



Sen. Susan Garrett

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1 AMENDMENT TO SENATE BILL 2212

2 AMENDMENT NO. _____. Amend Senate Bill 2212 by replacing
3 everything after the enacting clause with the following:

4 "Section 5. The Illinois Pension Code is amended by
5 changing Sections 1A-104 and 1A-112 as follows:

6 (40 ILCS 5/1A-104)

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

8 (a) The Division shall make periodic examinations and
9 investigations of all pension funds established under this Code
10 and maintained for the benefit of employees and officers of
11 governmental units in the State of Illinois. However, in lieu
12 of making an examination and investigation, the Division may
13 accept and rely upon a report of audit or examination of any
14 pension fund made by an independent certified public accountant
15 pursuant to the provisions of the Article of this Code
16 governing the pension fund. The acceptance of the report of

1 audit or examination does not bar the Division from making a
2 further audit, examination, and investigation if deemed
3 necessary by the Division.

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

13 (b) The Division shall examine or investigate each pension
14 fund established under Article 3 or Article 4 of this Code.
15 Beginning December 31, 2010, the ~~The~~ schedule of each
16 examination shall be such that each fund shall be examined once
17 every 5 ~~3~~ years.

18 Each examination shall include the following:

19 (1) an audit of financial transactions, investment
20 policies, and procedures;

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

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

26 (4) a determination of whether or not full effect is

1 being given to the statutory provisions governing the
2 operation of the pension fund;

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

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

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

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

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

1 filing the report or making public any information contained in
2 the report. The Director may withhold the report from public
3 inspection for up to 60 days following the hearing.
4 (Source: P.A. 95-950, eff. 8-29-08.)

5 Section 99. Effective date. This Act takes effect upon
6 becoming law.".