



101ST GENERAL ASSEMBLY

State of Illinois

2019 and 2020

SB2312

Introduced 11/14/2019, by Sen. Jason Plummer

SYNOPSIS AS INTRODUCED:

40 ILCS 5/22B-118
40 ILCS 5/22C-118

If and only if Senate Bill 1300 of the 101st General Assembly becomes law in the form in which it passed both houses, amends the Police Officers' Pension Investment Fund and the Firefighters' Pension Investment Fund Articles of the Illinois Pension Code. Provides that if a participating pension fund account is commingled with any other participating pension fund account, then the balance of the commingled accounts shall be returned to those participating pension funds in accordance with the value of the pension fund assets attributable to each fund. Effective immediately or on the date Senate Bill 1300 of the 101st General Assembly takes effect, whichever is later.

LRB101 15473 RPS 64814 b

FISCAL NOTE ACT
MAY APPLY

PENSION IMPACT
NOTE ACT MAY
APPLY

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. If and only if Senate Bill 1300 of the 101st
5 General Assembly becomes law in the form in which it passed
6 both houses on November 14, 2019, then the Illinois Pension
7 Code is amended by changing Sections 22B-118 and 22C-118 as
8 follows:

9 (40 ILCS 5/22B-118)

10 Sec. 22B-118. Operation and administration of the Fund.

11 (a) The operation and administration of the Fund shall be
12 managed by an executive director. No later than 2 months after
13 the transition board is appointed or as soon thereafter as may
14 be practicable, the transition board shall appoint an interim
15 executive director who shall serve until a permanent executive
16 director is appointed by the board, with such appointment to be
17 made no later than 6 months after the end of the transition
18 period. The executive director shall act subject to and under
19 the supervision of the board and the board shall fix the
20 compensation of the executive director.

21 (b) The board may appoint one or more custodians to
22 facilitate the transfer of pension fund assets during the
23 transition period, and subsequently to provide custodial and

1 related fiduciary services on behalf of the board, and enter
2 into contracts for such services. The board may also appoint
3 external legal counsel and an independent auditing firm and may
4 appoint investment advisors and other consultants as it
5 determines to be appropriate and enter into contracts for such
6 services. With approval of the board, the executive director
7 may retain such other consultants, advisors, fiduciaries, and
8 service providers as may be desirable and enter into contracts
9 for such services.

10 (c) The board shall separately calculate account balances
11 for each participating pension fund. The operations and
12 financial condition of each participating pension fund account
13 shall not affect the account balance of any other participating
14 pension fund. Further, investment returns earned by the Fund
15 shall be allocated and distributed pro rata among each
16 participating pension fund account in accordance with the value
17 of the pension fund assets attributable to each fund.

18 If a participating pension fund account is commingled with
19 any other participating pension fund account, then the balance
20 of the commingled accounts shall be returned to those
21 participating pension funds in accordance with the value of the
22 pension fund assets attributable to each fund.

23 (d) With approval of the board, the executive director may
24 employ such personnel, professional or clerical, as may be
25 desirable and fix their compensation. The appointment and
26 compensation of the personnel, including the executive

1 director, shall not be subject to the Personnel Code.

2 (e) The board shall annually adopt a budget to support its
3 operations and administration. The board shall apply moneys
4 derived from the pension fund assets transferred and under its
5 control to pay the costs and expenses incurred in the operation
6 and administration of the Fund. The board shall from time to
7 time transfer moneys and other assets to the participating
8 pension funds as required for the participating pension funds
9 to pay expenses, benefits, and other required payments to
10 beneficiaries in the amounts and at the times prescribed in
11 this Code.

12 (f) The board may exercise any of the powers granted to
13 boards of trustees of pension funds under Sections 1-107 and
14 1-108 of this Code and may by resolution provide for the
15 indemnification of its members and any of its officers,
16 advisors, or employees in a manner consistent with those
17 Sections.

18 (g) An office for meetings of the board and for its
19 administrative personnel shall be established at any suitable
20 place within the State as may be selected by the board. All
21 books and records of the board shall be kept in such office.

22 (h) The board shall contract for a blanket fidelity bond in
23 the penal sum of not less than \$1,000,000 to cover members of
24 the board of trustees, the executive director, and all other
25 employees of the board, conditioned for the faithful
26 performance of the duties of their respective offices, the

1 premium on which shall be paid by the board.

2 (Source: 10100SB1300ham005.)

3 (40 ILCS 5/22C-118)

4 Sec. 22C-118. Operation and administration of the Fund.

5 (a) The operation and administration of the Fund shall be
6 managed by an executive director. No later than 2 months after
7 the transition board is appointed or as soon thereafter as may
8 be practicable, the transition board shall appoint an interim
9 executive director who shall serve until a permanent executive
10 director is appointed by the board, with such appointment to be
11 made no later than 6 months after the end of the transition
12 period. The executive director shall act subject to and under
13 the supervision of the board and the board shall fix the
14 compensation of the executive director.

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16 facilitate the transfer of pension fund assets during the
17 transition period, and subsequently to provide custodial and
18 related fiduciary services on behalf of the board, and enter
19 into contracts for such services. The board may also appoint
20 external legal counsel and an independent auditing firm and may
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11 any other participating pension fund account, then the balance
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16 the board of trustees, the executive director, and all other
17 employees of the board, conditioned for the faithful
18 performance of the duties of their respective offices, the
19 premium on which shall be paid by the board.

20 (Source: 10100SB1300ham005.)

21 Section 99. Effective date. This Act takes effect upon
22 becoming law or on the date Senate Bill 1300 of the 101st
23 General Assembly in the form in which it passed both houses on
24 November 14, 2019 takes effect, whichever is later.