



Rep. Elaine Nekritz

**Filed: 3/19/2015**

09900HB3484ham001

LRB099 09762 EFG 32445 a

1 AMENDMENT TO HOUSE BILL 3484

2 AMENDMENT NO. \_\_\_\_\_. Amend House Bill 3484 by replacing  
3 everything after the enacting clause with the following:

4 "Section 5. The State Comptroller Act is amended by adding  
5 Section 10-05e as follows:

6 (15 ILCS 405/10-05e new)

7 Sec. 10-05e. Deductions from amounts due to pension funds  
8 or retirement systems; statement of reason for deduction.  
9 Whenever an employer participating in any pension fund or  
10 retirement system created under Article 3, 4, 5, 6, 7, 8, 9,  
11 10, 11, 12, or 13 of the Illinois Pension Code or Division 1 of  
12 Article 22 of the Illinois Pension Code shall be entitled to a  
13 grant of State funds, on any account, against whom there shall  
14 be any then due and payable account or claim in favor of the  
15 pension fund or retirement system, upon certification by that  
16 entity, the Comptroller, upon notification thereof, shall

1 ascertain the amount due and payable, and draw a warrant on the  
2 treasury or on other funds held by the State Treasurer, stating  
3 the amount for which the party was entitled to a warrant or  
4 other payment, the amount deducted therefrom, and on what  
5 account, and directing the payment of the balance; which  
6 warrant or payment as so drawn shall be entered on the books of  
7 the Treasurer, and such balance only shall be paid. The  
8 Comptroller may deduct the entire amount due and payable to the  
9 retirement system or pension fund, or a portion of the amount  
10 due and payable to that entity, in accordance with this Section  
11 and the corresponding Section of the Illinois Pension Code  
12 authorizing such deductions. Whenever the Comptroller draws a  
13 warrant or makes a payment involving a deduction ordered under  
14 this Section, the Comptroller shall notify the participating  
15 employer and the retirement system or pension fund that  
16 submitted the voucher of the reason for the deduction.

17 Section 10. The Illinois Pension Code is amended by  
18 changing Sections 7-195.1, 7-210, and 7-214 and by adding  
19 Sections 9-184.5, 10-107.5, 12-149.5, 13-503.5, and 22-104 as  
20 follows:

21 (40 ILCS 5/7-195.1) (from Ch. 108 1/2, par. 7-195.1)

22 Sec. 7-195.1. To establish and maintain a revolving  
23 account. To establish and maintain a revolving account in a  
24 bank or savings and loan association, approved by the State

1 Treasurer as a State depository and having capital funds,  
2 represented by capital, surplus, and undivided profits, of at  
3 least 5 million dollars, for the purpose of making payments of  
4 annuities, benefits, and administrative expenses and payments  
5 to the State Agency provided in Section 7-170. All funds  
6 deposited in such account shall be placed in the name of the  
7 Fund fund and shall be withdrawn only by a check or draft upon  
8 the bank or savings and loan association signed by the  
9 president of the board or the executive director, as the board  
10 may direct. In case the president or executive director, whose  
11 signature appears upon any check or draft, after attaching his  
12 signature ceases to hold office before the delivery thereof to  
13 the payee, his signature nevertheless shall be valid and  
14 sufficient for all purposes with the same effect as if he had  
15 remained in office until delivery thereof. The revolving  
16 account shall be created by resolution of the board. ~~The State~~  
17 ~~Comptroller, upon receipt of a copy of such resolution and a~~  
18 ~~voucher designating the payment of \$300,000 into the revolving~~  
19 ~~account, shall draw his warrant on the State Treasurer for~~  
20 ~~payment of same to the Fund for deposit in the revolving~~  
21 ~~account.~~ The monies in the revolving account shall be held and  
22 expenditures shall be made by the Fund for the purposes herein  
23 set forth. The Fund shall reimburse the revolving account for  
24 expenditures for such purposes ~~and the Comptroller, upon~~  
25 ~~receipt of vouchers signed as provided in Section 7-210 and~~  
26 ~~including a statement of expenditures made from the revolving~~

1 ~~account, shall draw his warrant on the State Treasurer for the~~  
2 ~~payment of the amount of such expenditures to the Fund for~~  
3 ~~deposit in the revolving account.~~

4 No bank or savings and loan association shall receive  
5 investment funds as permitted by this Section, unless it has  
6 complied with the requirements established pursuant to Section  
7 6 of the Public Funds Investment Act ~~"An Act relating to~~  
8 ~~certain investments of public funds by public agencies",~~  
9 ~~approved July 23, 1943,~~ as now or hereafter amended. The  
10 limitations set forth in such Section 6 shall be applicable  
11 only at the time of investment and shall not require the  
12 liquidation of any investment at any time.

