

1 AN ACT concerning public employee benefits.

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

4 Section 5. The Illinois Pension Code is amended by
5 changing Sections 1A-101, 1A-106, 1A-107, 1A-108, 1A-109, and
6 1A-113 as follows:

7 (40 ILCS 5/1A-101)

8 Sec. 1A-101. Creation of Public Pension Division. There is
9 created in the Department of Insurance a Public Pension
10 Division which, under the supervision and direction of the
11 Director of Insurance, shall exercise the powers and perform
12 the duties and functions prescribed under this Code. The
13 Division shall consist of an administrator, ~~a supervisor,~~ a
14 technical staff trained in the fundamentals of public pension
15 fund planning, operations, administration, and investment of
16 public pension funds, and such other personnel as may be
17 necessary properly and effectively to discharge the functions
18 of the Division.

19 (Source: P.A. 90-507, eff. 8-22-97.)

20 (40 ILCS 5/1A-106)

21 Sec. 1A-106. Advisory services. The Division may ~~shall~~
22 render advisory services to the pension funds on all matters

1 pertaining to their operations and shall recommend any
2 corrective or clarifying legislation that it may deem
3 necessary. These recommendations may ~~shall~~ be made in the
4 report of examination of the particular pension fund and in
5 the biennial report to the General Assembly under Section
6 1A-108. The recommendations may embrace all substantive
7 legislative and administrative policies, including, but not
8 limited to, matters dealing with the payment of annuities and
9 benefits, the investment of funds, and the condition of the
10 books, records, and accounts of the pension fund.

11 (Source: P.A. 90-507, eff. 8-22-97.)

12 (40 ILCS 5/1A-107)

13 Sec. 1A-107. Automation of services. The Division shall
14 automate its operations, services, and communications to the
15 fullest practical extent. This automation shall include, but
16 need not be limited to, the acquisition, use, and maintenance
17 of electronic data processing technology to (i) automate
18 Division operations as necessary to carry out its duties and
19 responsibilities under this Code, (ii) provide ~~by FY 2000~~
20 electronic exchange of information between the Division and
21 pension funds subject to this Code, (iii) provide to pension
22 funds and the general public and receive from pension funds
23 and the general public data on computer processible media, and
24 (iv) control access to information when necessary to protect
25 the confidentiality of persons identified in the information.

1 The Division shall ensure that this automation is designed
2 so as to protect any confidential data it may receive from a
3 pension fund. This Section does not authorize the Division or
4 the Department of Insurance to disclose any information
5 identifying specific pension fund participants or relating to
6 an identifiable pension fund participant.

7 (Source: P.A. 90-507, eff. 8-22-97.)

8 (40 ILCS 5/1A-108)

9 Sec. 1A-108. Report to the Governor and General Assembly.
10 On or before October 1 following the convening of a regular
11 session of the General Assembly, the Division shall submit a
12 report to the Governor and General Assembly setting forth the
13 latest financial statements on the pension funds operating in
14 the State of Illinois, a summary of the current provisions
15 underlying these funds, and a report on any changes that have
16 occurred in these provisions since the date of the last such
17 report submitted by the Division.

18 The report shall ~~also~~ include the results of examinations
19 made by the Division of any pension fund as well as the results
20 of examinations made by an independent certified public
21 accountant retained by the respective Consolidated Fund for
22 exams of Article 3 and 4 funds as provided in Section 1A-104.
23 The report shall also include ~~and~~ any specific recommendations
24 for legislative and administrative correction that the
25 Division deems necessary. The report may embody general

1 recommendations concerning desirable changes in any existing
2 pension, annuity, or retirement laws designed to standardize
3 and establish uniformity in their basic provisions and to
4 bring about an improvement in the financial condition of the
5 pension funds. The purposes of these recommendations and the
6 objectives sought shall be clearly expressed in the report.

7 The requirement for reporting to the General Assembly
8 shall be satisfied by filing copies of the report as required
9 by Section 3.1 of the General Assembly Organization Act, and
10 filing additional copies with the State Government Report
11 Distribution Center for the General Assembly as required under
12 paragraph (t) of Section 7 of the State Library Act.

13 Upon request, the Division shall distribute additional
14 copies of the report at no charge to the secretary of each
15 pension fund established under Article 3 or 4, the treasurer
16 or fiscal officer of each municipality with an established
17 police or firefighter pension fund, the executive director of
18 every other pension fund established under this Code, and to
19 public libraries, State agencies, and police, firefighter, and
20 municipal organizations active in the public pension area.

21 (Source: P.A. 100-1148, eff. 12-10-18.)

22 (40 ILCS 5/1A-109)

23 Sec. 1A-109. Annual statements by pension funds. Each
24 pension fund shall furnish to the Division an annual statement
25 in a format prepared by the Division.

1 The Division shall design the form and prescribe the
2 content of the annual statement and, if any changes are made to
3 the form for a given fiscal year, at least 60 days prior to the
4 filing date, shall furnish the form to each pension fund for
5 completion. The annual statement shall be prepared by each
6 fund, properly certified by its officers, and submitted to the
7 Division within 6 months following the close of the fiscal
8 year of the pension fund.

