



Personnel and Pensions Committee

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09500HB4905ham001

LRB095 19184 AMC 50989 a

1 AMENDMENT TO HOUSE BILL 4905

2 AMENDMENT NO. \_\_\_\_\_. Amend House Bill 4905 by replacing  
3 everything after the enacting clause with the following:

4 "Section 3. The Department of Professional Regulation Law  
5 of the Civil Administrative Code of Illinois is amended by  
6 changing Section 2105-300 as follows:

7 (20 ILCS 2105/2105-300) (was 20 ILCS 2105/61e)

8 Sec. 2105-300. Professions Indirect Cost Fund;  
9 allocations; analyses.

10 (a) Appropriations for the direct and allocable indirect  
11 costs of licensing and regulating each regulated profession,  
12 trade, occupation, or industry are intended to be payable from  
13 the fees and fines that are assessed and collected from that  
14 profession, trade, occupation, or industry, to the extent that  
15 those fees and fines are sufficient. In any fiscal year in  
16 which the fees and fines generated by a specific profession,

1 trade, occupation, or industry are insufficient to finance the  
2 necessary direct and allocable indirect costs of licensing and  
3 regulating that profession, trade, occupation, or industry,  
4 the remainder of those costs shall be financed from  
5 appropriations payable from revenue sources other than fees and  
6 fines. The direct and allocable indirect costs of the  
7 Department identified in its cost allocation plans that are not  
8 attributable to the licensing and regulation of a specific  
9 profession, trade, or occupation, or industry or group of  
10 professions, trades, occupations, or industries shall be  
11 financed from appropriations from revenue sources other than  
12 fees and fines.

13 (b) The Professions Indirect Cost Fund is hereby created as  
14 a special fund in the State Treasury. Except as provided in  
15 subsection (e), the ~~The~~ Fund may receive transfers of moneys  
16 authorized by the Department from the cash balances in special  
17 funds that receive revenues from the fees and fines associated  
18 with the licensing of regulated professions, trades,  
19 occupations, and industries by the Department. Moneys in the  
20 Fund shall be invested and earnings on the investments shall be  
21 retained in the Fund. Subject to appropriation, the Department  
22 shall use moneys in the Fund to pay the ordinary and necessary  
23 allocable indirect expenses associated with each of the  
24 regulated professions, trades, occupations, and industries.

25 (c) Before the beginning of each fiscal year, the  
26 Department shall prepare a cost allocation analysis to be used

1 in establishing the necessary appropriation levels for each  
2 cost purpose and revenue source. At the conclusion of each  
3 fiscal year, the Department shall prepare a cost allocation  
4 analysis reflecting the extent of the variation between how the  
5 costs were actually financed in that year and the planned cost  
6 allocation for that year. Variations between the planned and  
7 actual cost allocations for the prior fiscal year shall be  
8 adjusted into the Department's planned cost allocation for the  
9 next fiscal year.

10 Each cost allocation analysis shall separately identify  
11 the direct and allocable indirect costs of each regulated  
12 profession, trade, occupation, or industry and the costs of the  
13 Department's general public health and safety purposes. The  
14 analyses shall determine whether the direct and allocable  
15 indirect costs of each regulated profession, trade,  
16 occupation, or industry and the costs of the Department's  
17 general public health and safety purposes are sufficiently  
18 financed from their respective funding sources. The Department  
19 shall prepare the cost allocation analyses in consultation with  
20 the respective regulated professions, trades, occupations, and  
21 industries and shall make copies of the analyses available to  
22 them in a timely fashion.