13 (Source: P.A. 83-541.)

14 (40 ILCS 5/7-210) (from Ch. 108 1/2, par. 7-210)

15 Sec. 7-210. Funds.

16 (a) All money received by the board shall immediately be  
17 deposited with the custodian ~~State Treasurer~~ for the account of  
18 the Fund ~~fund~~, or in the case of funds received under Section  
19 7-199.1, in a separate account maintained for that purpose. All  
20 payments from the accounts of the Fund shall be made by the  
21 custodian only, and only by a check or draft signed by the  
22 president of the board or the executive director, as the board  
23 may direct. Such checks and drafts ~~All disbursements of funds~~  
24 ~~held by the State Treasurer shall be made only upon warrants of~~  
25 ~~the State Comptroller drawn upon the Treasurer as custodian of~~

1 ~~this fund upon vouchers signed by the person or persons~~  
2 ~~designated for such purpose by resolution of the board. The~~  
3 ~~Comptroller is authorized to draw such warrants upon vouchers~~  
4 ~~so signed, including warrants payable to the Fund for deposit~~  
5 ~~in a revolving account authorized by Section 7-195.1. The~~  
6 ~~Treasurer shall accept all warrants so signed and shall be~~  
7 ~~released from liability for all payments made thereon. Vouchers~~  
8 shall be drawn only upon proper authorization by the board as  
9 properly recorded in the official minute books of the meetings  
10 of the board.

11 (b) (Blank). ~~All securities of the fund when received shall~~  
12 ~~be deposited with the State Treasurer who shall provide~~  
13 ~~adequate safe deposit facilities for their preservation and~~  
14 ~~have custody of them.~~

15 (c) The assets of the Fund ~~fund~~ shall be invested as one  
16 fund, and no particular person, municipality, or  
17 instrumentality thereof or participating instrumentality shall  
18 have any right in any specific security or in any item of cash  
19 other than an undivided interest in the whole.

20 (d) Except as provided in subsection (d-5), whenever any  
21 employees of a municipality or participating instrumentality  
22 have been or shall be excluded from participation in this Fund  
23 ~~fund~~ by virtue of the application of paragraph b of Section  
24 7-109 (2), the board shall issue a check or draft ~~voucher~~  
25 ~~authorizing the Comptroller to draw his warrant upon the~~  
26 ~~Treasurer as custodian of this fund~~ in an amount equal to the

1 accumulated contributions of such employees. Such check or  
2 draft ~~warrant~~ shall be drawn in favor of ~~the appropriate fund~~  
3 ~~of~~ the pension or retirement fund in which such employees have  
4 or shall become participants. Such transfer shall terminate any  
5 further rights of such employees under this Fund ~~fund~~.

6 (d-5) Upon creation of a newly established Article 3 police  
7 pension fund by referendum under Section 3-145 or by census  
8 under Section 3-105, the following amounts shall be transferred  
9 from this Fund to the new police pension fund, within 30 days  
10 after an application therefor is received from the new pension  
11 fund:

12 (1) the amounts actually contributed to this Fund as  
13 employee contributions by or on behalf of the police  
14 officers transferring to the new pension fund for their  
15 service as police officers of the municipality that is  
16 establishing the new pension fund, plus interest on those  
17 amounts at the rate of 6% per year, compounded annually,  
18 from the date of contribution to the date of transfer to  
19 the new pension fund, and

20 (2) an amount representing employer contributions,  
21 equal to the total amount determined under item (1).

22 This transfer terminates any further rights of such police  
23 officers in this Fund arising out of their service as police  
24 officers of the municipality that is establishing the new  
25 pension fund.

26 (e) If a participating instrumentality terminates

1 participation because it fails to meet the requirements of  
2 Section 7-108, it shall pay to the Fund ~~fund~~ the amount equal  
3 to any net debit balance in its municipality reserve account  
4 and account receivable. Its successors, and assigns and  
5 transferees of its assets shall be obligated to make this  
6 payment to the extent of the value of assets transferred to  
7 them. The Fund ~~fund~~ shall pay an amount equal to any net credit  
8 balance to the participating instrumentality, its successors  
9 or assigns. Any remaining net debit or credit balance not  
10 collectible or payable shall be transferred to the terminated  
11 municipality reserve account. The Fund ~~fund~~ shall pay to each  
12 employee of the participating instrumentality an amount equal  
13 to his credits in the employee reserves. The employees shall  
14 have no further rights to any benefits from the Fund ~~fund~~,  
15 except that annuities awarded prior to the date of termination  
16 shall continue to be paid.

