



97TH GENERAL ASSEMBLY

State of Illinois

2011 and 2012

SB1679

Introduced 2/9/2011, by Sen. Jeffrey M. Schoenberg

SYNOPSIS AS INTRODUCED:

40 ILCS 5/3-132	from Ch. 108 1/2, par. 3-132
40 ILCS 5/3-140.2 new	
40 ILCS 5/4-123	from Ch. 108 1/2, par. 4-123
40 ILCS 5/4-129.2 new	
40 ILCS 5/7-174	from Ch. 108 1/2, par. 7-174
40 ILCS 5/7-175	from Ch. 108 1/2, par. 7-175
40 ILCS 5/7-175.1	from Ch. 108 1/2, par. 7-175.1
40 ILCS 5/7-199.4 new	

Amends the Downstate Police, Downstate Firefighters, and Illinois Municipal Retirement Fund (IMRF) Articles of the Illinois Pension Code. Requires the board of each downstate police and downstate firefighter fund to transfer to the board of trustees of the Illinois Municipal Retirement Fund, for the management and administration of all investments owned by the funds. Terminates, upon completion of the transfer, the authority of the boards of each downstate police and downstate firefighter fund to make investments. Charges the board of trustees of the Illinois Municipal Retirement Fund with controlling and managing the investment expenditures and income, including interest dividends, capital gains, and other distributions on the investments of the downstate police and downstate firefighter funds. Provides for the election of a police officer trustee and a firefighter trustee to the board of trustees of the Illinois Municipal Retirement Fund.

LRB097 09794 JDS 49941 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 Sections 3-132, 4-123, 7-174, 7-175, and 7-175.1 and by adding
6 Section 3-140.2, 4-129.2, and 7-199.4 as follows:

7 (40 ILCS 5/3-132) (from Ch. 108 1/2, par. 3-132)

8 Sec. 3-132. To control and manage the Pension Fund. In
9 accordance with the applicable provisions of Articles 1 and 1A
10 and this Article, to control and manage, ~~exclusively,~~ the
11 following:

12 (1) the pension fund,

13 (2) until the effective date of this amendatory Act of
14 the 97th General Assembly, investment expenditures and
15 income, including interest dividends, capital gains and
16 other distributions on the investments, and

17 (3) all money donated, paid, assessed, or provided by
18 law for the pensioning of disabled and retired police
19 officers, their surviving spouses, minor children, and
20 dependent parents.

21 All money received or collected shall be credited by the
22 treasurer of the municipality to the account of the pension
23 fund and held by the treasurer of the municipality subject to

1 the order and control of the board. The treasurer of the
2 municipality shall maintain a record of all money received,
3 transferred, and held for the account of the board.

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

5 (40 ILCS 5/3-140.2 new)

6 Sec. 3-140.2. Investment of funds by the board of trustees
7 of the Illinois Municipal Retirement Fund. The board of each
8 fund must transfer to the board of trustees of the Illinois
9 Municipal Retirement Fund, for management and administration,
10 all investments owned by the fund of every kind and character.
11 Upon completion of the transfer, the authority of the board of
12 a fund to make investments shall terminate. Thereafter, all
13 investments of the reserves of each fund shall be made by the
14 board of trustees of the Illinois Municipal Retirement Fund.

15 The transfers shall be made not later than the first day of
16 the fourth month next following the effective date of this
17 amendatory Act of the 97th General Assembly. Before each
18 transfer, an audit of the investments shall be completed by a
19 certified public accountant who is (i) selected by the board
20 created under this Article and (ii) approved by the Auditor
21 General of the State of Illinois. The expense of each audit
22 shall be assumed by the board created under this Article.

23 (40 ILCS 5/4-123) (from Ch. 108 1/2, par. 4-123)

24 Sec. 4-123. To control and manage the Pension Fund. In

1 accordance with the applicable provisions of Articles 1 and 1A
2 and this Article, to control and manage, ~~exclusively,~~ the
3 following:

4 (1) the pension fund,

5 (2) until the effective date of this amendatory Act of
6 the 97th General Assembly, investment expenditures and
7 income, including interest dividends, capital gains, and
8 other distributions on the investments, and

9 (3) all money donated, paid, assessed, or provided by
10 law for the pensioning of disabled and retired
11 firefighters, their surviving spouses, minor children, and
12 dependent parents.

13 All money received or collected shall be credited by the
14 treasurer of the municipality to the account of the pension
15 fund and held by the treasurer of the municipality subject to
16 the order and control of the board. The treasurer of the
17 municipality shall maintain a record of all money received,
18 transferred, and held for the account of the board.