23 (d) Except as provided in subsection (e), the ~~The~~  
24 Department may direct the State Comptroller and Treasurer to  
25 transfer moneys from the special funds that receive fees and  
26 fines associated with regulated professions, trades,

1 occupations, and industries into the Professions Indirect Cost  
2 Fund in accordance with the Department's cost allocation  
3 analysis plan for the applicable fiscal year. For a given  
4 fiscal year, the Department shall not direct the transfer of  
5 moneys under this subsection from a special fund associated  
6 with a specific regulated profession, trade, occupation, or  
7 industry (or group of professions, trades, occupations, or  
8 industries) in an amount exceeding the allocable indirect costs  
9 associated with that profession, trade, occupation, or  
10 industry (or group of professions, trades, occupations, or  
11 industries) as provided in the cost allocation analysis for  
12 that fiscal year and adjusted for allocation variations from  
13 the prior fiscal year. No direct costs identified in the cost  
14 allocation plan shall be used as a basis for transfers into the  
15 Professions Indirect Cost Fund or for expenditures from the  
16 Fund.

17 (e) No transfer may be made to the Professions Indirect  
18 Cost Fund under this Section from the Public Pension Regulation  
19 Fund.

20 (Source: P.A. 94-91, eff. 7-1-05.)

21 Section 5. The Pension Impact Note Act is amended by  
22 changing Section 3 as follows:

23 (25 ILCS 55/3) (from Ch. 63, par. 42.43)

24 Sec. 3. Content of pension impact note.

1        (a) The pension impact note shall be factual in nature, as  
2 brief and concise as may be, and shall provide a reliable  
3 estimate of the impact of the bill on any public pension  
4 systems to be effected by it, in dollars where appropriate,  
5 and, in addition, it shall include both the immediate effect  
6 and, if determinable or reasonably foreseeable, the long range  
7 effect of the measure. If, after careful investigation, it is  
8 determined that no dollar estimate is possible, the note shall  
9 contain a statement to that effect, setting forth the reasons  
10 why no dollar estimate can be given. A brief summary or work  
11 sheet of computations used in arriving at pension impact note  
12 figures shall be included.

13        (b) The pension impact note for any legislation or  
14 amendment that the Commission on Government Forecasting and  
15 Accountability determines would result in an increase in  
16 benefits or increased costs to a pension fund established under  
17 Article 3 or 4 of the Illinois Pension Code may demonstrate the  
18 fiscal impact of the legislation being considered on selected  
19 individual municipalities with such pension funds.

20        (Source: P.A. 79-1397.)

21        Section 7. The State Finance Act is amended by changing  
22 Section 8f as follows:

23        (30 ILCS 105/8f)

24        Sec. 8f. Public Pension Regulation Fund. The Public Pension

1 Regulation Fund is created in the State Treasury. Except as  
2 otherwise provided in the Illinois Pension Code, all money  
3 received by the Department of Financial and Professional  
4 Regulation, as successor to the Illinois Department of  
5 Insurance, under the Illinois Pension Code shall be paid into  
6 the Fund. ~~Moneys in the Fund may be transferred to the~~  
7 ~~Professions Indirect Cost Fund, as authorized under Section~~  
8 ~~2105 300 of the Department of Professional Regulation Law of~~  
9 ~~the Civil Administrative Code of Illinois.~~ The State Treasurer  
10 promptly shall invest the money in the Fund, and all earnings  
11 that accrue on the money in the Fund shall be credited to the  
12 Fund. No money may be transferred from this Fund to any other  
13 fund. The General Assembly may make appropriations from this  
14 Fund for the ordinary and contingent expenses of the Public  
15 Pension Division of the Illinois Department of Insurance.

16 (Source: P.A. 94-91, eff. 7-1-05.)

17 Section 10. The Illinois Pension Code is amended by  
18 changing Sections 1-110, 1-113.5, 1A-104, 3-143, and 4-134 and  
19 by adding Sections 1-125, 3-141.1, 3-144.5, 4-138.5, and  
20 22-1004 as follows:

21 (40 ILCS 5/1-110) (from Ch. 108 1/2, par. 1-110)

22 Sec. 1-110. Prohibited Transactions.

23 (a) A fiduciary with respect to a retirement system or  
24 pension fund shall not cause the retirement system or pension

1 fund to engage in a transaction if he or she knows or should  
2 know that such transaction constitutes a direct or indirect:

3 (1) Sale or exchange, or leasing of any property from  
4 the retirement system or pension fund to a party in  
5 interest for less than adequate consideration, or from a  
6 party in interest to a retirement system or pension fund  
7 for more than adequate consideration.