17 (Source: P.A. 98-729, eff. 7-26-14.)

18 (40 ILCS 5/7-214) (from Ch. 108 1/2, par. 7-214)

19 Sec. 7-214. Custodian ~~State treasurer~~. The Board shall  
20 appoint one or more custodians to receive and hold the assets  
21 of the Fund on such terms as the Board may agree. ~~The State~~  
22 ~~Treasurer shall be the treasurer of the fund and shall be~~  
23 ~~responsible for the proper handling of all the assets of the~~  
24 ~~fund in accordance with this Article. He shall furnish a~~  
25 ~~corporate surety bond of such amount as the board designates,~~

1 ~~which bond shall indemnify the board against any loss which may~~  
2 ~~result from any action or failure to act by the treasurer or~~  
3 ~~any of his agents. All charges incidental to the procuring and~~  
4 ~~giving of such bond shall be paid by the board.~~

5 (Source: Laws 1963, p. 161.)

6 (40 ILCS 5/9-184.5 new)

7 Sec. 9-184.5. Delinquent contributions; deduction from  
8 grants of State funds to the county. If the county fails to  
9 transmit to the Fund contributions required of it under this  
10 Article by December 31st of the year in which such  
11 contributions are due, the Fund may, after giving notice to the  
12 county, certify to the State Comptroller the amounts of the  
13 delinquent payments, and the Comptroller must, beginning in  
14 payment year 2016, deduct and deposit into the Fund the  
15 certified amounts from grants of State funds to the county.

16 The State Comptroller may not deduct from any grants of  
17 State funds to the county more than the amount of delinquent  
18 payments certified to the State Comptroller by the Fund.

19 (40 ILCS 5/10-107.5 new)

20 Sec. 10-107.5. Delinquent contributions; deduction from  
21 grants of State funds to the district. If the district fails to  
22 transmit to the Fund contributions required of it under this  
23 Article by December 31st of the year in which such  
24 contributions are due, the Fund may, after giving notice to the



1 district, certify to the State Comptroller the amounts of the  
2 delinquent payments, and the Comptroller must, beginning in  
3 payment year 2016, deduct and deposit into the Fund the  
4 certified amounts from grants of State funds to the district.

5 The State Comptroller may not deduct from any grants of  
6 State funds to the district more than the amount of delinquent  
7 payments certified to the State Comptroller by the Fund.

8 (40 ILCS 5/12-149.5 new)

9 Sec. 12-149.5. Delinquent contributions; deduction from  
10 grants of State funds to the employer. If the employer fails to  
11 transmit to the Fund contributions required of it under this  
12 Article by December 31st of the year in which such  
13 contributions are due, the Fund may, after giving notice to the  
14 employer, certify to the State Comptroller the amounts of the  
15 delinquent payments, and the Comptroller must, beginning in  
16 payment year 2016, deduct and deposit into the Fund the  
17 certified amounts from grants of State funds to the employer.

18 The State Comptroller may not deduct from any grants of  
19 State funds to the employer more than the amount of delinquent  
20 payments certified to the State Comptroller by the Fund.

21 (40 ILCS 5/13-503.5 new)

22 Sec. 13-503.5. Delinquent contributions; deduction from  
23 grants of State funds to the employer. If the employer fails to  
24 transmit to the Fund contributions required of it under this

1 Article by December 31st of the year in which such  
2 contributions are due, the Fund may, after giving notice to the  
3 employer, certify to the State Comptroller the amounts of the  
4 delinquent payments, and the Comptroller must, beginning in  
5 payment year 2016, deduct and deposit into the Fund the  
6 certified amounts from grants of State funds to the employer.

7 The State Comptroller may not deduct from any grants of  
8 State funds to the employer more than the amount of delinquent  
9 payments certified to the State Comptroller by the Fund.

10 (40 ILCS 5/22-104 new)

11 Sec. 22-104. Delinquent contributions; deduction from  
12 grants of State funds to the employer. If an employer of  
13 participants in a pension fund or retirement plan subject to  
14 this Division fails to transmit contributions required of it by  
15 that pension fund or retirement plan by December 31st of the  
16 year in which such contributions are due, the pension fund or  
17 retirement plan may, after giving notice to the employer,  
18 certify to the State Comptroller the amounts of the delinquent  
19 payments, and the Comptroller must, beginning in payment year  
20 2016, deduct and deposit into that pension fund or retirement  
21 plan the certified amounts from grants of State funds to the  
22 employer.

23 The State Comptroller may not deduct from any grants of  
24 State funds to the employer more than the amount of delinquent  
25 payments certified to the State Comptroller by the employer.

1           Section 99. Effective date. This Act takes effect July 1,  
2    2015.".