) Beginning January 1, 1999, every community college district (other than a community college district subject to Article VII of the Public Community College Act) or association of community college boards that is an employer under the State Universities Retirement System shall contribute toward the cost of the community college health benefits provided under Section 6.9 of this Act an amount equal to 0.50% of the salary paid to its full-time employees who participate in the State Universities Retirement System and are not members as defined in Section 3 of this Act. Beginning July 1, 2014, the contribution rate under this subsection (b) shall be 0.93% of salary.

These contributions shall be paid by the employer to the State Universities Retirement System as service agent for the Department of Central Management Services. The System may use the same processes for collecting the contributions required by this subsection that it uses to collect the contributions received from those employers under Section 15-155 of the Illinois Pension Code.

The State Universities Retirement System shall promptly deposit all moneys collected under this

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subsection (b) into the Community College Health Insurance Security Fund created in Section 6.9 of this Act. The moneys collected under this Section shall be used only for the purposes authorized in Section 6.9 of this Act and shall not be considered to be assets of the State Universities Retirement System. Contributions made under this Section are not transferable to other pension funds or retirement systems and are not refundable upon termination of service.

The Department of Healthcare and Family 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 Community College Health Insurance Security 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 Community College Health Insurance Security 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.

(c) On or before November 15 of each year, the Board of Trustees of the State Universities Retirement System shall certify to the Governor, the Director of Central Management Services, and the State Comptroller its estimate of the total amount of contributions to be paid under subsection (a) of this Section for the next fiscal year. Beginning in fiscal year 2008, the amount certified shall be decreased or increased each year by the amount that the actual active employee contributions either fell short of or exceeded the estimate used by the Board in making the certification for the previous fiscal year. The State Universities Retirement System shall calculate the amount of actual active employee contributions in fiscal years 1999 through 2005. Based upon this calculation, the fiscal year 2008 certification shall include an amount equal to the cumulative amount that the actual active employee contributions either fell short of or exceeded the estimate used by the Board in making the certification for those fiscal years. The certification shall include a detailed explanation of the methods and information that the Board relied upon in preparing its estimate. As soon as possible after the effective date of this Section, the Board shall submit its estimate for fiscal year 1999.

(d) Beginning in fiscal year 1999, on the first day of each month, or as soon thereafter as may be practical, the State Treasurer and the State Comptroller shall transfer from the General Revenue Fund to the Community College Health Insurance Security Fund 1/12 of the annual amount appropriated for that fiscal year to the State Comptroller for deposit into the Community College Health Insurance Security Fund under Section 1.4 of the State Pension Funds Continuing Appropriation Act.

(e) Except where otherwise specified in this Section, the definitions that apply to Article 15 of the Illinois Pension Code apply to this Section.

(Source: P.A. 94-839, eff. 6-6-06; 95-632, eff. 9-25-07.)

(5 ILCS 375/6.10A new)

Sec. 6.10A. City colleges: optional participation in program of health benefits. Notwithstanding any other provision of this Act, the Department of Central Management Services shall adopt rules authorizing optional participation in the program of health benefits for community college benefit recipients and community college dependent beneficiaries by any person who is otherwise ineligible to participate in that program solely as a result of that or another person's employment with a community college district subject to Article VII of the Public Community College Act.

(5 ILCS 375/6.16 new)

Sec. 6.16. Health benefit election for Tier I employees and Tier I retirees.

(a) For purposes of this Section:

"Eligible Tier I employee" means, except as provided in subsection (g) of this Section, an individual who makes or is deemed to have made an election under paragraph (1) of subsection (a) of Section 2-110.3, 14-106.5, 15-132.9, or 16-122.9 of the Illinois Pension Code.

"Eligible Tier I retiree" means, except as provided in subsection (g) of this Section, an individual who makes or is deemed to have made an election under paragraph (1) of subsection (a-5) of Section 2-110.3, 14-106.5, 15-132.9, or 16-122.9 of the Illinois Pension Code.

"Program of health benefits" means (i) a health plan, as defined in subsection (o) of Section 3 of this Act, that is designed and contracted for by the Director under this Act or any successor Act or (ii) if administration of that health plan is transferred to a trust established by the State or an independent Board in order to provide health benefits to a class of a persons that includes eligible Tier I retirees, then

the plan of health benefits provided through that trust.

(b) As adequate and legal consideration for making an election under paragraph (1) of subsection (a) or (a-5) of Section 2-110.3, 14-106.5, 15-132.9, or 16-122.9 of the Illinois Pension Code, as the case may be, each eligible Tier I employee and each eligible Tier I retiree shall receive a vested and enforceable contractual right to participate in a program of health benefits while he or she qualifies as an annuitant or retired employee. That right also extends to such a person's dependents and survivors who are eligible under the applicable program of health benefits.

(c) Notwithstanding subsection (b), eligible Tier I employees and eligible Tier I retirees may be required to make contributions toward the cost of coverage under a program of health benefits.

(d) The vested and enforceable contractual right to a program of health benefits is not offered as, and shall not be considered, a pension or retirement benefit under Article XIII, Section 5 of the Illinois Constitution, the Illinois Pension Code, or any subsequent or successor enactment providing pension benefits.

(e) Notwithstanding any other provision of law, except subsection (g) of this Section, a Tier I employee or Tier I retiree who has made an election under paragraph (2) of subsection (a) or (a-5) of Section 2-110.3, 14-106.5, 15-132.9, or 16-122.9 of the Illinois Pension Code, as the case may be, shall not be entitled to participate in any program of health benefits under this Act as an annuitant or retired employee receiving a retirement annuity, regardless of any contrary election pursuant to any of those Sections under any other retirement system.

Notwithstanding any other provision of law, except subsection (g) of this Section, a Tier I employee who is not entitled to participate in the program of health benefits as an annuitant or retired employee receiving a retirement annuity, due to an election under paragraph (2) of subsection (a) or (a-5) of Section 2-110.3, 14-106.5, 15-132.9, or 16-122.9 of the Illinois Pension Code, as the case may be, shall not be required to make contributions toward the program of health benefits while he or she is an employee or active contributor. However, an active employee may be required to make contributions toward health benefits he or she receives during active service.

(f) The Department shall coordinate with each retirement system administering an election in accordance with this amendatory Act of the 98th General Assembly to provide information concerning the impact of the election of health benefits. Each System shall include information prepared by the Department in the required election packet. The Department shall make information available to Tier I employees and Tier I retirees through video materials, group presentations, consultation by telephone or other electronic means, or any combination of these methods. The information in the election packet shall include a notice that states: "YOU ARE HEREBY ADVISED THAT THE PROGRAM OF HEALTH BENEFITS OFFERED IS FOR ACCESS TO A GROUP HEALTHCARE PLAN ADMINISTERED BY THE DEPARTMENT, AND YOU MAY BE REQUIRED TO PAY FOR THE FULL COST OF COVERAGE PROVIDED BY THE PLAN, INCLUDING ALL PREMIUM, DEDUCTIBLE, AND COPAY AMOUNTS."

(g) Nothing in this Section shall be construed as applying to a person who is eligible to make or who made the election under Section 15-135.1 of the Illinois Pension Code.

Section 15. The Governor's Office of Management and Budget Act is amended by changing Sections 7 and 8 as follows:

(20 ILCS 3005/7) (from Ch. 127, par. 417)

Sec. 7. All statements and estimates of expenditures submitted to the Office in connection with the preparation of a State budget, and any other estimates of expenditures, supporting requests for appropriations, shall be formulated according to the various functions and activities for which the respective department, office or institution of the State government (including the elective officers in the executive department and including the University of Illinois and the judicial department) is responsible. All such statements and estimates of expenditures relating to a particular function or activity shall be further formulated or subject to analysis in accordance with the following classification of objects:

- (1) Personal services
- (2) State contribution for employee group insurance
- (3) Contractual services
- (4) Travel
- (5) Commodities
- (6) Equipment
- (7) Permanent improvements
- (8) Land
- (9) Electronic Data Processing

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- (10) Telecommunication services
  - (11) Operation of Automotive Equipment
  - (12) Contingencies
  - (13) Reserve
  - (14) Interest
  - (15) Awards and Grants
  - (16) Debt Retirement
  - (17) Non-cost Charges-
  - (18) State retirement contribution for annual normal cost
  - (19) State retirement contribution for unfunded accrued liability.
- (Source: P.A. 93-25, eff. 6-20-03.)  
(20 ILCS 3005/8) (from Ch. 127, par. 418)

Sec. 8. When used in connection with a State budget or expenditure or estimate, items (1) through (16) in the classification of objects stated in Section 7 shall have the meanings ascribed to those items in Sections 14 through 24.7, respectively, of the State Finance Act. "~~An Act in relation to State finance~~", approved June 10, 1919, as amended.

When used in connection with a State budget or expenditure or estimate, items (18) and (19) in the classification of objects stated in Section 7 shall have the meanings ascribed to those items in Sections 24.12 and 24.13, respectively, of the State Finance Act.  
(Source: P.A. 82-325.)

Section 20. The State Finance Act is amended by changing Section 13 and by adding Sections 24.12 and 24.13 as follows:

(30 ILCS 105/13) (from Ch. 127, par. 149)

Sec. 13. The objects and purposes for which appropriations are made are classified and standardized by items as follows:

- (1) Personal services;
- (2) State contribution for employee group insurance;
- (3) Contractual services;
- (4) Travel;
- (5) Commodities;
- (6) Equipment;
- (7) Permanent improvements;
- (8) Land;
- (9) Electronic Data Processing;
- (10) Operation of automotive equipment;
- (11) Telecommunications services;
- (12) Contingencies;
- (13) Reserve;
- (14) Interest;
- (15) Awards and Grants;
- (16) Debt Retirement;
- (17) Non-Cost Charges;
- (18) State retirement contribution for annual normal cost;
- (19) State retirement contribution for unfunded accrued liability;
- (20) (48) Purchase Contract for Real Estate.

When an appropriation is made to an officer, department, institution, board, commission or other agency, or to a private association or corporation, in one or more of the items above specified, such appropriation shall be construed in accordance with the definitions and limitations specified in this Act, unless the appropriation act otherwise provides.

An appropriation for a purpose other than one specified and defined in this Act may be made only as an additional, separate and distinct item, specifically stating the object and purpose thereof.  
(Source: P.A. 84-263; 84-264.)

(30 ILCS 105/24.12 new)

Sec. 24.12. "State retirement contribution for annual normal cost" defined. The term "State retirement contribution for annual normal cost" means the portion of the total required State contribution to a retirement system for a fiscal year that represents the State's portion of the System's projected normal cost for that fiscal year, as determined and certified by the board of trustees of the retirement system in conformance with the applicable provisions of the Illinois Pension Code.

(30 ILCS 105/24.13 new)

Sec. 24.13. "State retirement contribution for unfunded accrued liability" defined. The term "State retirement contribution for unfunded accrued liability" means the portion of the total required State contribution to a retirement system for a fiscal year that is not included in the State retirement contribution for annual normal cost.

Section 25. The Budget Stabilization Act is amended by changing Sections 20 and 25 as follows:  
(30 ILCS 122/20)

Sec. 20. Pension Stabilization Fund.

(a) The Pension Stabilization Fund is hereby created as a special fund in the State treasury. Moneys in the fund shall be used for the sole purpose of making payments to the designated retirement systems as provided in Section 25.

(b) For each fiscal year when the General Assembly's appropriations and transfers or diversions as required by law from general funds do not exceed 99% of the estimated general funds revenues pursuant to subsection (a) of Section 10, the Comptroller shall transfer from the General Revenue Fund as provided by this Section a total amount equal to 0.5% of the estimated general funds revenues to the Pension Stabilization Fund.

(c) For each fiscal year through Fiscal Year 2019 when the General Assembly's appropriations and transfers or diversions as required by law from general funds do not exceed 98% of the estimated general funds revenues pursuant to subsection (b) of Section 10, the Comptroller shall transfer from the General Revenue Fund as provided by this Section a total amount equal to 1.0% of the estimated general funds revenues to the Pension Stabilization Fund.

(c-5) In Fiscal Year 2020 and each fiscal year thereafter, the State Comptroller shall order transferred and the State Treasurer shall transfer the following amounts from the General Revenue Fund to the Pension Stabilization Fund:

in Fiscal Year 2020, \$1,123,333,372;

in Fiscal Year 2021, \$1,084,470,872;

in Fiscal Year 2022, \$1,048,083,372;

in Fiscal Year 2023, \$1,014,170,872;

in Fiscal Year 2024, \$957,733,372;

in Fiscal Year 2025, \$905,683,372;

in Fiscal Year 2026, \$882,458,372;

in Fiscal Year 2027, \$861,783,372;

in Fiscal Year 2028, \$818,658,372;

in Fiscal Year 2029, \$779,358,372;

in Fiscal Year 2030, \$718,883,372;

in Fiscal Year 2031, \$663,508,372;

in Fiscal Year 2032, \$638,233,372;

in Fiscal Year 2033, \$641,783,372;

in Fiscal Year 2034, \$1,797,883,372;

in Fiscal Year 2035, \$1,797,883,372;

in Fiscal Year 2036, \$1,797,883,372;

in Fiscal Year 2037, \$1,797,883,372;

in Fiscal Year 2038, \$1,797,883,372;

in Fiscal Year 2039, \$1,797,883,372;

in Fiscal Year 2040, \$1,797,883,372;

in Fiscal Year 2041, \$1,797,883,372;

in Fiscal Year 2042, \$1,797,883,372;

in Fiscal Year 2043, \$1,797,883,372;

in Fiscal Year 2044, \$1,797,883,372; and

in Fiscal Year 2045, \$1,797,883,372.

(c-10) The transfers made pursuant to subsection (c-5) of this Section shall continue until Fiscal Year 2045 or until each of the designated retirement systems, as defined in Section 25, has achieved a funding ratio of at least 90%, whichever occurs first.

(d) The Comptroller shall transfer 1/12 of the total amount to be transferred each fiscal year under this Section into the Pension Stabilization Fund on the first day of each month of that fiscal year or as soon thereafter as possible; except that the final transfer of the fiscal year shall be made as soon as practical after the August 31 following the end of the fiscal year.

Until Fiscal Year 2020, before ~~Before~~ the final transfer for a fiscal year is made, the Comptroller shall

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reconcile the estimated general funds revenues used in calculating the other transfers under this Section for that fiscal year with the actual general funds revenues for that fiscal year. The final transfer for the fiscal year shall be adjusted so that the total amount transferred under this Section for that fiscal year is equal to the percentage specified in subsection (b) or (c) of this Section, whichever is applicable, of the actual general funds revenues for that fiscal year. The actual general funds revenues for the fiscal year shall be calculated in a manner consistent with subsection (c) of Section 10 of this Act.

(Source: P.A. 94-839, eff. 6-6-06.)

(30 ILCS 122/25)

Sec. 25. Transfers from the Pension Stabilization Fund.

(a) As used in this Section, "designated retirement systems" means:

- (1) the State Employees' Retirement System of Illinois;
- (2) the Teachers' Retirement System of the State of Illinois;
- (3) the State Universities Retirement System;
- (4) the Judges Retirement System of Illinois; and
- (5) the General Assembly Retirement System.

(b) As soon as may be practical after any money is deposited into the Pension Stabilization Fund, the State Comptroller shall apportion the deposited amount among the designated retirement systems and the State Comptroller and State Treasurer shall pay the apportioned amounts to the designated retirement systems. The amount deposited shall be apportioned among the designated retirement systems in proportion to their respective certified State contributions for the State fiscal year in which the payment is made to those systems in the same proportion as their respective portions of the total actuarial reserve deficiency of the designated retirement systems, as most recently determined by the Governor's Office of Management and Budget. Amounts received by a designated retirement system under this Section shall be used for funding the unfunded liabilities of the retirement system. Payments under this Section are authorized by the continuing appropriation under Section 1.7 of the State Pension Funds Continuing Appropriation Act.

(c) At the request of the State Comptroller, the Governor's Office of Management and Budget shall determine the individual and total actuarial reserve deficiencies of the designated retirement systems. For this purpose, the Governor's Office of Management and Budget shall consider the latest available audit and actuarial reports of each of the retirement systems and the relevant reports and statistics of the Public Pension Division of the Department of Financial and Professional Regulation.

(d) Payments to the designated retirement systems under this Section shall be in addition to, and not in lieu of, any State contributions required under Section 2-124, 14-131, 15-155, 16-158, or 18-131 of the Illinois Pension Code.

Payments to the designated retirement systems under this Section, transferred after the effective date of this amendatory Act of the 98th General Assembly, do not reduce and do not constitute payment of any portion of the required State contribution under Article 2, 14, 15, 16, or 18 of the Illinois Pension Code in that fiscal year. Such amounts shall not reduce, and shall not be included in the calculation of, the required State Contribution under Article 2, 14, 15, 16, or 18 of the Illinois Pension Code in any future year, until the designated retirement system has received payment of contributions pursuant to this Act.

(Source: P.A. 94-839, eff. 6-6-06.)

Section 30. The Illinois Pension Code is amended by changing Sections 2-108, 2-119.1, 2-125, 2-126, 2-134, 2-162, 7-109, 14-103.10, 14-114, 14-132, 14-133, 14-135.08, 14-152.1, 15-106, 15-107, 15-111, 15-136, 15-156, 15-157, 15-163, 15-165, 15-198, 16-106, 16-121, 16-133, 16-133.1, 16-133.6, 16-136.1, 16-152, and 16-203 and by adding Sections 1-161, 1-162, 2-105.1, 2-105.2, 2-107.9, 2-110.3, 14-103.40, 14-103.41, 14-103.42, 14-106.5, 15-108.1, 15-108.2, 15-112.1, 15-132.9, 16-107.1, 16-107.2, 16-121.1, 16-122.9, 16-133.6, and 16-158.2 as follows:

(40 ILCS 5/1-161 new)

Sec. 1-161. Tier II Task Force.

(a) Definitions. As used in this Section:

"Tier II member" means a public employee who, on or after January 1, 2011, became a member or participant of a retirement system or pension fund established under this Code.

"Tier II Task Force" or "Task Force" means the Tier II Task Force created by this Section.

(b) The Tier II Task Force is hereby created. The Task Force shall be composed of 16 members, appointed as follows:

(1) Two members of the House of Representatives appointed by the Speaker of the House, one of whom shall serve as co-chair;

(2) Two members of the House of Representatives appointed by the Minority Leader of the House;

(3) Two members of the Senate appointed by the President of the Senate, one of whom shall serve as co-chair;

(4) Two members of the Senate appointed by the Minority Leader of the Senate; and

(5) Eight members, appointed by the co-chairs of the Task Force, who are Board members of the public employee unions representing Tier II members, no more than two of which may be appointed from any individual public employee union.

(c) The Task Force shall have the following responsibilities:

(1) to examine the impact of Public Acts 96-889 and 96-1495 on the retirement security of Tier II members;

(2) to study the impact of Public Acts 96-889 and 96-1495 on the ability of retirements systems and pension funds established under this Code to maintain qualified plan status under the federal Internal Revenue Code and other applicable laws;

(3) to examine the impact of the changes made by Public Acts 96-889 and 96-1495 on the ability of public employers to attract and retain highly qualified employees and provide sufficient retirement security; and

(4) to make any recommendations regarding changes to the pension benefits provided to Tier II employees the Task Force deems necessary or advisable in order to:

(A) enhance the retirement security of Tier II members;

(B) ensure that the various pension systems maintain their status as qualified plans under the federal Internal Revenue Code and other applicable laws; and

(C) ensure that public employers in this State are able to attract and retain highly qualified employees and provide sufficient retirement security.

(d) The Commission on Governmental Forecasting and Accountability shall provide administrative support to the Task Force.

(e) The Task Force shall conduct a minimum of 4 public hearings, with hearings in Springfield, Chicago, and at least two other locations in Illinois as determined by the Task Force.

(f) The Task Force shall issue its report to the General Assembly no later than February 1, 2014.

(g) This Section is repealed on January 1, 2015.

(40 ILCS 5/1-162 new)

Sec. 1-162. Optional cash balance plan.

(a) Participation and Applicability. Beginning 12 months after the effective date of this Section, any Tier I employee who has made the election under item (i) of paragraph (1) of subsection (a) of Section 14-106.5, 15-132.9, or 16-122.9 may elect to participate in the optional cash balance plan created under this Section.

The Board of Trustees of the applicable retirement system shall promulgate rules to establish a one-time irrevocable election period wherein a person eligible to participate in the optional cash balance plan may elect to participate.

(b) Title. The package of benefits provided under this Section may be referred to as the "optional cash balance plan". Persons subject to the provisions of this Section may be referred to as "participants in the optional cash balance plan".

(b-5) Definitions. As used in this Section:

"Account" means the notional cash balance account established under this Section for a participant in the optional cash balance plan.

"Salary" means "compensation" as defined in Article 14, "earnings" as defined in Article 15, and "salary" as defined in Article 16, whichever is applicable, without regard to the limitation in subsection (b-5) of Section 1-160.

"Tier I employee" means a person who is a Tier I employee under the applicable Article of this Code.

(c) Cash Balance Account. A notional cash balance account shall be established by the applicable retirement system for each participant in the optional cash balance plan. The account is notional and does not contain any actual money segregated from the commingled assets of the retirement system. The cash balance in the account is to be used in calculating benefits as provided in this Section, but is not to be used in the calculation of any refund, transfer, or other benefit under the applicable Article of this Code.

The amounts to be credited to the cash balance account shall consist of (i) amounts contributed by or on behalf of the participant as employee contributions, (ii) notional employer contributions, and (iii) interest credit that is attributable to the account, all as provided in this Section.

Whenever necessary for the prompt calculation or administration, or when the System lacks information necessary to the calculation or administration otherwise required of or for a benefit under

this Section, the applicable retirement system may estimate an amount to be credited to or debited from a participant's cash balance account and then adjust the amount so credited or debited when more accurate information becomes available.

The applicable retirement system shall give to each participant in the optional cash balance plan who has not yet retired annual notice of (1) the balance in the participant's cash balance account and (2) an estimate of the retirement annuity that will be payable to the participant if he or she retires at age 59 1/2.

(d) Employee Contributions. In addition to the other contributions required under the applicable Article, each participant shall make contributions to the applicable retirement system at the rate of 2% of each payment of salary. The amount of each contribution shall be credited to the participant's cash balance account upon receipt and after the retirement system's reconciliation of the contribution.

(e) Optional Employer Contributions. Employers may make optional additional contributions to the applicable retirement system on behalf of their employees who are participants in the optional cash balance plan in accordance with procedures prescribed by the retirement system, to the extent permitted by federal law and the rules prescribed by the retirement system. The optional additional contributions under this subsection are actual monetary contributions to the retirement system, and the amount of each optional additional contribution shall be credited to the participant's cash balance account upon receipt and after the retirement system's reconciliation of the contribution.

(f) Interest Credit. An amount representing earnings on investments shall be determined by the retirement system in accordance with this Section and credited to the participant's cash balance account for each fiscal year in which there is a positive balance in that account; except that no additional interest credit shall be credited while an annuity based on the account is being paid. The interest credit amount shall be a percentage of the average quarterly balance in the cash balance account during that fiscal year, and shall be calculated on June 30.

The percentage shall be the assumed treasury rate for the previous fiscal year, unless neither the retirement system's actual rate of investment earnings for the previous fiscal year nor the retirement system's actual rate of investment earnings for the five-year period ending at the end of the previous fiscal year is less than the assumed treasury rate.

If both the retirement system's actual rate of investment earnings for the previous fiscal year and the actual rate of investment earnings for the five-year period ending at the end of the previous fiscal year are at least the assumed treasury rate, then the percentage shall be:

(i) the assumed treasury rate, plus

(ii) two-thirds of the amount of the actual rate of investment earnings for the previous fiscal year that exceeds the assumed treasury rate.

However, in no event shall the percentage applied under this subsection exceed 10%.

For the purposes of this subsection only, "previous fiscal year" means fiscal year ending one year before the interest rate is calculated.

For the purposes of this subsection only, "assumed treasury rate" means the average annual yield of the 30-year U.S. Treasury Bond over the previous fiscal year, but not less than 4%.

When a person applies for a benefit under this Section, the retirement system shall apply an interest credit based on a proration of an estimate of what the interest credit will be for the relevant year. When the retirement system certifies the credit on June 30, it shall adjust the benefit accordingly.

(f-10) Distribution upon Termination of Employment. Upon termination of active employment with at least 5 years of service credit under the applicable retirement system and prior to making application for an annuity under this Section, a participant in the optional cash balance plan may make an irrevocable election to distribute an amount not to exceed 40% of the balance in the participant's account in the form of a direct rollover to another qualified plan, to the extent allowed by federal law. If the participant makes such an election, then the amount distributed shall be debited from the participant's cash balance account. A participant in the optional cash balance plan shall be allowed only one distribution under this subsection. The remaining balance in the participant's account shall be used for the determination of other benefits provided under this Section.

(f-15) Refund. In lieu of receiving a distribution under subsection (f-10), at any time after terminating active employment under the applicable retirement system, but before receiving a retirement annuity under this Section, a participant in the optional cash balance plan may elect to receive a refund under this subsection. The refund shall consist of an amount equal to the amount of all employee contributions credited to the participant's account, but shall not include any interest credit or employer contributions. If the participant so requests, the refund may be paid in the form of a direct rollover to another qualified plan, to the extent allowed by federal law and in accordance with the rules of the applicable retirement system. Upon payment of the refund, the participant's notional cash balance account shall be closed.

(g) Retirement Annuity. A participant in the optional cash balance plan may begin collecting a

retirement annuity at age 59 1/2, but no earlier than the date of termination of active employment under the applicable retirement system.

The amount of the retirement annuity shall be calculated by the retirement system, based on the balance in the cash balance account, the assumption of future investment returns as specified in this subsection, the participant's election to have a lifetime survivor's annuity as specified in this subsection, the annual increase in retirement annuity as specified in subsection (h), the annual increase in survivor's annuity as specified in subsection (l), and any actuarial assumptions and tables adopted by the board of the retirement system for this purpose. The calculation shall determine the amount of retirement annuity, on an actuarially equivalent basis, that shall be designed to result in the balance in the participant's account arriving at zero on the date when the last payment of the retirement annuity (or survivor's annuity, if the participant elects to provide for a survivor's annuity pursuant to this subsection) is anticipated to be paid under the relevant actuarial assumptions. A retirement annuity or a survivor's annuity provided under this Section shall be a life annuity and shall not expire if the account balance equals zero.

