

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 3. The Department of Professional Regulation Law of
5 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,
17 trade, occupation, or industry are insufficient to finance the
18 necessary direct and allocable indirect costs of licensing and
19 regulating that profession, trade, occupation, or industry,
20 the remainder of those costs shall be financed from
21 appropriations payable from revenue sources other than fees and
22 fines. The direct and allocable indirect costs of the
23 Department identified in its cost allocation plans that are not

1 attributable to the licensing and regulation of a specific
2 profession, trade, or occupation, or industry or group of
3 professions, trades, occupations, or industries shall be
4 financed from appropriations from revenue sources other than
5 fees and fines.

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

18 (c) Before the beginning of each fiscal year, the
19 Department shall prepare a cost allocation analysis to be used
20 in establishing the necessary appropriation levels for each
21 cost purpose and revenue source. At the conclusion of each
22 fiscal year, the Department shall prepare a cost allocation
23 analysis reflecting the extent of the variation between how the
24 costs were actually financed in that year and the planned cost
25 allocation for that year. Variations between the planned and
26 actual cost allocations for the prior fiscal year shall be

1 adjusted into the Department's planned cost allocation for the
2 next fiscal year.

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

16 (d) Except as provided in subsection (e), the ~~The~~
17 Department may direct the State Comptroller and Treasurer to
18 transfer moneys from the special funds that receive fees and
19 fines associated with regulated professions, trades,
20 occupations, and industries into the Professions Indirect Cost
21 Fund in accordance with the Department's cost allocation
22 analysis plan for the applicable fiscal year. For a given
23 fiscal year, the Department shall not direct the transfer of
24 moneys under this subsection from a special fund associated
25 with a specific regulated profession, trade, occupation, or
26 industry (or group of professions, trades, occupations, or

1 industries) in an amount exceeding the allocable indirect costs
2 associated with that profession, trade, occupation, or
3 industry (or group of professions, trades, occupations, or
4 industries) as provided in the cost allocation analysis for
5 that fiscal year and adjusted for allocation variations from
6 the prior fiscal year. No direct costs identified in the cost
7 allocation plan shall be used as a basis for transfers into the
8 Professions Indirect Cost Fund or for expenditures from the
9 Fund.

10 (e) No transfer may be made to the Professions Indirect
11 Cost Fund under this Section from the Public Pension Regulation
12 Fund.

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

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

16 (25 ILCS 55/3) (from Ch. 63, par. 42.43)

17 Sec. 3. Content of pension impact note.

18 (a) The pension impact note shall be factual in nature, as
19 brief and concise as may be, and shall provide a reliable
20 estimate of the impact of the bill on any public pension
21 systems to be effected by it, in dollars where appropriate,
22 and, in addition, it shall include both the immediate effect
23 and, if determinable or reasonably foreseeable, the long range
24 effect of the measure. If, after careful investigation, it is

1 determined that no dollar estimate is possible, the note shall
2 contain a statement to that effect, setting forth the reasons
3 why no dollar estimate can be given. A brief summary or work
4 sheet of computations used in arriving at pension impact note
5 figures shall be included.

6 (b) The pension impact note for any legislation or
7 amendment that the Commission on Government Forecasting and
8 Accountability determines would result in an increase in
9 benefits or increased costs to a pension fund established under
10 Article 3 or 4 of the Illinois Pension Code may demonstrate the
11 fiscal impact of the legislation being considered on selected
12 individual municipalities with such pension funds.

13 (Source: P.A. 79-1397.)