8 (2) Lending of money or other extension of credit from  
9 the retirement system or pension fund to a party in  
10 interest without the receipt of adequate security and a  
11 reasonable rate of interest, or from a party in interest to  
12 a retirement system or pension fund with the provision of  
13 excessive security or an unreasonably high rate of  
14 interest.

15 (3) Furnishing of goods, services or facilities from  
16 the retirement system or pension fund to a party in  
17 interest for less than adequate consideration, or from a  
18 party in interest to a retirement system or pension fund  
19 for more than adequate consideration.

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

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

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

1           (2) In his individual or any other capacity act in any  
2 transaction involving the retirement system or pension  
3 fund on behalf of a party whose interests are adverse to  
4 the interests of the retirement system or pension fund or  
5 the interests of its participants or beneficiaries; or

6           (3) Receive any consideration for his own personal  
7 account from any party dealing with the retirement system  
8 or pension fund in connection with a transaction involving  
9 the assets of the retirement system or pension fund.

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

12           (1) Receiving any benefit to which he may be entitled  
13 as a participant or beneficiary in the retirement system or  
14 pension fund.

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

18           (3) Serving as a trustee in addition to being an  
19 officer, employee, agent or other representative of a party  
20 in interest.

21          (d) A fiduciary of a pension fund established under Article  
22 3 or 4 shall not knowingly cause or advise the pension fund to  
23 engage in an investment transaction when the fiduciary (i) has  
24 any direct interest in the income, gains, or profits of the  
25 investment advisor through which the investment transaction is  
26 made or (ii) has a business relationship with that investment



1 advisor that would result in a pecuniary benefit to the  
2 fiduciary as a result of the investment transaction.

3 Violation of this subsection (d) is a Class 4 felony.

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

5 (40 ILCS 5/1-113.5)

6 Sec. 1-113.5. Investment advisers and investment services.

7 (a) The board of trustees of a pension fund may appoint  
8 investment advisers as defined in Section 1-101.4. The board of  
9 any pension fund investing in common or preferred stock under  
10 Section 1-113.4 shall appoint an investment adviser before  
11 making such investments.

12 The investment adviser shall be a fiduciary, as defined in  
13 Section 1-101.2, with respect to the pension fund and shall be  
14 one of the following:

15 (1) an investment adviser registered under the federal  
16 Investment Advisers Act of 1940 and the Illinois Securities  
17 Law of 1953;

18 (2) a bank or trust company authorized to conduct a  
19 trust business in Illinois;

20 (3) a life insurance company authorized to transact  
21 business in Illinois; or

22 (4) an investment company as defined and registered  
23 under the federal Investment Company Act of 1940 and  
24 registered under the Illinois Securities Law of 1953.

25 (a-5) Notwithstanding any other provision of law, a person

1 or entity that provides consulting services (referred to as a  
2 "consultant" in this Section) to a pension fund with respect to  
3 the selection of fiduciaries may not be awarded a contract to  
4 provide those consulting services that is more than 5 years in  
5 duration. No contract to provide such consulting services may  
6 be renewed or extended. At the end of the term of a contract,  
7 however, the contractor is eligible to compete for a new  
8 contract. No person shall attempt to avoid or contravene the  
9 restrictions of this subsection by any means. All offers from  
10 responsive offerors shall be accompanied by disclosure of the  
11 names and addresses of the following:

12 (1) The offeror.

13 (2) Any entity that is a parent of, or owns a  
14 controlling interest in, the offeror.

15 (3) Any entity that is a subsidiary of, or in which a  
16 controlling interest is owned by, the offeror.

17 Beginning on July 1, 2008, a person, other than a trustee  
18 or an employee of a pension fund or retirement system, may not  
19 act as a consultant under this Section unless that person is at  
20 least one of the following: (i) registered as an investment  
21 adviser under the federal Investment Advisers Act of 1940 (15  
22 U.S.C. 80b-1, et seq.); (ii) registered as an investment  
23 adviser under the Illinois Securities Law of 1953; (iii) a  
24 bank, as defined in the Investment Advisers Act of 1940; or  
25 (iv) an insurance company authorized to transact business in  
26 this State.