The annuity payment shall begin on the date specified by the participant submitting a written application, which date shall not be prior to termination of employment or more than one year before the application is received by the board; however, if the participant is not an employee of an employer participating in this System or in a participating system as defined in Article 20 of this Code on April 1 of the calendar year next following the calendar year in which the participant attains age 70 1/2, the annuity payment period shall begin on that date regardless of whether an application has been filed.

The participant may elect, under the participant's written application for retirement, to receive a reduced annuity payable for his or her life and to have a lifetime survivor's annuity in a monthly amount equal to 50%, 75%, or 100% of that reduced monthly amount, to be paid after the participant's death to his or her eligible survivor. Eligibility for a survivor's annuity shall be determined under the applicable Article of this Code.

For the purpose of calculating retirement annuities, future investment returns shall be assumed to be a percentage equal to the average yield of the 30-year U.S. Treasury Bond over the 5 fiscal years prior to the calculation of the initial retirement annuity, plus 250 basis points; but not less than 4% nor more than 8%.

(h) Annual Increase in Retirement Annuity. The retirement annuity shall be subject to an automatic annual increase in an amount equal to 3% of the originally granted annuity on each January 1 occurring on or after the first anniversary of the annuity start date.

(i) Disability Benefits. There are no disability benefits provided under the optional cash balance plan, and no amounts for disability shall be deducted from the account of a participant in the optional cash balance plan. The disability benefits provided under the applicable retirement system apply to participants in the optional cash balance plan.

(j) Return to Service. Upon a return to service under the same retirement system after beginning to receive a retirement annuity under the optional cash balance plan, the retirement annuity shall be suspended and active participation in the optional cash balance plan shall resume. Upon termination of the employment, the retirement annuity shall resume in an amount to be recalculated in accordance with subsection (g), taking into effect the changes in the cash balance account. If a retired annuitant returns to service, his or her notional cash balance account shall be decreased by each payment of retirement annuity prior to the return to service.

(k) Survivor's Annuity - Death before Retirement. In the case of a participant in the optional cash balance plan who had less than 5 years of service under the applicable Article and had not begun receiving a retirement annuity, the eligible survivor shall be entitled only to a refund of employee contributions under subsection (f-15).

In the case of a participant in the optional cash balance plan who had at least 5 years of service under the applicable Article and had not begun receiving a retirement annuity, the eligible survivor shall be entitled to receive a survivor's annuity beginning at age 59 1/2 upon written application. The survivor's annuity shall be calculated in the same manner as a retirement annuity under subsection (g). At any time before receiving a survivor's annuity, the eligible survivor may claim a distribution under subsection (f-10) or a refund under subsection (f-15). The deceased participant's account shall continue to receive interest credit until the eligible survivor begins to receive a survivor's annuity or receives a refund of employee contributions under subsection (f-15).

Eligibility for a survivor's annuity shall be determined under the applicable Article of this Code. A child's or parent's annuity for an otherwise eligible child or dependent parent shall be in the same amount, if any, prescribed under the applicable Article.

(l) Annual Increase in Survivor's Annuity. A survivor's annuity granted under subsection (g) or (k)



shall be subject to an automatic annual increase in an amount equal to 3% of the originally granted annuity on each January 1 occurring on or after the first anniversary of the annuity start date.

(m) Applicability of Provisions. The following provisions, if and as they exist in this Code, do not apply to participants in the optional cash balance plan with respect to participation in the optional cash balance plan, except as they are specifically provided for in this Section:

(1) minimum service or vesting requirements (other than as provided in this Section);

(2) provisions limiting a retirement annuity to a specified percentage of salary;

(3) provisions authorizing a minimum retirement or survivor's annuity or a supplemental annuity;

(4) provisions authorizing any form of retirement annuity or survivor's annuity not authorized under this Section;

(5) provisions authorizing a reversionary annuity (other than the survivor's annuity under subsection (g));

(6) provisions authorizing a refund of employee contributions upon termination of service (other than upon the death of the participant without an eligible survivor) or any lump-sum payout in lieu of a retirement or survivor's annuity (other than the distribution under subsection (f-10) or the refund under subsection (f-15) of this Section;

(7) provisions authorizing optional service credits or the payment of optional additional contributions (other than the optional employer contributions specifically authorized in this Section); or

(8) a level income option.

The Retirement Systems Reciprocal Act (Article 20 of this Code) does not apply to participation in the optional cash balance plan and does not affect the calculation of benefits payable under this Section.

The other provisions of this Code continue to apply to participants in the optional cash balance plan, to the extent that they do not conflict with this Section. In the case of a conflict between the provisions of this Section and any other provision of this Code, the provisions of this Section control.

(n) Rules. The Board of Trustees of the applicable retirement system may adopt rules and procedures for the implementation of this Section, including but not limited to determinations of how to integrate the administration of this Section with the requirements of the applicable Article and any other applicable provisions of this Code.

(o) Actual Employer Contributions. Payment of employer contributions with respect to participants in the optional cash balance plan shall be the responsibility of the actual employer. Optional additional contributions by employers may be paid in any amount, but must be paid in the manner specified by the applicable retirement system.

(p) Prospective Modification. The provisions set forth in this Section are subject to prospective changes made by law provided that any such changes shall not apply to any benefits accrued under this Section prior to the effective date of any amendatory Act of the General Assembly.

(q) Qualified Plan Status. No provision of this Section shall be interpreted in a way that would cause the applicable retirement system to cease to be a qualified plan under Section 401(a) of the Internal Revenue Code of 1986.

(40 ILCS 5/2-105.1 new)

Sec. 2-105.1. Tier I employee. "Tier I employee": A participant who first became a participant before January 1, 2011.

(40 ILCS 5/2-105.2 new)

Sec. 2-105.2. Tier I retiree. "Tier I retiree" means a former Tier I employee who is receiving a retirement annuity.

(40 ILCS 5/2-107.9 new)

Sec. 2-107.9. Future increase in income. "Future increase in income": Any increase in income in any form offered for service as a member under this Article after June 30, 2014 that would qualify as "salary", as defined in Section 2-108, but for the fact that the increase in income was offered to the member on the condition that it not qualify as salary and was accepted by the member subject to that condition.

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

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 as a member under this Article pursuant to the requirements of subsection (c) of Section 2-110.3 and accepted by a Tier I employee, or a Tier I retiree returning to active service, who has made the election under paragraph (2) of subsection (a) or (a-5) of Section 2-110.3.

(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 I employees and Tier I retirees.

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

(1) to agree to item (i) or (ii) as set forth in this paragraph (1):

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

(ii) to waive his or her eligibility for 3 automatic annual increases in retirement annuity, as provided in subsection (a-3) of Section 2-119.1, and to make the contributions set forth in subsection (a-5) of Section 2-126; or

(2) to not agree to item (i) or (ii) as set forth in paragraph (1) of this subsection.

The election required under this subsection (a) shall be made by each Tier I employee no earlier than February 1, 2014 and no later than May 31, 2014, except that:

(i) a person who becomes a Tier I employee under this Article on or after February 1, 2014 must make the election under this subsection (a) within 60 days after becoming a Tier I employee;

(ii) a person who returns to active service as a Tier I employee under this Article on or after February 1, 2014 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 I employee; and

(iii) a person who made the election under subsection (a-5) as a Tier I retiree remains bound by that election and shall not make a later election under this subsection (a).

If a Tier I 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) Each Tier I retiree shall make an irrevocable election either:

(1) to agree to the following:

(i) to have the amount of the automatic annual increases in his or her retirement annuity calculated without regard to subsection (a-1), (a-2), or (a-3) of Section 2-119.1; and

(ii) to waive his or her eligibility for 2 automatic annual increases in retirement annuity as provided in subsection (a-4) of Section 2-119.1; or

(2) to not agree to items (i) and (ii) as set forth in paragraph (1) of this subsection.

The election required under this subsection (a-5) shall be made by each Tier I retiree no earlier than February 1, 2014 and no later than May 31, 2014, except that:

(i) a person who becomes a Tier I retiree under this Article on or after February 1, 2014 must make the election under this subsection (a-5) within 60 days after becoming a Tier I retiree; and

(ii) a person who made the election under subsection (a) as a Tier I employee remains bound by that election and shall not make a later election under this subsection (a-5).

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

(a-10) All elections under subsection (a) or (a-5) that are made or deemed to be made before June 1, 2014 shall take effect on July 1, 2014. Elections that are made or deemed to be made on or after June 1, 2014 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 98th General Assembly for making an election under paragraph (1) of subsection (a) of this Section, any future increases in income offered for service as a member under this Article to a Tier I employee who has made an election under paragraph (1) of subsection (a) of this Section shall be offered expressly and

irrevocably as constituting salary under Section 2-108.

As adequate and legal consideration provided under this amendatory Act of the 98th General Assembly for making an election under paragraph (1) of subsection (a-5) of this Section, any future increases in income offered for service as a member under this Article to a Tier I retiree who returns to active service after having made an election under paragraph (1) of subsection (a-5) of this Section shall be offered expressly and irrevocably as constituting salary under Section 2-108.

(c) A Tier I employee who makes the election under paragraph (2) of subsection (a) of this Section shall not be subject to either item (i) or (ii) set forth in paragraph (1) of subsection (a) of this Section. However, any future increases in income offered for service as a member under this Article to a Tier I employee who has made the election under paragraph (2) of subsection (a) of this Section shall be offered expressly and irrevocably as not constituting salary under Section 2-108, and the member may not accept any future increase in income that is offered in violation of this requirement.

A Tier I retiree who makes the election under paragraph (2) of subsection (a-5) of this Section shall not be subject to either item (i) or (ii) set forth in paragraph (1) of subsection (a-5) of this Section. However, any future increases in income offered for service as a member under this Article to a Tier I retiree who returns to active service and has made the election under paragraph (2) of subsection (a-5) of this Section shall be offered expressly and irrevocably as not constituting salary under Section 2-108, and the member may not accept any future increase in income that is offered in violation of this requirement.

(d) The System shall make a good faith effort to contact each Tier I employee and Tier I retiree subject to this Section. The System shall mail information describing the required election to each Tier I employee and Tier I retiree by United States Postal Service mail to his or her last known address on file with the System. If the Tier I employee or Tier I retiree 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 I employees and Tier I retirees 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 I employees and Tier I retirees 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 I employee or Tier I retiree should make or specific to the legal or tax circumstances of or consequences to the Tier I employee or Tier I retiree.

The System shall inform Tier I employees and Tier I retirees in the election packet required under this subsection that the Tier I employee or Tier I retiree 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, beneficiary, or annuitant 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 98th General Assembly to provide information concerning the impact of the election set forth in this Section.

(e) Notwithstanding any other provision of law, any future increases in income offered for service as a member must be offered expressly and irrevocably as not constituting "salary" under Section 2-108 to any Tier I employee, or Tier I retiree returning to active service, who has made an election under paragraph (2) of subsection (a) or (a-5) of Section 2-110.3. A Tier I employee, or Tier I retiree returning to active service, who has made an election under paragraph (2) or subsection (a) or (a-5) of Section 2-110.3 shall not accept any future increase in income that is offered for service as a member under this Article in violation of the requirement set forth in this subsection.

(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 this Section is determined to be unconstitutional or otherwise invalid by a final unappealable decision of an Illinois court or a court of competent jurisdiction as applied to Tier I employees but not as applied to Tier I retirees, then this Section and the changes deriving from the election required under this Section shall be null and void as applied to Tier I employees but shall remain in full effect for Tier I retirees.

(i) If this Section is determined to be unconstitutional or otherwise invalid by a final unappealable decision of an Illinois court or a court of competent jurisdiction as applied to Tier I retirees but not as applied to Tier I employees, then this Section and the changes deriving from the election required under this Section shall be null and void as applied to Tier I retirees but shall remain in full effect for Tier I employees.

(j) 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)

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

(a) Except as provided in subsections (a-1), (a-2), (a-3), and (a-4), 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 I employee who made the election under item (i) of paragraph (1) of subsection (a) of Section 2-110.3, the amount of each automatic annual increase in retirement annuity occurring on or after the effective date of that election, other than the initial increase, shall be 3% of the originally granted retirement annuity.

(a-2) Notwithstanding any other provision of this Article, for a Tier I employee who made the election under item (i) of paragraph (1) of subsection (a) of Section 2-110.3, once the first annual increase under this Section has been granted, the next 2 scheduled annual increases shall be skipped, and thereafter all annual increases shall be granted.

(a-3) Notwithstanding any other provision of this Article, for a Tier I employee who made the election under item (ii) of paragraph (1) of subsection (a) of Section 2-110.3, once the first annual increase under this Section has been granted, the next 3 scheduled annual increases shall be skipped, and thereafter all annual increases shall be granted.

(a-4) Notwithstanding any other provision of this Article, for a Tier I retiree who made the election under paragraph (1) of subsection (a-5) of Section 2-110.3:

(1) if the Tier I retiree has not received the first annual increase under this Section as of the effective date of this amendatory Act of the 98th General Assembly, then once the first annual increase under this Section has been granted, the next scheduled annual increase shall be skipped, the following annual increase shall be granted, the next annual increase shall be skipped, and thereafter all annual increases shall be granted; and

(2) if the Tier I retiree has received the first annual increase under this Section as of the effective date of this amendatory Act of the 98th General Assembly, then the next annual increase after that effective date shall be skipped, the following annual increase shall be granted, the next annual increase shall be skipped, and thereafter all annual increases shall be granted.

(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

[May 9, 2013]

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, except as otherwise provided in subsection (a-2), (a-3), or (a-4).

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) or (b-5), 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 5/2-125) (from Ch. 108 1/2, par. 2-125)

Sec. 2-125. Obligations of State; funding guarantee.

(a) The payment of (1) the required State contributions, (2) all benefits granted under this system and (3) all expenses of administration and operation are obligations of the State to the extent specified in this Article.

All income, interest and dividends derived from deposits and investments shall be credited to the account of the system in the State Treasury and used to pay benefits under this Article.

(b) The State shall be contractually obligated to contribute to the System in each State fiscal year an amount not less than the sum required in Section 2-124 as that Section existed prior to the effective date of this amendatory Act of the 98th General Assembly.

The obligations created under this subsection (b) are contractual obligations protected and enforceable under Article I, Section 16 and Article XIII, Section 5 of the Illinois Constitution.

Notwithstanding any other provision of law, if the State fails to pay in a State fiscal year the amount guaranteed under this subsection (b), the System may bring a mandamus action in the Circuit Court of Sangamon County to compel the State to make that payment, irrespective of other remedies that may be available to the System. It shall be the mandatory fiduciary obligation of the Board of the System to bring that action if the State fails to pay in the fiscal year the amount guaranteed under this subsection (b). Before commencing that action, the Board shall submit a voucher for contributions required under Section 2-134. If the State fails to pay a vouchered amount within 90 days after receiving a voucher for that amount, then the Board shall submit a written request to the Comptroller seeking payment of that amount. A copy of the request shall be filed with the Secretary of State, and the Secretary of State shall provide copies of the request to the Governor and General Assembly. No earlier than the 16th day after filing a request with the Secretary, but no later than the 21st day after filing that request, the Board may commence such an action in the Circuit Court. If the Board fails to commence such action on or before the 21st day after filing the request with the Secretary of State, then any Tier I employee or Tier I retiree who made an election under paragraph (1) of subsection (a) or (a-5) of Section 2-110.3 may file a mandamus action against the Board to compel the Board to commence its mandamus action against the State. This subsection (b) constitutes an express waiver of the State's sovereign immunity. In ordering the State to make the required payment, the court may order a reasonable payment schedule to enable the State to make the required payment. The obligations and causes of action created under this subsection (b) shall be in addition to any other right or remedy otherwise accorded by common law, or State or federal law, and nothing in this subsection (b) shall be construed to deny, abrogate, impair, or waive any such common law or statutory right or remedy.

Any payments required to be made by the State pursuant to this subsection (b) are expressly subordinated to the payment of the principal, interest, and premium, if any, on any bonded debt obligation of the State or any other State-created entity, either currently outstanding or to be issued, for which the source of repayment or security thereon is derived directly or indirectly from tax revenues collected by the State or any other State-created entity. Payments on such bonded obligations include

any statutory fund transfers or other prefunding mechanisms or formulas set forth, now or hereafter, in State law or bond indentures, into debt service funds or accounts of the State related to such bonded obligations, consistent with the payment schedules associated with such obligations.

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

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

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%.

(a-5) In addition to the contributions otherwise required under this Article, each Tier I employee who made the election under item (ii) of paragraph (1) of subsection (a) of Section 2-110.3 shall also make the following contributions toward the cost of his or her retirement annuity from each payment of salary received by him or her for service as a member:

(1) beginning July 1, 2014 and through June 30, 2015, 1% of salary; and

(2) beginning on July 1, 2015, 2% of salary.

(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 shall not be based on any salary in excess of the salary limitation applicable to that participant under Section 2-108 or 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.

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

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

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 ~~through 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 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.~~

(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.

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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 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. 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-7) 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.

(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)

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 98th 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. 94-4, eff. 6-1-05.)

(40 ILCS 5/7-109) (from Ch. 108 1/2, par. 7-109)

Sec. 7-109. Employee.

(1) "Employee" means any person who:

(a) 1. Receives earnings as payment for the performance of personal services or official duties out of the general fund of a municipality, or out of any special fund or funds controlled by a municipality, or by an instrumentality thereof, or a participating instrumentality, including, in counties, the fees or earnings of any county fee office; and

2. Under the usual common law rules applicable in determining the employer-employee relationship, has the status of an employee with a municipality, or any instrumentality thereof, or a participating instrumentality, including aldermen, county supervisors and other persons (excepting those employed as independent contractors) who are paid compensation, fees, allowances or other emolument for official duties, and, in counties, the several county fee offices.

(b) Serves as a township treasurer appointed under the School Code, as heretofore or hereafter amended, and who receives for such services regular compensation as distinguished from per diem compensation, and any regular employee in the office of any township treasurer whether or not his earnings are paid from the income of the permanent township fund or from funds subject to distribution to the several school districts and parts of school districts as provided in the School Code, or from both such sources; or is the chief executive officer, chief educational officer, chief fiscal officer, or other employee of a Financial Oversight Panel established pursuant to Article 1H of the School Code, other than a superintendent or certified school business official, except that such person shall not be treated as an employee under this Section if that person has negotiated with the Financial Oversight Panel, in conjunction with the school district, a contractual agreement for exclusion from this Section.

(c) Holds an elective office in a municipality, instrumentality thereof or participating instrumentality.

(2) "Employee" does not include persons who:

(a) Are eligible for inclusion under any of the following laws:

1. "An Act in relation to an Illinois State Teachers' Pension and Retirement Fund", approved May 27, 1915, as amended;
2. Articles 15 and 16 of this Code.

However, such persons shall be included as employees to the extent of earnings that are not eligible for inclusion under the foregoing laws for services not of an instructional nature of any kind.

However, any member of the armed forces who is employed as a teacher of subjects in the Reserve Officers Training Corps of any school and who is not certified under the law governing the certification of teachers shall be included as an employee.

(b) Are designated by the governing body of a municipality in which a pension fund is required by law to be established for policemen or firemen, respectively, as performing police or fire protection duties, except that when such persons are the heads of the police or fire department and are not eligible to be included within any such pension fund, they shall be included within this Article; provided, that such persons shall not be excluded to the extent of concurrent service and earnings not designated as being for police or fire protection duties. However, (i) any head of a police department who was a participant under this Article immediately before October 1, 1977 and did not elect, under Section 3-109 of this Act, to participate in a police pension fund shall be an "employee", and (ii) any chief of police who elects to participate in this Fund under Section 3-109.1 of this Code, regardless of whether such person continues to be employed as chief of police or is employed in some other rank or



capacity within the police department, shall be an employee under this Article for so long as such person is employed to perform police duties by a participating municipality and has not lawfully rescinded that election.

(c) After August 26, 2011 (the effective date of Public Act 97-609), are contributors to or eligible to contribute to a Taft-Hartley pension plan established on or before June 1, 2011 and are employees of a theatre, arena, or convention center that is located in a municipality located in a county with a population greater than 5,000,000, and to which the participating municipality is required to contribute as the person's employer based on earnings from the municipality. Nothing in this paragraph shall affect service credit or creditable service for any period of service prior to August 26, 2011, and this paragraph shall not apply to individuals who are participating in the Fund prior to August 26, 2011.

(d) Become an employee of any of the following participating instrumentalities on or after the effective date of this amendatory Act of the 98th General Assembly: the Illinois Municipal League; the Illinois Association of Park Districts; the Illinois Supervisors, County Commissioners and Superintendents of Highways Association; an association or not-for-profit corporation, membership in which is authorized under Section 85-15 of the Township Code; the United Counties Council; or the Will County Governmental League.

(3) All persons, including, without limitation, public defenders and probation officers, who receive earnings from general or special funds of a county for performance of personal services or official duties within the territorial limits of the county, are employees of the county (unless excluded by subsection (2) of this Section) notwithstanding that they may be appointed by and are subject to the direction of a person or persons other than a county board or a county officer. It is hereby established that an employer-employee relationship under the usual common law rules exists between such employees and the county paying their salaries by reason of the fact that the county boards fix their rates of compensation, appropriate funds for payment of their earnings and otherwise exercise control over them. This finding and this amendatory Act shall apply to all such employees from the date of appointment whether such date is prior to or after the effective date of this amendatory Act and is intended to clarify existing law pertaining to their status as participating employees in the Fund.

(Source: P.A. 97-429, eff. 8-16-11; 97-609, eff. 8-26-11; 97-813, eff. 7-13-12.)

(40 ILCS 5/14-103.10) (from Ch. 108 1/2, par. 14-103.10)  
Sec. 14-103.10. Compensation.

(a) For periods of service prior to January 1, 1978, the full rate of salary or wages payable to an employee for personal services performed if he worked the full normal working period for his position, subject to the following maximum amounts: (1) prior to July 1, 1951, \$400 per month or \$4,800 per year; (2) between July 1, 1951 and June 30, 1957 inclusive, \$625 per month or \$7,500 per year; (3) beginning July 1, 1957, no limitation.

In the case of service of an employee in a position involving part-time employment, compensation shall be determined according to the employees' earnings record.

(b) For periods of service on and after January 1, 1978, all remuneration for personal services performed defined as "wages" under the Social Security Enabling Act, including that part of such remuneration which is in excess of any maximum limitation provided in such Act, and including any benefits received by an employee under a sick pay plan in effect before January 1, 1981, but excluding lump sum salary payments:

- (1) for vacation,
- (2) for accumulated unused sick leave,
- (3) upon discharge or dismissal,
- (4) for approved holidays.

(c) For periods of service on or after December 16, 1978, compensation also includes any benefits, other than lump sum salary payments made at termination of employment, which an employee receives or is eligible to receive under a sick pay plan authorized by law.

(d) For periods of service after September 30, 1985, compensation also includes any remuneration for personal services not included as "wages" under the Social Security Enabling Act, which is deducted for purposes of participation in a program established pursuant to Section 125 of the Internal Revenue Code or its successor laws.

(e) For members for which Section 1-160 applies for periods of service on and after January 1, 2011, all remuneration for personal services performed defined as "wages" under the Social Security Enabling Act, excluding remuneration that is in excess of the annual earnings, salary, or wages of a member or participant, as provided in subsection (b-5) of Section 1-160, but including any benefits received by an employee under a sick pay plan in effect before January 1, 1981. Compensation shall exclude lump sum

salary payments:

- (1) for vacation;
- (2) for accumulated unused sick leave;
- (3) upon discharge or dismissal; and
- (4) for approved holidays.

(f) Notwithstanding any other provision of this Section, "compensation" does not include any future increase in income offered by a department under this Article pursuant to the requirements of subsection (c) of Section 14-106.5 that is accepted by a Tier I employee, or a Tier I retiree returning to active service, who has made the election under paragraph (2) of subsection (a) or (a-5) of Section 14-106.5.

(g) Notwithstanding any other provision of this Section, for an employee who first becomes a participant on or after the effective date of this amendatory Act of the 98th General Assembly, "compensation" does not include any payments or reimbursements for travel vouchers submitted more than 30 days after the last day of travel for which the voucher is submitted.

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

(40 ILCS 5/14-103.40 new)

Sec. 14-103.40. Tier I employee. "Tier I employee": An employee 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.

(40 ILCS 5/14-103.41 new)

Sec. 14-103.41. Tier I retiree. "Tier I retiree": A former Tier I employee who is receiving a retirement annuity.

(40 ILCS 5/14-103.42 new)

Sec. 14-103.42. Future increase in income. "Future increase in income": Any increase in income in any form offered by a department to an employee under this Article after June 30, 2014 that would qualify as "compensation", as defined in Section 14-103.10, but for the fact that the department offered the increase in income to the employee on the condition that it not qualify as compensation and the employee accepted the increase in income subject to that condition. The term "future increase in income" does not include an increase in income in any form that is paid to a Tier I employee under an employment contract or collective bargaining agreement that is in effect on the effective date of this Section but does include an increase in income in any form pursuant to an extension, amendment, or renewal of any such employment contract or collective bargaining agreement on or after the effective date of this amendatory Act of the 98th General Assembly.

(40 ILCS 5/14-106.5 new)

Sec. 14-106.5. Election by Tier I employees and Tier I retirees.

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

(1) to agree to item (i) or (ii) as set forth in this paragraph (1):

(i) to have the amount of the automatic annual increases in his or her retirement annuity that are otherwise provided for in this Article calculated, instead, as provided in subsection (a-1) of Section 14-114, and to waive his or her eligibility for 2 automatic annual increases in retirement annuity as provided in subsection (a-2) of Section 14-114; or

(ii) to waive his or her eligibility for 3 automatic annual increases in retirement annuity, as provided in subsection (a-3) of Section 14-114, and to make the contributions set forth in subsection (a-5) of Section 14-133; or

(2) to not agree to item (i) or (ii) as set forth in paragraph (1) of this subsection.

