



## 98TH GENERAL ASSEMBLY

### State of Illinois

### 2013 and 2014

### HB5507

by Rep. Ron Sandack

#### SYNOPSIS AS INTRODUCED:

40 ILCS 5/7-195.1	from Ch. 108 1/2, par. 7-195.1
40 ILCS 5/7-210	from Ch. 108 1/2, par. 7-210
40 ILCS 5/7-214 rep.	

Amends the IMRF Article of the Illinois Pension Code. Provides that all money received by the board of trustees of the Fund shall be deposited with the Fund (instead of the State Treasurer). Provides that disbursements shall be made only upon proper authorization by the board. Repeals a provision that provides that the State Treasurer is the treasurer of the Fund. Removes provisions that require the State Comptroller to draw his or her warrant on the State Treasurer for deposits and disbursements. Effective July 1, 2014.

LRB098 17309 RPS 52403 b

FISCAL NOTE ACT  
MAY APPLY

PENSION IMPACT  
NOTE ACT MAY  
APPLY

1 AN ACT concerning pensions.

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 7-195.1 and 7-210 as follows:

6 (40 ILCS 5/7-195.1) (from Ch. 108 1/2, par. 7-195.1)

7 Sec. 7-195.1. To establish and maintain a revolving  
8 account. To establish and maintain a revolving account in a  
9 bank or savings and loan association, approved by the State  
10 Treasurer as a State depository and having capital funds,  
11 represented by capital, surplus, and undivided profits, of at  
12 least 5 million dollars, for the purpose of making payments of  
13 annuities, benefits, and administrative expenses and payments  
14 to the State Agency provided in Section 7-170. All funds  
15 deposited in such account shall be placed in the name of the  
16 fund and shall be withdrawn only by a check or draft upon the  
17 bank or savings and loan association signed by the president of  
18 the board or the executive director, as the board may direct.  
19 In case the president or executive director, whose signature  
20 appears upon any check or draft, after attaching his signature  
21 ceases to hold office before the delivery thereof to the payee,  
22 his signature nevertheless shall be valid and sufficient for  
23 all purposes with the same effect as if he had remained in

1 office until delivery thereof. The revolving account shall be  
2 created by resolution of the board. ~~The State Comptroller, upon~~  
3 ~~receipt of a copy of such resolution and a voucher designating~~  
4 ~~the payment of \$300,000 into the revolving account, shall draw~~  
5 ~~his warrant on the State Treasurer for payment of same to the~~  
6 ~~Fund for deposit in the revolving account.~~ The monies in the  
7 revolving account shall be held and expenditures shall be made  
8 by the Fund for the purposes herein set forth. The Fund shall  
9 reimburse the revolving account for expenditures for such  
10 purposes ~~and the Comptroller, upon receipt of vouchers signed~~  
11 ~~as provided in Section 7-210 and including a statement of~~  
12 ~~expenditures made from the revolving account, shall draw his~~  
13 ~~warrant on the State Treasurer for the payment of the amount of~~  
14 ~~such expenditures to the Fund for deposit in the revolving~~  
15 ~~account.~~

16 No bank or savings and loan association shall receive  
17 investment funds as permitted by this Section, unless it has  
18 complied with the requirements established pursuant to Section  
19 6 of "An Act relating to certain investments of public funds by  
20 public agencies", approved July 23, 1943, as now or hereafter  
21 amended. The limitations set forth in such Section 6 shall be  
22 applicable only at the time of investment and shall not require  
23 the liquidation of any investment at any time.

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

25 (40 ILCS 5/7-210) (from Ch. 108 1/2, par. 7-210)

1           Sec. 7-210. Funds.

2           (a) All money received by the board shall immediately be  
3 deposited in ~~with the State Treasurer for~~ the account of the  
4 fund, or in the case of funds received under Section 7-199.1,  
5 in a separate account maintained for that purpose. All  
6 disbursements of funds shall be held by the State Treasurer  
7 ~~shall be made only upon warrants of the State Comptroller drawn~~  
8 ~~upon the Treasurer as custodian of this fund upon vouchers~~  
9 signed by the person or persons designated for such purpose by  
10 resolution of the board. Disbursements shall be made ~~The~~  
11 ~~Comptroller is authorized to draw such warrants upon vouchers~~  
12 ~~so signed, including warrants payable to the Fund for deposit~~  
13 ~~in a revolving account authorized by Section 7-195.1. The~~  
14 ~~Treasurer shall accept all warrants so signed and shall be~~  
15 ~~released from liability for all payments made thereon. Vouchers~~  
16 ~~shall be drawn~~ only upon proper authorization by the board as  
17 properly recorded in the official minute books of the meetings  
18 of the board.

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

23           (c) The assets of the fund shall be invested as one fund,  
24 and no particular person, municipality, or instrumentality  
25 thereof or participating instrumentality shall have any right  
26 in any specific security or in any item of cash other than an

1 undivided interest in the whole.

2 (d) Whenever any employees of a municipality or  
3 participating instrumentality have been or shall be excluded  
4 from participation in this fund by virtue of the application of  
5 paragraph b of Section 7-109 (2), the board shall direct that  
6 an amount equal to the accumulated contributions of such  
7 employees be transferred to ~~issue a voucher authorizing the~~  
8 ~~Comptroller to draw his warrant upon the Treasurer as custodian~~  
9 ~~of this fund in an amount equal to the accumulated~~  
10 ~~contributions of such employees. Such warrant shall be drawn in~~  
11 ~~favor of~~ the appropriate fund of the retirement fund in which  
12 such employees have or shall become participants. Such transfer  
13 shall terminate any further rights of such employees under this  
14 fund.

15 (e) If a participating instrumentality terminates  
16 participation because it fails to meet the requirements of  
17 Section 7-108, it shall pay to the fund the amount equal to any  
18 net debit balance in its municipality reserve account and  
19 account receivable. Its successors, and assigns and  
20 transferees of its assets shall be obligated to make this  
21 payment to the extent of the value of assets transferred to  
22 them. The fund shall pay an amount equal to any net credit  
23 balance to the participating instrumentality, its successors  
24 or assigns. Any remaining net debit or credit balance not  
25 collectible or payable shall be transferred to the terminated  
26 municipality reserve account. The fund shall pay to each

1 employee of the participating instrumentality an amount equal  
2 to his credits in the employee reserves. The employees shall  
3 have no further rights to any benefits from the fund, except  
4 that annuities awarded prior to the date of termination shall  
5 continue to be paid.

6 (Source: P.A. 84-812.)

7 (40 ILCS 5/7-214 rep.)

8 Section 10. The Illinois Pension Code is amended by  
9 repealing Section 7-214.

10 Section 99. Effective date. This Act takes effect July 1,  
11 2014.