



Rep. Elaine Nekritz

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LRB099 10186 EFG 33311 a

1 AMENDMENT TO HOUSE BILL 3178

2 AMENDMENT NO. _____. Amend House Bill 3178 by replacing
3 everything after the enacting clause with the following:

4 "Section 5. The Illinois State Auditing Act is amended by
5 changing Section 2-8.1 as follows:

6 (30 ILCS 5/2-8.1)

7 Sec. 2-8.1. Actuarial Responsibilities.

8 (a) The Auditor General shall contract with or hire an
9 actuary to serve as the State Actuary. The State Actuary shall
10 be retained by, serve at the pleasure of, and be under the
11 supervision of the Auditor General and shall be paid from
12 appropriations to the office of the Auditor General. The State
13 Actuary may be selected by the Auditor General without engaging
14 in a competitive procurement process.

15 (b) The State Actuary shall:

16 (1) review assumptions and valuations prepared by

1 actuaries retained by the boards of trustees of the
2 State-funded retirement systems;

3 (2) issue preliminary reports to the boards of trustees
4 of the State-funded retirement systems concerning proposed
5 certifications of required State contributions submitted
6 to the State Actuary by those boards;

7 (3) cooperate with the boards of trustees of the
8 State-funded retirement systems to identify recommended
9 changes in actuarial assumptions that the boards must
10 consider before finalizing their certifications of the
11 required State contributions;

12 (4) conduct reviews of the actuarial practices of the
13 boards of trustees of the State-funded retirement systems;

14 (5) make additional reports as directed by joint
15 resolution of the General Assembly; and

16 (6) perform any other duties assigned by the Auditor
17 General, including, but not limited to, reviews of the
18 actuarial practices of other entities.

19 (c) On or before January 1, 2013 and each January 1
20 thereafter, the Auditor General shall submit a written report
21 to the General Assembly and Governor documenting the initial
22 assumptions and valuations prepared by actuaries retained by
23 the boards of trustees of the State-funded retirement systems,
24 any changes recommended by the State Actuary in the actuarial
25 assumptions, and the responses of each board to the State
26 Actuary's recommendations.

1 (d) For the purposes of this Section, "State-funded
2 retirement system" means a retirement system established
3 pursuant to Article 2, 14, 15, 16, or 18 of the Illinois
4 Pension Code.

5 (e) Every 5 years, the State Actuary shall fully replicate
6 the actuarial valuation used to report the financial condition
7 of each of the 5 State-funded retirement systems, based on the
8 same census data, assumptions, and actuarial methods used in
9 the actuarial valuation. The full-scope actuarial audit shall
10 include an examination of methods and assumptions used for the
11 actuarial valuation for reasonableness and internal
12 consistency. The cost of the full-scope actuarial audit shall
13 be paid by the retirement system as an administrative expense.

14 The full-scope actuarial audits required under this
15 subsection (e) shall begin with:

16 (1) State fiscal year 2016 for the retirement system
17 established under Article 2 of the Illinois Pension Code;

18 (2) State fiscal year 2017 for the retirement system
19 established under Article 14 of the Illinois Pension Code;

20 (3) State fiscal year 2018 for the retirement system
21 established under Article 15 of the Illinois Pension Code;

22 (4) State fiscal year 2019 for the retirement system
23 established under Article 16 of the Illinois Pension Code;

24 and

25 (5) State fiscal year 2020 for the retirement system
26 established under Article 18 of the Illinois Pension Code.

1 (Source: P.A. 97-694, eff. 6-18-12.)

2 Section 99. Effective date. This Act takes effect upon
3 becoming law.".