The election required under this subsection (a) shall be made by each Tier I employee no earlier than February 1, 2014 and no later than May 31, 2014, except that:

(i) a person who becomes a Tier I employee under this Article on or after February 1, 2014 must make the election under this subsection (a) within 60 days after becoming a Tier I employee;

(ii) a person who returns to active service as a Tier I employee under this Article on or after February 1, 2014 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 I employee; and

(iii) a person who made the election under subsection (a-5) as a Tier I retiree remains bound by that election and shall not make a later election under this subsection (a).

If a Tier I 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) Each Tier I retiree shall make an irrevocable election either:

(1) to agree to the following:

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(i) to have the amount of the automatic annual increases in his or her retirement annuity calculated without regard to subsection (a-1), (a-2), or (a-3) of Section 14-114; and

(ii) to waive his or her eligibility for 2 automatic annual increases in retirement annuity as provided in subsection (a-4) of Section 14-114; or

(2) to not agree to items (i) and (ii) as set forth in paragraph (1) of this subsection.

The election required under this subsection (a-5) shall be made by each Tier I retiree no earlier than February 1, 2014 and no later than May 31, 2014, except that:

(i) a person who becomes a Tier I retiree under this Article on or after February 1, 2014 must make the election under this subsection (a-5) within 60 days after becoming a Tier I retiree; and

(ii) a person who made the election under subsection (a) as a Tier I employee remains bound by that election and shall not make a later election under this subsection (a-5).

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

(a-10) All elections under subsection (a) or (a-5) that are made or deemed to be made before June 1, 2014 shall take effect on July 1, 2014. Elections that are made or deemed to be made on or after June 1, 2014 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 98th General Assembly for making an election under paragraph (1) of subsection (a) of this Section, any future increases in income offered by a department under this Article to a Tier I employee who has made an election under paragraph (1) of subsection (a) of this Section shall be offered expressly and irrevocably as constituting compensation under Section 14-103.10. In addition, a Tier I employee who has made an election under item (i) of paragraph (1) of subsection (a) of this Section shall receive the right to also participate in the optional cash balance plan established under Section 1-162.

As adequate and legal consideration provided under this amendatory Act of the 98th General Assembly for making an election under paragraph (1) of subsection (a-5) of this Section, any future increases in income offered by a department under this Article to a Tier I retiree who returns to active service after having made the election under paragraph (1) of subsection (a-5) of this Section shall be offered expressly and irrevocably as constituting compensation under Section 14-103.10.

(c) A Tier I employee who makes the election under paragraph (2) of subsection (a) of this Section shall not be subject to either item (i) or (ii) set forth in paragraph (1) of subsection (a) of this Section. However, any future increases in income offered by a department under this Article to a Tier I employee who has made the election under paragraph (2) of subsection (a) of this Section shall be offered by the department expressly and irrevocably as not constituting compensation under Section 14-103.10, and the employee may not accept any future increase in income that is offered in violation of this requirement. In addition, a Tier I employee who has made the election under paragraph (2) of subsection (a) of this Section shall not receive the right to participate in the optional cash balance plan established under Section 1-162.

A Tier I retiree who makes the election under paragraph (2) of subsection (a-5) of this Section shall not be subject to either item (i) or (ii) set forth in paragraph (1) of subsection (a-5) of this Section. However, any future increases in income offered by a department under this Article to a Tier I retiree who returns to active service and has made the election under paragraph (2) of subsection (a-5) of this Section shall be offered by the department expressly and irrevocably as not constituting compensation under Section 14-103.10, and the employee may not accept any future increase in income that is offered in violation of this requirement. In addition, a Tier I retiree who returns to active service and has made the election under paragraph (2) of subsection (a) of this Section shall not receive the right to participate in the optional cash balance plan established under Section 1-162.

(d) The System shall make a good faith effort to contact each Tier I employee and Tier I retiree subject to this Section. The System shall mail information describing the required election to each Tier I employee and Tier I retiree by United States Postal Service mail to his or her last known address on file with the System. If the Tier I employee or Tier I retiree 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 I employees and Tier I retirees 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 I employees and Tier I retirees 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 I employee or Tier I retiree should make or specific to the legal or tax circumstances of or consequences to the Tier I employee or Tier I retiree.

The System shall inform Tier I employees and Tier I retirees in the election packet required under this subsection that the Tier I employee or Tier I retiree 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, beneficiary, or annuitant 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 98th General Assembly to provide information concerning the impact of the election set forth in this Section.

(e) Notwithstanding any other provision of law, a department under this Article is required to offer any future increases in income expressly and irrevocably as not constituting "compensation" under Section 14-103.10 to any Tier I employee, or Tier I retiree returning to active service, who has made an election under paragraph (2) of subsection (a) or (a-5) of Section 14-106.5. A Tier I employee, or Tier I retiree returning to active service, who has made an election under paragraph (2) of subsection (a) or (a-5) of Section 14-106.5 shall not accept any future increase in income that is offered by an employer under this Article in violation of the requirement set forth in this subsection.

(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) An employee who has made the election under item (i) of paragraph (1) of subsection (a) of this Section may elect to participate in the optional cash balance plan under Section 1-162.

The election to participate in the optional cash balance plan shall be made in writing, in the manner provided by the applicable retirement system.

(h) 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.

(i) If this Section is determined to be unconstitutional or otherwise invalid by a final unappealable decision of an Illinois court or a court of competent jurisdiction as applied to Tier I employees but not as applied to Tier I retirees, then this Section and the changes deriving from the election required under this Section shall be null and void as applied to Tier I employees but shall remain in full effect for Tier I retirees.

(j) If this Section is determined to be unconstitutional or otherwise invalid by a final unappealable decision of an Illinois court or a court of competent jurisdiction as applied to Tier I retirees but not as applied to Tier I employees, then this Section and the changes deriving from the election required under this Section shall be null and void as applied to Tier I retirees but shall remain in full effect for Tier I employees.

(k) 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 5/14-114) (from Ch. 108 1/2, par. 14-114)

Sec. 14-114. Automatic increase in retirement annuity.

(a) Subject to the provisions of subsections (a-1), (a-2), (a-3), and (a-4), any Any person receiving a retirement annuity under this Article who retires having attained age 60, or who retires before age 60 having at least 35 years of creditable service, or who retires on or after January 1, 2001 at an age which, when added to the number of years of his or her creditable service, equals at least 85, shall, on January 1 next following the first full year of retirement, have the amount of the then fixed and payable monthly retirement annuity increased 3%. Any person receiving a retirement annuity under this Article who retires before attainment of age 60 and with less than (i) 35 years of creditable service if retirement is before January 1, 2001, or (ii) the number of years of creditable service which, when added to the member's age, would equal 85, if retirement is on or after January 1, 2001, shall have the amount of the fixed and payable retirement annuity increased by 3% on the January 1 occurring on or next following (1) attainment of age 60, or (2) the first anniversary of retirement, whichever occurs later. However, for persons who receive the alternative retirement annuity under Section 14-110, references in this subsection (a) to attainment of age 60 shall be deemed to refer to attainment of age 55. For a person receiving early retirement incentives under Section 14-108.3 whose retirement annuity began after

January 1, 1992 pursuant to an extension granted under subsection (e) of that Section, the first anniversary of retirement shall be deemed to be January 1, 1993. For a person who retires on or after June 28, 2001 and on or before October 1, 2001, and whose retirement annuity is calculated, in whole or in part, under Section 14-110 or subsection (g) or (h) of Section 14-108, the first anniversary of retirement shall be deemed to be January 1, 2002.

On each January 1 following the date of the initial increase under this subsection, the employee's monthly retirement annuity shall be increased by an additional 3%.

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.

(a-1) Notwithstanding any other provision of this Article, for a Tier I employee who made the election under item (i) of paragraph (1) of subsection (a) of Section 14-106.5, the amount of each automatic annual increase in retirement annuity occurring on or after the effective date of that election shall be 3% of the originally granted retirement annuity.

(a-2) Notwithstanding any other provision of this Article, for a Tier I employee who made the election under item (i) of paragraph (1) of subsection (a) of Section 14-106.5, once the first annual increase under this Section has been granted, the next 2 scheduled annual increases shall be skipped, and thereafter all annual increases shall be granted.

(a-3) Notwithstanding any other provision of this Article, for a Tier I employee who made the election under item (ii) of paragraph (1) of subsection (a) of Section 14-106.5, once the first annual increase under this Section has been granted, the next 3 scheduled annual increases shall be skipped, and thereafter all annual increases shall be granted.

(a-4) Notwithstanding any other provision of this Article, for a Tier I retiree who made the election under paragraph (1) of subsection (a-5) of Section 14-106.5:

(1) if the Tier I retiree has not received the first annual increase under this Section as of the effective date of this amendatory Act of the 98th General Assembly, then once the first annual increase under this Section has been granted, the next scheduled annual increase shall be skipped, the following annual increase shall be granted, the next annual increase shall be skipped, and thereafter all annual increases shall be granted; and

(2) if the Tier I retiree has received the first annual increase under this Section as of the effective date of this amendatory Act of the 98th General Assembly, then the next annual increase after that effective date shall be skipped, the following annual increase shall be granted, the next annual increase shall be skipped, and thereafter all annual increases shall be granted.

(b) The provisions of subsection (a) of this Section shall be applicable to an employee only if the employee makes the additional contributions required after December 31, 1969 for the purpose of the automatic increases for not less than the equivalent of one full year. If an employee becomes an annuitant before his additional contributions equal one full year's contributions based on his salary at the date of retirement, the employee may pay the necessary balance of the contributions to the system, without interest, and be eligible for the increasing annuity authorized by this Section.

(c) The provisions of subsection (a) of this Section shall not be applicable to any annuitant who is on retirement on December 31, 1969, and thereafter returns to State service, unless the member has established at least one year of additional creditable service following reentry into service.

(d) In addition to other increases which may be provided by this Section, on January 1, 1981 any annuitant who was receiving a retirement annuity on or before January 1, 1971 shall have his retirement annuity then being paid increased \$1 per month for each year of creditable service. On January 1, 1982, any annuitant who began receiving a retirement annuity on or before January 1, 1977, shall have his retirement annuity then being paid increased \$1 per month for each year of creditable service.

On January 1, 1987, any annuitant who began receiving a retirement annuity 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.

(e) Every person who receives the alternative retirement annuity under Section 14-110 and who is eligible to receive the 3% increase under subsection (a) on January 1, 1986, shall also receive on that date a one-time increase in retirement annuity equal to the difference between (1) his actual retirement annuity on that date, including any increases received under subsection (a), and (2) the amount of retirement annuity he would have received on that date if the amendments to subsection (a) made by Public Act 84-162 had been in effect since the date of his retirement.

(Source: P.A. 91-927, eff. 12-14-00; 92-14, eff. 6-28-01; 92-651, eff. 7-11-02.)

(40 ILCS 5/14-132) (from Ch. 108 1/2, par. 14-132)

Sec. 14-132. Obligations of State; funding guarantee.

(a) The payment of the required department contributions, all allowances, annuities, benefits granted under this Article, and all expenses of administration of the system are obligations of the State of Illinois to the extent specified in this Article.

All income of the system shall be credited to a separate account for this system in the State treasury and shall be used to pay allowances, annuities, benefits and administration expense.

(b) The State shall be contractually obligated to contribute to the System in each State fiscal year an amount not less than the sum required in Section 14-131 as that Section existed prior to the effective date of this amendatory Act of the 98th General Assembly.

The obligations created under this subsection (b) are contractual obligations protected and enforceable under Article I, Section 16 and Article XIII, Section 5 of the Illinois Constitution.

Notwithstanding any other provision of law, if the State fails to pay in a State fiscal year the amount guaranteed under this subsection (b), the System may bring a mandamus action in the Circuit Court of Sangamon County to compel the State to make that payment, irrespective of other remedies that may be available to the System. It shall be the mandatory fiduciary obligation of the Board of the System to bring that action if the State fails to pay in the fiscal year the amount guaranteed under this subsection (b). Before commencing that action, the Board shall submit a voucher for the contributions required in Section 14-131. If the State fails to pay a vouchered amount within 90 days after receiving a voucher for that amount, then the Board shall submit a written request to the Comptroller seeking payment of that amount. A copy of the request shall be filed with the Secretary of State, and the Secretary of State shall provide copies of the request to the Governor and General Assembly. No earlier than the 16th day after filing a request with the Secretary, but no later than the 21st day after filing that request, the Board may commence such an action in the Circuit Court. If the Board fails to commence such action on or before the 21st day after filing the request with the Secretary of State, then any Tier I employee or Tier I retiree who made the election under paragraph (1) of subsection (a) or (a-5) of Section 14-106.5 may file a mandamus action against the Board to compel the Board to commence its mandamus action against the State. This subsection (b) constitutes an express waiver of the State's sovereign immunity. In ordering the State to make the required payment, the court may order a reasonable payment schedule to enable the State to make the required payment. The obligations and causes of action created under this subsection (b) shall be in addition to any other right or remedy otherwise accorded by common law, or State or federal law, and nothing in this subsection shall be construed to deny, abrogate, impair, or waive any such common law or statutory right or remedy.

Any payments required to be made by the State pursuant to this subsection (b) are expressly subordinated to the payment of the principal, interest, and premium, if any, on any bonded debt obligation of the State or any other State-created entity, either currently outstanding or to be issued, for which the source of repayment or security thereon is derived directly or indirectly from tax revenues collected by the State or any other State-created entity. Payments on such bonded obligations include any statutory fund transfers or other prefunding mechanisms or formulas set forth, now or hereafter, in State law or bond indentures, into debt service funds or accounts of the State related to such bonded obligations, consistent with the payment schedules associated with such obligations.

(Source: P.A. 80-841.)

(40 ILCS 5/14-133) (from Ch. 108 1/2, par. 14-133)

Sec. 14-133. Contributions on behalf of members.

(a) Each participating employee shall make contributions to the System, based on the employee's compensation, as follows:

(1) Covered employees, except as indicated below, 3.5% for retirement annuity, and 0.5% for a widow or survivors annuity;

(2) Noncovered employees, except as indicated below, 7% for retirement annuity and 1% for a widow or survivors annuity;

(3) Noncovered employees serving in a position in which "eligible creditable service" as defined in Section 14-110 may be earned, 1% for a widow or survivors annuity plus the following amount for retirement annuity: 8.5% through December 31, 2001; 9.5% in 2002; 10.5% in 2003; and 11.5% in 2004 and thereafter;

(4) Covered employees serving in a position in which "eligible creditable service" as defined in Section 14-110 may be earned, 0.5% for a widow or survivors annuity plus the following amount for retirement annuity: 5% through December 31, 2001; 6% in 2002; 7% in 2003; and 8% in 2004 and thereafter;

(5) Each security employee of the Department of Corrections or of the Department of Human Services who is a covered employee, 0.5% for a widow or survivors annuity plus the following amount for retirement annuity: 5% through December 31, 2001; 6% in 2002; 7% in 2003;

and 8% in 2004 and thereafter;

(6) Each security employee of the Department of Corrections or of the Department of Human Services who is not a covered employee, 1% for a widow or survivors annuity plus the following amount for retirement annuity: 8.5% through December 31, 2001; 9.5% in 2002; 10.5% in 2003; and 11.5% in 2004 and thereafter.

(a-1) In addition to the contributions required under subsection (a), an employee who elects to participate in the optional cash balance plan under Section 1-162 shall pay to the System for the purpose of participating in the optional cash balance plan an additional contribution of 2% of each payment of compensation received while he or she is a participant in the optional cash balance plan. These contributions shall not be used for the purpose of determining any benefit under this Article except as provided in the optional cash balance plan.

(a-5) In addition to the contributions otherwise required under this Article, each Tier I member who made the election under item (ii) of paragraph (1) of subsection (a) of Section 14-106.5 shall also make the following contributions for retirement annuity from each payment of compensation:

(1) beginning July 1, 2014 and through June 30, 2015, 1% of compensation; and

(2) beginning on July 1, 2015, 2% of compensation.

(b) Contributions shall be in the form of a deduction from compensation and shall be made notwithstanding that the compensation paid in cash to the employee shall be reduced thereby below the minimum prescribed by law or regulation. Each member is deemed to consent and agree to the deductions from compensation provided for in this Article, and shall receipt in full for salary or compensation.

(Source: P.A. 92-14, eff. 6-28-01.)

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

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 through ~~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 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. 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.

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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.

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

(40 ILCS 5/14-152.1)

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 or Article 1 by Public Act 96-37 or this amendatory Act of the 98th ~~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 5/15-106) (from Ch. 108 1/2, par. 15-106)

Sec. 15-106. Employer. "Employer": The University of Illinois, Southern Illinois University, Chicago State University, Eastern Illinois University, Governors State University, Illinois State University, Northeastern Illinois University, Northern Illinois University, Western Illinois University, the State Board of Higher Education, the Illinois Mathematics and Science Academy, the University Civil Service Merit Board, the Board of Trustees of the State Universities Retirement System, the Illinois Community College Board, community college boards, any association of community college boards organized under Section 3-55 of the Public Community College Act, the Board of Examiners established under the Illinois Public Accounting Act, and, only during the period for which employer contributions required under Section 15-155 are paid, the following organizations: the alumni associations, the foundations and the athletic associations which are affiliated with the universities and colleges included in this Section as employers. An individual that begins employment after the effective date of this amendatory Act of the 98th General Assembly with an entity not defined as an employer in this Section shall not be deemed an employee for the purposes of this Article with respect to that employment and shall not be eligible to participate in the System with respect to that employment; provided, however, that those individuals who



are both employed and already participants in the System on the effective date of this amendatory Act of the 98th General Assembly shall be entitled to remain participants in the System for the duration of that employment and continue to earn service credit.

Notwithstanding any provision of law to the contrary, an individual who begins employment with any of the following employers on or after the effective date of this amendatory Act of the 98th General Assembly shall not be deemed an employee and shall not be eligible to participate in the System with respect to that employment: any association of community college boards organized under Section 3-55 of the Public Community College Act, the Association of Illinois Middle-Grade Schools, the Illinois Association of School Administrators, the Illinois Association for Supervision and Curriculum Development, the Illinois Principals Association, the Illinois Association of School Business Officials, or the Illinois Special Olympics; provided, however, that those individuals who are both employed and already participants in the System on the effective date of this amendatory Act of the 98th General Assembly shall be entitled to remain participants in the System for the duration of that employment and continue to earn service credit.

A department as defined in Section 14-103.04 is an employer for any person appointed by the Governor under the Civil Administrative Code of Illinois who is a participating employee as defined in Section 15-109. The Department of Central Management Services is an employer with respect to persons employed by the State Board of Higher Education in positions with the Illinois Century Network as of June 30, 2004 who remain continuously employed after that date by the Department of Central Management Services in positions with the Illinois Century Network, the Bureau of Communication and Computer Services, or, if applicable, any successor bureau.

The cities of Champaign and Urbana shall be considered employers, but only during the period for which contributions are required to be made under subsection (b-1) of Section 15-155 and only with respect to individuals described in subsection (h) of Section 15-107.

(Source: P.A. 95-369, eff. 8-23-07; 95-728, eff. 7-1-08 - See Sec. 999.)

(40 ILCS 5/15-107) (from Ch. 108 1/2, par. 15-107)

Sec. 15-107. Employee.

(a) "Employee" means any member of the educational, administrative, secretarial, clerical, mechanical, labor or other staff of an employer whose employment is permanent and continuous or who is employed in a position in which services are expected to be rendered on a continuous basis for at least 4 months or one academic term, whichever is less, who (A) receives payment for personal services on a warrant issued pursuant to a payroll voucher certified by an employer and drawn by the State Comptroller upon the State Treasurer or by an employer upon trust, federal or other funds, or (B) is on a leave of absence without pay. Employment which is irregular, intermittent or temporary shall not be considered continuous for purposes of this paragraph.

However, a person is not an "employee" if he or she:

- (1) is a student enrolled in and regularly attending classes in a college or university which is an employer, and is employed on a temporary basis at less than full time;
- (2) is currently receiving a retirement annuity or a disability retirement annuity under Section 15-153.2 from this System;
- (3) is on a military leave of absence;
- (4) is eligible to participate in the Federal Civil Service Retirement System and is currently making contributions to that system based upon earnings paid by an employer;
- (5) is on leave of absence without pay for more than 60 days immediately following termination of disability benefits under this Article;
- (6) is hired after June 30, 1979 as a public service employment program participant under the Federal Comprehensive Employment and Training Act and receives earnings in whole or in part from funds provided under that Act; or
- (7) is employed on or after July 1, 1991 to perform services that are excluded by subdivision (a)(7)(f) or (a)(19) of Section 210 of the federal Social Security Act from the definition of employment given in that Section (42 U.S.C. 410).

(b) Any employer may, by filing a written notice with the board, exclude from the definition of "employee" all persons employed pursuant to a federally funded contract entered into after July 1, 1982 with a federal military department in a program providing training in military courses to federal military personnel on a military site owned by the United States Government, if this exclusion is not prohibited by the federally funded contract or federal laws or rules governing the administration of the contract.

(c) Any person appointed by the Governor under the Civil Administrative Code of the State is an employee, if he or she is a participant in this system on the effective date of the appointment.

(d) A participant on lay-off status under civil service rules is considered an employee for not more

than 120 days from the date of the lay-off.

(e) A participant is considered an employee during (1) the first 60 days of disability leave, (2) the period, not to exceed one year, in which his or her eligibility for disability benefits is being considered by the board or reviewed by the courts, and (3) the period he or she receives disability benefits under the provisions of Section 15-152, workers' compensation or occupational disease benefits, or disability income under an insurance contract financed wholly or partially by the employer.

(f) Absences without pay, other than formal leaves of absence, of less than 30 calendar days, are not considered as an interruption of a person's status as an employee. If such absences during any period of 12 months exceed 30 work days, the employee status of the person is considered as interrupted as of the 31st work day.

(g) A staff member whose employment contract requires services during an academic term is to be considered an employee during the summer and other vacation periods, unless he or she declines an employment contract for the succeeding academic term or his or her employment status is otherwise terminated, and he or she receives no earnings during these periods.

(h) 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 became employed by the fire department of the City of Urbana or the City of Champaign shall continue to be considered as an employee for purposes of this Article for so long as the individual remains employed as a firefighter by the City of Urbana or the City of Champaign. The individual shall cease to be considered an employee under this subsection (h) upon the first termination of the individual's employment as a firefighter by the City of Urbana or the City of Champaign.

(i) An individual who is employed on a full-time basis as an officer or employee of a statewide teacher organization that serves System participants or an officer of a national teacher organization that serves System participants may participate in the System and shall be deemed an employee, provided that (1) the individual has previously earned creditable service under this Article, (2) the individual files with the System an irrevocable election to become a participant before the effective date of this amendatory Act of the 97th General Assembly, (3) the individual does not receive credit for that employment under any other Article of this Code, and (4) the individual first became a full-time employee of the teacher organization and becomes a participant before the effective date of this amendatory Act of the 97th General Assembly. An employee under this subsection (i) is responsible for paying to the System both (A) employee contributions based on the actual compensation received for service with the teacher organization and (B) employer contributions equal to the normal costs (as defined in Section 15-155) resulting from that service; all or any part of these contributions may be paid on the employee's behalf or picked up for tax purposes (if authorized under federal law) by the teacher organization.

A person who is an employee as defined in this subsection (i) may establish service credit for similar employment prior to becoming an employee under this subsection by paying to the System for that employment the contributions specified in this subsection, plus interest at the effective rate from the date of service to the date of payment. However, credit shall not be granted under this subsection for any such prior employment for which the applicant received credit under any other provision of this Code, or during which the applicant was on a leave of absence under Section 15-113.2.

(j) A person employed by the State Board of Higher Education in a position with the Illinois Century Network as of June 30, 2004 shall be considered to be an employee for so long as he or she remains continuously employed after that date by the Department of Central Management Services in a position with the Illinois Century Network, the Bureau of Communication and Computer Services, or, if applicable, any successor bureau and meets the requirements of subsection (a).

(k) In the case of doubt as to whether any person is an employee within the meaning of this Section, the decision of the Board shall be final.

(Source: P.A. 97-651, eff. 1-5-12.)

(40 ILCS 5/15-108.1 new)

Sec. 15-108.1. Tier I employee. "Tier I employee": (An employee under this Article, other than a participant in the self-managed plan under Section 15-158.2, 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 15-132.9 and the consequences arising from that election, "Tier I employee" does not include a participant under this Article who would qualify as a Tier I employee but who has made an irrevocable election on or before January 1, 2013 to retire from service pursuant to the terms of a collective bargaining agreement in effect on January 1, 2013, excluding any extension, amendment, or renewal of that agreement on or after that date, and has notified

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the System of that election.

(40 ILCS 5/15-108.2 new)

Sec. 15-108.2. Tier I retiree. "Tier I retiree": A former Tier I employee who is receiving a retirement annuity. However, for the purposes of the election under Section 15-132.9 and the consequences arising from that election, "Tier I retiree" also includes a participant under this Article who would qualify as a Tier I employee but who has made an irrevocable election on or before January 1, 2013 to retire from service pursuant to the terms of a collective bargaining agreement in effect on January 1, 2013, excluding any extension, amendment, or renewal of that agreement on or after that date, and has notified the System of that election.

A person does not become a Tier I retiree by virtue of receiving a reversionary, survivors, beneficiary or disability annuity.

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

Sec. 15-111. Earnings. "Earnings": 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.

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

(Source: P.A. 91-887, eff. 7-6-00.)

(40 ILCS 5/15-112.1 new)

Sec. 15-112.1. Future increase in income. "Future increase in income": Any increase in income in any form offered by an employer to an employee under this Article after June 30, 2014 that would qualify as "earnings", as defined in Section 15-111, but for the fact that the employer offered the increase in income to the employee on the condition that it not qualify as earnings and the employee accepted the increase in income subject to that condition. The term "future increase in income" does not include an increase in income in any form that is paid to a Tier I employee under an employment contract or collective bargaining agreement that is in effect on the effective date of this Section but does include an increase in income in any form pursuant to an extension, amendment, or renewal of any such employment contract or collective bargaining agreement on or after the effective date of this amendatory Act of the 98th General Assembly.

(40 ILCS 5/15-132.9 new)

Sec. 15-132.9. Election by Tier I employees and Tier I retirees.

