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HOUSE RESOLUTION

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WHEREAS, Illinois State employees and State employee
3 deferred-compensation plan participants have invested
4 approximately \$3.0 billion in 401(k) retirement savings moneys
5 held within plans supervised by the Illinois State Board of
6 Investments (ISBI); and

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WHEREAS, Currently, the majority of the moneys invested in
8 these retirement savings plans are invested in mutual funds
9 chosen by the employees and participants; and

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WHEREAS, Most of these mutual funds have publicly quoted
11 prices and relatively transparent investment strategies known
12 and understood by the investors who have chosen them; and

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WHEREAS, A current rule change submitted by the Illinois
14 State Board of Investments to the Joint Committee on
15 Administrative Rules (JCAR), 80 Ill. Adm. Code 2700, set for a
16 hearing by JCAR at its scheduled meeting on October 16, 2008,
17 would make various changes to the rules governing Illinois
18 employee deferred compensation plans, including the change of
19 all references from the phrase "investment funds" to the phrase
20 "investment options", and concerns have been raised that this
21 change could be legal language intended to signal a potential
22 desire by the current ISBI Board to move away from a

1 mutual-funds-based model of investment for State employees'
2 401(k) savings; and

3 WHEREAS, At the current time there is a relatively high
4 degree of investment instability in global equity markets; and

5 WHEREAS, Times of uncertainty make it even more important
6 that we consider carefully any proposed changes in State
7 investment policies; and

8 WHEREAS, These factors are redoubled when the money at
9 issue is money that has been entrusted to ISBI's safekeeping by
10 State employees and savings plan participants; their desires
11 should be the controlling factor in any decision or decisions
12 the State may make on policies of this sort; therefore, be it

13 RESOLVED, BY THE HOUSE OF REPRESENTATIVES OF THE
14 NINETY-FIFTH GENERAL ASSEMBLY OF THE STATE OF ILLINOIS, that no
15 changes be made to State Employees Deferred Compensation Plan
16 rules and operations until a consensus has been achieved by the
17 plan's employee participants and other participants in favor of
18 the change; and be it further

19 RESOLVED, That no such changes be made, even if
20 satisfactory to Illinois deferred compensation plan
21 participants, until after the conclusion of the present period

1 of unusual market uncertainty; and be it further

2 RESOLVED, That a copy of this resolution be presented to
3 the members of the Illinois State Board of Investments and to
4 the employee Director of the Board.