



95TH GENERAL ASSEMBLY

State of Illinois

2007 and 2008

HB5521

by Rep. Paul D. Froehlich

SYNOPSIS AS INTRODUCED:

40 ILCS 5/24-105

from Ch. 108 1/2, par. 24-105

Amends the Illinois Pension Code. In provisions concerning the State Employees Deferred Compensation Plan, provides that the Illinois State Board of Investment may not (i) select any life insurance or annuity contract or mutual fund, or any other investment vehicle, as an investment vehicle or (ii) enter into any contract after the effective date of the amendatory Act or make any amendment to a contract entered into on or before the effective date of the amendatory Act, unless it is first reviewed and approved by the Commission on Government Forecasting and Accountability. Effective immediately.

LRB095 19288 AMC 45577 b

FISCAL NOTE ACT
MAY APPLY

PENSION IMPACT
NOTE ACT MAY
APPLY

1 AN ACT concerning public employee benefits.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The Illinois Pension Code is amended by changing
5 Section 24-105 as follows:

6 (40 ILCS 5/24-105) (from Ch. 108 1/2, par. 24-105)

7 Sec. 24-105. The State Employees Deferred Compensation
8 Plan shall be administered by the Department of Central
9 Management Services subject to the general supervision of the
10 Illinois State Board of Investment. Participation in such plan
11 shall be by a specific written agreement between each such
12 employee and the State which agreement shall provide for the
13 deferral of such amount of compensation as requested by the
14 employee. With each distribution of compensation to a
15 participating employee, the employee shall receive a
16 memorandum of the amount by which his gross compensation for
17 the period involved is reduced by reason of the deferment of
18 compensation, which amount shall not be included as a part of
19 his gross compensation as to that period.

20 Funds retained by the State as deferred compensation
21 pursuant to a written deferred compensation agreement between
22 the State and participating employees, may be invested in such
23 investments as are deemed acceptable by the Illinois State

1 Board of Investment including, but not limited to, life
2 insurance or annuity contracts or mutual funds. All such
3 insurance, annuities, mutual funds, or other such investments
4 utilized under this Plan shall have been reviewed and selected
5 by the Board based on a competitive bidding process as
6 established by such specifications and considerations as are
7 deemed appropriate by the Board. The Illinois State Board of
8 Investment may not (i) select any life insurance or annuity
9 contract or mutual fund, or any other investment vehicle, as an
10 investment vehicle or (ii) enter into any contract after the
11 effective date of this amendatory Act of the 95th General
12 Assembly or make any amendment to a contract entered into on or
13 before the effective date of this amendatory Act of the 95th
14 General Assembly, unless it is first reviewed and approved by
15 the Commission on Government Forecasting and Accountability.
16 Nothing in this Section should be construed as requiring a
17 limitation on the number and variety of insurance, annuity or
18 mutual fund contracts which may be selected as a result of this
19 bidding process. The State Board of Investment may also invest
20 any funds retained by the State pursuant to a written deferred
21 compensation agreement between the State and participating
22 employees in share accounts or share certificate accounts of
23 State or federal credit unions, the accounts of which are
24 insured as required by The Illinois Credit Union Act or the
25 Federal Credit Union Act, as applicable. Any income and gain
26 resulting from the investment of a deferred compensation

1 account may be paid to the participant as additional
2 compensation for continued service during the period of
3 participation or be used in part for administrative expenses,
4 all in accordance with the plan. Such investments and payments
5 shall not be construed to be prohibited uses of the general
6 assets of the State.

7 (Source: P.A. 82-789.)

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