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

(1) to agree to item (i) or (ii) as set forth in this paragraph (1):

(i) to have the amount of the automatic annual increases in his or her retirement annuity that are otherwise provided for in this Article calculated, instead, as provided in subsection (d-1) of Section 15-136, and to waive his or her eligibility for 2 automatic annual increases in retirement annuity as provided in subsection (d-2) of Section 15-157; or

(ii) to waive his or her eligibility for 3 automatic annual increases in retirement annuity, as provided in subsection (d-3) of Section 15-136, and to make the contributions set forth in subsection (a-5) of Section 15-157; or

(2) to not agree to item (i) or (ii) as set forth in paragraph (1) of this subsection.

The election required under this subsection (a) shall be made by each Tier I employee no earlier than February 1, 2014 and no later than May 31, 2014, except that:

(i) a person who becomes a Tier I employee under this Article on or after February 1, 2014 must make the election under this subsection (a) within 60 days after becoming a Tier I employee;

(ii) a person who returns to active service as a Tier I employee under this Article on or after February 1, 2014 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 I employee; and

(iii) a person who made the election under subsection (a-5) as a Tier I retiree remains bound by that election and shall not make a later election under this subsection (a).

If a Tier I 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) Each Tier I retiree shall make an irrevocable election either:

(1) to agree to the following:

(i) to have the amount of the automatic annual increases in his or her retirement annuity calculated without regard to subsection (d-1), (d-2), or (d-3) of Section 15-136; and

(ii) to waive his or her eligibility for 2 automatic annual increases in retirement annuity as provided in subsection (d-4) of Section 15-136; or

(2) to not agree to items (i) and (ii) as set forth in paragraph (1) of this subsection.

The election required under this subsection (a-5) shall be made by each Tier I retiree no earlier than February 1, 2014 and no later than May 31, 2014, except that:

(i) a person who becomes a Tier I retiree under this Article on or after February 1, 2014 must make the election under this subsection (a-5) within 60 days after becoming a Tier I retiree; and

(ii) a person who made the election under subsection (a) as a Tier I employee remains bound by that election and shall not make a later election under this subsection (a-5).

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

(a-10) All elections under subsection (a) or (a-5) that are made or deemed to be made before June 1, 2014 shall take effect on July 1, 2014. Elections that are made or deemed to be made on or after June 1, 2014 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 98th General Assembly for making an election under paragraph (1) of subsection (a) of this Section, any future increases in income offered by an employer under this Article to a Tier I employee who has made an election under paragraph (1) of subsection (a) of this Section shall be offered expressly and irrevocably as constituting earnings under Section 15-111. In addition, a Tier I employee who has made an election under item (i) of paragraph (1) of subsection (a) of this Section shall receive the right to also participate in the optional cash balance plan established under Section 1-162.

As adequate and legal consideration provided under this amendatory Act of the 98th General Assembly for making an election under paragraph (1) of subsection (a-5) of this Section, any future increases in income offered by an employer under this Article to a Tier I retiree who returns to active service after having made the election under paragraph (1) of subsection (a-5) of this Section shall be offered expressly and irrevocably as constituting earnings under Section 15-111.

(c) A Tier I employee who makes the election under paragraph (2) of subsection (a) of this Section shall not be subject to either item (i) or (ii) set forth in paragraph (1) of subsection (a) of this Section. However, any future increases in income offered by an employer under this Article to a Tier I employee who has made the election under paragraph (2) of subsection (a) of this Section shall be offered by the employer expressly and irrevocably as not constituting earnings under Section 15-111, and the employee may not accept any future increase in income that is offered in violation of this requirement. In addition, a Tier I employee who has made the election under paragraph (2) of subsection (a) of this Section shall not receive the right to participate in the optional cash balance plan established under Section 1-162.

A Tier I retiree who makes the election under paragraph (2) of subsection (a-5) of this Section shall not be subject to either item (i) or (ii) set forth in paragraph (1) of subsection (a-5) of this Section. However, any future increases in income offered by an employer under this Article to a Tier I retiree who returns to active service and has made the election under paragraph (2) of subsection (a-5) of this Section shall be offered by the employer expressly and irrevocably as not constituting earnings under Section 15-111, and the employee may not accept any future increase in income that is offered in

violation of this requirement. In addition, a Tier I retiree who returns to active service and has made the election under paragraph (2) of subsection (a-5) of this Section shall not receive the right to participate in the optional cash balance plan established under Section 1-162.

(d) The System shall make a good faith effort to contact each Tier I employee and Tier I retiree subject to this Section. The System shall mail information describing the required election to each Tier I employee and Tier I retiree by United States Postal Service mail to his or her last known address on file with the System. If the Tier I employee or Tier I retiree 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 I employees and Tier I retirees 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 I employees and Tier I retirees 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 I employee or Tier I retiree should make or specific to the legal or tax circumstances of or consequences to the Tier I employee or Tier I retiree.

The System shall inform Tier I employees and Tier I retirees in the election packet required under this subsection that the Tier I employee or Tier I retiree 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, beneficiary, or annuitant 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 98th 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 any future increases in income expressly and irrevocably as not constituting "earnings" under Section 15-111 to any Tier I employee, or Tier I retiree returning to active service, who has made an election under paragraph (2) of subsection (a) or (a-5) of this Section. A Tier I employee, or Tier I retiree returning to active service, who has made an election under paragraph (2) of subsection (a) or (a-5) of this Section shall not accept any future increase in income that is offered by an employer under this Article in violation of the requirement set forth in this subsection.

(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) An employee who has made the election under item (i) of paragraph (1) of subsection (a) of this Section may elect to participate in the optional cash balance plan under Section 1-162.

The election to participate in the optional cash balance plan shall be made in writing, in the manner provided by the applicable retirement system.

(h) 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.

(i) If this Section is determined to be unconstitutional or otherwise invalid by a final unappealable decision of an Illinois court or a court of competent jurisdiction as applied to Tier I employees but not as applied to Tier I retirees, then this Section and the changes deriving from the election required under this Section shall be null and void as applied to Tier I employees but shall remain in full effect for Tier I retirees.

(j) If this Section is determined to be unconstitutional or otherwise invalid by a final unappealable decision of an Illinois court or a court of competent jurisdiction as applied to Tier I retirees but not as applied to Tier I employees, then this Section and the changes deriving from the election required under this Section shall be null and void as applied to Tier I retirees but shall remain in full effect for Tier I employees.

(k) 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)

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.

For the purpose of calculating an annuity under this Rule 2, neither the contribution required under subsection (a-1) of Section 15-157 nor the contribution required under subsection (a-5) of that Section shall be considered when determining the participant's accumulated normal contributions under clause (i) or the employer contribution under clause (ii).

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.

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.

Rule 5: The retirement annuity of a participant who elected early retirement under the provisions of Section 15-136.2 and who, on or before February 16, 1995, brought administrative proceedings pursuant to the administrative rules adopted by the System to challenge the calculation of his or her retirement annuity shall be the sum of the following, determined from amounts credited to the participant in accordance with the actuarial tables and the prescribed 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; and

(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) an annuity which can be provided on an actuarially equivalent basis from the employee contribution for early retirement under Section 15-136.2, and an annuity from employer contributions of an amount equal to that which can be provided on an actuarially equivalent basis from the employee contribution for early retirement under Section 15-136.2.

In no event shall a retirement annuity under this Rule 5 be lower than the amount obtained by adding (1) the monthly amount obtained by dividing the combined employee and employer contributions made under Section 15-136.2 by the System's annuity factor for the age of the participant at the beginning of the annuity payment period and (2) the amount equal to the participant's annuity if calculated under Rule 1, reduced under Section 15-136(b) as if no contributions had been made under Section 15-136.2.

With respect to a participant who is qualified for a retirement annuity under this Rule 5 whose retirement annuity began before the effective date of this amendatory Act of the 91st General Assembly, and for whom an employee contribution was made under Section 15-136.2, the System shall recalculate the retirement annuity under this Rule 5 and shall pay any additional amounts due in the manner provided in Section 15-186.1 for benefits mistakenly set too low.

The amount of a retirement annuity calculated under this Rule 5 shall be computed solely on the basis of those contributions specifically set forth in this Rule 5. Except as provided in clause (iii) of this Rule 5, neither an employee nor 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 5.

The General Assembly has adopted the changes set forth in Section 25 of this amendatory Act of the 91st General Assembly in recognition that the decision of the Appellate Court for the Fourth District in *Mattis v. State Universities Retirement System et al.* might be deemed to give some right to the plaintiff in that case. The changes made by Section 25 of this amendatory Act of the 91st General Assembly are a legislative implementation of the decision of the Appellate Court for the Fourth District in *Mattis v. State Universities Retirement System et al.* with respect to that plaintiff.

The changes made by Section 25 of this amendatory Act of the 91st General Assembly apply without regard to whether the person is in service as an employee on or after its effective date.

(b) 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.

(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 subsections (d-1), (d-2), (d-3), and (d-4), an annuitant 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, Rule 4, or Rule 5, 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, Rule 4, or Rule 5 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 I employee who made the election under item (i) of paragraph (1) of subsection (a) of Section 15-132.9, the amount of each automatic annual increase in retirement annuity occurring on or after the effective date of that election, other than the initial increase, shall be 3% of the originally granted retirement annuity.

(d-2) Notwithstanding any other provision of this Article, for a Tier I employee who made the election under item (i) of paragraph (1) of subsection (a) of Section 15-132.9, once the first annual increase under this Section has been granted, the next 2 scheduled annual increases shall be skipped, and thereafter all annual increases shall be granted.

(d-3) Notwithstanding any other provision of this Article, for a Tier I employee who made the election under item (ii) of paragraph (1) of subsection (a) of Section 15-132.9, once the first annual increase under this Section has been granted, the next 3 scheduled annual increases shall be skipped, and thereafter all annual increases shall be granted.

(d-4) Notwithstanding any other provision of this Article, for a Tier I retiree who made the election under paragraph (1) of subsection (a-5) of Section 15-132.9:

(1) if the Tier I retiree has not received the first annual increase under this Section as of the effective date of this amendatory Act of the 98th General Assembly, then once the first annual increase under this Section has been granted, the next scheduled annual increase shall be skipped, the following annual increase shall be granted, the next annual increase shall be skipped, and thereafter all annual increases shall be granted; and

(2) if the Tier I retiree has received the first annual increase under this Section as of the effective date of this amendatory Act of the 98th General Assembly, then the next annual increase after that effective date shall be skipped, the following annual increase shall be granted, the next annual increase shall be skipped, and thereafter all annual increases shall be granted.

(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.)

(40 ILCS 5/15-156) (from Ch. 108 1/2, par. 15-156)

Sec. 15-156. Obligations of State.

(a) The payment of (1) the required State contributions, (2) all benefits granted under this system and (3) all expenses in connection with the administration and operation thereof are obligations of the State of Illinois to the extent specified in this Article. The accumulated employee normal, additional and survivors insurance contributions credited to the accounts of active and inactive participants shall not be used to pay the State's share of the obligations.

(b) The State shall be contractually obligated to contribute to the System in each State fiscal year an amount not less than the sum required in Section 15-155 as that Section existed prior to the effective date of this amendatory Act of the 98th General Assembly.

The obligations created under this subsection (b) are contractual obligations protected and enforceable under Article I, Section 16 and Article XIII, Section 5 of the Illinois Constitution.

Notwithstanding any other provision of law, if the State fails to pay in a State fiscal year the amount guaranteed under this subsection (b), the System may bring a mandamus action in the Circuit Court of Champaign County to compel the State to make that payment, irrespective of other remedies that may be available to the System. It shall be the mandatory fiduciary obligation of the Board of the System to bring that action if the State fails to pay in the fiscal year the amount guaranteed under this subsection (b). Before commencing that action, the Board shall submit a voucher for contributions required under Section 15-155. If the State fails to pay a vouchered amount within 90 days after receiving a voucher for that amount, then the Board shall submit a written request to the Comptroller seeking payment of that amount. A copy of the request shall be filed with the Secretary of State, and the Secretary of State shall provide copies of the request to the Governor and General Assembly. No earlier than the 16th day after filing a request with the Secretary, but no later than the 21st day after filing that request, the Board may commence such an action in the Circuit Court. If the Board fails to commence such action on or before the 21st day after filing the request with the Secretary of State, then any Tier I employee or Tier I retiree who made the election under paragraph (1) of subsection (a) or (a-5) of Section 15-132.9 may file a mandamus action against the Board to compel the Board to commence its mandamus action against the State. This subsection (b) constitutes an express waiver of the State's sovereign immunity. In ordering the State to make the required payment, the court may order a reasonable payment schedule to enable the State to make the required payment. The obligations and causes of action created under this subsection (b) shall be in addition to any other right or remedy otherwise accorded by common law, or State or federal law, and nothing in this subsection shall be construed to deny, abrogate, impair, or waive any such common law or statutory right or remedy.

Any payments required to be made by the State pursuant to this subsection (b) are expressly subordinated to the payment of the principal, interest, and premium, if any, on any bonded debt obligation of the State or any other State-created entity, either currently outstanding or to be issued, for which the source of repayment or security thereon is derived directly or indirectly from tax revenues collected by the State or any other State-created entity. Payments on such bonded obligations include any statutory fund transfers or other prefunding mechanisms or formulas set forth, now or hereafter, in State law or bond indentures, into debt service funds or accounts of the State related to such bonded obligations, consistent with the payment schedules associated with such obligations.

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

(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.

(a-1) In addition to the contributions otherwise required under this Article, an employee who elects to participate in the optional cash balance plan under Section 1-162 shall pay to the System for the purpose of participating in the optional cash balance plan a contribution of 2% of each payment of earnings received while he or she is a participant in the optional cash balance plan. These contributions shall not be used for the purpose of determining any benefit under this Article except as provided in the optional cash balance plan.

(a-5) In addition to the contributions otherwise required under this Article, each Tier I participant who made the election under item (ii) of paragraph (1) of subsection (a) of Section 15-132.9 shall also make the following contributions toward the retirement benefits payable under the retirement program applicable to the employee from each payment of earnings applicable to employment under this system:

(1) beginning July 1, 2014 and through June 30, 2015, 1% of earnings; and

(2) beginning on July 1, 2015, 2% of earnings.

Except as otherwise specified, these contributions are to be considered as normal contributions for purposes of this Article.

(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.

(c) 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.

(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

[May 9, 2013]

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 participating employee may make contributions for the purchase of service credit under this Article.

(Source: P.A. 90-32, eff. 6-27-97; 90-65, eff. 7-7-97; 90-448, eff. 8-16-97; 90-511, eff. 8-22-97; 90-576, eff. 3-31-98; 90-655, eff. 7-30-98; 90-766, eff. 8-14-98.)

(40 ILCS 5/15-163) (from Ch. 108 1/2, par. 15-163)

Sec. 15-163. To consider applications and authorize payments.

To consider and pass on all certifications of employment and applications for annuities and benefits; to authorize the granting of annuities and benefits; and to limit or suspend any payment or payments, all in accordance with this Article.

(Source: Laws 1963, p. 161.)

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

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 through 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 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 and the projected State cost for the self-managed plan for that 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.

(b) The Board shall certify to the State Comptroller or employer, as the case may be, from time to time, by its president 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. 96-1497, eff. 1-14-11; 96-1511, eff. 1-27-11; 97-694, eff. 6-18-12.)

(40 ILCS 5/15-198)

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 or Article 1, 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 or Article 1 by this amendatory Act of the 98th 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. 94-4, eff. 6-1-05.)

(40 ILCS 5/16-106) (from Ch. 108 1/2, par. 16-106)

Sec. 16-106. Teacher. "Teacher": The following individuals, provided that, for employment prior to July 1, 1990, they are employed on a full-time basis, or if not full-time, on a permanent and continuous basis in a position in which services are expected to be rendered for at least one school term:

(1) Any educational, administrative, professional or other staff employed in the public

common schools included within this system in a position requiring certification under the law governing the certification of teachers;

(2) Any educational, administrative, professional or other staff employed in any facility of the Department of Children and Family Services or the Department of Human Services, in a position requiring certification under the law governing the certification of teachers, and any person who (i) works in such a position for the Department of Corrections, (ii) was a member of this System on May 31, 1987, and (iii) did not elect to become a member of the State Employees' Retirement System pursuant to Section 14-108.2 of this Code; except that "teacher" does not include any person who (A) becomes a security employee of the Department of Human Services, as defined in Section 14-110, after June 28, 2001 (the effective date of Public Act 92-14), or (B) becomes a member of the State Employees' Retirement System pursuant to Section 14-108.2c of this Code;

(3) Any regional superintendent of schools, assistant regional superintendent of schools, State Superintendent of Education; any person employed by the State Board of Education as an executive; any executive of the boards engaged in the service of public common school education in school districts covered under this system of which the State Superintendent of Education is an ex-officio member;

(4) Any employee of a school board association operating in compliance with Article 23 of the School Code who is certificated under the law governing the certification of teachers, provided that he or she becomes such an employee before the effective date of this amendatory Act of the 98th General Assembly;

(5) Any person employed by the retirement system who:

(i) was an employee of and a participant in the system on August 17, 2001 (the effective date of Public Act 92-416), or

(ii) becomes an employee of the system on or after August 17, 2001;

(6) Any educational, administrative, professional or other staff employed by and under the supervision and control of a regional superintendent of schools, provided such employment position requires the person to be certificated under the law governing the certification of teachers and is in an educational program serving 2 or more districts in accordance with a joint agreement authorized by the School Code or by federal legislation;

(7) Any educational, administrative, professional or other staff employed in an educational program serving 2 or more school districts in accordance with a joint agreement authorized by the School Code or by federal legislation and in a position requiring certification under the laws governing the certification of teachers;

(8) Any officer or employee of a statewide teacher organization or officer of a national teacher organization who is certified under the law governing certification of teachers, provided: (i) the individual had previously established creditable service under this Article, (ii) the individual files with the system an irrevocable election to become a member before January 5, 2012 (the effective date of Public Act 97-651) ~~this amendatory Act of the 97th General Assembly~~, (iii) the individual does not receive credit for such service under any other Article of this Code, and (iv) the individual first became an officer or employee of the teacher organization and becomes a member before January 5, 2012 (the effective date of Public Act 97-651) ~~this amendatory Act of the 97th General Assembly~~;

(9) Any educational, administrative, professional, or other staff employed in a charter school operating in compliance with the Charter Schools Law who is certificated under the law governing the certification of teachers; -

(10) Any person employed, on the effective date of this amendatory Act of the 94th General Assembly, by the Macon-Piatt Regional Office of Education in a birth-through-age-three pilot program receiving funds under Section 2-389 of the School Code who is required by the Macon-Piatt Regional Office of Education to hold a teaching certificate, provided that the Macon-Piatt Regional Office of Education makes an election, within 6 months after the effective date of this amendatory Act of the 94th General Assembly, to have the person participate in the system. Any service established prior to the effective date of this amendatory Act of the 94th General Assembly for service as an employee of the Macon-Piatt Regional Office of Education in a birth-through-age-three pilot program receiving funds under Section 2-389 of the School Code shall be considered service as a teacher if employee and employer contributions have been received by the system and the system has not refunded those contributions.

An annuitant receiving a retirement annuity under this Article or under Article 17 of this Code who is employed by a board of education or other employer as permitted under Section 16-118 or 16-150.1 is not a "teacher" for purposes of this Article. A person who has received a single-sum retirement benefit under Section 16-136.4 of this Article is not a "teacher" for purposes of this Article.

(Source: P.A. 97-651, eff. 1-5-12; revised 8-3-12.)

(40 ILCS 5/16-107.1 new)

Sec. 16-107.1. Tier I employee. "Tier I 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 and the consequences arising from that election, "Tier I employee" does not include a teacher under this Article who would qualify as a Tier I employee but who has made an irrevocable election on or before January 1, 2013 to retire from service pursuant to the terms of a collective bargaining agreement in effect on January 1, 2013, excluding any extension, amendment, or renewal of that agreement on or after that date, and has notified the System of that election.

(40 ILCS 5/16-107.2 new)

Sec. 16-107.2. Tier I retiree. "Tier I retiree": A former Tier I employee who is receiving a retirement annuity. However, for the purposes of the election under Section 16-122.9 and the consequences arising from that election, "Tier I retiree" also includes a teacher under this Article who would qualify as a Tier I employee but who has made an irrevocable election on or before January 1, 2013 to retire from service pursuant to the terms of a collective bargaining agreement in effect on January 1, 2013, excluding any extension, amendment, or renewal of that agreement on or after that date, and has notified the System of that election.

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

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 offered by an employer under this Article pursuant to the requirements of subsection (c) of Section 16-122.9 that is accepted by a Tier I employee, or a Tier I retiree returning to active service, who has made the election under paragraph (2) of subsection (a) or (a-5) of Section 16-122.9.

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

(40 ILCS 5/16-121.1 new)

Sec. 16-121.1. Future increase in income. "Future increase in income": Any increase in income in any form offered by an employer to a teacher under this Article after June 30, 2014 that would qualify as "salary", as defined in Section 16-121, but for the fact that the employer offered the increase in income to the employee on the condition that it not qualify as compensation and the employee accepted the increase in income subject to that condition. The term "future increase in income" does not include an increase in income in any form that is paid to a Tier I employee under an employment contract or collective bargaining agreement that is in effect on the effective date of this Section but does include an increase in income in any form pursuant to an extension, amendment, or renewal of any such employment contract or collective bargaining agreement on or after the effective date of this amendatory Act of the 98th General Assembly.

(40 ILCS 5/16-122.9 new)

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

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

(1) to agree to item (i) or (ii) as set forth in this paragraph (1):

(i) to have the amount of the automatic annual increases in his or her retirement annuity 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, and to waive his or her eligibility for 2 automatic annual increases in retirement annuity, as provided in subsection (a-2) of Section 16-133.1 or subsection (b-2) of Section 16-136.1, whichever is applicable; or

(ii) to waive his or her eligibility for 3 automatic annual increases in retirement annuity, as provided in subsection (a-3) of Section 16-133.1 or subsection (b-3) of Section 16-136.1, whichever is applicable, and to make the contributions set forth in subsection (a-5) of Section 16-152; or

(2) to not agree to item (i) or (ii) as set forth in paragraph (1) of this subsection.

The election required under this subsection (a) shall be made by each Tier I employee no earlier than February 1, 2014 and no later than May 31, 2014, except that:

(i) a person who becomes a Tier I employee under this Article on or after February 1, 2014 must make the election under this subsection (a) within 60 days after becoming a Tier I employee; and

(ii) a person who returns to active service as a Tier I employee under this Article on or after February 1, 2014 and has not yet made an election under this Section must make the election under this

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subsection (a) within 60 days after returning to active service as a Tier I employee; and

(iii) a person who made the election under subsection (a-5) as a Tier I retiree remains bound by that election and shall not make a later election under this subsection (a).

If a Tier I 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) Each Tier I retiree shall make an irrevocable election either:

(1) to agree to the following:

(i) to have the amount of the automatic annual increases in his or her retirement annuity calculated without regard to subsection (a-1), (a-2), or (a-3) of Section 16-133.1 or subsection (b-1), (b-2), or (b-3) of Section 16-136.1, whichever is applicable; and

(ii) to waive his or her eligibility for 2 automatic annual increases in retirement annuity, as provided in subsection (a-4) of Section 16-133.1 or subsection (b-4) of Section 16-136.1, whichever is applicable; or

(2) to not agree to items (i) and (ii) as set forth in paragraph (1) of this subsection.

The election required under this subsection (a-5) shall be made by each Tier I retiree no earlier than February 1, 2014 and no later than May 31, 2014, except that:

(i) a person who becomes a Tier I retiree under this Article on or after February 1, 2014 must make the election under this subsection (a-5) within 60 days after becoming a Tier I retiree; and

(ii) a person who made the election under subsection (a) as a Tier I employee remains bound by that election and shall not make a later election under this subsection (a-5).

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

(a-10) All elections under subsection (a) that are made or deemed to be made before June 1, 2014 shall take effect on July 1, 2014. Elections that are made or deemed to be made on or after June 1, 2014 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 98th General Assembly for making an election under paragraph (1) of subsection (a) of this Section, any future increases in income offered by an employer under this Article to a Tier I employee who has made an election under paragraph (1) of subsection (a) of this Section shall be offered expressly and irrevocably as constituting salary under Section 16-121. In addition, a Tier I employee who has made an election under item (i) of paragraph (1) of subsection (a) of this Section shall receive the right to also participate in the optional cash balance plan established under Section 1-162. Finally, a Tier I employee, other than a Tier I retiree returning to active service as a Tier I employee, who has made an election under item (i) of paragraph (1) of subsection (a) of this Section shall receive the right to the early retirement without discount option set forth in Section 16-133.6.

As adequate and legal consideration provided under this amendatory Act of the 98th General Assembly for making an election under paragraph (1) of subsection (a-5) of this Section, any future increases in income offered by an employer under this Article to a Tier I retiree who returns to active service after having made an election under paragraph (1) of subsection (a-5) of this Section shall be offered expressly and irrevocably as constituting salary under Section 16-121.

(c) A Tier I employee who makes the election under paragraph (2) of subsection (a) of this Section shall not be subject to either item (i) or (ii) set forth in paragraph (1) of subsection (a) of this Section. However, any future increases in income offered by an employer under this Article to a Tier I employee who has made the election under paragraph (2) of subsection (a) of this Section shall be offered by the employer expressly and irrevocably as not constituting salary under Section 16-121, and the employee may not accept any future increase in income that is offered in violation of this requirement. In addition, a Tier I employee who has made the election under paragraph (2) of subsection (a) of this Section shall not receive the right to participate in the optional cash balance plan established under Section 1-162. Finally, a Tier I employee who has made the election under paragraph (2) of subsection (a) of this Section shall not receive the right to the early retirement without discount option set forth in Section 16-133.6.

A Tier I retiree who makes the election under paragraph (2) of subsection (a-5) of this Section shall not be subject to either item (i) or (ii) set forth in paragraph (1) of subsection (a-5) of this Section. However, any future increases in income offered by an employer under this Article to a Tier I retiree who returns to active service and has made the election under paragraph (2) of subsection (a-5) of this Section shall be offered by the employer expressly and irrevocably as not constituting salary under

Section 16-121, and the employee may not accept any future increase in income that is offered in violation of this requirement. In addition, a Tier I retiree who returns to active service and has made the election under paragraph (2) of subsection (a) of this Section shall not receive the right to participate in the optional cash balance plan established under Section 1-162.

