



Sen. Susan Garrett

Filed: 5/30/2008

09500HB5088sam002

LRB095 17097 AMC 51724 a

1 AMENDMENT TO HOUSE BILL 5088

2 AMENDMENT NO. _____. Amend House Bill 5088, on page 1,
3 immediately below line 3, by inserting 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 4. 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.); and

21 on page 1, line 5, by replacing "Section 8.12" with "Sections
22 8.12 and 8f"; and

23 on page 5, immediately below line 22, by inserting the
24 following:

1 "(30 ILCS 105/8f)

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

18 (Source: P.A. 94-91, eff. 7-1-05.); and

19 on page 5, by replacing lines 24 and 25 with the following:

20 "changing Sections 1-110, 1-113.5, 1A-104, 2-124, 3-143,
21 4-134, 14-131, 15-155, 16-158, and 18-131 and by adding
22 Sections 1-125, 3-141.1, 3-144.5, 4-138.5, and 22-1004 as
23 follows:

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

2 Sec. 1-110. Prohibited Transactions.

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

7 (1) Sale or exchange, or leasing of any property from
8 the retirement system or pension fund to a party in
9 interest for less than adequate consideration, or from a
10 party in interest to a retirement system or pension fund
11 for more than adequate consideration.

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

19 (3) Furnishing of goods, services or facilities from
20 the retirement system or pension fund to a party in
21 interest for less than adequate consideration, or from a
22 party in interest to a retirement system or pension fund
23 for more than adequate consideration.

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

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

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

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

10 (3) Receive any consideration for his own personal
11 account from any party dealing with the retirement system
12 or pension fund in connection with a transaction involving
13 the assets of the retirement system or pension fund.

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

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

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

22 (3) Serving as a trustee in addition to being an
23 officer, employee, agent or other representative of a party
24 in interest.

25 (d) A fiduciary of a pension fund established under Article
26 3 or 4 shall not knowingly cause or advise the pension fund to

1 engage in an investment transaction when the fiduciary (i) has
2 any direct interest in the income, gains, or profits of the
3 investment advisor through which the investment transaction is
4 made or (ii) has a business relationship with that investment
5 advisor that would result in a pecuniary benefit to the
6 fiduciary as a result of the investment transaction.

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

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

9 (40 ILCS 5/1-113.5)

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

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

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

19 (1) an investment adviser registered under the federal
20 Investment Advisers Act of 1940 and the Illinois Securities
21 Law of 1953;

22 (2) a bank or trust company authorized to conduct a
23 trust business in Illinois;

24 (3) a life insurance company authorized to transact
25 business in Illinois; or

1 (4) an investment company as defined and registered
2 under the federal Investment Company Act of 1940 and
3 registered under the Illinois Securities Law of 1953.

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

16 (1) The offeror.

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

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

21 Beginning on July 1, 2008, a person, other than a trustee
22 or an employee of a pension fund or retirement system, may not
23 act as a consultant under this Section unless that person is at
24 least one of the following: (i) registered as an investment
25 adviser under the federal Investment Advisers Act of 1940 (15
26 U.S.C. 80b-1, et seq.); (ii) registered as an investment

1 adviser under the Illinois Securities Law of 1953; (iii) a
2 bank, as defined in the Investment Advisers Act of 1940; or
3 (iv) an insurance company authorized to transact business in
4 this State.

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

10 The contract shall include all of the following:

11 (1) acknowledgement in writing by the investment
12 adviser that he or she is a fiduciary with respect to the
13 pension fund;

14 (2) the board's investment policy;

15 (3) full disclosure of direct and indirect fees,
16 commissions, penalties, and any other compensation that
17 may be received by the investment adviser, including
18 reimbursement for expenses; and

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

25 (b-5) Each contract described in subsection (b) shall also
26 include (i) full disclosure of direct and indirect fees,

1 commissions, penalties, and other compensation, including
2 reimbursement for expenses, that may be paid by or on behalf of
3 the investment adviser or consultant in connection with the
4 provision of services to the pension fund and (ii) a
5 requirement that the investment adviser or consultant update
6 the disclosure promptly after a modification of those payments
7 or an additional payment.

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

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

25 The disclosures required by this subsection shall be in
26 writing and shall include the date and amount of each payment

1 and the name and address of each recipient of a payment.

2 (c) Within 30 days after appointing an investment adviser
3 or consultant, the board shall submit a copy of the contract to
4 the Division ~~Department~~ of Insurance of the Department of
5 Financial and Professional Regulation.

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

13 (e) The board of trustees of each pension fund shall retain
14 records of investment transactions in accordance with the rules
15 of the Department of Financial and Professional Regulation
16 ~~Insurance.~~

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

18 (40 ILCS 5/1-125 new)

19 Sec. 1-125. Prohibition on gifts.

20 (a) For the purposes of this Section:

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

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

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

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

3 (iii) has interests that may be substantially affected
4 by the performance or non-performance of the official
5 duties of the board member; or

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

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

23 (c) A municipality may adopt or maintain policies or
24 ordinances that are more restrictive than those set forth in
25 this Section and may continue to follow any existing policies
26 or ordinances that are more restrictive or are in addition to

1 those set forth in this Section.

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

3 (40 ILCS 5/1A-104)

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

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

17 The Department may implement a flexible system of
18 examinations under which it directs resources as it deems
19 necessary or appropriate. In consultation with the pension fund
20 being examined, the Division may retain attorneys, independent
21 actuaries, independent certified public accountants, and other
22 professionals and specialists as examiners, the cost of which
23 (except in the case of pension funds established under Article
24 3 or 4) shall be borne by the pension fund that is the subject
25 of the examination.