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

20 (40 ILCS 5/4-129.2 new)

21 Sec. 4-129.2. Investment of funds by the board of trustees
22 of the Illinois Municipal Retirement Fund. The board of each
23 fund must transfer to the board of trustees of the Illinois
24 Municipal Retirement Fund, for management and administration,
25 all investments owned by the fund of every kind and character.

1 Upon completion of the transfer, the authority of the board of
2 a fund to make investments shall terminate. Thereafter, all
3 investments of the reserves of each fund shall be made by the
4 board of trustees of the Illinois Municipal Retirement Fund.

5 The transfers shall be made not later than the first day of
6 the fourth month next following the effective date of this
7 amendatory Act of the 97th General Assembly. Before each
8 transfer, an audit of the investments shall be completed by a
9 certified public accountant who is (i) selected by the board
10 created under this Article and (ii) approved by the Auditor
11 General of the State of Illinois. The expense of each audit
12 shall be assumed by the board created under this Article.

13 (40 ILCS 5/7-174) (from Ch. 108 1/2, par. 7-174)

14 Sec. 7-174. Board created.

15 (a) A board of 10 ~~8~~ members shall constitute a board of
16 trustees authorized to carry out the provisions of this
17 Article. Each trustee shall be a participating employee of a
18 participating municipality or participating instrumentality or
19 an annuitant of the Fund or a participant under Article 3 or 4,
20 and no person shall be eligible to become a trustee after
21 January 1, 1979 who does not have at least 8 years of
22 creditable service.

23 (b) The board shall consist of representatives of various
24 groups as follows:

25 1. 4 trustees shall be a chief executive officer, chief

1 finance officer, or other officer, executive or department
2 head of a participating municipality or participating
3 instrumentality, and each such trustee shall be designated
4 as an executive trustee.

5 2. 3 trustees shall be employees of a participating
6 municipality or participating instrumentality and each
7 such trustee shall be designated as an employee trustee.

8 3. One trustee shall be an annuitant of the Fund, who
9 shall be designated the annuitant trustee.

10 4. One trustee shall be a police officer who
11 participates in a fund established under Article 3, who
12 shall be designated the police officer trustee.

13 5. One trustee shall be a firefighter who participates
14 in a fund established under Article 4, who shall be
15 designated the firefighter trustee.

16 (c) A person elected as a trustee shall qualify as a
17 trustee, after declaration by the board that he has been duly
18 elected, upon taking and subscribing to the constitutional oath
19 of office and filing same in the office of the Fund.

20 (d) The term of office of each trustee shall begin upon
21 January 1 of the year following the year in which he is elected
22 and shall continue for a period of 5 years and until a
23 successor has been elected and qualified, or until prior
24 resignation, death, incapacity or disqualification.

25 (e) Any elected trustee (other than the annuitant trustee)
26 shall be disqualified immediately upon termination of

1 employment with all participating municipalities and
2 instrumentalities thereof or upon any change in status which
3 removes any such trustee from all employments within the group
4 he represents. The annuitant trustee shall be disqualified upon
5 termination of his or her annuity.

6 (f) The trustees shall fill any vacancy in the board by
7 appointment, for the period until the next election of
8 trustees, or, if the remaining term is less than 2 years, for
9 the remainder of the term, and until his successor has been
10 elected and qualified.

11 (g) Trustees shall serve without compensation, but shall be
12 reimbursed for any reasonable expenses incurred in attending
13 meetings of the board and in performing duties on behalf of the
14 Fund and for the amount of any earnings withheld by any
15 employing municipality or participating instrumentality
16 because of attendance at any board meeting.

17 (h) Each trustee shall be entitled to one vote on any and
18 all actions before the board. At least 5 concurring votes shall
19 be necessary for every decision or action by the board at any
20 of its meetings. No decision or action shall become effective
21 unless presented and so approved at a regular or duly called
22 special meeting of the board.

23 (Source: P.A. 95-890, eff. 8-22-08.)

24 (40 ILCS 5/7-175) (from Ch. 108 1/2, par. 7-175)

25 Sec. 7-175. Board elections.

1 (a) During the period beginning on August 1 and ending on
2 September 15 of each year the board shall accept nominations of
3 candidates for election to the trusteeships for terms beginning
4 the next January 1, new trusteeships or vacancies to be filled
5 by election.

6 (b) All nominations shall be by petition. Three petitions
7 for an executive trustee shall be signed by governing bodies of
8 contributing participating municipalities or
9 instrumentalities.