(d) The System shall make a good faith effort to contact each Tier I employee and Tier I retiree subject to this Section. The System shall mail information describing the required election to each Tier I employee and Tier I retiree by United States Postal Service mail to his or her last known address on file with the System. If the Tier I employee or Tier I retiree 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 I employees and Tier I retirees 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 I employees and Tier I retirees 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 I employee or Tier I retiree should make or specific to the legal or tax circumstances of or consequences to the Tier I employee or Tier I retiree.

The System shall inform Tier I employees and Tier I retirees in the election packet required under this subsection that the Tier I employee or Tier I retiree 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, beneficiary, or annuitant 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 98th 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 any future increases in income expressly and irrevocably as not constituting "salary" under Section 16-121 to any Tier I employee, or Tier I retiree returning to active service, who has made an election under paragraph (2) of subsection (a) or (a-5) of Section 16-122.9. A Tier I employee, or Tier I retiree returning to active service, who has made an election under paragraph (2) of subsection (a) or (a-5) of Section 16-122.9 shall not accept any future increase in income that is offered by an employer under this Article in violation of the requirement set forth in this subsection.

(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) An employee who has made the election under item (i) of paragraph (1) of subsection (a) of this Section may elect to participate in the optional cash balance plan under Section 1-162.

The election to participate in the optional cash balance plan shall be made in writing, in the manner provided by the applicable retirement system.

(h) 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.

(i) If this Section is determined to be unconstitutional or otherwise invalid by a final unappealable decision of an Illinois court or a court of competent jurisdiction as applied to Tier I employees but not as applied to Tier I retirees, then this Section and the changes deriving from the election required under this Section shall be null and void as applied to Tier I employees but shall remain in full effect for Tier I retirees.

(j) If this Section is determined to be unconstitutional or otherwise invalid by a final unappealable decision of an Illinois court or a court of competent jurisdiction as applied to Tier I retirees but not as applied to Tier I employees, then this Section and the changes deriving from the election required under this Section shall be null and void as applied to Tier I retirees but shall remain in full effect for Tier I employees.

(k) 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) (from Ch. 108 1/2, par. 16-133)

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Sec. 16-133. Retirement annuity; amount.

(a) The amount of the retirement annuity shall be (i) in the case of a person who first became a teacher under this Article before July 1, 2005, the larger of the amounts determined under paragraphs (A) and (B) below, or (ii) in the case of a person who first becomes a teacher under this Article on or after July 1, 2005, the amount determined under the applicable provisions of paragraph (B):

(A) An amount consisting of the sum of the following:

(1) An amount that can be provided on an actuarially equivalent basis by the member's accumulated contributions at the time of retirement; and

(2) The sum of (i) the amount that can be provided on an actuarially equivalent basis by the member's accumulated contributions representing service prior to July 1, 1947, and (ii) the amount that can be provided on an actuarially equivalent basis by the amount obtained by multiplying 1.4 times the member's accumulated contributions covering service subsequent to June 30, 1947; and

(3) If there is prior service, 2 times the amount that would have been determined under subparagraph (2) of paragraph (A) above on account of contributions which would have been made during the period of prior service creditable to the member had the System been in operation and had the member made contributions at the contribution rate in effect prior to July 1, 1947.

For the purpose of calculating an annuity under this Rule 2, neither the contribution required under subsection (a-1) of Section 16-152 nor the contribution required under subsection (a-5) of that Section shall be considered when determining the participant's accumulated normal contributions under clause (i) or the employer contribution under clause (ii).

This paragraph (A) does not apply to a person who first becomes a teacher under this Article on or after July 1, 2005.

(B) An amount consisting of the greater of the following:

(1) For creditable service earned before July 1, 1998 that has not been augmented under Section 16-129.1: 1.67% of final average salary for each of the first 10 years of creditable service, 1.90% of final average salary for each year in excess of 10 but not exceeding 20, 2.10% of final average salary for each year in excess of 20 but not exceeding 30, and 2.30% of final average salary for each year in excess of 30; and

For creditable service earned on or after July 1, 1998 by a member who has at least 24 years of creditable service on July 1, 1998 and who does not elect to augment service under Section 16-129.1: 2.2% of final average salary for each year of creditable service earned on or after July 1, 1998 but before the member reaches a total of 30 years of creditable service and 2.3% of final average salary for each year of creditable service earned on or after July 1, 1998 and after the member reaches a total of 30 years of creditable service; and

For all other creditable service: 2.2% of final average salary for each year of creditable service; or

(2) 1.5% of final average salary for each year of creditable service plus the sum \$7.50 for each of the first 20 years of creditable service.

The amount of the retirement annuity determined under this paragraph (B) shall be reduced by 1/2 of 1% for each month that the member is less than age 60 at the time the retirement annuity begins. However, this reduction shall not apply (i) if the member has at least 35 years of creditable service, or (ii) if the member retires on account of disability under Section 16-149.2 of this Article with at least 20 years of creditable service, or (iii) if the member (1) has earned during the period immediately preceding the last day of service at least one year of contributing creditable service as an employee of a department as defined in Section 14-103.04, (2) has earned at least 5 years of contributing creditable service as an employee of a department as defined in Section 14-103.04, (3) retires on or after January 1, 2001, and (4) retires having attained an age which, when added to the number of years of his or her total creditable service, equals at least 85. Portions of years shall be counted as decimal equivalents.

(b) For purposes of this Section, final average salary shall be the average salary for the highest 4 consecutive years within the last 10 years of creditable service as determined under rules of the board. The minimum final average salary shall be considered to be \$2,400 per year.

In the determination of final average salary for members other than elected officials and their appointees when such appointees are allowed by statute, that part of a member's salary for any year beginning after June 30, 1979 which exceeds the member's annual full-time salary rate with the same employer for the preceding year by more than 20% shall be excluded. The exclusion shall not apply in any year in which the member's creditable earnings are less than 50% of the preceding year's mean salary for downstate teachers as determined by the survey of school district salaries provided in Section

2-3.103 of the School Code.

(c) In determining the amount of the retirement annuity under paragraph (B) of this Section, a fractional year shall be granted proportional credit.

(d) The retirement annuity determined under paragraph (B) of this Section shall be available only to members who render teaching service after July 1, 1947 for which member contributions are required, and to annuitants who re-enter under the provisions of Section 16-150.

(e) The maximum retirement annuity provided under paragraph (B) of this Section shall be 75% of final average salary.

(f) A member retiring after the effective date of this amendatory Act of 1998 shall receive a pension equal to 75% of final average salary if the member is qualified to receive a retirement annuity equal to at least 74.6% of final average salary under this Article or as proportional annuities under Article 20 of this Code.

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

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

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.

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), (a-2), (a-3), or (a-4), if applicable, 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 I employee who made the election under item (i) of paragraph (1) of subsection (a) of Section 16-122.9, the amount of each automatic annual increase in retirement annuity occurring on or after the effective date of that election, other than the initial increase, shall be 3% of the originally granted retirement annuity.

(a-2) Notwithstanding any other provision of this Article, for a Tier I employee who made the election under item (i) of paragraph (1) of subsection (a) of Section 16-122.9, once the initial annual increase under this Section has been granted, the next 2 scheduled annual increases shall be skipped, and thereafter all annual increases shall be granted.

(a-3) Notwithstanding any other provision of this Article, for a Tier I employee who made the election under item (ii) of paragraph (1) of subsection (a) of Section 16-122.9 once the first annual increase under this Section has been granted, the next 3 scheduled annual increases shall be skipped, and thereafter all annual increases shall be granted.

(a-4) Notwithstanding any other provision of this Article, for a Tier I retiree who made the election under paragraph (1) of subsection (a-5) of Section 16-122.9:

(1) if the Tier I retiree has not received the initial annual increase under this Section as of the effective date of this amendatory Act of the 98th General Assembly, then once the initial annual increase under this Section has been granted, the next scheduled annual increase shall be skipped, the following annual increase shall be granted, the next annual increase shall be skipped, and thereafter all annual

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increases shall be granted; and

(2) if the Tier I retiree has received the initial annual increase under this Section as of the effective date of this amendatory Act of the 98th General Assembly, then the next annual increase after that effective date shall be skipped, the following annual increase shall be granted, the next annual increase shall be skipped, and thereafter all annual increases shall be granted.

(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 5/16-133.6 new)

Sec. 16-133.6. Optional teacher early retirement without discount. A Tier I employee who makes an election under item (i) of paragraph (1) of subsection (a) of Section 16-122.9, retires on or after the beginning of the first State fiscal year to occur after the end of the election period specified in Section 16-122.9, and applies for a retirement annuity within 6 months of the last day of teaching for which retirement contributions were required may elect, at the time of application for a retirement annuity, to make a one-time member contribution to the System and, thereby, avoid the reduction in the retirement annuity for retirement before age 60 specified in paragraph (B) of Section 16-133. The exercise of the election shall also obligate the last employer to make a one-time nonrefundable contribution to the System. Substitute teachers wishing to exercise this election must teach 85 or more days in one school term with one employer, who shall be deemed the last employer for purposes of this Section. The last day of teaching with that employer must be within 6 months of the date of application for retirement. All substitute teaching credit applied toward the required 85 days must be earned after June 30, 1990.

The one-time member and employer contributions shall be a percentage of the cost of this benefit as determined by the System. However, when determining the one-time member and employer contributions, that part of a member's salary with the same employer which exceeds the annual salary rate for the preceding year by more than 20% shall be excluded. The member contribution shall be at the rate of 50% of the cost of the benefits as determined by the System. The employer contribution shall be at the rate of 50% of the cost of the benefits as determined by the System.

Upon receipt of the application and election, the System shall determine the one-time employee and employer contributions required. The member contribution shall be credited to the individual account of the member and the employer contribution shall be credited to the Benefit Trust Reserve. The avoidance of the reduction in retirement annuity provided under this Section is not applicable until the member's contribution, if any, has been received by the System; however, the date that contribution is received shall not be considered in determining the effective date of retirement.

The number of members working for a single employer who may retire under this Section in any year may be limited at the option of the employer to a specified percentage of those eligible, not less than 10%, with the right to participate to be allocated among those applying on the basis of seniority in the service of the employer.

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

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) 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), (b-2), (b-3), or (b-4), if applicable, 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 I employee who made the election under item (i) of paragraph (1) of subsection (a) of Section 16-122.9, the amount of each automatic annual increase in retirement annuity occurring on or after the effective date of that election, other than the initial increase, shall be 3% of the originally granted retirement annuity.

(b-2) Notwithstanding any other provision of this Article, for a Tier I employee who made the election under item (i) of paragraph (1) of subsection (a) of Section 16-122.9, once the initial annual increase under this Section has been granted, the next 2 scheduled annual increases shall be skipped, and thereafter all annual increases shall be granted.

(b-3) Notwithstanding any other provision of this Article, for a Tier I employee who made the election under item (ii) of paragraph (1) of subsection (a) of Section 16-122.9, once the first annual increase under this Section has been granted, the next 3 scheduled annual increases shall be skipped, and thereafter all annual increases shall be granted.

(b-4) Notwithstanding any other provision of this Article, for a Tier I retiree who made the election under paragraph (1) of subsection (a-5) of Section 16-122.9:

(1) if the Tier I retiree has not received the initial annual increase under this Section as of the effective date of this amendatory Act of the 98th General Assembly, then once the initial annual increase under this Section has been granted, the next scheduled annual increase shall be skipped, the following annual increase shall be granted, the next annual increase shall be skipped, and thereafter all annual increases shall be granted; and

(2) if the Tier I retiree has received the initial annual increase under this Section as of the effective date of this amendatory Act of the 98th General Assembly, then the next annual increase after that effective date shall be skipped, the following annual increase shall be granted, the next annual increase shall be skipped, and thereafter all annual increases shall be granted.

(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)

Sec. 16-152. Contributions by members.

(a) 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 16-176.

(a-1) In addition to the contributions required under subsection (a), a member who elects to participate in the optional cash balance plan under Section 1-162 shall pay to the System for the purpose of participating in the optional cash balance plan a contribution of 2% of each payment of compensation received while he or she is a participant in the optional cash balance plan. These contributions shall not be used for the purpose of determining any benefit under this Article except as provided in the optional cash balance plan.

(a-5) In addition to the contributions otherwise required under this Article, each Tier I member who made the election under item (ii) of paragraph (1) of subsection (a) of Section 16-122.9 shall also make the following contributions toward the cost of the retirement annuity from each payment of salary:

(1) beginning July 1, 2014 and through June 30, 2015, 1% of salary; and

(2) beginning on July 1, 2015, 2% of salary.

Except as otherwise specified, these contributions are to be considered as normal contributions for purposes of this Article.

(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, within 120 days after the early retirement without discount option provided under Section 16-133.2 is terminated under Section 16-176.

(Source: P.A. 93-320, eff. 7-23-03; 94-4, eff. 6-1-05.)

(40 ILCS 5/16-158.2 new)

Sec. 16-158.2. Obligations of State; funding guarantee. The State shall be contractually obligated to contribute to the System in each State fiscal year an amount not less than the sum required in Section 16-158 as that Section existed prior to the effective date of this amendatory Act of the 98th General

Assembly.

The obligations created under this Section are contractual obligations protected and enforceable under Article I, Section 16 and Article XIII, Section 5 of the Illinois Constitution.

Notwithstanding any other provision of law, if the State fails to pay in a State fiscal year the amount guaranteed under this Section, the System may bring a mandamus action in the Circuit Court of Sangamon County to compel the State to make that payment, irrespective of other remedies that may be available to the System. It shall be the mandatory fiduciary obligation of the Board of the System to bring that action if the State fails to pay in the fiscal year the amount guaranteed under this Section. Before commencing that action, the Board shall submit a voucher for contributions required under Section 16-158. If the State fails to pay a vouchered amount within 90 days after receiving a voucher for that amount, then the Board shall submit a written request to the Comptroller seeking payment of that amount. A copy of the request shall be filed with the Secretary of State, and the Secretary of State shall provide copies of the request to the Governor and General Assembly. No earlier than the 16th day after filing a request with the Secretary, but no later than the 21st day after filing that request, the Board may commence such an action in the Circuit Court. If the Board fails to commence such action on or before the 21st day after filing the request with the Secretary of State, then any Tier I employee or Tier I retiree who has made the election under paragraph (1) of subsection (a) or (a-5) of Section 16-122.9 may file a mandamus action against the Board to compel the Board to commence its mandamus action against the State. This Section constitutes an express waiver of the State's sovereign immunity. In ordering the State to make the required payment, the court may order a reasonable payment schedule to enable the State to make the required payment. The obligations and causes of action created under this subsection (b) shall be in addition to any other right or remedy otherwise accorded by common law, or State or federal law, and nothing in this subsection (b) shall be construed to deny, abrogate, impair, or waive any such common law or statutory right or remedy.

Any payments required to be made by the State pursuant to this Section are expressly subordinated to the payment of the principal, interest, and premium, if any, on any bonded debt obligation of the State or any other State-created entity, either currently outstanding or to be issued, for which the source of repayment or security thereon is derived directly or indirectly from tax revenues collected by the State or any other State-created entity. Payments on such bonded obligations include any statutory fund transfers or other prefunding mechanisms or formulas set forth, now or hereafter, in State law or bond indentures, into debt service funds or accounts of the State related to such bonded obligations, consistent with the payment schedules associated with such obligations.

(40 ILCS 5/16-203)

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 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 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.)

Section 35. The School Code is amended by changing Sections 24-1 and 24-8 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 14-106.5, 15-132.9, or 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 14-106.5, 15-132.9, or 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 14-106.5, 15-132.9, or 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.)

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 14-106.5, 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 98th 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 physically handicapped persons in positions in which the handicap 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. 82-524.)

Section 45. The University of Illinois Act is amended by adding Section 85 as follows:

(110 ILCS 305/85 new)

Sec. 85. Future increases in income. The University of Illinois must not pay, offer, or agree to pay any

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future increase in income, as that term is defined in Section 14-106.5, 15-132.9, or 16-122.9 of the Illinois Pension Code, to any person in a manner that violates any of those Sections.

Section 50. The Southern Illinois University Management Act is amended by adding Section 70 as follows:

(110 ILCS 520/70 new)

Sec. 70. 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 14-106.5, 15-132.9, or 16-122.9 of the Illinois Pension Code, to any person in a manner that violates any of those Sections.

Section 55. The Chicago State University Law is amended by adding Section 5-180 as follows:

(110 ILCS 660/5-180 new)

Sec. 5-180. 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 14-106.5, 15-132.9, or 16-122.9 of the Illinois Pension Code, to any person in a manner that violates any of those Sections.

Section 60. The Eastern Illinois University Law is amended by adding Section 10-180 as follows:

(110 ILCS 665/10-180 new)

Sec. 10-180. 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 14-106.5, 15-132.9, or 16-122.9 of the Illinois Pension Code, to any person in a manner that violates any of those Sections.

Section 65. The Governors State University Law is amended by adding Section 15-180 as follows:

(110 ILCS 670/15-180 new)

Sec. 15-180. 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 14-106.5, 15-132.9, or 16-122.9 of the Illinois Pension Code, to any person in a manner that violates any of those Sections.

Section 70. The Illinois State University Law is amended by adding Section 20-185 as follows:

(110 ILCS 675/20-185 new)

Sec. 20-185. 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 14-106.5, 15-132.9, or 16-122.9 of the Illinois Pension Code, to any person in a manner that violates any of those Sections.

Section 75. The Northeastern Illinois University Law is amended by adding Section 25-180 as follows:

(110 ILCS 680/25-180 new)

Sec. 25-180. 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 14-106.5, 15-132.9, or 16-122.9 of the Illinois Pension Code, to any person in a manner that violates any of those Sections.

Section 80. The Northern Illinois University Law is amended by adding Section 30-190 as follows:

(110 ILCS 685/30-190 new)

Sec. 30-190. 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 14-106.5, 15-132.9, or 16-122.9 of the Illinois Pension Code, to any person in a manner that violates any of those Sections.

Section 85. The Western Illinois University Law is amended by adding Section 35-185 as follows:

(110 ILCS 690/35-185 new)

Sec. 35-185. 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 14-106.5, 15-132.9, or 16-122.9 of the Illinois Pension Code, to any person in a manner that violates any of those Sections.

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 14-106.5, 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 14-106.5, 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 Section 4 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, hours and terms and conditions of employment as well as the impact thereon upon request by employee representatives, but excluding (i) the payment of the additional member contributions set forth in subsections (a-1) and (a-5) of Sections 14-133, 15-157, and 16-152 of the Illinois Pension Code and (ii) the provision of compensation or benefits to employees who make an election under Section 14-106.5, 15-132.9, or 16-122.9 of the Illinois Pension Code in order to offset all or part of any compensation or benefit limitations included as part of the elections under those Sections. 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, 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 (i) the payment of the additional member contributions set forth in subsections (a-1) and (a-5) of Sections 14-133, 15-157, and 16-152 of the Illinois Pension Code and (ii) the provision of compensation or benefits to employees who make an election under Section 14-106.5, 15-132.9, or 16-122.9 of the Illinois Pension Code in order to offset all or part of any compensation or benefit limitations included as part of the elections under those Sections.

(Source: P.A. 83-1014.)

Section 100. The State Mandates Act is amended by adding Section 8.37 as follows:

(30 ILCS 805/8.37 new)

Sec. 8.37. 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 98th General Assembly.

[May 9, 2013]

Section 197. Severability. 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."

The motion prevailed.

And the amendment was adopted and ordered printed.

Senate Floor Amendment No. 3 was held in the Committee on Assignments.

Senator Cullerton offered the following amendment and moved its adoption:

**AMENDMENT NO. 4 TO SENATE BILL 2404**

AMENDMENT NO. 4. Amend Senate Bill 2404, AS AMENDED, in Section 25, by replacing Sec. 20 with the following:

"(30 ILCS 122/20)

Sec. 20. Pension Stabilization Fund.

(a) The Pension Stabilization Fund is hereby created as a special fund in the State treasury. Moneys in the fund shall be used for the sole purpose of making payments to the designated retirement systems as provided in Section 25.

(b) For each fiscal year when the General Assembly's appropriations and transfers or diversions as required by law from general funds do not exceed 99% of the estimated general funds revenues pursuant to subsection (a) of Section 10, the Comptroller shall transfer from the General Revenue Fund as provided by this Section a total amount equal to 0.5% of the estimated general funds revenues to the Pension Stabilization Fund.

(c) For each fiscal year through State fiscal year 2019, when the General Assembly's appropriations and transfers or diversions as required by law from general funds do not exceed 98% of the estimated general funds revenues pursuant to subsection (b) of Section 10, the Comptroller shall transfer from the General Revenue Fund as provided by this Section a total amount equal to 1.0% of the estimated general funds revenues to the Pension Stabilization Fund.

(c-10) In State fiscal year 2020 and each fiscal year thereafter, the State Comptroller shall order transferred and the State Treasurer shall transfer \$1,000,000,000 from the General Revenue Fund to the Pension Stabilization Fund.

(c-15) The transfers made pursuant to subsection (c-10) of this Section shall continue through State fiscal year 2045 or until each of the designated retirement systems, as defined in Section 25, has achieved the funding ratio prescribed by law for that retirement system, whichever occurs first.

(d) The Comptroller shall transfer 1/12 of the total amount to be transferred each fiscal year under this Section into the Pension Stabilization Fund on the first day of each month of that fiscal year or as soon thereafter as possible; except that the final transfer of the fiscal year shall be made as soon as practical after the August 31 following the end of the fiscal year.

Until State fiscal year 2020, before ~~Before~~ the final transfer for a fiscal year is made, the Comptroller shall reconcile the estimated general funds revenues used in calculating the other transfers under this Section for that fiscal year with the actual general funds revenues for that fiscal year. The final transfer for the fiscal year shall be adjusted so that the total amount transferred under this Section for that fiscal year is equal to the percentage specified in subsection (b) or (c) of this Section, whichever is applicable, of the actual general funds revenues for that fiscal year. The actual general funds revenues for the fiscal year shall be calculated in a manner consistent with subsection (c) of Section 10 of this Act.

(Source: P.A. 94-839, eff. 6-6-06.)"

The motion prevailed.

And the amendment was adopted and ordered printed.

Senator Cullerton offered the following amendment and moved its adoption:

**AMENDMENT NO. 5 TO SENATE BILL 2404**

AMENDMENT NO. 5. Amend Senate Bill 2404, AS AMENDED, by replacing all of Section 197 with the following:

"Section 197. Severability.

(a) Except as otherwise provided in this Act, and except as provided in subsection (b), the provisions of this Act are severable under Section 1.31 of the Statute on Statutes.

[May 9, 2013]

(b) If any benefit change made by this amendatory Act in an Article of the Illinois Pension Code 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 State funding guarantee provisions added to that Article by this amendatory Act shall also be invalid, and those funding guarantee provisions shall be contingent upon and inseparable from those benefit changes."

The motion prevailed.

And the amendment was adopted and ordered printed.

There being no further amendments, the foregoing Amendments numbered 2, 4 and 5 were 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. 2404** 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 40; NAYS 16.

The following voted in the affirmative:

Althoff	Harmon	Link	Sandoval
Bush	Hastings	Manar	Silverstein
Clayborne	Holmes	Martinez	Stadelman
Collins	Hunter	McCann	Sullivan
Connelly	Hutchinson	McGuire	Trotter
Cullerton, T.	Jacobs	Morrison	Van Pelt
Cunningham	Jones, E.	Mulroe	Mr. President
Delgado	Koehler	Muñoz	
Forby	Kotowski	Noland	
Frerichs	Landek	Raoul	
Haine	Lightford	Rose	

The following voted in the negative:

Barickman	Duffy	Oberweis	Syverson
Biss	LaHood	Radogno	
Bivins	Luechtefeld	Rezin	
Brady	McConaughay	Righter	
Dillard	Murphy	Steans	

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 Sandoval, **Senate Bill No. 2226** was recalled from the order of third reading to the order of second reading.

Senator Sandoval offered the following amendment and moved its adoption:

#### AMENDMENT NO. 4 TO SENATE BILL 2226

AMENDMENT NO. 4. Amend Senate Bill 2226, AS AMENDED, by replacing everything after the enacting clause with the following:

[May 9, 2013]

"Section 5. The Environmental Protection Act is amended by adding Section 22.54a as follows:  
(415 ILCS 5/22.54a new)

Sec. 22.54a. Disposal of asphalt roofing shingles. No owner or operator of a sanitary landfill that is located within a 25-mile radius of a site where asphalt roofing shingles are recycled under a Beneficial Use Determination (BUD) issued by the Agency pursuant to Section 22.54 of this Act shall accept for disposal loads of whole or processed asphalt roofing shingles. Nothing in this Section shall prohibit or restrict a sanitary landfill from accepting for disposal asphalt roofing shingles that are commingled with municipal waste, including, but not limited to, general construction or demolition debris.

The Agency shall post on its website the name and address of each site at which the recycling of asphalt roofing shingles under a BUD is approved.

No later than January 31 of each year, each recipient of a BUD for asphalt roofing shingles shall submit a report to the Agency that contains the following information: (i) the total quantity of asphalt roofing shingles received under the BUD during the previous calendar year; (ii) the beneficial uses during the previous calendar year of shingles received under the BUD; (iii) the total quantity of shingles used in each beneficial use during the previous calendar year; and (iv) the total quantity and disposition of any shingles received but not beneficially used under the BUD during the previous calendar year. The report must be submitted on a form and in a format prescribed by the Agency.

This Section is repealed on February 1, 2018."

The motion prevailed.

And the amendment was adopted and ordered printed.

There being no further amendments, the foregoing Amendment No. 4 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 Sandoval, **Senate Bill No. 2226** 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 49; NAYS None; Present 1.

The following voted in the affirmative:

Barickman	Haine	Manar	Rose
Biss	Harmon	Martinez	Sandoval
Brady	Hastings	McConaughay	Silverstein
Bush	Hunter	McGuire	Stadelman
Clayborne	Hutchinson	Morrison	Steans
Collins	Jacobs	Mulroe	Sullivan
Connelly	Jones, E.	Muñoz	Syverson
Cullerton, T.	Koehler	Murphy	Trotter
Cunningham	Kotowski	Noland	Van Pelt
Delgado	Landek	Oberweis	Mr. President
Dillard	Lightford	Radogno	
Duffy	Link	Raoul	
Forby	Luechtefeld	Righter	

The following voted present:

Holmes

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.