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

16 (30 ILCS 105/8f)

17 Sec. 8f. Public Pension Regulation Fund. The Public Pension
18 Regulation Fund is created in the State Treasury. Except as
19 otherwise provided in the Illinois Pension Code, all money
20 received by the Department of Financial and Professional
21 Regulation, as successor to the Illinois Department of
22 Insurance, under the Illinois Pension Code shall be paid into
23 the Fund. ~~Moneys in the Fund may be transferred to the~~
24 ~~Professions Indirect Cost Fund, as authorized under Section~~

1 ~~2105-300 of the Department of Professional Regulation Law of~~
2 ~~the Civil Administrative Code of Illinois.~~ The State Treasurer
3 promptly shall invest the money in the Fund, and all earnings
4 that accrue on the money in the Fund shall be credited to the
5 Fund. No money may be transferred from this Fund to any other
6 fund. The General Assembly may make appropriations from this
7 Fund for the ordinary and contingent expenses of the Public
8 Pension Division of the Illinois Department of Insurance.

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

10 Section 10. The Illinois Pension Code is amended by
11 changing Sections 1-110, 1-113.5, 1A-104, 3-143, and 4-134 and
12 by adding Sections 1-125, 3-141.1, 3-144.5, 4-138.5, and
13 22-1004 as follows:

14 (40 ILCS 5/1-110) (from Ch. 108 1/2, par. 1-110)

15 Sec. 1-110. Prohibited Transactions.

16 (a) A fiduciary with respect to a retirement system or
17 pension fund shall not cause the retirement system or pension
18 fund to engage in a transaction if he or she knows or should
19 know that such transaction constitutes a direct or indirect:

20 (1) Sale or exchange, or leasing of any property from
21 the retirement system or pension fund to a party in
22 interest for less than adequate consideration, or from a
23 party in interest to a retirement system or pension fund
24 for more than adequate consideration.

1 (2) Lending of money or other extension of credit from
2 the retirement system or pension fund to a party in
3 interest without the receipt of adequate security and a
4 reasonable rate of interest, or from a party in interest to
5 a retirement system or pension fund with the provision of
6 excessive security or an unreasonably high rate of
7 interest.

8 (3) Furnishing of goods, services or facilities from
9 the retirement system or pension fund to a party in
10 interest for less than adequate consideration, or from a
11 party in interest to a retirement system or pension fund
12 for more than adequate consideration.

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

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

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

20 (2) In his individual or any other capacity act in any
21 transaction involving the retirement system or pension
22 fund on behalf of a party whose interests are adverse to
23 the interests of the retirement system or pension fund or
24 the interests of its participants or beneficiaries; or

25 (3) Receive any consideration for his own personal
26 account from any party dealing with the retirement system

1 or pension fund in connection with a transaction involving
2 the assets of the retirement system or pension fund.

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

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

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

11 (3) Serving as a trustee in addition to being an
12 officer, employee, agent or other representative of a party
13 in interest.

14 (d) A fiduciary of a pension fund established under Article
15 3 or 4 shall not knowingly cause or advise the pension fund to
16 engage in an investment transaction when the fiduciary (i) has
17 any direct interest in the income, gains, or profits of the
18 investment advisor through which the investment transaction is
19 made or (ii) has a business relationship with that investment
20 advisor that would result in a pecuniary benefit to the
21 fiduciary as a result of the investment transaction.

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

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

24 (40 ILCS 5/1-113.5)

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

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

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

9 (1) an investment adviser registered under the federal
10 Investment Advisers Act of 1940 and the Illinois Securities
11 Law of 1953;

12 (2) a bank or trust company authorized to conduct a
13 trust business in Illinois;

14 (3) a life insurance company authorized to transact
15 business in Illinois; or

16 (4) an investment company as defined and registered
17 under the federal Investment Company Act of 1940 and
18 registered under the Illinois Securities Law of 1953.

19 (a-5) Notwithstanding any other provision of law, a person
20 or entity that provides consulting services (referred to as a
21 "consultant" in this Section) to a pension fund with respect to
22 the selection of fiduciaries may not be awarded a contract to
23 provide those consulting services that is more than 5 years in
24 duration. No contract to provide such consulting services may
25 be renewed or extended. At the end of the term of a contract,
26 however, the contractor is eligible to compete for a new

1 contract. No person shall attempt to avoid or contravene the
2 restrictions of this subsection by any means. All offers from
3 responsive offerors shall be accompanied by disclosure of the
4 names and addresses of the following:

5 (1) The offeror.