1 (b) All investment advice and services provided by an  
2 investment adviser or a consultant appointed under this Section  
3 shall be rendered pursuant to a written contract between the  
4 investment adviser and the board, and in accordance with the  
5 board's investment policy.

6 The contract shall include all of the following:

7 (1) acknowledgement in writing by the investment  
8 adviser that he or she is a fiduciary with respect to the  
9 pension fund;

10 (2) the board's investment policy;

11 (3) full disclosure of direct and indirect fees,  
12 commissions, penalties, and any other compensation that  
13 may be received by the investment adviser, including  
14 reimbursement for expenses; and

15 (4) a requirement that the investment adviser submit  
16 periodic written reports, on at least a quarterly basis,  
17 for the board's review at its regularly scheduled meetings.  
18 All returns on investment shall be reported as net returns  
19 after payment of all fees, commissions, and any other  
20 compensation.

21 (b-5) Each contract described in subsection (b) shall also  
22 include (i) full disclosure of direct and indirect fees,  
23 commissions, penalties, and other compensation, including  
24 reimbursement for expenses, that may be paid by or on behalf of  
25 the investment adviser or consultant in connection with the  
26 provision of services to the pension fund and (ii) a

1 requirement that the investment adviser or consultant update  
2 the disclosure promptly after a modification of those payments  
3 or an additional payment.

4 Within 30 days after the effective date of this amendatory  
5 Act of the 95th General Assembly, each investment adviser and  
6 consultant providing services on the effective date or subject  
7 to an existing contract for the provision of services must  
8 disclose to the board of trustees all direct and indirect fees,  
9 commissions, penalties, and other compensation paid by or on  
10 behalf of the investment adviser or consultant in connection  
11 with the provision of those services and shall update that  
12 disclosure promptly after a modification of those payments or  
13 an additional payment.

14 A person required to make a disclosure under subsection (d)  
15 is also required to disclose direct and indirect fees,  
16 commissions, penalties, or other compensation that shall or may  
17 be paid by or on behalf of the person in connection with the  
18 rendering of those services. The person shall update the  
19 disclosure promptly after a modification of those payments or  
20 an additional payment.

21 The disclosures required by this subsection shall be in  
22 writing and shall include the date and amount of each payment  
23 and the name and address of each recipient of a payment.

24 (c) Within 30 days after appointing an investment adviser  
25 or consultant, the board shall submit a copy of the contract to  
26 the Division ~~Department~~ of Insurance of the Department of

1 Financial and Professional Regulation.

2 (d) Investment services provided by a person other than an  
3 investment adviser appointed under this Section, including but  
4 not limited to services provided by the kinds of persons listed  
5 in items (1) through (4) of subsection (a), shall be rendered  
6 only after full written disclosure of direct and indirect fees,  
7 commissions, penalties, and any other compensation that shall  
8 or may be received by the person rendering those services.

9 (e) The board of trustees of each pension fund shall retain  
10 records of investment transactions in accordance with the rules  
11 of the Department of Financial and Professional Regulation  
12 Insurance.

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

14 (40 ILCS 5/1-125 new)

15 Sec. 1-125. Prohibition on gifts.

16 (a) For the purposes of this Section:

17 "Gift" means a gift as defined in Section 1-5 of the State  
18 Officials and Employees Ethics Act.

19 "Prohibited source" means a person or entity who:

20 (i) is seeking official action (A) by the board or (B)  
21 by a board member;

22 (ii) does business or seeks to do business (A) with the  
23 board or (B) with a board member;

24 (iii) has interests that may be substantially affected  
25 by the performance or non-performance of the official

1 duties of the board member; or

2 (iv) is registered or required to be registered with  
3 the Secretary of State under the Lobbyist Registration Act,  
4 except that an entity not otherwise a prohibited source  
5 does not become a prohibited source merely because a  
6 registered lobbyist is one of its members or serves on its  
7 board of directors.