[May 9, 2013]

**SENATE BILL RECALLED**

On motion of Senator Steans, **Senate Bill No. 2340** was recalled from the order of third reading to the order of second reading.

Senator Steans offered the following amendment and moved its adoption:

**AMENDMENT NO. 2 TO SENATE BILL 2340**

AMENDMENT NO. 2. Amend Senate Bill 2340, AS AMENDED, by replacing everything after the enacting clause with the following:

"Section 5. The School Code is amended by changing Sections 2-3.25d, 2-3.25f, 2-3.25g, 2-3.25h, and 10-10 and by adding Section 2-3.25f-5 as follows:

(105 ILCS 5/2-3.25d) (from Ch. 122, par. 2-3.25d)

Sec. 2-3.25d. Academic early warning and watch status.

(a) Beginning with the 2005-2006 school year, unless the federal government formally disapproves of such policy through the submission and review process for the Illinois Accountability Workbook, those schools that do not meet adequate yearly progress criteria for 2 consecutive annual calculations in the same subject or in their participation rate, attendance rate, or graduation rate shall be placed on academic early warning status for the next school year. Schools on academic early warning status that do not meet adequate yearly progress criteria for a third annual calculation in the same subject or in their participation rate, attendance rate, or graduation rate shall remain on academic early warning status. Schools on academic early warning status that do not meet adequate yearly progress criteria for a fourth annual calculation in the same subject or in their participation rate, attendance rate, or graduation rate shall be placed on initial academic watch status. Schools on academic watch status that do not meet adequate yearly progress criteria for a fifth or subsequent annual calculation in the same subject or in their participation rate, attendance rate, or graduation rate shall remain on academic watch status. Schools on academic early warning or academic watch status that meet adequate yearly progress criteria for 2 consecutive calculations shall be considered as having met expectations and shall be removed from any status designation.

The school district of a school placed on either academic early warning status or academic watch status may appeal the status to the State Board of Education in accordance with Section 2-3.25m of this Code.

A school district that has one or more schools on academic early warning or academic watch status shall prepare a revised School Improvement Plan or amendments thereto setting forth the district's expectations for removing each school from academic early warning or academic watch status and for improving student performance in the affected school or schools. Districts operating under Article 34 of this Code may prepare the School Improvement Plan required under Section 34-2.4 of this Code.

The revised School Improvement Plan for a school that is initially placed on academic early warning status or that remains on academic early warning status after a third annual calculation must be approved by the school board (and by the school's local school council in a district operating under Article 34 of this Code, unless the school is on probation pursuant to subsection (c) of Section 34-8.3 of this Code).

The revised School Improvement Plan for a school that is initially placed on academic watch status after a fourth annual calculation must be approved by the school board (and by the school's local school council in a district operating under Article 34 of this Code, unless the school is on probation pursuant to subsection (c) of Section 34-8.3 of this Code).

The revised School Improvement Plan for a school that remains on academic watch status after a fifth annual calculation must be approved by the school board (and by the school's local school council in a district operating under Article 34 of this Code, unless the school is on probation pursuant to subsection (c) of Section 34-8.3 of this Code). In addition, the district must develop a school restructuring plan for the school that must be approved by the school board (and by the school's local school council in a district operating under Article 34 of this Code).

A school on academic watch status that does not meet adequate yearly progress criteria for a sixth annual calculation shall implement its approved school restructuring plan beginning with the next school year, subject to the State interventions specified in Sections Section 2-3.25f and 2-3.25f-5 of this Code.

(b) Beginning with the 2005-2006 school year, unless the federal government formally disapproves of such policy through the submission and review process for the Illinois Accountability Workbook, those school districts that do not meet adequate yearly progress criteria for 2 consecutive annual calculations in the same subject or in their participation rate, attendance rate, or graduation rate shall be placed on

[May 9, 2013]

academic early warning status for the next school year. Districts on academic early warning status that do not meet adequate yearly progress criteria for a third annual calculation in the same subject or in their participation rate, attendance rate, or graduation rate shall remain on academic early warning status. Districts on academic early warning status that do not meet adequate yearly progress criteria for a fourth annual calculation in the same subject or in their participation rate, attendance rate, or graduation rate shall be placed on initial academic watch status. Districts on academic watch status that do not meet adequate yearly progress criteria for a fifth or subsequent annual calculation in the same subject or in their participation rate, attendance rate, or graduation rate shall remain on academic watch status. Districts on academic early warning or academic watch status that meet adequate yearly progress criteria for one annual calculation shall be considered as having met expectations and shall be removed from any status designation.

A district placed on either academic early warning status or academic watch status may appeal the status to the State Board of Education in accordance with Section 2-3.25m of this Code.

Districts on academic early warning or academic watch status shall prepare a District Improvement Plan or amendments thereto setting forth the district's expectations for removing the district from academic early warning or academic watch status and for improving student performance in the district.

All District Improvement Plans must be approved by the school board.

(c) All revised School and District Improvement Plans shall be developed in collaboration with parents, staff in the affected school or school district, and outside experts. All revised School and District Improvement Plans shall be developed, submitted, and monitored pursuant to rules adopted by the State Board of Education. The revised Improvement Plan shall address measurable outcomes for improving student performance so that such performance meets adequate yearly progress criteria as specified by the State Board of Education. All school districts required to revise a School Improvement Plan in accordance with this Section shall establish a peer review process for the evaluation of School Improvement Plans.

(d) All federal requirements apply to schools and school districts utilizing federal funds under Title I, Part A of the federal Elementary and Secondary Education Act of 1965.

(e) The State Board of Education, from any moneys it may have available for this purpose, must implement and administer a grant program that provides 2-year grants to school districts on the academic watch list and other school districts that have the lowest achieving students, as determined by the State Board of Education, to be used to improve student achievement. In order to receive a grant under this program, a school district must establish an accountability program. The accountability program must involve the use of statewide testing standards and local evaluation measures. A grant shall be automatically renewed when achievement goals are met. The Board may adopt any rules necessary to implement and administer this grant program.

(Source: P.A. 96-734, eff. 8-25-09.)

(105 ILCS 5/2-3.25f) (from Ch. 122, par. 2-3.25f)

Sec. 2-3.25f. State interventions.

(a) The State Board of Education shall provide technical assistance to assist with the development and implementation of School and District Improvement Plans.

Schools or school districts that fail to make reasonable efforts to implement an approved Improvement Plan may suffer loss of State funds by school district, attendance center, or program as the State Board of Education deems appropriate.

(a-5) In this subsection (a-5), "school" means any of the following named public schools or their successor name:

- (1) Dirksen Middle School in Dolton School District 149.
- (2) Diekman Elementary School in Dolton School District 149.
- (3) Caroline Sibley Elementary School in Dolton School District 149.
- (4) Berger-Vandenberg Elementary School in Dolton School District 149.
- (5) Carol Moseley Braun School in Dolton School District 149.
- (6) New Beginnings Learning Academy in Dolton School District 149.
- (7) McKinley Junior High School in South Holland School District 150.
- (8) Greenwood Elementary School in South Holland School District 150.
- (9) McKinley Elementary School in South Holland School District 150.
- (10) Eisenhower School in South Holland School District 151.
- (11) Madison School in South Holland School District 151.
- (12) Taft School in South Holland School District 151.
- (13) Wolcott School in Thornton School District 154.
- (14) Memorial Junior High School in Lansing School District 158.

- (15) Oak Glen Elementary School in Lansing School District 158.
- (16) Lester Crawl Primary Center in Lansing School District 158.
- (17) Brookwood Junior High School in Brookwood School District 167.
- (18) Brookwood Middle School in Brookwood School District 167.
- (19) Hickory Bend Elementary School in Brookwood School District 167.
- (20) Medgar Evers Primary Academic Center in Ford Heights School District 169.
- (21) Nathan Hale Elementary School in Sunnybrook School District 171.
- (22) Ira F. Aldridge Elementary School in City of Chicago School District 299.
- (23) William E.B. DuBois Elementary School in City of Chicago School District 299.

If, after 2 years following its placement on academic watch status, a school remains on academic watch status, then, subject to federal appropriation money being available, the State Board of Education shall allow the school board to opt in the process of operating that school on a pilot full-year school plan approved by the State Board of Education upon expiration of its teachers' current collective bargaining agreement until the expiration of the next collective bargaining agreement. A school board must notify the State Board of Education of its intent to opt in the process of operating a school on a pilot full-year school plan.

(b) In addition, if after 3 years following its placement on academic watch status a school district or school remains on academic watch status, the State Board of Education ~~may shall~~ take ~~one~~ of the following actions for the district ~~specified under Section 2-3.25f-5 of this Code~~ or school: ~~(1) The State Board of Education may authorize the State Superintendent of Education to direct the regional superintendent of schools to remove school board members pursuant to Section 3-14.28 of this Code. Prior to such direction the State Board of Education shall permit members of the local board of education to present written and oral comments to the State Board of Education. The State Board of Education may direct the State Superintendent of Education to appoint an Independent Authority that shall exercise such powers and duties as may be necessary to operate a school or school district for purposes of improving pupil performance and school improvement. The State Superintendent of Education shall designate one member of the Independent Authority to serve as chairman. The Independent Authority shall serve for a period of time specified by the State Board of Education upon the recommendation of the State Superintendent of Education. (2) The State Board of Education may (i) (A) change the recognition status of the school district or school to nonrecognized, or (ii) (B) authorize the State Superintendent of Education to direct the reassignment of pupils or direct the reassignment or replacement of school district personnel who are relevant to the failure to meet adequate yearly progress criteria. If a school district is nonrecognized in its entirety, it shall automatically be dissolved on July 1 following that nonrecognition and its territory realigned with another school district or districts by the regional board of school trustees in accordance with the procedures set forth in Section 7-11 of the School Code. The effective date of the nonrecognition of a school shall be July 1 following the nonrecognition.~~

(c) All federal requirements apply to schools and school districts utilizing federal funds under Title I, Part A of the federal Elementary and Secondary Education Act of 1965.  
(Source: P.A. 97-370, eff. 1-1-12.)

(105 ILCS 5/2-3.25f-5 new)

Sec. 2-3.25f-5. Independent Authority.

(a) The General Assembly finds all of the following:

(1) A fundamental goal of the people of this State, as expressed in Section 1 of Article X of the Illinois Constitution, is the educational development of all persons to the limits of their capacities. When a school board faces governance difficulties, continued operation of the public school system is threatened.

(2) Sound school board governance, academic achievement, and sound financial structure are essential to the continued operation of any school system. It is vital to commercial, educational, and cultural interests that public schools remain in operation. To achieve that goal, public school systems must have effective leadership.

(3) To promote the sound operation of districts, as defined in this Section, it may be necessary to provide for the creation of independent authorities with the powers necessary to promote sound governance, sound academic planning, and sound financial management and to ensure the continued operation of the public schools.

(4) It is the purpose of this Section to provide for a sound basis for the continued operation of public schools. The intention of the General Assembly, in creating this Section, is to establish procedures, provide powers, and impose restrictions to ensure the educational integrity of public school districts.



(b) As used in this Section:

"Board" means a school board of a district.

"Chairperson" means the Chairperson of the Independent Authority.

"District" means any school district having a population of not more than 500,000.

"State Board" means the State Board of Education.

"State Superintendent" means the State Superintendent of Education.

(c) The State Board has the power to direct the State Superintendent to remove a board. Boards may be removed when the criteria provided for in subsection (d) of this Section are met.

If the State Board proposes to direct the State Superintendent to remove a board from a district, board members shall receive individual written notice of the intended removal. Written notice must be provided at least 30 calendar days before a hearing is held by the State Board. This notice shall identify the basis for proposed removal.

Board members are entitled to a hearing, during which time each board member shall have the opportunity to respond individually, both orally and through written comments, to the basis laid out in the notice. Written comments must be submitted to the State Board on or before the hearing.

Board members are entitled to be represented by counsel at the hearing, but counsel must not be paid with district funds, unless the State Board decides that the board will not be removed and then the board members may be reimbursed for all reasonable attorney's fees by the district.

The State Board shall make a final decision on removal immediately following the hearing or at its next regularly scheduled or special meeting. In no event may the decision be made later than the next regularly scheduled meeting.

The State Board shall issue a final written decision. If the State Board directs the State Superintendent to remove the board, the State Superintendent shall do so within 30 days after the written decision. Following the removal of the board, the State Superintendent shall establish an Independent Authority pursuant to subsection (e) of this Section.

If there is a financial oversight panel operating in the district pursuant to Article 1B or 1H of this Code, the State Board may, at its discretion, abolish the panel.

(d) The State Board shall require districts that have been on academic watch status for 3 years or more and that are within the lowest 5% in terms of performance in this State, as determined by the State Superintendent, to seek accreditation through an independent accreditation organization chosen by the State Board and paid for by the State. The State Board may direct the State Superintendent to remove board members pursuant to subsection (c) of this Section in any district in which the district is unable to obtain accreditation in whole or in part due to reasons specifically related to school board governance. When determining if a district has failed to meet the standards for accreditation specifically related to school board governance, the accreditation entity shall take into account the overall academic, fiscal, and operational condition of the district and consider whether the board has failed to protect district assets, to direct sound administrative and academic policy, to abide by basic governance principles, including those set forth in district policies, and to conduct itself with professionalism and care and in a legally, ethically, and financially responsible manner. When considering if a board has failed in these areas, the accreditation entity shall consider some or all of the following factors; however, (i) a board does not have to have engaged in any specific number of these factors nor does it have to have failed in all of the following areas in order to be removed and (ii) the accreditation entity does not have to make a finding as to each of these factors:

(1) Failure to protect district assets by, without limitation, incidents of fiscal fraud or misappropriation of district funds; acts of neglecting the district's building conditions; a failure to meet regularly scheduled, payroll-period obligations when due; a failure to develop and implement a comprehensive, risk-management plan; a failure to provide financial information or cooperate with the State Superintendent; or a failure to file an annual financial report, an annual budget, a deficit reduction plan, or other financial information as required by law.

(2) Failure to direct sound administrative and academic policy by, without limitation, hiring staff who do not meet minimal certification requirements for the positions being filled or who do not meet the customary qualifications held by those occupying similar positions in other school districts; a failure to avoid conflicts of interest as it relates to hiring or other contractual obligations; a failure to abide by competitive bidding laws; a failure to abide by the Open Meetings Act and the Freedom of Information Act; or a failure to adopt and implement policies and practices that promote conditions that support student learning, effective instruction, and assessment that produce equitable and challenging learning experiences for all students.

(3) Failure to abide by basic governance principals by, without limitation, a failure to adopt and abide by sound local governance policies; a failure to abide by the principle that official action by the

board occurs only through a duly-called and legally conducted meeting of the board; a failure to ensure that board decisions and actions are in accordance with defined roles and responsibilities; or a failure of the board to protect, support, and respect the autonomy of a system to accomplish goals for improvement in student learning and instruction and to manage day-to-day operations of the school system and its schools, including maintaining the distinction between the board's roles and responsibilities and those of administrative leadership.

(4) Failure to conduct itself in a legally, ethically, and financially responsible manner by, without limitation, a failure to act in accordance with the Constitution of the United States of America and the Constitution of the State of Illinois and within the scope of State and federal laws; a failure to comply with all district policies and procedures and all State rules; or a failure to comply with the governmental entities provisions of the State Officials and Employees Ethics Act, including the gift ban and prohibited political activities provisions.

(e) Upon removal of the board, the State Superintendent shall establish an Independent Authority. Upon establishment of an Independent Authority, there is established a body both corporate and politic to be known as the "(Name of the School District) Independent Authority", which in this name shall exercise all of the authority vested in an Independent Authority by this Section and by the name may sue and be sued in all courts and places where judicial proceedings are had.

(f) Upon establishment of an Independent Authority under subsection (e) of this Section, the State Superintendent shall, within 30 working days thereafter and in consultation with State and locally elected officials, appoint 5 or 7 members to serve on an Independent Authority for the district. Members appointed to the Independent Authority shall serve at the pleasure of the State Superintendent. The State Superintendent shall designate one of the members of the Independent Authority to serve as its chairperson. In the event of vacancy or resignation, the State Superintendent shall, within 15 working days after receiving notice, appoint a successor to serve out that member's term. If the State Board has abolished a financial oversight panel pursuant to subsection (c) of this Section, the State Superintendent may appoint former members of the panel to the Independent Authority. These members may serve as part of the 5 or 7 members or may be appointed in addition to the 5 or 7 members, with the Independent Authority not to exceed 9 members in total.

Members of the Independent Authority must be selected primarily on the basis of their experience and knowledge in education policy and governance, with consideration given to persons knowledgeable in the operation of a school district. A member of the Independent Authority must be a registered voter as provided in the general election law, must not be a school trustee, and must not be a child sex offender as defined in Section 11-9.3 of the Criminal Code of 2012. A majority of the members of the Independent Authority must be residents of the district that the Independent Authority serves. A member of the Independent Authority may not be an employee of the district, nor may a member have a direct financial interest in the district.

Independent Authority members may be reimbursed by the district for travel if they live more than 25 miles away from the district's headquarters and other necessary expenses incurred in the performance of their official duties. The amount reimbursed members for their expenses must be charged to the school district.

With the exception of the Chairperson, the Independent Authority may elect such officers as it deems appropriate.

The first meeting of the Independent Authority must be held at the call of the Chairperson. The Independent Authority shall prescribe the times and places for its meetings and the manner in which regular and special meetings may be called and shall comply with the Open Meetings Act.

All Independent Authority members must complete the training required of school board members under Section 10-16a of this Code.

(g) The purpose of the Independent Authority is to operate the district. The Independent Authority shall have all of the powers and duties of a board and all other powers necessary to meet its responsibilities and to carry out its purpose and the purposes of this Section and that may be requisite or proper for the maintenance, operation, and development of any school or schools under the jurisdiction of the Independent Authority. This grant of powers does not release an Independent Authority from any duty imposed upon it by this Code or any other law.

The Independent Authority shall have no power to unilaterally cancel or modify any collective bargaining agreement in force upon the date of creation of the Independent Authority.

(h) The Independent Authority may prepare and file with the State Superintendent a proposal for emergency financial assistance for the school district and for the operations budget of the Independent Authority, in accordance with Section 1B-8 of this Code. A district may receive both a loan and a grant.

(i) An election for board members must not be held in a district upon the establishment of an

Independent Authority and is suspended until the next regularly scheduled school board election that takes place no less than 2 years following the establishment of the Independent Authority. For this first election, 3 school board members must be elected to serve out terms of 4 years and until successors are elected and have qualified. Members of the Independent Authority are eligible to run for election in the district, provided that they meet all other eligibility requirements of Section 10-10 of this Code. Following this election, the school board shall consist of the newly elected members and any remaining members of the Independent Authority. The majority of this board must be residents of the district. The State Superintendent must appoint new members who are residents to the Independent Authority if necessary to maintain this majority. At the next school board election, 4 school board members must be elected to serve out terms of 4 years and until successors are elected and have qualified. For purposes of these first 2 elections, the school board members must be elected at-large. In districts where board members were previously elected using an alternative format pursuant to Article 9 of this Code, following these first 2 elections, the voting shall automatically revert back to the original form. Following the election, any remaining Independent Authority members shall serve in the district as an oversight panel until such time as the district meets the governance standards necessary to achieve accreditation. If some or all of the Independent Authority members have been elected to the board, the State Superintendent may, in his or her discretion, appoint new members to the Independent Authority pursuant to subsection (f) of this Section. The school board shall get approval of all actions by the Independent Authority during the time the Independent Authority serves as an oversight panel.

Board members who were removed pursuant to subsection (c) of this Section are ineligible to run for school board in the district for 10 years following the abolition of the Independent Authority pursuant to subsection (l) of this Section. However, board members who were removed pursuant to subsection (c) of this Section and were appointed to the Independent Authority by the State Superintendent are eligible to run for school board in the district.

(j) The Independent Authority, upon its members taking office and annually thereafter and upon request, shall prepare and submit to the State Superintendent a report on the state of the district, including without limitation the academic improvement and financial situation of the district. This report must be submitted annually on or before March 1 of each year. The State Superintendent shall provide copies of any and all reports to the regional office of education for the district and to the State Senator and Representative representing the area where the district is located.

(k) The district shall render such services to and permit the use of its facilities and resources by the Independent Authority at no charge as may be requested by the Independent Authority. Any State agency, unit of local government, or school district may, within its lawful powers and duties, render such services to the Independent Authority as may be requested by the Independent Authority.

(l) An Independent Authority must be abolished when the district, following the election of the full board, meets the governance standards necessary to achieve accreditation status by an independent accreditation agency chosen by the State Board. The abolition of the Independent Authority shall take place within 30 days after this determination of the accreditation agency.

Upon abolition of the Independent Authority, all powers and duties allowed by this Code to be exercised by a school board shall be transferred to the elected school board.

(m) The Independent Authority must be indemnified through insurance purchased by the district. The district shall purchase insurance through which the Independent Authority is to be indemnified.

The district retains the duty to represent and to indemnify Independent Authority members following the abolition of the Independent Authority for any cause of action or remedy available against the Independent Authority, its members, its employees, or its agents for any right or claim existing or any liability incurred prior to the abolition.

The insurance shall indemnify and protect districts, Independent Authority members, employees, volunteer personnel authorized in Sections 10-22.34, 10-22.34a, and 10-22.34b of this Code, mentors of certified or licensed staff as authorized in Article 21A and Sections 2-3.53a, 2-3.53b, and 34-18.33 of this Code, and student teachers against civil rights damage claims and suits, constitutional rights damage claims and suits, and death and bodily injury and property damage claims and suits, including defense thereof, when damages are sought for negligent or wrongful acts alleged to have been committed in the scope of employment, under the direction of the Independent Authority, or related to any mentoring services provided to certified or licensed staff of the district. Such indemnification and protection shall extend to persons who were members of an Independent Authority, employees of an Independent Authority, authorized volunteer personnel, mentors of certified or licensed staff, or student teachers at the time of the incident from which a claim arises. No agent may be afforded indemnification or protection unless he or she was a member of an Independent Authority, an employee of an Independent Authority, an authorized volunteer, a mentor of certified or licensed staff, or a student teacher at the time

of the incident from which the claim arises.

(n) The State Board may adopt rules as may be necessary for the administration of this Section.

(105 ILCS 5/2-3.25g) (from Ch. 122, par. 2-3.25g)

Sec. 2-3.25g. Waiver or modification of mandates within the School Code and administrative rules and regulations.

(a) In this Section:

"Board" means a school board or the governing board or administrative district, as the case may be, for a joint agreement.

"Eligible applicant" means a school district, joint agreement made up of school districts, or regional superintendent of schools on behalf of schools and programs operated by the regional office of education.

"Implementation date" has the meaning set forth in Section 24A-2.5 of this Code.

"State Board" means the State Board of Education.

(b) Notwithstanding any other provisions of this School Code or any other law of this State to the contrary, eligible applicants may petition the State Board of Education for the waiver or modification of the mandates of this School Code or of the administrative rules and regulations promulgated by the State Board of Education. Waivers or modifications of administrative rules and regulations and modifications of mandates of this School Code may be requested when an eligible applicant demonstrates that it can address the intent of the rule or mandate in a more effective, efficient, or economical manner or when necessary to stimulate innovation or improve student performance. Waivers of mandates of the School Code may be requested when the waivers are necessary to stimulate innovation or improve student performance. Waivers may not be requested from laws, rules, and regulations pertaining to special education, teacher certification, teacher tenure and seniority, or Section 5-2.1 of this Code or from compliance with the No Child Left Behind Act of 2001 (Public Law 107-110). On and after the applicable implementation date, eligible applicants may not seek a waiver or seek a modification of a mandate regarding the requirements for (i) student performance data to be a significant factor in teacher or principal evaluations or (ii) for teachers and principals to be rated using the 4 categories of "excellent", "proficient", "needs improvement", or "unsatisfactory". On the applicable implementation date, any previously authorized waiver or modification from such requirements shall terminate.

(c) Eligible applicants, as a matter of inherent managerial policy, and any Independent Authority established under Section 2-3.25f-5 of this Code ~~2-3.25f~~ may submit an application for a waiver or modification authorized under this Section. Each application must include a written request by the eligible applicant or Independent Authority and must demonstrate that the intent of the mandate can be addressed in a more effective, efficient, or economical manner or be based upon a specific plan for improved student performance and school improvement. Any eligible applicant requesting a waiver or modification for the reason that intent of the mandate can be addressed in a more economical manner shall include in the application a fiscal analysis showing current expenditures on the mandate and projected savings resulting from the waiver or modification. Applications and plans developed by eligible applicants must be approved by the board or regional superintendent of schools applying on behalf of schools or programs operated by the regional office of education following a public hearing on the application and plan and the opportunity for the board or regional superintendent to hear testimony from staff directly involved in its implementation, parents, and students. The time period for such testimony shall be separate from the time period established by the eligible applicant for public comment on other matters. If the applicant is a school district or joint agreement requesting a waiver or modification of Section 27-6 of this Code, the public hearing shall be held on a day other than the day on which a regular meeting of the board is held.

(c-5) If the applicant is a school district, then the district shall post information that sets forth the time, date, place, and general subject matter of the public hearing on its Internet website at least 14 days prior to the hearing. If the district is requesting to increase the fee charged for driver education authorized pursuant to Section 27-24.2 of this Code, the website information shall include the proposed amount of the fee the district will request. All school districts must publish a notice of the public hearing at least 7 days prior to the hearing in a newspaper of general circulation within the school district that sets forth the time, date, place, and general subject matter of the hearing. Districts requesting to increase the fee charged for driver education shall include in the published notice the proposed amount of the fee the district will request. If the applicant is a joint agreement or regional superintendent, then the joint agreement or regional superintendent shall post information that sets forth the time, date, place, and general subject matter of the public hearing on its Internet website at least 14 days prior to the hearing. If the joint agreement or regional superintendent is requesting to increase the fee charged for driver education authorized pursuant to Section 27-24.2 of this Code, the website information shall include the

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proposed amount of the fee the applicant will request. All joint agreements and regional superintendents must publish a notice of the public hearing at least 7 days prior to the hearing in a newspaper of general circulation in each school district that is a member of the joint agreement or that is served by the educational service region that sets forth the time, date, place, and general subject matter of the hearing, provided that a notice appearing in a newspaper generally circulated in more than one school district shall be deemed to fulfill this requirement with respect to all of the affected districts. Joint agreements or regional superintendents requesting to increase the fee charged for driver education shall include in the published notice the proposed amount of the fee the applicant will request. The eligible applicant must notify in writing the affected exclusive collective bargaining agent and those State legislators representing the eligible applicant's territory of its intent to seek approval of a waiver or modification and of the hearing to be held to take testimony from staff. The affected exclusive collective bargaining agents shall be notified of such public hearing at least 7 days prior to the date of the hearing and shall be allowed to attend such public hearing. The eligible applicant shall attest to compliance with all of the notification and procedural requirements set forth in this Section.