10 A petition for an employee trustee shall be signed by at
11 least 350 participating employees who were participants during
12 July of the current year and who, if their employment status
13 remained unchanged, would be eligible to vote for such
14 candidate at the following election.

15 A petition for an annuitant trustee shall be signed by at
16 least 100 persons who were annuitants of the Fund during July
17 of the current year and who, if their annuitant status remains
18 unchanged, would be eligible to vote for the candidate at the
19 following election.

20 A petition for a police officer trustee shall be signed by
21 at least 100 persons who were participants of a fund
22 established under Article 3 during July of the current year and
23 who, if their status remains unchanged, would be eligible to
24 vote for the candidate at the following election.

25 A petition for a firefighter trustee shall be signed by at
26 least 100 persons who were participants of a fund established

1 under Article 4 during July of the current year and who, if
2 their annuitant status remains unchanged, would be eligible to
3 vote for the candidate at the following election.

4 (c) A separate ballot shall be used for each class of
5 trustee and the names of all candidates properly nominated in
6 petitions received by the board shall be placed in alphabetical
7 order upon the proper ballot. Where two employee trustees are
8 elected to a full term in the same year, there shall be one
9 election for the two trusteeships and the two candidates
10 getting the highest number of votes shall be elected.

11 (d) At any election, each contributing participating
12 municipality and participating instrumentality and each
13 contributing participating employee employed by such
14 participating municipality or participating instrumentality
15 during September of any year, shall be entitled to vote as
16 follows:

17 1. The governing body of each such participating
18 municipality and participating instrumentality shall have
19 one vote at any election in which an executive trustee is
20 to be elected, and may cast such vote for any candidate on
21 the executive trustee ballot.

22 2. Each participating employee shall have one vote at
23 any election in which an employee trustee is to be elected,
24 and may cast such vote for any candidate on the employee
25 trustee ballot.

26 3. Each annuitant of the Fund shall have one vote at

1 any election in which an annuitant trustee is to be
2 elected, and may cast that vote for any candidate on the
3 annuitant trustee ballot.

4 3.5. Each participant in a fund established under
5 Article 3 shall have one vote at any election in which a
6 police officer trustee is to be elected, and may cast such
7 vote for any candidate on the police officer trustee
8 ballot.

9 3.6. Each participant in a fund established under
10 Article 4 shall have one vote at any election in which a
11 firefighter trustee is to be elected, and may cast such
12 vote for any candidate on the firefighter trustee ballot.

13 4. A vote may be cast for a person not on the ballot by
14 writing in his or her name.

15 (e) The election shall be by ballot pursuant to the rules
16 and regulations established by the board and shall be completed
17 by December 31 of the year. The results shall be entered in the
18 minutes of the meeting of the board following the tally of
19 votes.

20 (f) In case of a tie vote, the candidate employed by or
21 retired from the participating municipality or participating
22 instrumentality having the greatest number of participating
23 employees at the time shall be elected.

24 (Source: P.A. 89-136, eff. 7-14-95.)

25 (40 ILCS 5/7-175.1) (from Ch. 108 1/2, par. 7-175.1)

1 Sec. 7-175.1. Election of employee, ~~and~~ annuitant, police
2 officer, and firefighter trustees.

3 (a) The board shall prepare and send ballots and ballot
4 envelopes to the employees, ~~and~~ annuitants, police officers,
5 and firefighters eligible to vote as of September of that year.
6 The ballots shall contain the names of all candidates in
7 alphabetical order and an appropriate place where a name may be
8 written in on the ballot. The ballot envelope shall have on the
9 outside a form of certificate stating that the person voting
10 the ballot is a police officer, firefighter, participating
11 employee, ~~or~~ annuitant entitled to vote.

12 (b) Employees, ~~and~~ annuitants, police officers, and
13 firefighters, upon receipt of the ballot, shall vote the ballot
14 and place it in the ballot envelope, seal the envelope, execute
15 the certificate thereon and return the ballot to the Fund.

16 (c) The board shall set a final date for ballot return, and
17 ballots received prior to that date in a ballot envelope with a
18 properly executed certificate and properly voted, shall be
19 valid ballots.

20 (d) The board shall set a day for counting the ballots and
21 name judges and clerks of election to conduct the count of
22 ballots, and shall make any rules and regulations necessary for
23 the conduct of the count.

24 (Source: P.A. 89-136, eff. 7-14-95.)

1 Sec. 7-199.4. To administer the funds established under
2 Articles 3 and 4. Notwithstanding any other provision of this
3 Code, to control and manage investment expenditures and income,
4 including interest dividends, capital gains and other
5 distributions on the investments of the funds established under
6 Articles 3 and 4.