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

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

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

20 (b) All investment advice and services provided by an
21 investment adviser or a consultant appointed under this Section
22 shall be rendered pursuant to a written contract between the
23 investment adviser and the board, and in accordance with the
24 board's investment policy.

25 The contract shall include all of the following:

26 (1) acknowledgement in writing by the investment

1 adviser that he or she is a fiduciary with respect to the
2 pension fund;

3 (2) the board's investment policy;

4 (3) full disclosure of direct and indirect fees,
5 commissions, penalties, and any other compensation that
6 may be received by the investment adviser, including
7 reimbursement for expenses; and

8 (4) a requirement that the investment adviser submit
9 periodic written reports, on at least a quarterly basis,
10 for the board's review at its regularly scheduled meetings.
11 All returns on investment shall be reported as net returns
12 after payment of all fees, commissions, and any other
13 compensation.

14 (b-5) Each contract described in subsection (b) shall also
15 include (i) full disclosure of direct and indirect fees,
16 commissions, penalties, and other compensation, including
17 reimbursement for expenses, that may be paid by or on behalf of
18 the investment adviser or consultant in connection with the
19 provision of services to the pension fund and (ii) a
20 requirement that the investment adviser or consultant update
21 the disclosure promptly after a modification of those payments
22 or an additional payment.

23 Within 30 days after the effective date of this amendatory
24 Act of the 95th General Assembly, each investment adviser and
25 consultant providing services on the effective date or subject
26 to an existing contract for the provision of services must

1 disclose to the board of trustees all direct and indirect fees,
2 commissions, penalties, and other compensation paid by or on
3 behalf of the investment adviser or consultant in connection
4 with the provision of those services and shall update that
5 disclosure promptly after a modification of those payments or
6 an additional payment.

7 A person required to make a disclosure under subsection (d)
8 is also required to disclose direct and indirect fees,
9 commissions, penalties, or other compensation that shall or may
10 be paid by or on behalf of the person in connection with the
11 rendering of those services. The person shall update the
12 disclosure promptly after a modification of those payments or
13 an additional payment.

14 The disclosures required by this subsection shall be in
15 writing and shall include the date and amount of each payment
16 and the name and address of each recipient of a payment.

17 (c) Within 30 days after appointing an investment adviser
18 or consultant, the board shall submit a copy of the contract to
19 the Division Department of Insurance of the Department of
20 Financial and Professional Regulation.

21 (d) Investment services provided by a person other than an
22 investment adviser appointed under this Section, including but
23 not limited to services provided by the kinds of persons listed
24 in items (1) through (4) of subsection (a), shall be rendered
25 only after full written disclosure of direct and indirect fees,
26 commissions, penalties, and any other compensation that shall

1 or may be received by the person rendering those services.

2 (e) The board of trustees of each pension fund shall retain
3 records of investment transactions in accordance with the rules
4 of the Department of Financial and Professional Regulation
5 Insurance.

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

7 (40 ILCS 5/1-125 new)

8 Sec. 1-125. Prohibition on gifts.

9 (a) For the purposes of this Section:

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

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

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

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

17 (iii) has interests that may be substantially affected
18 by the performance or non-performance of the official
19 duties of the board member; or

20 (iv) is registered or required to be registered with
21 the Secretary of State under the Lobbyist Registration Act,
22 except that an entity not otherwise a prohibited source
23 does not become a prohibited source merely because a
24 registered lobbyist is one of its members or serves on its
25 board of directors.

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

12 (c) A municipality may adopt or maintain policies or
13 ordinances that are more restrictive than those set forth in
14 this Section and may continue to follow any existing policies
15 or ordinances that are more restrictive or are in addition to
16 those set forth in this Section.