8 (b) No trustee of a board created under Article 3 or 4 of  
9 this Code shall intentionally solicit or accept any gift from  
10 any prohibited source as prescribed in Article 10 of the State  
11 Officials and Employees Ethics Act, including the exceptions  
12 contained in Section 10-15 of that Act, other than paragraphs  
13 (4) and (5) of that Section. Solicitation or acceptance of  
14 educational materials, however, is not prohibited. For the  
15 purposes of this Section, references to "State employee" and  
16 "employee" in Article 10 of the State Officials and Employees  
17 Ethics Act shall include a trustee of a board created under  
18 Article 3 or 4 of this Code.

19 (c) A municipality may adopt or maintain policies or  
20 ordinances that are more restrictive than those set forth in  
21 this Section and may continue to follow any existing policies  
22 or ordinances that are more restrictive or are in addition to  
23 those set forth in this Section.

24 (d) Violation of this Section is a Class A misdemeanor.

1           Sec. 1A-104. Examinations and investigations.

2           (a) The Division shall make periodic examinations and  
3 investigations of all pension funds established under this Code  
4 and maintained for the benefit of employees and officers of  
5 governmental units in the State of Illinois. However, in lieu  
6 of making an examination and investigation, the Division may  
7 accept and rely upon a report of audit or examination of any  
8 pension fund made by an independent certified public accountant  
9 pursuant to the provisions of the Article of this Code  
10 governing the pension fund. The acceptance of the report of  
11 audit or examination does not bar the Division from making a  
12 further audit, examination, and investigation if deemed  
13 necessary by the Division.

14           The Department may implement a flexible system of  
15 examinations under which it directs resources as it deems  
16 necessary or appropriate. In consultation with the pension fund  
17 being examined, the Division may retain attorneys, independent  
18 actuaries, independent certified public accountants, and other  
19 professionals and specialists as examiners, the cost of which  
20 (except in the case of pension funds established under Article  
21 3 or 4) shall be borne by the pension fund that is the subject  
22 of the examination.

23           (b) The Division shall examine or investigate each pension  
24 fund established under Article 3 or Article 4 of this Code. The  
25 schedule of each examination shall be such that each fund shall  
26 be examined once every 3 years.

1 Each examination shall include the following:

2 (1) an audit of financial transactions, investment  
3 policies, and procedures;

4 (2) an examination of books, records, documents,  
5 files, and other pertinent memoranda relating to  
6 financial, statistical, and administrative operations;

7 (3) a review of policies and procedures maintained for  
8 the administration and operation of the pension fund;

9 (4) a determination of whether or not full effect is  
10 being given to the statutory provisions governing the  
11 operation of the pension fund;

12 (5) a determination of whether or not the  
13 administrative policies in force are in accord with the  
14 purposes of the statutory provisions and effectively  
15 protect and preserve the rights and equities of the  
16 participants; ~~and~~

17 (6) a determination of whether or not proper financial  
18 and statistical records have been established and adequate  
19 documentary evidence is recorded and maintained in support  
20 of the several types of annuity and benefit payments being  
21 made; and—

22 (7) a determination of whether or not the calculations  
23 made by the fund for the payment of all annuities and  
24 benefits are accurate.

25 In addition, the Division may conduct investigations,  
26 which shall be identified as such and which may include one or



1 more of the items listed in this subsection.

2 A copy of the report of examination or investigation as  
3 prepared by the Division shall be submitted to the secretary of  
4 the board of trustees of the pension fund examined or  
5 investigated and to the chief executive officer of the  
6 municipality. The Director, upon request, shall grant a hearing  
7 to the officers or trustees of the pension fund or their duly  
8 appointed representatives, upon any facts contained in the  
9 report of examination. The hearing shall be conducted before  
10 filing the report or making public any information contained in  
11 the report. The Director may withhold the report from public  
12 inspection for up to 60 days following the hearing.

