Public Act 096-1495 (40 ILCS 5/3-125) (from Ch. 108 1/2, par. 3-125)

Sec. 3-125. Financing.

(a) **The city council** or the board of trustees of the municipality **shall annually levy a tax upon all the taxable property of the municipality** at the rate on the dollar which **will produce an amount** which, when added to the deductions from the salaries or wages of police officers, and revenues available from other sources, **will equal a sum sufficient to meet the annual requirements of the police pension fund**. The annual requirements to be provided by such tax levy are equal to (1) the normal cost of the pension fund for the year involved, **plus (2) an the amount sufficient to bring the total assets of the pension fund up to 90% of the total actuarial liabilities of the pension fund by the end of municipal fiscal year 2040**, as annually updated and determined by an enrolled actuary employed by the Illinois Department of Insurance or by an enrolled actuary retained by the pension fund or the municipality. In making these determinations, the required minimum employer contribution shall be calculated each year as a level percentage of payroll over the years remaining up to and including fiscal year 2040 and shall be determined under the projected unit credit actuarial cost method necessary to amortize the fund's unfunded accrued liabilities as provided in Section 3-127. The tax shall be levied and collected in the same manner as the general taxes of the municipality, and in addition to all other taxes now or hereafter authorized to be levied upon all property within the municipality, and shall be in addition to the amount authorized to be levied for general purposes as provided by Section 8-3-1 of the Illinois Municipal Code, approved May 29, 1961, as amended. The tax shall be forwarded directly to the treasurer of the board within 30 business days after receipt by the county.

(b) For purposes of determining the required employer contribution to a pension fund, the value of the pension fund's assets shall be equal to the actuarial value of the pension fund's assets, which shall be calculated as follows:

(1) On March 30, 2011, the actuarial value of a pension fund's assets shall be equal to the market value of the assets as of that date.

(2) In determining the actuarial value of the System's assets for fiscal years after March 30, 2011, any actuarial gains or losses from investment return incurred in a fiscal year shall be recognized in equal annual amounts over the 5-year period following that fiscal year.

(c) If a participating municipality fails to transmit to the fund contributions required of it under this Article for more than 90 days after the payment of those contributions is due, the fund may, after giving notice to the municipality, certify to the State Comptroller the amounts of the delinquent payments, and the Comptroller must, beginning in fiscal year 2016, deduct and deposit into the fund the certified amounts or a portion of those amounts from the following proportions of grants of State funds to the municipality:

(1) in fiscal year 2016, one-third of the total amount of any grants of State funds to the municipality;

(2) in fiscal year 2017, two-thirds of the total amount of any grants of State funds to the municipality; and

(3) in fiscal year 2018 and each fiscal year thereafter, the total amount of any grants of State funds to the municipality.

The State Comptroller may not deduct from any grants of State funds to the municipality more than the amount of delinquent payments certified to the State Comptroller by the fund.