(d) A request for a waiver or modification of administrative rules and regulations or for a modification of mandates contained in this School Code shall be submitted to the State Board of Education within 15 days after approval by the board or regional superintendent of schools. The application as submitted to the State Board of Education shall include a description of the public hearing. Except with respect to contracting for adaptive driver education, an eligible applicant wishing to request a modification or waiver of administrative rules of the State Board of Education regarding contracting with a commercial driver training school to provide the course of study authorized under Section 27-24.2 of this Code must provide evidence with its application that the commercial driver training school with which it will contract holds a license issued by the Secretary of State under Article IV of Chapter 6 of the Illinois Vehicle Code and that each instructor employed by the commercial driver training school to provide instruction to students served by the school district holds a valid teaching certificate or teaching license, as applicable, issued under the requirements of this Code and rules of the State Board of Education. Such evidence must include, but need not be limited to, a list of each instructor assigned to teach students served by the school district, which list shall include the instructor's name, personal identification number as required by the State Board of Education, birth date, and driver's license number. If the modification or waiver is granted, then the eligible applicant shall notify the State Board of Education of any changes in the personnel providing instruction within 15 calendar days after an instructor leaves the program or a new instructor is hired. Such notification shall include the instructor's name, personal identification number as required by the State Board of Education, birth date, and driver's license number. If a school district maintains an Internet website, then the district shall post a copy of the final contract between the district and the commercial driver training school on the district's Internet website. If no Internet website exists, then the district shall make available the contract upon request. A record of all materials in relation to the application for contracting must be maintained by the school district and made available to parents and guardians upon request. The instructor's date of birth and driver's license number and any other personally identifying information as deemed by the federal Driver's Privacy Protection Act of 1994 must be redacted from any public materials. Following receipt of the waiver or modification request, the State Board shall have 45 days to review the application and request. If the State Board fails to disapprove the application within that 45 day period, the waiver or modification shall be deemed granted. The State Board may disapprove any request if it is not based upon sound educational practices, endangers the health or safety of students or staff, compromises equal opportunities for learning, or fails to demonstrate that the intent of the rule or mandate can be addressed in a more effective, efficient, or economical manner or have improved student performance as a primary goal. Any request disapproved by the State Board may be appealed to the General Assembly by the eligible applicant as outlined in this Section.

A request for a waiver from mandates contained in this School Code shall be submitted to the State Board within 15 days after approval by the board or regional superintendent of schools. The application as submitted to the State Board of Education shall include a description of the public hearing. The description shall include, but need not be limited to, the means of notice, the number of people in attendance, the number of people who spoke as proponents or opponents of the waiver, a brief description of their comments, and whether there were any written statements submitted. The State Board shall review the applications and requests for completeness and shall compile the requests in reports to be filed with the General Assembly. The State Board shall file reports outlining the waivers requested by eligible applicants and appeals by eligible applicants of requests disapproved by the State Board with the Senate and the House of Representatives before each March 1 and October 1. The General Assembly may disapprove the report of the State Board in whole or in part within 60 calendar

days after each house of the General Assembly next convenes after the report is filed by adoption of a resolution by a record vote of the majority of members elected in each house. If the General Assembly fails to disapprove any waiver request or appealed request within such 60 day period, the waiver or modification shall be deemed granted. Any resolution adopted by the General Assembly disapproving a report of the State Board in whole or in part shall be binding on the State Board.

(e) An approved waiver or modification (except a waiver from or modification to a physical education mandate) may remain in effect for a period not to exceed 5 school years and may be renewed upon application by the eligible applicant. However, such waiver or modification may be changed within that 5-year period by a board or regional superintendent of schools applying on behalf of schools or programs operated by the regional office of education following the procedure as set forth in this Section for the initial waiver or modification request. If neither the State Board of Education nor the General Assembly disapproves, the change is deemed granted.

An approved waiver from or modification to a physical education mandate may remain in effect for a period not to exceed 2 school years and may be renewed no more than 2 times upon application by the eligible applicant. An approved waiver from or modification to a physical education mandate may be changed within the 2-year period by the board or regional superintendent of schools, whichever is applicable, following the procedure set forth in this Section for the initial waiver or modification request. If neither the State Board of Education nor the General Assembly disapproves, the change is deemed granted.

(f) (Blank).

(Source: P.A. 96-861, eff. 1-15-10; 96-1423, eff. 8-3-10; 97-1025, eff. 1-1-13.)

(105 ILCS 5/2-3.25h) (from Ch. 122, par. 2-3.25h)

Sec. 2-3.25h. Technical assistance; State support services. Schools, school districts, local school councils, school improvement panels, and any Independent Authority established under Section ~~2-3.25f-5 of this Code~~ ~~2-3.25f~~ may receive technical assistance that the State Board of Education shall make available. Such technical assistance shall include without limitation assistance in the areas of curriculum evaluation, the instructional process, student performance, school environment, staff effectiveness, school and community relations, parental involvement, resource management, leadership, data analysis processes and tools, school improvement plan guidance and feedback, information regarding scientifically based research-proven curriculum and instruction, and professional development opportunities for teachers and administrators.

(Source: P.A. 93-470, eff. 8-8-03.)

(105 ILCS 5/10-10) (from Ch. 122, par. 10-10)

Sec. 10-10. Board of education; Term; Vacancy. All school districts having a population of not fewer than 1,000 and not more than 500,000 inhabitants, as ascertained by any special or general census, and not governed by special Acts, shall be governed by a board of education consisting of 7 members, serving without compensation except as herein provided. Each member shall be elected for a term of 4 years for the initial members of the board of education of a combined school district to which that subsection applies. If 5 members are elected in 1983 pursuant to the extension of terms provided by law for transition to the consolidated election schedule under the general election law, 2 of those members shall be elected to serve terms of 2 years and 3 shall be elected to serve terms of 4 years; their successors shall serve for a 4 year term. When the voters of a district have voted to elect members of the board of education for 6 year terms, as provided in Section 9-5, the terms of office of members of the board of education of that district expire when their successors assume office but not later than 7 days after such election. If at the regular school election held in the first odd-numbered year after the determination to elect members for 6 year terms 2 members are elected, they shall serve for a 6 year term; and of the members elected at the next regular school election 3 shall serve for a term of 6 years and 2 shall serve a term of 2 years. Thereafter members elected in such districts shall be elected to a 6 year term. If at the regular school election held in the first odd-numbered year after the determination to elect members for 6 year terms 3 members are elected, they shall serve for a 6 year term; and of the members elected at the next regular school election 2 shall serve for a term of 2 years and 2 shall serve for a term of 6 years. Thereafter members elected in such districts shall be elected to a 6 year term. If at the regular school election held in the first odd-numbered year after the determination to elect members for 6 year terms 4 members are elected, 3 shall serve for a term of 6 years and one shall serve for a term of 2 years; and of the members elected at the next regular school election 2 shall serve for terms of 6 years and 2 shall serve for terms of 2 years. Thereafter members elected in such districts shall be elected to a 6 year term. If at the regular school election held in the first odd-numbered year after the determination to elect members for a 6 year term 5 members are elected, 3 shall serve for a term of 6 years and 2 shall serve for a term of 2 years; and of the members elected at the next regular school election 2 shall serve for terms

of 6 years and 2 shall serve for terms of 2 years. Thereafter members elected in such districts shall be elected to a 6 year term. An election for board members shall not be held in school districts which by consolidation, annexation or otherwise shall cease to exist as a school district within 6 months after the election date, and the term of all board members which would otherwise terminate shall be continued until such district shall cease to exist. Each member, on the date of his or her election, shall be a citizen of the United States of the age of 18 years or over, shall be a resident of the State and the territory of the district for at least one year immediately preceding his or her election, shall be a registered voter as provided in the general election law, shall not be a school trustee, must not have been removed from a school board pursuant to Section 2-3.25f-5 of this Code (unless subsequently appointed as a member of an Independent Authority or if it has been 10 years since the abolition of the Independent Authority in the district), and shall not be a child sex offender as defined in Section 11-9.3 of the Criminal Code of 2012. When the board of education is the successor of the school directors, all rights of property, and all rights regarding causes of action existing or vested in such directors, shall vest in it as fully as they were vested in the school directors. Terms of members are subject to Section 2A-54 of the Election Code.

Nomination papers filed under this Section are not valid unless the candidate named therein files with the secretary of the board of education or with a person designated by the board to receive nominating petitions a receipt from the county clerk showing that the candidate has filed a statement of economic interests as required by the Illinois Governmental Ethics Act. Such receipt shall be so filed either previously during the calendar year in which his nomination papers were filed or within the period for the filing of nomination papers in accordance with the general election law.

Whenever a vacancy occurs, the remaining members shall notify the regional superintendent of that vacancy within 5 days after its occurrence and shall proceed to fill the vacancy until the next regular school election, at which election a successor shall be elected to serve the remainder of the unexpired term. However, if the vacancy occurs with less than 868 days remaining in the term, or if the vacancy occurs less than 88 days before the next regularly scheduled election for this office then the person so appointed shall serve the remainder of the unexpired term, and no election to fill the vacancy shall be held. Should they fail so to act, within 45 days after the vacancy occurs, the regional superintendent of schools under whose supervision and control the district is operating, as defined in Section 3-14.2 of this Act, shall within 30 days after the remaining members have failed to fill the vacancy, fill the vacancy as provided for herein. Upon the regional superintendent's failure to fill the vacancy, the vacancy shall be filled at the next regularly scheduled election. Whether elected or appointed by the remaining members or regional superintendent, the successor shall be an inhabitant of the particular area from which his or her predecessor was elected if the residential requirements contained in Section 10-10.5 or 12-2 of this Code apply.

A board of education may appoint a student to the board to serve in an advisory capacity. The student member shall serve for a term as determined by the board. The board may not grant the student member any voting privileges, but shall consider the student member as an advisor. The student member may not participate in or attend any executive session of the board.

(Source: P.A. 96-538, eff. 8-14-09; 97-1150, eff. 1-25-13.)

Section 7. The Illinois Educational Labor Relations Act is amended by changing Section 2 as follows: (115 ILCS 5/2) (from Ch. 48, par. 1702)

Sec. 2. Definitions. As used in this Act:

(a) "Educational employer" or "employer" means the governing body of a public school district, including the governing body of a charter school established under Article 27A of the School Code or of a contract school or contract turnaround school established under paragraph 30 of Section 34-18 of the School Code, combination of public school districts, including the governing body of joint agreements of any type formed by 2 or more school districts, public community college district or State college or university, a subcontractor of instructional services of a school district (other than a school district organized under Article 34 of the School Code), combination of school districts, charter school established under Article 27A of the School Code, or contract school or contract turnaround school established under paragraph 30 of Section 34-18 of the School Code, an Independent Authority created under Section 2-3.25f-5 of the School Code, and any State agency whose major function is providing educational services. "Educational employer" or "employer" does not include (1) a Financial Oversight Panel created pursuant to Section 1A-8 of the School Code due to a district violating a financial plan or (2) an approved nonpublic special education facility that contracts with a school district or combination of school districts to provide special education services pursuant to Section 14-7.02 of the School Code, but does include a School Finance Authority created under Article 1E or 1F of the School Code and a Financial Oversight Panel created under Article 1B or 1H of the School Code. The change made by this

amendatory Act of the 96th General Assembly to this paragraph (a) to make clear that the governing body of a charter school is an "educational employer" is declaratory of existing law.

(b) "Educational employee" or "employee" means any individual, excluding supervisors, managerial, confidential, short term employees, student, and part-time academic employees of community colleges employed full or part time by an educational employer, but shall not include elected officials and appointees of the Governor with the advice and consent of the Senate, firefighters as defined by subsection (g-1) of Section 3 of the Illinois Public Labor Relations Act, and peace officers employed by a State university. For the purposes of this Act, part-time academic employees of community colleges shall be defined as those employees who provide less than 3 credit hours of instruction per academic semester. In this subsection (b), the term "student" includes graduate students who are research assistants primarily performing duties that involve research or graduate assistants primarily performing duties that are pre-professional, but excludes graduate students who are teaching assistants primarily performing duties that involve the delivery and support of instruction and all other graduate assistants.

(c) "Employee organization" or "labor organization" means an organization of any kind in which membership includes educational employees, and which exists for the purpose, in whole or in part, of dealing with employers concerning grievances, employee-employer disputes, wages, rates of pay, hours of employment, or conditions of work, but shall not include any organization which practices discrimination in membership because of race, color, creed, age, gender, national origin or political affiliation.

(d) "Exclusive representative" means the labor organization which has been designated by the Illinois Educational Labor Relations Board as the representative of the majority of educational employees in an appropriate unit, or recognized by an educational employer prior to January 1, 1984 as the exclusive representative of the employees in an appropriate unit or, after January 1, 1984, recognized by an employer upon evidence that the employee organization has been designated as the exclusive representative by a majority of the employees in an appropriate unit.

(e) "Board" means the Illinois Educational Labor Relations Board.

(f) "Regional Superintendent" means the regional superintendent of schools provided for in Articles 3 and 3A of The School Code.

(g) "Supervisor" means any individual having authority in the interests of the employer to hire, transfer, suspend, lay off, recall, promote, discharge, reward or discipline other employees within the appropriate bargaining unit and adjust their grievances, or to effectively recommend such action if the exercise of such authority is not of a merely routine or clerical nature but requires the use of independent judgment. The term "supervisor" includes only those individuals who devote a preponderance of their employment time to such exercising authority.

(h) "Unfair labor practice" or "unfair practice" means any practice prohibited by Section 14 of this Act.

(i) "Person" includes an individual, educational employee, educational employer, legal representative, or employee organization.

(j) "Wages" means salaries or other forms of compensation for services rendered.

(k) "Professional employee" means, in the case of a public community college, State college or university, State agency whose major function is providing educational services, the Illinois School for the Deaf, and the Illinois School for the Visually Impaired, (1) any employee engaged in work (i) predominantly intellectual and varied in character as opposed to routine mental, manual, mechanical, or physical work; (ii) involving the consistent exercise of discretion and judgment in its performance; (iii) of such character that the output produced or the result accomplished cannot be standardized in relation to a given period of time; and (iv) requiring knowledge of an advanced type in a field of science or learning customarily acquired by a prolonged course of specialized intellectual instruction and study in an institution of higher learning or a hospital, as distinguished from a general academic education or from an apprenticeship or from training in the performance of routine mental, manual, or physical processes; or (2) any employee, who (i) has completed the courses of specialized intellectual instruction and study described in clause (iv) of paragraph (1) of this subsection, and (ii) is performing related work under the supervision of a professional person to qualify himself or herself to become a professional as defined in paragraph (l).

(l) "Professional employee" means, in the case of any public school district, or combination of school districts pursuant to joint agreement, any employee who has a certificate issued under Article 21 or Section 34-83 of the School Code, as now or hereafter amended.

(m) "Unit" or "bargaining unit" means any group of employees for which an exclusive representative is selected.

(n) "Confidential employee" means an employee, who (i) in the regular course of his or her duties,



assists and acts in a confidential capacity to persons who formulate, determine and effectuate management policies with regard to labor relations or who (ii) in the regular course of his or her duties has access to information relating to the effectuation or review of the employer's collective bargaining policies.

(o) "Managerial employee" means an individual who is engaged predominantly in executive and management functions and is charged with the responsibility of directing the effectuation of such management policies and practices.

(p) "Craft employee" means a skilled journeyman, craft person, and his or her apprentice or helper.

(q) "Short-term employee" is an employee who is employed for less than 2 consecutive calendar quarters during a calendar year and who does not have a reasonable expectation that he or she will be rehired by the same employer for the same service in a subsequent calendar year. Nothing in this subsection shall affect the employee status of individuals who were covered by a collective bargaining agreement on the effective date of this amendatory Act of 1991.

(Source: P.A. 96-104, eff. 1-1-10; 97-429, eff. 8-16-11.)

(105 ILCS 5/3-14.28 rep.)

Section 10. The School Code is amended by repealing Section 3-14.28.

Section 99. Effective date. This Act takes effect upon becoming 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 BILLS OF THE SENATE A THIRD TIME

On motion of Senator Steans, **Senate Bill No. 2340** 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 45; NAYS 8.

The following voted in the affirmative:

Althoff	Frerichs	Link	Sandoval
Biss	Haine	Manar	Silverstein
Brady	Harmon	Martinez	Stadelman
Bush	Holmes	McConnaughay	Steans
Clayborne	Hunter	McGuire	Sullivan
Collins	Hutchinson	Morrison	Syverson
Connelly	Jacobs	Mulroe	Trotter
Cullerton, T.	Jones, E.	Muñoz	Van Pelt
Cunningham	Koehler	Noland	Mr. President
Delgado	Kotowski	Radogno	
Dillard	Landek	Raoul	
Forby	Lightford	Rezin	

The following voted in the negative:

Barickman	LaHood	Righter
Bivins	McCann	Rose
Duffy	Oberweis	

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.

[May 9, 2013]

At the hour of 2:47 o'clock p.m., Senator Sullivan, presiding.

On motion of Senator Lightford, **Senate Bill No. 1762** 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 56; NAYS None.

The following voted in the affirmative:

Althoff	Frerichs	Luechtefeld	Righter
Barickman	Haine	Manar	Rose
Biss	Harmon	Martinez	Sandoval
Bivins	Hastings	McCann	Silverstein
Brady	Holmes	McConnaughay	Stadelman
Bush	Hunter	McGuire	Steans
Clayborne	Hutchinson	Morrison	Sullivan
Collins	Jacobs	Mulroe	Syverson
Connelly	Jones, E.	Muñoz	Trotter
Cullerton, T.	Koehler	Murphy	Van Pelt
Cunningham	Kotowski	Noland	Mr. President
Delgado	LaHood	Oberweis	
Dillard	Landek	Radogno	
Duffy	Lightford	Raoul	
Forby	Link	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.

### READING BILLS FROM THE HOUSE OF REPRESENTATIVES A THIRD TIME

On motion of Senator Althoff, **House Bill No. 58** having been printed as received from the House of Representatives, together with all Senate Amendments adopted thereto, 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 56; NAYS None.

The following voted in the affirmative:

Althoff	Frerichs	Luechtefeld	Righter
Barickman	Haine	Manar	Rose
Biss	Harmon	Martinez	Sandoval
Bivins	Hastings	McCann	Silverstein
Brady	Holmes	McConnaughay	Stadelman
Bush	Hunter	McGuire	Steans
Clayborne	Hutchinson	Morrison	Sullivan
Collins	Jacobs	Mulroe	Syverson
Connelly	Jones, E.	Muñoz	Trotter
Cullerton, T.	Koehler	Murphy	Van Pelt
Cunningham	Kotowski	Noland	Mr. President

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Delgado	LaHood	Oberweis
Dillard	Landek	Radogno
Duffy	Lightford	Raoul
Forby	Link	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.

On motion of Senator Collins, **House Bill No. 64** having been printed as received from the House of Representatives, together with all Senate Amendments adopted thereto, 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 50; NAYS 5.

The following voted in the affirmative:

Althoff	Forby	Luechtefeld	Righter
Barickman	Frerichs	Manar	Rose
Biss	Haine	Martinez	Sandoval
Bivins	Harmon	McCann	Silverstein
Brady	Hastings	McGuire	Stadelman
Bush	Hunter	Morrison	Stears
Clayborne	Hutchinson	Mulroe	Sullivan
Collins	Koehler	Muñoz	Syverson
Cullerton, T.	Kotowski	Murphy	Trotter
Cunningham	LaHood	Noland	Van Pelt
Delgado	Landek	Radogno	Mr. President
Dillard	Lightford	Raoul	
Duffy	Link	Rezin	

The following voted in the negative:

Connelly	Jones, E.	Oberweis
Jacobs	McConnaughay	

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.

On motion of Senator Collins, **House Bill No. 99** having been printed as received from the House of Representatives, together with all Senate Amendments adopted thereto, 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 54; NAY 1.

The following voted in the affirmative:

Althoff	Frerichs	Link	Rezin
Barickman	Haine	Luechtefeld	Righter
Biss	Harmon	Manar	Rose
Bivins	Hastings	Martinez	Sandoval
Brady	Holmes	McCann	Silverstein
Bush	Hunter	McConnaughay	Stadelman
Clayborne	Hutchinson	McGuire	Stears

Collins	Jacobs	Morrison	Sullivan
Cullerton, T.	Jones, E.	Mulroe	Syverson
Cunningham	Koehler	Muñoz	Trotter
Delgado	Kotowski	Murphy	Van Pelt
Dillard	LaHood	Noland	Mr. President
Duffy	Landek	Radogno	
Forby	Lightford	Raoul	

The following voted in the negative:

Oberweis

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.

On motion of Senator Holmes, **House Bill No. 104** having been printed as received from the House of Representatives, together with all Senate Amendments adopted thereto, 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 54; NAYS None.

The following voted in the affirmative:

Althoff	Forby	Link	Rezin
Barickman	Frerichs	Luechtefeld	Righter
Biss	Haine	Manar	Rose
Bivins	Harmon	Martinez	Sandoval
Brady	Hastings	McCann	Silverstein
Bush	Holmes	McConnaughay	Stadelman
Clayborne	Hunter	McGuire	Steans
Collins	Hutchinson	Mulroe	Sullivan
Connelly	Jones, E.	Muñoz	Syverson
Cullerton, T.	Koehler	Murphy	Trotter
Cunningham	Kotowski	Noland	Van Pelt
Delgado	LaHood	Oberweis	Mr. President
Dillard	Landek	Radogno	
Duffy	Lightford	Raoul	

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.

On motion of Senator Bush, **House Bill No. 160** having been printed as received from the House of Representatives, together with all Senate Amendments adopted thereto, 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 52; NAYS None.

The following voted in the affirmative:

Althoff	Harmon	Manar	Righter
Barickman	Hastings	Martinez	Rose
Brady	Holmes	McCann	Sandoval
Bush	Hunter	McConnaughay	Silverstein

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Clayborne	Hutchinson	McGuire	Stadelman
Collins	Jacobs	Morrison	Steans
Connelly	Jones, E.	Mulroe	Sullivan
Cullerton, T.	Koehler	Muñoz	Trotter
Cunningham	Kotowski	Murphy	Van Pelt
Delgado	LaHood	Noland	Mr. President
Dillard	Landek	Oberweis	
Forby	Lightford	Radogno	
Frerichs	Link	Raoul	
Haine	Luechtefeld	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.

On motion of Senator Haine, **House Bill No. 181** having been printed as received from the House of Representatives, together with all Senate Amendments adopted thereto, 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 56; NAYS None.

The following voted in the affirmative:

Althoff	Frerichs	Luechtefeld	Righter
Barickman	Haine	Manar	Rose
Biss	Harmon	Martinez	Sandoval
Bivins	Hastings	McCann	Silverstein
Brady	Holmes	McConnaughay	Stadelman
Bush	Hunter	McGuire	Steans
Clayborne	Hutchinson	Morrison	Sullivan
Collins	Jacobs	Mulroe	Syverson
Connelly	Jones, E.	Muñoz	Trotter
Cullerton, T.	Koehler	Murphy	Van Pelt
Cunningham	Kotowski	Noland	Mr. President
Delgado	LaHood	Oberweis	
Dillard	Landek	Radogno	
Duffy	Lightford	Raoul	
Forby	Link	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 in the Senate Amendment adopted thereto.

### HOUSE BILL RECALLED

On motion of Senator Morrison, **House Bill No. 192** was recalled from the order of third reading to the order of second reading.

Senate Floor Amendment No. 1 was postponed in the Committee on Revenue.

Senator Morrison offered the following amendment and moved its adoption:

#### AMENDMENT NO. 2 TO HOUSE BILL 192

AMENDMENT NO. 2. Amend House Bill 192 by replacing everything after the enacting clause with the following:

“Section 5. The Local Government Debt Reform Act is amended by changing Section 10 as follows:

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(30 ILCS 350/10) (from Ch. 17, par. 6910)

Sec. 10. General provisions. Bonds authorized by applicable law may be issued in one or more series, bear such date or dates, become due at such time or times within 40 years, except as expressly limited by applicable law, provided that notwithstanding any such express limitation bonds issued by Lockport High School, Township High School District 113, South Suburban Community College District No. 510, Elgin Community College District No. 509, or Kishwaukee Community College District No. 523 for the purpose of purchasing, constructing, or improving real property or paying claims against any such district incurred for the purpose of purchasing, constructing, or improving real property may become due within 25 years, bear interest payable at such intervals and at such rate or rates as authorized under applicable law, which rates may be fixed or variable, be in such denominations, be in such form, either coupon, registered or book-entry, carry such conversion, registration, and exchange privileges, be subject to defeasance upon such terms, have such rank or priority, be executed in such manner, be payable in such medium of payment at such place or places within or without the State of Illinois, make provision for a corporate trustee within or without the State with respect to such bonds, prescribe the rights, powers and duties thereof to be exercised for the benefit of the governmental unit and the protection of the bondholders, provide for the holding in trust, investment and use of moneys, funds and accounts held under an ordinance, provide for assignment of and direct payment of the moneys to pay such bonds or to be deposited into such funds or accounts directly to such trustee, be subject to such terms of redemption with or without premium, and be sold in such manner at private or public sale and at such price, all as the governing body shall determine. Whenever such bonds are sold at price less than par, they shall be sold at such price and bear interest at such rate or rates such that either the true interest cost (yield) or the net interest rate, as may be selected by the governing body, received upon the sale of such bonds does not exceed the maximum rate otherwise authorized by applicable law. Except for an ordinance required to be published by applicable law in connection with a backdoor referendum, any bond ordinance adopted by a governing body under applicable law shall, in all instances, become effective immediately without publication or posting or any further act or requirement. (Source: P.A. 96-787, eff. 8-28-09; 96-1077, eff. 7-16-10; 97-615, eff. 8-26-11.)