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

14 (40 ILCS 5/3-141.1 new)

15 Sec. 3-141.1. Award of benefits. Prior to the board's  
16 determination of benefits, the board shall provide, in writing,  
17 the total amount of the annuity for a member and all  
18 information used in the calculation of that benefit to the  
19 Treasurer of the municipality. If the Treasurer is of the  
20 opinion that the calculated annuity is incorrect, the Treasurer  
21 shall immediately notify the board. The board shall review the  
22 Treasurer's findings, and if the Board concurs that an error  
23 exists it shall re-determine the annuity so that it is  
24 calculated in accordance with the Illinois Pension Code.

1 (40 ILCS 5/3-143) (from Ch. 108 1/2, par. 3-143)

2 Sec. 3-143. Report by pension board.

3 (a) The pension board shall report annually to the city  
4 council or board of trustees of the municipality on the  
5 condition of the pension fund at the end of its most recently  
6 completed fiscal year. The report shall be made prior to the  
7 council or board meeting held for the levying of taxes for the  
8 year for which the report is made.

9 The pension board shall certify and provide the following  
10 information to the city council or board of trustees of the  
11 municipality:

12 (1) the total assets of the fund in its custody at the  
13 end of the fiscal year and the current market value of  
14 those assets;

15 (2) the estimated receipts during the next succeeding  
16 fiscal year from deductions from the salaries of police  
17 officers, and from all other sources;

18 (3) the estimated amount required during the next  
19 succeeding fiscal year to (a) pay all pensions and other  
20 obligations provided in this Article, and (b) to meet the  
21 annual requirements of the fund as provided in Sections  
22 3-125 and 3-127; ~~and~~

23 (4) the total net income received from investment of  
24 assets along with the assumed investment return and actual  
25 investment return received by the fund during its most  
26 recently completed fiscal year, compared to the total net

1 ~~such~~ income, assumed investment return, and actual  
2 investment return received during the preceding fiscal  
3 year;

4 (5) the total number of active employees who are  
5 financially contributing to the fund;

6 (6) the total amount that was disbursed in benefits  
7 during the fiscal year, including the number of and total  
8 amount disbursed to (i) annuitants in receipt of a regular  
9 retirement pension, (ii) recipients being paid a  
10 disability pension, and (iii) survivors and children in  
11 receipt of benefits;

12 (7) the funded ratio of the fund;

13 (8) the unfunded liability carried by the fund, along  
14 with an actuarial explanation of the unfunded liability;  
15 and

16 (9) the investment policy of the pension board under  
17 the statutory investment restrictions imposed on the fund.

18 Before the pension board makes its report, the municipality  
19 shall have the assets of the fund and their current market  
20 value verified by an independent certified public accountant of  
21 its choice.

22 (b) The municipality is authorized to publish the report  
23 submitted under this Section. This publication may be made,  
24 without limitation, by publication in a local newspaper of  
25 general circulation in the municipality or by publication on  
26 the municipality's Internet website. If the municipality

1 publishes the report, then that publication must include all of  
2 the information submitted by the pension board under subsection  
3 (a).

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

5 (40 ILCS 5/3-144.5 new)

6 Sec. 3-144.5. Fraud. Any person, member, trustee, or  
7 employee of the board who knowingly makes any false statement  
8 or falsifies or permits to be falsified any record of a fund in  
9 any attempt to defraud such fund as a result of such act, or  
10 intentionally or knowingly defrauds a fund in any manner, is  
11 guilty of a Class A misdemeanor.

12 (40 ILCS 5/4-134) (from Ch. 108 1/2, par. 4-134)

13 Sec. 4-134. Report for tax levy. The board shall report to  
14 the city council or board of trustees of the municipality on  
15 the condition of the pension fund at the end of its most  
16 recently completed fiscal year. The report shall be made prior  
17 to the council or board meeting held for appropriating and  
18 levying taxes for the year for which the report is made.