9 The annual statement shall include, but need not be
10 limited to, the following:

11 (1) a financial balance sheet as of the close of the
12 fiscal year;

13 (2) a statement of income and expenditures;

14 (3) an actuarial balance sheet;

15 (4) statistical data reflecting age, service, and
16 salary characteristics concerning all participants;

17 (5) special facts concerning disability or other
18 claims;

19 (6) details on investment transactions that occurred
20 during the fiscal year covered by the report, including,
21 for pension funds under Article 3 or 4 of this Code,
22 details on transactions pertaining to nontransferable
23 assets that funds retain after transferring investments to
24 the respective Consolidated Fund in accordance with Public
25 Act 101-610 that occurred during the fiscal year covered
26 by the report;

1 (7) details on administrative expenses; and
2 (8) such other supporting data and schedules as in the
3 judgement of the Division may be necessary for a proper
4 appraisal of the financial condition of the pension fund
5 and the results of its operations. The annual statement
6 shall also specify the actuarial and interest tables used
7 in the operation of the pension fund.

8 For pension funds under Article 3 or 4 of this Code, after
9 the conclusion of the transition period, the Consolidated Fund
10 shall furnish directly to the Division the information
11 described in items (1) and (6) of this Section and shall
12 otherwise cooperate with the pension fund in the preparation
13 of the annual statement.

14 A pension fund that fails to file its annual statement
15 within the time prescribed under this Section is subject to
16 the penalty provisions of Section 1A-113.

17 (Source: P.A. 101-610, eff. 1-1-20.)

18 (40 ILCS 5/1A-113)

19 Sec. 1A-113. Penalties.

20 (a) A pension fund that fails, without just cause, to file
21 its annual statement within the time prescribed under Section
22 1A-109 shall pay to the Department a penalty to be determined
23 by the Department, which shall not exceed \$100 for each day's
24 delay.

25 (b) A pension fund that fails, without just cause, to file

1 its actuarial statement within the time prescribed under
2 Section 1A-110 or 1A-111 shall pay to the Department a penalty
3 to be determined by the Department, which shall not exceed
4 \$100 for each day's delay.

5 (c) A pension fund that fails to pay a fee within the time
6 prescribed under Section 1A-112 shall pay to the Department a
7 penalty of 5% of the amount of the fee for each month or part
8 of a month that the fee is late. The entire penalty shall not
9 exceed 25% of the fee due.

10 (d) This subsection applies to any governmental unit, as
11 defined in Section 1A-102, that is subject to any law
12 establishing a pension fund or retirement system for the
13 benefit of employees of the governmental unit.

14 Whenever the Division determines by examination,
15 investigation, or in any other manner that the governing body
16 or any elected or appointed officer or official of a
17 governmental unit has failed to comply with any provision of
18 that law:

19 (1) The Director shall notify in writing the governing
20 body, officer, or official of the specific provision or
21 provisions of the law with which the person has failed to
22 comply.

23 (2) Upon receipt of the notice, the person notified
24 shall take immediate steps to comply with the provisions
25 of law specified in the notice.

26 (3) If the person notified fails to comply within a

1 reasonable time after receiving the notice, the Director
2 may hold a hearing at which the person notified may show
3 cause for noncompliance with the law.

4 (4) If upon hearing the Director determines that good
5 and sufficient cause for noncompliance has not been shown,
6 the Director may order the person to submit evidence of
7 compliance within a specified period of not less than 30
8 days.

9 (5) If evidence of compliance has not been submitted
10 to the Director within the period of time prescribed in
11 the order and no administrative appeal from the order has
12 been initiated, the Director may assess a civil penalty of
13 up to \$2,000 against the governing body, officer, or
14 official for each noncompliance with an order of the
15 Director.

16 The Director shall develop by rule, with as much
17 specificity as practicable, the standards and criteria to be
18 used in assessing penalties and their amounts. The standards
19 and criteria shall include, but need not be limited to,
20 consideration of evidence of efforts made in good faith to
21 comply with applicable legal requirements. This rulemaking is
22 subject to the provisions of the Illinois Administrative
23 Procedure Act.

24 If a penalty is not paid within 30 days of the date of
25 assessment and no just cause has been communicated, the
26 Director may ~~without further notice shall~~ report the act of

1 noncompliance to the Attorney General of this State. It shall
2 be the duty of the Attorney General or, if the Attorney General
3 so designates, the State's Attorney of the county in which the
4 governmental unit is located to apply promptly by complaint on
5 relation of the Director of Insurance in the name of the people
6 of the State of Illinois, as plaintiff, to the circuit court of
7 the county in which the governmental unit is located for
8 enforcement of the penalty prescribed in this subsection or
9 for such additional relief as the nature of the case and the
10 interest of the employees of the governmental unit or the
11 public may require.

12 (e) Whoever knowingly makes a false certificate, entry, or
13 memorandum upon any of the books or papers pertaining to any
14 pension fund or upon any statement, report, or exhibit filed
15 or offered for file with the Division or the Director of
16 Insurance in the course of any examination, inquiry, or
17 investigation, with intent to deceive the Director, the
18 Division, or any of its employees is guilty of a Class A
19 misdemeanor.

20 (f) Subsections (b) and (c) shall apply to pension funds
21 established under Article 3 or Article 4 of this Code only
22 prior to the conclusion of the transition period, and this
23 Section shall not apply to the Consolidated Funds.

24 (Source: P.A. 101-610, eff. 1-1-20.)

25 (40 ILCS 5/1A-201 rep.)

1 Section 10. The Illinois Pension Code is amended by
2 repealing Section 1A-201.