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

18 (40 ILCS 5/1A-104)

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

20 (a) The Division shall make periodic examinations and
21 investigations of all pension funds established under this Code
22 and maintained for the benefit of employees and officers of
23 governmental units in the State of Illinois. However, in lieu
24 of making an examination and investigation, the Division may
25 accept and rely upon a report of audit or examination of any

1 pension fund made by an independent certified public accountant
2 pursuant to the provisions of the Article of this Code
3 governing the pension fund. The acceptance of the report of
4 audit or examination does not bar the Division from making a
5 further audit, examination, and investigation if deemed
6 necessary by the Division.

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

16 (b) The Division shall examine or investigate each pension
17 fund established under Article 3 or Article 4 of this Code. The
18 schedule of each examination shall be such that each fund shall
19 be examined once every 3 years.

20 Each examination shall include the following:

21 (1) an audit of financial transactions, investment
22 policies, and procedures;

23 (2) an examination of books, records, documents,
24 files, and other pertinent memoranda relating to
25 financial, statistical, and administrative operations;

26 (3) a review of policies and procedures maintained for

1 the administration and operation of the pension fund;

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

5 (5) a determination of whether or not the
6 administrative policies in force are in accord with the
7 purposes of the statutory provisions and effectively
8 protect and preserve the rights and equities of the
9 participants; ~~and~~

10 (6) a determination of whether or not proper financial
11 and statistical records have been established and adequate
12 documentary evidence is recorded and maintained in support
13 of the several types of annuity and benefit payments being
14 made; and-

15 (7) a determination of whether or not the calculations
16 made by the fund for the payment of all annuities and
17 benefits are accurate.

18 In addition, the Division may conduct investigations,
19 which shall be identified as such and which may include one or
20 more of the items listed in this subsection.

21 A copy of the report of examination or investigation as
22 prepared by the Division shall be submitted to the secretary of
23 the board of trustees of the pension fund examined or
24 investigated and to the chief executive officer of the
25 municipality. The Director, upon request, shall grant a hearing
26 to the officers or trustees of the pension fund or their duly

1 appointed representatives, upon any facts contained in the
2 report of examination. The hearing shall be conducted before
3 filing the report or making public any information contained in
4 the report. The Director may withhold the report from public
5 inspection for up to 60 days following the hearing.

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

7 (40 ILCS 5/3-141.1 new)

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

18 (40 ILCS 5/3-143) (from Ch. 108 1/2, par. 3-143)

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

20 (a) The pension board shall report annually to the city
21 council or board of trustees of the municipality on the
22 condition of the pension fund at the end of its most recently
23 completed fiscal year. The report shall be made prior to the
24 council or board meeting held for the levying of taxes for the

1 year for which the report is made.

2 The pension board shall certify and provide the following
3 information to the city council or board of trustees of the
4 municipality:

5 (1) the total assets of the fund in its custody at the
6 end of the fiscal year and the current market value of
7 those assets;

8 (2) the estimated receipts during the next succeeding
9 fiscal year from deductions from the salaries of police
10 officers, and from all other sources;

11 (3) the estimated amount required during the next
12 succeeding fiscal year to (a) pay all pensions and other
13 obligations provided in this Article, and (b) to meet the
14 annual requirements of the fund as provided in Sections
15 3-125 and 3-127; ~~and~~

16 (4) the total net income received from investment of
17 assets along with the assumed investment return and actual
18 investment return received by the fund during its most
19 recently completed fiscal year, compared to the total net
20 ~~such~~ income, assumed investment return, and actual
21 investment return received during the preceding fiscal
22 year;

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

25 (6) the total amount that was disbursed in benefits
26 during the fiscal year, including the number of and total

1 amount disbursed to (i) annuitants in receipt of a regular
2 retirement pension, (ii) recipients being paid a
3 disability pension, and (iii) survivors and children in
4 receipt of benefits;

5 (7) the funded ratio of the fund;

6 (8) the unfunded liability carried by the fund, along
7 with an actuarial explanation of the unfunded liability;
8 and

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

11 Before the pension board makes its report, the municipality
12 shall have the assets of the fund and their current market
13 value verified by an independent certified public accountant of
14 its choice.