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

5 Each examination shall include the following:

6 (1) an audit of financial transactions, investment
7 policies, and procedures;

8 (2) an examination of books, records, documents,
9 files, and other pertinent memoranda relating to
10 financial, statistical, and administrative operations;

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

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

16 (5) a determination of whether or not the
17 administrative policies in force are in accord with the
18 purposes of the statutory provisions and effectively
19 protect and preserve the rights and equities of the
20 participants; ~~and~~

21 (6) a determination of whether or not proper financial
22 and statistical records have been established and adequate
23 documentary evidence is recorded and maintained in support
24 of the several types of annuity and benefit payments being
25 made; and-

26 (7) a determination of whether or not the calculations

1 made by the fund for the payment of all annuities and
2 benefits are accurate.

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

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

17 (Source: P.A. 90-507, eff. 8-22-97.)"; and

18 on page 9, immediately below line 5, by inserting the
19 following:

20 "(40 ILCS 5/3-141.1 new)

21 Sec. 3-141.1. Award of benefits. Prior to the board's
22 determination of benefits, the board shall provide, in writing,
23 the total amount of the annuity for a member and all
24 information used in the calculation of that benefit to the

1 Treasurer of the municipality. If the Treasurer is of the
2 opinion that the calculated annuity is incorrect, the Treasurer
3 shall immediately notify the board. The board shall review the
4 Treasurer's findings, and if the Board concurs that an error
5 exists it shall re-determine the annuity so that it is
6 calculated in accordance with the Illinois Pension Code.

7 (40 ILCS 5/3-143) (from Ch. 108 1/2, par. 3-143)

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

9 (a) The pension board shall report annually to the city
10 council or board of trustees of the municipality on the
11 condition of the pension fund at the end of its most recently
12 completed fiscal year. The report shall be made prior to the
13 council or board meeting held for the levying of taxes for the
14 year for which the report is made.

15 The pension board shall certify and provide the following
16 information to the city council or board of trustees of the
17 municipality:

18 (1) the total assets of the fund in its custody at the
19 end of the fiscal year and the current market value of
20 those assets;

21 (2) the estimated receipts during the next succeeding
22 fiscal year from deductions from the salaries of police
23 officers, and from all other sources;

24 (3) the estimated amount required during the next
25 succeeding fiscal year to (a) pay all pensions and other

1 obligations provided in this Article, and (b) to meet the
2 annual requirements of the fund as provided in Sections
3 3-125 and 3-127; ~~and~~

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

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

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

19 (7) the funded ratio of the fund;

20 (8) the unfunded liability carried by the fund, along
21 with an actuarial explanation of the unfunded liability;
22 and

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

25 Before the pension board makes its report, the municipality
26 shall have the assets of the fund and their current market

1 value verified by an independent certified public accountant of
2 its choice.

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

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

12 (40 ILCS 5/3-144.5 new)

13 Sec. 3-144.5. Fraud. Any person, member, trustee, or
14 employee of the board who knowingly makes any false statement
15 or falsifies or permits to be falsified any record of a fund in
16 any attempt to defraud such fund as a result of such act, or
17 intentionally or knowingly defrauds a fund in any manner, is
18 guilty of a Class A misdemeanor.

19 (40 ILCS 5/4-134) (from Ch. 108 1/2, par. 4-134)

20 Sec. 4-134. Report for tax levy. The board shall report to
21 the city council or board of trustees of the municipality on
22 the condition of the pension fund at the end of its most
23 recently completed fiscal year. The report shall be made prior
24 to the council or board meeting held for appropriating and

1 levying taxes for the year for which the report is made.

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

5 (1) the total assets of the fund and their current
6 market value of those assets;

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

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

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

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

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

25 (7) 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 (8) the funded ratio of the fund;

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

9 (10) 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. 93-689, eff. 7-1-04.)

24 (40 ILCS 5/4-138.5 new)

25 Sec. 4-138.5. 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."; and

6 on page 41, immediately below line 21, by inserting the
7 following:

8 "(40 ILCS 5/22-1004 new)
9 Sec. 22-1004. Commission on Government Forecasting and
10 Accountability report on Article 3 and 4 funds. Each odd
11 numbered year, the Commission on Government Forecasting and
12 Accountability shall analyze data submitted by the Public
13 Pension Division of the Illinois Department of Financial and
14 Professional Regulation pertaining to the pension systems
15 established under Article 3 and Article 4 of this Code. The
16 Commission shall issue a formal report during such years, the
17 content of which is, to the extent practicable, to be similar
18 in nature to that required under Section 22-1003. In addition
19 to providing aggregate analyses of both systems, the report
20 shall analyze the fiscal status and provide forecasting
21 projections for selected individual funds in each system. To
22 the fullest extent practicable, the report shall analyze
23 factors that affect each selected individual fund's unfunded
24 liability and any actuarial gains and losses caused by salary

1 increases, investment returns, employer contributions, benefit
2 increases, change in assumptions, the difference in employer
3 contributions and the normal cost plus interest, and any other
4 applicable factors. In analyzing net investment returns, the
5 report shall analyze the assumed investment return compared to
6 the actual investment return over the preceding 10 fiscal
7 years. The Public Pension Division of the Department of
8 Financial and Professional Regulation shall provide to the
9 Commission any assistance that the Commission may request with
10 respect to its report under this Section."; and

11 on page 44, immediately below line 16, by inserting the
12 following:

13 "Section 90. The State Mandates Act is amended by adding
14 Section 8.32 as follows:

15 (30 ILCS 805/8.32 new)

16 Sec. 8.32. Exempt mandate. Notwithstanding Sections 6 and 8
17 of this Act, no reimbursement by the State is required for the
18 implementation of any mandate created by this amendatory Act of
19 the 95th General Assembly."