



## 96TH GENERAL ASSEMBLY

### State of Illinois

2009 and 2010

SB2456

Introduced 5/14/2009, by Sen. Jeffrey M. Schoenberg

#### SYNOPSIS AS INTRODUCED:

40 ILCS 5/15-167.1  
40 ILCS 5/16-179.1

from Ch. 108 1/2, par. 15-167.1  
from Ch. 108 1/2, par. 16-179.1

Amends the State Universities and Downstate Teacher Articles of the Illinois Pension Code. Allows the board of trustees to transfer to the Illinois State Board of Investment, for management and administration, all investments owned by the system by resolution duly adopted by a record vote of three-fifths of its membership (rather than by a majority vote of its membership). Effective immediately.

LRB096 12667 AMC 26251 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. The Illinois Pension Code is amended by changing  
5 Sections 15-167.1 and 16-179.1 as follows:

6 (40 ILCS 5/15-167.1) (from Ch. 108 1/2, par. 15-167.1)

7 Sec. 15-167.1. Participation in commingled investment  
8 funds—Transfer of investment functions and securities.

9 (a) The retirement board may invest in any commingled  
10 investment fund or funds established and maintained by the  
11 Illinois State Board of Investment under Article 22A of this  
12 Code. All commingled fund participations shall be subject to  
13 the law governing the Illinois State Board of Investment and  
14 the rules, policies and directives of that Board.

15 (b) The retirement board may, by resolution duly adopted by  
16 a record ~~majority~~ vote of three-fifths of its membership,  
17 transfer to the Illinois State Board of Investment created by  
18 Article 22A of this Code, for management and administration,  
19 all investments owned by the system of every kind and  
20 character. Upon completion of such transfer, the authority of  
21 the retirement board to make investments shall terminate.  
22 Thereafter, all investments of the reserves of the system shall  
23 be made by the Illinois State Board of Investment in accordance

1 with Article 22A of this Code.

2 The transfer shall be made not later than the first day of  
3 the fourth month next following the date of such resolution.  
4 Before such transfer, an audit of the investments shall be  
5 completed by a certified public accountant selected by the  
6 Illinois State Board of Investment and approved by the Auditor  
7 General of the State of Illinois. The expense of the audit  
8 shall be assumed by the retirement board.

9 (Source: P.A. 83-1440.)

10 (40 ILCS 5/16-179.1) (from Ch. 108 1/2, par. 16-179.1)

11 Sec. 16-179.1. To transfer investment functions and  
12 securities. The board may, by resolution duly adopted by a  
13 record ~~majority~~ vote of three-fifths of its membership,  
14 transfer to the Illinois State Board of Investment created by  
15 Article 22A, for management and administration, all  
16 investments owned by the system of every kind and character.  
17 Upon completion of such transfer, the authority of the board to  
18 make investments shall terminate. Thereafter, all investments  
19 of the assets of the system shall be made by the Illinois State  
20 Board of Investment in accordance with the provisions of  
21 Article 22A.

22 Such transfer shall be made not later than the first day of  
23 the fourth month next following the date of such resolution.  
24 Before such transfer an audit of such investments shall be  
25 completed by a certified public accountant selected by the

1 Illinois State Board of Investment and approved by the Auditor  
2 General of the State of Illinois. The expense of such audit  
3 shall be defrayed by the board.

4 (Source: P.A. 83-1440.)

5 Section 99. Effective date. This Act takes effect upon  
6 becoming law.