15 (b) The municipality is authorized to publish the report
16 submitted under this Section. This publication may be made,
17 without limitation, by publication in a local newspaper of
18 general circulation in the municipality or by publication on
19 the municipality's Internet website. If the municipality
20 publishes the report, then that publication must include all of
21 the information submitted by the pension board under subsection
22 (a).

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

24 (40 ILCS 5/3-144.5 new)

25 Sec. 3-144.5. Fraud. Any person, member, trustee, or

1 employee of the board who knowingly makes any false statement
2 or falsifies or permits to be falsified any record of a fund in
3 any attempt to defraud such fund as a result of such act, or
4 intentionally or knowingly defrauds a fund in any manner, is
5 guilty of a Class A misdemeanor.

6 (40 ILCS 5/4-134) (from Ch. 108 1/2, par. 4-134)

7 Sec. 4-134. Report for tax levy. The board shall report to
8 the city council or board of trustees of the municipality on
9 the condition of the pension fund at the end of its most
10 recently completed fiscal year. The report shall be made prior
11 to the council or board meeting held for appropriating and
12 levying taxes for the year for which the report is made.

13 (a) The pension board in the report shall certify and
14 provide the following information to the city council or board
15 of trustees of the municipality:

16 (1) the total assets of the fund and their current
17 market value of those assets;

18 (2) the estimated receipts during the next succeeding
19 fiscal year from deductions from the salaries or wages of
20 firefighters, and from all other sources;

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

24 (4) the total net income received from investment of
25 assets along with the assumed investment return and actual

1 investment return received by the fund during its most
2 recently completed fiscal year, compared to the total net
3 ~~such~~ income, assumed investment return, and actual
4 investment return received during the preceding fiscal
5 year; ~~and~~

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

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

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

17 (8) the funded ratio of the fund;

18 (9) the unfunded liability carried by the fund, along
19 with an actuarial explanation of the unfunded liability;
20 and

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

23 Before the pension board makes its report, the municipality
24 shall have the assets of the fund and their current market
25 value verified by an independent certified public accountant of
26 its choice.

1 (b) The municipality is authorized to publish the report
2 submitted under this Section. This publication may be made,
3 without limitation, by publication in a local newspaper of
4 general circulation in the municipality or by publication on
5 the municipality's Internet website. If the municipality
6 publishes the report, then that publication must include all of
7 the information submitted by the pension board under subsection
8 (a).

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

10 (40 ILCS 5/4-138.5 new)

11 Sec. 4-138.5. Fraud. Any person, member, trustee, or
12 employee of the board who knowingly makes any false statement
13 or falsifies or permits to be falsified any record of a fund in
14 any attempt to defraud such fund as a result of such act, or
15 intentionally or knowingly defrauds a fund in any manner, is
16 guilty of a Class A misdemeanor.

17 (40 ILCS 5/22-1004 new)

18 Sec. 22-1004. Commission on Government Forecasting and
19 Accountability report on Articles 3 and 4 funds. Each odd
20 numbered year, the Commission on Government Forecasting and
21 Accountability shall analyze data submitted by the Public
22 Pension Division of the Illinois Department of Financial and
23 Professional Regulation pertaining to the pension systems
24 established under Article 3 and Article 4 of this Code. The

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

20 Section 90. The State Mandates Act is amended by adding
21 Section 8.32 as follows:

22 (30 ILCS 805/8.32 new)

23 Sec. 8.32. Exempt mandate. Notwithstanding Sections 6 and 8
24 of this Act, no reimbursement by the State is required for the

1 implementation of any mandate created by this amendatory Act of
2 the 95th General Assembly.

3 Section 99. Effective date. This Act takes effect upon
4 becoming law.