19 The pension board in the report shall certify and provide  
20 the following information to the city council or board of  
21 trustees of the municipality:

22 (1) the total assets of the fund and their current  
23 market value of those assets;

24 (2) the estimated receipts during the next succeeding

1 fiscal year from deductions from the salaries or wages of  
2 firefighters, and from all other sources;

3 (3) the estimated amount necessary during the fiscal  
4 year to meet the annual actuarial requirements of the  
5 pension fund as provided in Sections 4-118 and 4-120;

6 (4) the total net income received from investment of  
7 assets along with the assumed investment return and actual  
8 investment return received by the fund during its most  
9 recently completed fiscal year, compared to the total net  
10 ~~such~~ income, assumed investment return, and actual  
11 investment return received during the preceding fiscal  
12 year; ~~and~~

13 (5) the increase in employer pension contributions  
14 that results from the implementation of the provisions of  
15 this amendatory Act of the 93rd General Assembly;~~;~~

16 (6) the total number of active employees who are  
17 financially contributing to the fund;

18 (7) the total amount that was disbursed in benefits  
19 during the fiscal year, including the number of and total  
20 amount disbursed to (i) annuitants in receipt of a regular  
21 retirement pension, (ii) recipients being paid a  
22 disability pension, and (iii) survivors and children in  
23 receipt of benefits;

24 (8) the funded ratio of the fund;

25 (9) the unfunded liability carried by the fund, along  
26 with an actuarial explanation of the unfunded liability;

1           and

2                   (10) the investment policy of the pension board under  
3                   the statutory investment restrictions imposed on the fund.

4           Before the pension board makes its report, the municipality  
5 shall have the assets of the fund and their current market  
6 value verified by an independent certified public accountant of  
7 its choice.

8           (b) The municipality is authorized to publish the report  
9           submitted under this Section. This publication may be made,  
10           without limitation, by publication in a local newspaper of  
11           general circulation in the municipality or by publication on  
12           the municipality's Internet website. If the municipality  
13           publishes the report, then that publication must include all of  
14           the information submitted by the pension board under subsection  
15           (a).

16           (Source: P.A. 93-689, eff. 7-1-04.)

17           (40 ILCS 5/4-138.5 new)

18           Sec. 4-138.5. Fraud. Any person, member, trustee, or  
19           employee of the board who knowingly makes any false statement  
20           or falsifies or permits to be falsified any record of a fund in  
21           any attempt to defraud such fund as a result of such act, or  
22           intentionally or knowingly defrauds a fund in any manner, is  
23           guilty of a Class A misdemeanor.

24           (40 ILCS 5/22-1004 new)

1       Sec. 22-1004. Commission on Government Forecasting and  
2 Accountability report on Article 3 and 4 funds. Each odd  
3 numbered year, the Commission on Government Forecasting and  
4 Accountability shall analyze data submitted by the Public  
5 Pension Division of the Illinois Department of Financial and  
6 Professional Regulation pertaining to the pension systems  
7 established under Article 3 and Article 4 of this Code. The  
8 Commission shall issue a formal report during such years, the  
9 content of which is, to the extent practicable, to be similar  
10 in nature to that required under Section 22-1003. In addition  
11 to providing aggregate analyses of both systems, the report  
12 shall analyze the fiscal status and provide forecasting  
13 projections for selected individual funds in each system. To  
14 the fullest extent practicable, the report shall analyze  
15 factors that affect each selected individual fund's unfunded  
16 liability and any actuarial gains and losses caused by salary  
17 increases, investment returns, employer contributions, benefit  
18 increases, change in assumptions, the difference in employer  
19 contributions and the normal cost plus interest, and any other  
20 applicable factors. In analyzing net investment returns, the  
21 report shall analyze the assumed investment return compared to  
22 the actual investment return over the preceding 10 fiscal  
23 years. The Public Pension Division of the Department of  
24 Financial and Professional Regulation shall provide to the  
25 Commission any assistance that the Commission may request with  
26 respect to its report under this Section.

1           Section 90. The State Mandates Act is amended by adding  
2           Section 8.32 as follows:

3           (30 ILCS 805/8.32 new)

4           Sec. 8.32. Exempt mandate. Notwithstanding Sections 6 and 8  
5           of this Act, no reimbursement by the State is required for the  
6           implementation of any mandate created by this amendatory Act of  
7           the 95th General Assembly.

8           Section 99. Effective date. This Act takes effect upon  
9           becoming law.".