



99TH GENERAL ASSEMBLY

State of Illinois

2015 and 2016

HB6298

Introduced 2/11/2016, by Rep. Elaine Nekritz

SYNOPSIS AS INTRODUCED:

40 ILCS 5/6-183.1 new

Amends the Chicago Firefighter Article of the Illinois Pension Code. Authorizes the Board of Trustees of the Fund to lend securities owned by the Fund to a borrower upon such terms and conditions as may be mutually agreed upon. Requires the agreement to provide that during the period of the loan the Fund shall retain the right to receive, or collect from the borrower, all dividends, interest rights, or any distributions to which the Fund would have otherwise been entitled. Provides that the borrower shall deposit with the Fund, as collateral, cash equal to the market value of the securities at the time the loan is made and shall increase the amount of collateral if and when the Fund requests an additional amount because of subsequent increased market value of the securities. Provides that the period for which the securities may be loaned shall not exceed one year, and the loan agreement may specify earlier termination by either party upon mutually agreed conditions. Effective immediately.

LRB099 19814 RPS 44213 b

PENSION IMPACT
NOTE ACT MAY
APPLY

A BILL FOR

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 adding
5 Section 6-183.1 as follows:

6 (40 ILCS 5/6-183.1 new)

7 Sec. 6-183.1. To lend securities. The board may lend
8 securities owned by the Fund to a borrower upon such terms and
9 conditions as may be mutually agreed in writing. Such agreement
10 shall provide that during the period of such loan the Fund
11 shall retain the right to receive, or collect from the
12 borrower, all dividends, interest rights, or any distributions
13 to which the Fund would have otherwise been entitled. The
14 borrower shall deposit with the Fund, as collateral for such
15 loan, cash equal to the market value of the securities at the
16 time the loan is made and shall increase the amount of
17 collateral if and when the Fund requests an additional amount
18 because of subsequent increased market value of the securities.

19 The period for which the securities may be loaned shall not
20 exceed one year, and the loan agreement may specify earlier
21 termination by either party upon mutually agreed conditions.

22 Section 99. Effective date. This Act takes effect upon

1 becoming law.