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

The motion prevailed.

And the amendment was adopted and ordered printed.

There being no further amendments, the bill, as amended, was ordered to a third reading.

### READING BILLS FROM THE HOUSE OF REPRESENTATIVES A THIRD TIME

On motion of Senator Steans, **House Bill No. 496** having been printed as received from the House of Representatives, together with all Senate Amendments adopted thereto, 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 56; NAYS None.

The following voted in the affirmative:

Althoff	Frerichs	Luechtefeld	Righter
Barickman	Haine	Manar	Rose
Biss	Harmon	Martinez	Sandoval
Bivins	Hastings	McCann	Silverstein
Brady	Holmes	McConaughay	Stadelman
Bush	Hunter	McGuire	Steans
Clayborne	Hutchinson	Morrison	Sullivan
Collins	Jacobs	Mulroe	Syverson
Connelly	Jones, E.	Muñoz	Trotter
Cullerton, T.	Koehler	Murphy	Van Pelt
Cunningham	Kotowski	Noland	Mr. President
Delgado	LaHood	Oberweis	

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Dillard	Landek	Radogno
Duffy	Lightford	Raoul
Forby	Link	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 in the Senate Amendments adopted thereto.

On motion of Senator Hunter, **House Bill No. 576** having been printed as received from the House of Representatives, together with all Senate Amendments adopted thereto, 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 56; NAYS None.

The following voted in the affirmative:

Althoff	Frerichs	Luechtefeld	Righter
Barickman	Haine	Manar	Rose
Biss	Harmon	Martinez	Sandoval
Bivins	Hastings	McCann	Silverstein
Brady	Holmes	McConnaughay	Stadelman
Bush	Hunter	McGuire	Steans
Clayborne	Hutchinson	Morrison	Sullivan
Collins	Jacobs	Mulroe	Syverson
Connelly	Jones, E.	Muñoz	Trotter
Cullerton, T.	Koehler	Murphy	Van Pelt
Cunningham	Kotowski	Noland	Mr. President
Delgado	LaHood	Oberweis	
Dillard	Landek	Radogno	
Duffy	Lightford	Raoul	
Forby	Link	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.

On motion of Senator Hunter, **House Bill No. 631** having been printed as received from the House of Representatives, together with all Senate Amendments adopted thereto, 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 54; NAYS None.

The following voted in the affirmative:

Althoff	Frerichs	Link	Rezin
Barickman	Haine	Manar	Righter
Biss	Harmon	Martinez	Rose
Bivins	Hastings	McCann	Sandoval
Brady	Holmes	McConnaughay	Silverstein
Bush	Hunter	McGuire	Stadelman
Clayborne	Hutchinson	Morrison	Steans
Connelly	Jacobs	Mulroe	Sullivan
Cullerton, T.	Jones, E.	Muñoz	Syverson
Cunningham	Koehler	Murphy	Trotter

Delgado	Kotowski	Noland	Van Pelt
Dillard	LaHood	Oberweis	Mr. President
Duffy	Landek	Radogno	
Forby	Lightford	Raoul	

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.

On motion of Senator Mulroe, **House Bill No. 956** having been printed as received from the House of Representatives, together with all Senate Amendments adopted thereto, 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 51; NAY 1.

The following voted in the affirmative:

Althoff	Forby	Landek	Radogno
Barickman	Frerichs	Lightford	Raoul
Bivins	Haine	Link	Rezin
Brady	Harmon	Luechtefeld	Righter
Bush	Hastings	Manar	Sandoval
Clayborne	Holmes	Martinez	Silverstein
Collins	Hunter	McConnaughay	Stadelman
Connelly	Hutchinson	McGuire	Steans
Cullerton, T.	Jacobs	Morrison	Sullivan
Cunningham	Jones, E.	Mulroe	Syverson
Delgado	Koehler	Muñoz	Trotter
Dillard	Kotowski	Murphy	Mr. President
Duffy	LaHood	Noland	

The following voted in the negative:

Rose

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.

On motion of Senator McGuire, **House Bill No. 958** having been printed as received from the House of Representatives, together with all Senate Amendments adopted thereto, 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 55; NAYS None.

The following voted in the affirmative:

Althoff	Forby	Lightford	Radogno
Barickman	Frerichs	Link	Raoul
Biss	Haine	Luechtefeld	Rezin
Bivins	Harmon	Manar	Righter
Brady	Hastings	Martinez	Rose
Bush	Holmes	McCann	Sandoval
Clayborne	Hunter	McConnaughay	Silverstein
Collins	Hutchinson	McGuire	Stadelman

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Connelly	Jacobs	Morrison	Stears
Cullerton, T.	Jones, E.	Mulroe	Sullivan
Cunningham	Koehler	Muñoz	Syverson
Delgado	Kotowski	Murphy	Trotter
Dillard	LaHood	Noland	Mr. President
Duffy	Landek	Oberweis	

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.

On motion of Senator LaHood, **House Bill No. 963** having been printed as received from the House of Representatives, together with all Senate Amendments adopted thereto, 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 55; NAYS None.

The following voted in the affirmative:

Althoff	Forby	Lightford	Raoul
Barickman	Frerichs	Link	Rezin
Biss	Haine	Luechtefeld	Righter
Bivins	Harmon	Manar	Rose
Brady	Hastings	McCann	Sandoval
Bush	Holmes	McConnaughay	Silverstein
Clayborne	Hunter	McGuire	Stadelman
Collins	Hutchinson	Morrison	Stears
Connelly	Jacobs	Mulroe	Sullivan
Cullerton, T.	Jones, E.	Muñoz	Syverson
Cunningham	Koehler	Murphy	Trotter
Delgado	Kotowski	Noland	Van Pelt
Dillard	LaHood	Oberweis	Mr. President
Duffy	Landek	Radogno	

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.

On motion of Senator Haine, **House Bill No. 982** having been printed as received from the House of Representatives, together with all Senate Amendments adopted thereto, 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 55; NAYS None.

The following voted in the affirmative:

Althoff	Forby	Link	Raoul
Barickman	Frerichs	Luechtefeld	Rezin
Biss	Haine	Manar	Righter
Bivins	Harmon	Martinez	Rose
Brady	Hastings	McCann	Sandoval
Bush	Holmes	McConnaughay	Silverstein
Clayborne	Hunter	McGuire	Stadelman
Collins	Hutchinson	Morrison	Stears
Connelly	Jacobs	Mulroe	Sullivan

Cullerton, T.	Jones, E.	Muñoz	Syverson
Cunningham	Koehler	Murphy	Trotter
Delgado	Kotowski	Noland	Van Pelt
Dillard	Landek	Oberweis	Mr. President
Duffy	Lightford	Radogno	

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.

On motion of Senator Althoff, **House Bill No. 986** having been printed as received from the House of Representatives, together with all Senate Amendments adopted thereto, 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 56; NAYS None.

The following voted in the affirmative:

Althoff	Frerichs	Luechtefeld	Righter
Barickman	Haine	Manar	Rose
Biss	Harmon	Martinez	Sandoval
Bivins	Hastings	McCann	Silverstein
Brady	Holmes	McConnaughay	Stadelman
Bush	Hunter	McGuire	Steans
Clayborne	Hutchinson	Morrison	Sullivan
Collins	Jacobs	Mulroe	Syverson
Connelly	Jones, E.	Muñoz	Trotter
Cullerton, T.	Koehler	Murphy	Van Pelt
Cunningham	Kotowski	Noland	Mr. President
Delgado	LaHood	Oberweis	
Dillard	Landek	Radogno	
Duffy	Lightford	Raoul	
Forby	Link	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.

On motion of Senator Haine, **House Bill No. 991** having been printed as received from the House of Representatives, together with all Senate Amendments adopted thereto, 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 56; NAYS None.

The following voted in the affirmative:

Althoff	Frerichs	Luechtefeld	Righter
Barickman	Haine	Manar	Rose
Biss	Harmon	Martinez	Sandoval
Bivins	Hastings	McCann	Silverstein
Brady	Holmes	McConnaughay	Stadelman
Bush	Hunter	McGuire	Steans
Clayborne	Hutchinson	Morrison	Sullivan
Collins	Jacobs	Mulroe	Syverson
Connelly	Jones, E.	Muñoz	Trotter

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Cullerton, T.	Koehler	Murphy	Van Pelt
Cunningham	Kotowski	Noland	Mr. President
Delgado	LaHood	Oberweis	
Dillard	Landek	Radogno	
Duffy	Lightford	Raoul	
Forby	Link	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.

On motion of Senator Stadelman, **House Bill No. 1003** having been printed as received from the House of Representatives, together with all Senate Amendments adopted thereto, 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 55; NAYS None.

The following voted in the affirmative:

Althoff	Forby	Lightford	Raoul
Barickman	Frerichs	Link	Rezin
Biss	Haine	Manar	Righter
Bivins	Harmon	Martinez	Rose
Brady	Hastings	McCann	Sandoval
Bush	Holmes	McConnaughay	Silverstein
Clayborne	Hunter	McGuire	Stadelman
Collins	Hutchinson	Morrison	Steans
Connelly	Jacobs	Mulroe	Sullivan
Cullerton, T.	Jones, E.	Muñoz	Syverson
Cunningham	Koehler	Murphy	Trotter
Delgado	Kotowski	Noland	Van Pelt
Dillard	LaHood	Oberweis	Mr. President
Duffy	Landek	Radogno	

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.

On motion of Senator Syverson, **House Bill No. 1005** having been printed as received from the House of Representatives, together with all Senate Amendments adopted thereto, 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 55; NAYS None.

The following voted in the affirmative:

Althoff	Frerichs	Link	Raoul
Barickman	Haine	Luechtefeld	Rezin
Biss	Harmon	Manar	Righter
Bivins	Hastings	Martinez	Rose
Brady	Holmes	McCann	Sandoval
Bush	Hunter	McConnaughay	Silverstein
Clayborne	Hutchinson	McGuire	Stadelman
Collins	Jacobs	Morrison	Steans
Connelly	Jones, E.	Mulroe	Sullivan

Cullerton, T.	Koehler	Muñoz	Syverson
Cunningham	Kotowski	Murphy	Trotter
Delgado	LaHood	Noland	Van Pelt
Duffy	Landek	Oberweis	Mr. President
Forby	Lightford	Radogno	

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.

On motion of Senator Sandoval, **House Bill No. 1009** having been printed as received from the House of Representatives, together with all Senate Amendments adopted thereto, 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 56; NAYS None.

The following voted in the affirmative:

Althoff	Frerichs	Luechtefeld	Righter
Barickman	Haine	Manar	Rose
Biss	Harmon	Martinez	Sandoval
Bivins	Hastings	McCann	Silverstein
Brady	Holmes	McConnaughay	Stadelman
Bush	Hunter	McGuire	Steans
Clayborne	Hutchinson	Morrison	Sullivan
Collins	Jacobs	Mulroe	Syverson
Connelly	Jones, E.	Muñoz	Trotter
Cullerton, T.	Koehler	Murphy	Van Pelt
Cunningham	Kotowski	Noland	Mr. President
Delgado	LaHood	Oberweis	
Dillard	Landek	Radogno	
Duffy	Lightford	Raoul	
Forby	Link	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.

On motion of Senator Link, **House Bill No. 1020** having been printed as received from the House of Representatives, together with all Senate Amendments adopted thereto, 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 56; NAYS None.

The following voted in the affirmative:

Althoff	Frerichs	Luechtefeld	Righter
Barickman	Haine	Manar	Rose
Biss	Harmon	Martinez	Sandoval
Bivins	Hastings	McCann	Silverstein
Brady	Holmes	McConnaughay	Stadelman
Bush	Hunter	McGuire	Steans
Clayborne	Hutchinson	Morrison	Sullivan
Collins	Jacobs	Mulroe	Syverson
Connelly	Jones, E.	Muñoz	Trotter

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Cullerton, T.	Koehler	Murphy	Van Pelt
Cunningham	Kotowski	Noland	Mr. President
Delgado	LaHood	Oberweis	
Dillard	Landek	Radogno	
Duffy	Lightford	Raoul	
Forby	Link	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.

On motion of Senator Hunter, **House Bill No. 1046** having been printed as received from the House of Representatives, together with all Senate Amendments adopted thereto, 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 16.

The following voted in the affirmative:

Biss	Hastings	Martinez	Stears
Bush	Holmes	McGuire	Sullivan
Clayborne	Hunter	Morrison	Syverson
Collins	Hutchinson	Mulroe	Trotter
Cunningham	Jacobs	Muñoz	Van Pelt
Delgado	Jones, E.	Noland	Mr. President
Forby	Koehler	Raoul	
Frerichs	Kotowski	Sandoval	
Haine	Lightford	Silverstein	
Harmon	Link	Stadelman	

The following voted in the negative:

Althoff	Duffy	Murphy	Rose
Barickman	LaHood	Oberweis	
Bivins	Luechtefeld	Radogno	
Brady	McCann	Rezin	
Connelly	McConnaughay	Righter	

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.

On motion of Senator Cunningham, **House Bill No. 1048** having been printed as received from the House of Representatives, together with all Senate Amendments adopted thereto, 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 53; NAYS None.

The following voted in the affirmative:

Barickman	Harmon	Manar	Righter
Biss	Hastings	Martinez	Rose
Bivins	Holmes	McCann	Sandoval
Brady	Hunter	McConnaughay	Silverstein
Bush	Hutchinson	McGuire	Stadelman

Clayborne	Jacobs	Morrison	Steans
Collins	Jones, E.	Mulroe	Sullivan
Connelly	Koehler	Muñoz	Syverson
Cunningham	Kotowski	Murphy	Trotter
Delgado	LaHood	Noland	Van Pelt
Duffy	Landek	Oberweis	Mr. President
Forby	Lightford	Radogno	
Frerichs	Link	Raoul	
Haine	Luechtefeld	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.

On motion of Senator Steans, **House Bill No. 1052** having been printed as received from the House of Representatives, together with all Senate Amendments adopted thereto, 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 54; NAYS None.

The following voted in the affirmative:

Althoff	Haine	Luechtefeld	Rezin
Barickman	Harmon	Manar	Righter
Biss	Hastings	Martinez	Rose
Bivins	Holmes	McCann	Sandoval
Brady	Hunter	McConnaughay	Silverstein
Bush	Hutchinson	McGuire	Stadelman
Clayborne	Jacobs	Morrison	Steans
Collins	Jones, E.	Mulroe	Sullivan
Connelly	Koehler	Muñoz	Syverson
Cunningham	Kotowski	Murphy	Trotter
Delgado	LaHood	Noland	Van Pelt
Duffy	Landek	Oberweis	Mr. President
Forby	Lightford	Radogno	
Frerichs	Link	Raoul	

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.

On motion of Senator Mulroe, **House Bill No. 1192** having been printed as received from the House of Representatives, together with all Senate Amendments adopted thereto, 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 54; NAYS None.

The following voted in the affirmative:

Althoff	Haine	Luechtefeld	Rezin
Barickman	Harmon	Manar	Righter
Biss	Hastings	Martinez	Rose
Bivins	Holmes	McCann	Sandoval
Brady	Hunter	McConnaughay	Silverstein
Bush	Hutchinson	McGuire	Stadelman

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Clayborne	Jacobs	Morrison	Steans
Collins	Jones, E.	Mulroe	Sullivan
Connelly	Koehler	Muñoz	Syverson
Cunningham	Kotowski	Murphy	Trotter
Delgado	LaHood	Noland	Van Pelt
Duffy	Landek	Oberweis	Mr. President
Forby	Lightford	Radogno	
Frerichs	Link	Raoul	

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.

### READING BILLS FROM THE HOUSE OF REPRESENTATIVES A SECOND TIME

On motion of Senator Link, **House Bill No. 163** was taken up, read by title a second time and ordered to a third reading.

On motion of Senator Link, **House Bill No. 167** was taken up, read by title a second time and ordered to a third reading.

On motion of Senator Link, **House Bill No. 226** was taken up, read by title a second time and ordered to a third reading.

On motion of Senator Link, **House Bill No. 1349** was taken up, read by title a second time and ordered to a third reading.

On motion of Senator Link, **House Bill No. 1604** having been printed, was taken up and read by title a second time.

The following amendment was offered in the Committee on Revenue, adopted and ordered printed:

#### AMENDMENT NO. 1 TO HOUSE BILL 1604

AMENDMENT NO. 1. Amend House Bill 1604 on page 3, immediately below line 23, by inserting the following:

"Section 10. The Mobile Home Local Services Tax Enforcement Act is amended by changing Sections 255 and 260 as follows:

(35 ILCS 516/255)

Sec. 255. Sales in error.

(a) When, upon application of the county collector, the owner of the certificate of purchase, or a municipality that owns or has owned the mobile home ordered sold, it appears to the satisfaction of the court that ordered the mobile home sold that any of the following subsections are applicable, the court shall declare the sale to be a sale in error:

(1) the mobile home was not subject to taxation,

(1.5) the mobile home has been moved to a different location,

(2) the taxes had been paid prior to the sale of the mobile home,

(3) there is a double computation of the tax,

(4) the description is void for uncertainty,

(5) the assessor, chief county assessment officer, board of review, board of appeals, or other county official has made an error (other than an error of judgment as to the value of any mobile home),

(5.5) the owner of the mobile home had tendered timely and full payment to the county collector that the owner reasonably believed was due and owing on the mobile home, and the county collector did not apply the payment to the mobile home; provided that this provision applies only to mobile home owners, not their agents or third-party payors, ~~or~~

(6) prior to the tax sale a voluntary or involuntary petition has been filed by or against the legal or beneficial owner of the mobile home requesting relief under the provisions of 11

U.S.C. Chapter 7, 11, 12, or 13, or -

(7) the mobile home is owned by the United States, the State of Illinois, a municipality, or a taxing district.

(b) When, upon application of the owner of the certificate of purchase only, it appears to the satisfaction of the court that ordered the mobile home sold that any of the following subsections are applicable, the court shall declare the sale to be a sale in error:

(1) A voluntary or involuntary petition under the provisions of 11 U.S.C. Chapter 7, 11,

12, or 13 has been filed subsequent to the tax sale and prior to the issuance of the tax certificate of title.

(2) The mobile home sold has been substantially destroyed or rendered uninhabitable or otherwise unfit for occupancy subsequent to the tax sale and prior to the issuance of the tax certificate of title.

(c) When the county collector discovers, prior to the expiration of the period of redemption, that a tax sale should not have occurred for one or more of the reasons set forth in subdivision (a)(1), (a)(2), (a)(6), or (a)(7) of this Section, the county collector shall notify the last known owner of the certificate of purchase by certified and regular mail, or other means reasonably calculated to provide actual notice, that the county collector intends to declare an administrative sale in error and of the reasons therefor, including documentation sufficient to establish the reason why the sale should not have occurred. The owner of the certificate of purchase may object in writing within 28 days after the date of the mailing by the county collector. If an objection is filed, the county collector shall not administratively declare a sale in error, but may apply to the circuit court for a sale in error as provided in subsection (a) of this Section. Thirty days following the receipt of notice by the last known owner of the certificate of purchase, or within a reasonable time thereafter, the county collector shall make a written declaration, based upon clear and convincing evidence, that the taxes were sold in error and shall deliver a copy thereof to the county clerk within 30 days after the date the declaration is made for entry in the tax judgment, sale, redemption, and forfeiture record pursuant to subsection (d) of this Section. The county collector shall promptly notify the last known owner of the certificate of purchase of the declaration by regular mail and shall promptly pay the amount of the tax sale, together with interest and costs as provided in Sections 260 through 280, upon surrender of the original certificate of purchase.

(d) If a sale is declared to be a sale in error, the county clerk shall make entry in the tax judgment, sale, redemption and forfeiture record, that the mobile home was erroneously sold, and the county collector shall, on demand of the owner of the certificate of purchase, refund the amount paid, pay any interest and costs as may be ordered under Sections 260 through 280, and cancel the certificate so far as it relates to the mobile home. The county collector shall deduct from the accounts of the appropriate taxing bodies their pro rata amounts paid.

(Source: P.A. 92-807, eff. 1-1-03.)

(35 ILCS 516/260)

Sec. 260. Interest on refund.

(a) In those cases which arise solely under grounds set forth in Section 255 or 395, and in no other cases, the court which orders a sale in error shall also award interest on the refund of the amount paid for the certificate of purchase, together with all costs paid by the owner of the certificate of purchase or his or her assignor which were posted to the tax judgment, sale, redemption and forfeiture record, except as otherwise provided in this Section. Except as otherwise provided in this Section, interest shall be awarded and paid at the rate of 1% per month from the date of sale to the date of payment to the tax purchaser, or in an amount equivalent to the penalty interest which would be recovered on a redemption at the time of payment pursuant to the order for sale in error, whichever is less.

(b) Interest on the refund to the owner of the certificate of purchase shall not be paid (i) in any case in which the mobile home sold has been substantially destroyed or rendered uninhabitable or otherwise unfit for occupancy, (ii) when the sale in error is made pursuant to Section 395, or (iii) in any other case where the court determines that the tax purchaser had actual knowledge prior to the sale of the grounds on which the sale is declared to be erroneous.

(c) When the county collector files a petition for sale in error under Section 255 and mails a notice thereof by certified or registered mail to the tax purchaser, any interest otherwise payable under this Section shall cease to accrue as of the date the petition is filed, unless the tax purchaser agrees to an order for sale in error upon the presentation of the petition to the court. Notices under this subsection may be mailed to the original owner of the certificate of purchase, or to the latest assignee, if known. When the owner of the certificate of purchase contests the collector's petition solely to determine whether the grounds for sale in error are such as to support a claim for interest, the court may direct that the principal amount of the refund be paid to the owner of the certificate of purchase forthwith. If the



court thereafter determines that a claim for interest lies under this Section, it shall award such interest from the date of sale to the date the principal amount was paid. If the owner of the certificate of purchase files an objection to the county collector's intention to declare an administrative sale in error, as provided under subsection (c) of Section 255, and, thereafter, the county collector elects to apply to the circuit court for a sale in error under subsection (a) of Section 255, then, if the circuit court grants the county collector's application for a sale in error, the court may not award interest to the owner of the certificate of purchase for the period after the mailing date of the county collector's notice of intention to declare an administrative sale in error.

(Source: P.A. 92-807, eff. 1-1-03.)".

There being no further amendments, the bill, as amended, was ordered to a third reading.

On motion of Senator Link, **House Bill No. 2488** was taken up, read by title a second time and ordered to a third reading.

On motion of Senator Link, **House Bill No. 2807** was taken up, read by title a second time and ordered to a third reading.

## **RESOLUTIONS CONSENT CALENDAR**

### **SENATE RESOLUTION NO. 283**

Offered by Senator Kotowski and all Senators:

Mourns the death of John G. Machonga.

### **SENATE RESOLUTION NO. 284**

Offered by President Cullerton - Haine and all Senators:

Mourns the death of former Illinois Supreme Court Justice Moses Wilkins Harrison II of Caseyville.

### **SENATE RESOLUTION NO. 285**

Offered by Senator Dillard and all Senators:

Mourns the death of Suzanne Cooke of Naperville.

### **SENATE RESOLUTION NO. 286**

Offered by Senator Cunningham and all Senators:

Mourns the death of Kevin William Sanders, native of Palos Hills and former Plainfield resident.

### **SENATE RESOLUTION NO. 287**

Offered by Senator Koehler and all Senators:

Mourns the death of Dale O. Dobbins of Morton.

### **SENATE RESOLUTION NO. 290**

Offered by Senator Duffy and all Senators:

Mourns the death of Estelle Elizabeth "Peachie" Bowen of Norton Shores, Michigan, formerly of Elmhurst.

### **SENATE RESOLUTION NO. 291**

Offered by Senator LaHood and all Senators:

Mourns the death of Edmund Joseph Mallow, Sr., of Peoria.

### **SENATE RESOLUTION NO. 292**

Offered by Senator Connelly and all Senators:

Mourns the death of Frank Hnilo.

### **SENATE RESOLUTION NO. 293**

Offered by Senator Haine and all Senators:

Mourns the death of Charles E. McCarthy of Bethalto.

**SENATE RESOLUTION NO. 294**

Offered by Senator McGuire and all Senators  
Mourns the death of Charles E. Evans, Jr., of Joliet.

**SENATE RESOLUTION NO. 295**

Offered by Senator Haine and all Senators:  
Mourns the death of Evelyn Bernice Tedrick of Bentonville, Arkansas, formerly of Godfrey.

**SENATE RESOLUTION NO. 296**

Offered by Senator Haine and all Senators:  
Mourns the death of Consuelo G. "Connie" Raya of Alton.

**SENATE RESOLUTION NO. 297**

Offered by Senator Haine and all Senators:  
Mourns the death of Dale McRae of Bethalto.

**SENATE RESOLUTION NO. 299**

Offered by Senator Koehler and all Senators:  
Mourns the death of Roger D. Howerter of Canton.

**SENATE RESOLUTION NO. 300**

Offered by Senator McGuire and all Senators  
Mourns the death of Theresa Ann "Terri" (nee Farmer) Micetich of Joliet.

The Chair moved the adoption of the Resolutions Consent Calendar. The motion prevailed, and the resolutions were adopted.

**PRESENTATION OF RESOLUTION**

Senator Clayborne offered the following Senate Joint Resolution and, having asked and obtained unanimous consent to suspend the rules for its immediate consideration, moved its adoption:

**SENATE JOINT RESOLUTION NO. 37**

**RESOLVED, BY THE SENATE OF THE NINETY-EIGHTH GENERAL ASSEMBLY OF THE STATE OF ILLINOIS, THE HOUSE OF REPRESENTATIVES CONCURRING HEREIN,** that when the two Houses adjourn on Thursday, May 09, 2013, the Senate stands adjourned until Tuesday, May 14, 2013, or until the call of the President; and the House of Representatives stands adjourned until Friday, May 10, 2013, and when it adjourns on that day, it stands adjourned until Tuesday, May 14, 2013, at 12:00 o'clock noon, or until the call of the Speaker.

The motion prevailed.

And the resolution was adopted.

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

At the hour of 3:46 o'clock p.m., pursuant to **Senate Joint Resolution No. 37**, the Chair announced the Senate stand adjourned until Tuesday, May 14, 2013, at 12:00 o'clock noon, or until the call of the President.