

SB1166



95TH GENERAL ASSEMBLY

State of Illinois

2007 and 2008

SB1166

Introduced 2/8/2007, by Sen. Jacqueline Y. Collins

SYNOPSIS AS INTRODUCED:

40 ILCS 5/1-110

from Ch. 108 1/2, par. 1-110

Amends the Illinois Pension Code. Makes a technical change in a Section concerning prohibited transactions.

LRB095 10225 AMC 30439 b

A BILL FOR

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 changing
5 Section 1-110 as follows:

6 (40 ILCS 5/1-110) (from Ch. 108 1/2, par. 1-110)

7 Sec. 1-110. Prohibited Transactions.

8 (a) A fiduciary with respect to a retirement system or
9 pension fund shall not cause the ~~the~~ retirement system or
10 pension fund to engage in a transaction if he or she knows or
11 should know that such transaction constitutes a direct or
12 indirect:

13 (1) Sale or exchange, or leasing of any property from
14 the retirement system or pension fund to a party in
15 interest for less than adequate consideration, or from a
16 party in interest to a retirement system or pension fund
17 for more than adequate consideration.

18 (2) Lending of money or other extension of credit from
19 the retirement system or pension fund to a party in
20 interest without the receipt of adequate security and a
21 reasonable rate of interest, or from a party in interest to
22 a retirement system or pension fund with the provision of
23 excessive security or an unreasonably high rate of

1 interest.

2 (3) Furnishing of goods, services or facilities from
3 the retirement system or pension fund to a party in
4 interest for less than adequate consideration, or from a
5 party in interest to a retirement system or pension fund
6 for more than adequate consideration.

7 (4) Transfer to, or use by or for the benefit of, a
8 party in interest of any assets of a retirement system or
9 pension fund for less than adequate consideration.

10 (b) A fiduciary with respect to a retirement system or
11 pension fund established under this Code shall not:

12 (1) Deal with the assets of the retirement system or
13 pension fund in his own interest or for his own account;

14 (2) In his individual or any other capacity act in any
15 transaction involving the retirement system or pension
16 fund on behalf of a party whose interests are adverse to
17 the interests of the retirement system or pension fund or
18 the interests of its participants or beneficiaries; or

19 (3) Receive any consideration for his own personal
20 account from any party dealing with the retirement system
21 or pension fund in connection with a transaction involving
22 the assets of the retirement system or pension fund.

23 (c) Nothing in this Section shall be construed to prohibit
24 any trustee from:

25 (1) Receiving any benefit to which he may be entitled
26 as a participant or beneficiary in the retirement system or

1 pension fund.

2 (2) Receiving any reimbursement of expenses properly
3 and actually incurred in the performance of his duties with
4 the retirement system or pension fund.

5 (3) Serving as a trustee in addition to being an
6 officer, employee, agent or other representative of a party
7 in interest.

8 (Source: P.A. 88-535.)