

AN ACT concerning public employee benefits.

**Be it enacted by the People of the State of Illinois,
represented in the General Assembly:**

Section 5. The Illinois Finance Authority Act is amended by changing Sections 801-10, 801-40, and 805-20 as follows:

(20 ILCS 3501/801-10)

Sec. 801-10. Definitions. The following terms, whenever used or referred to in this Act, shall have the following meanings, except in such instances where the context may clearly indicate otherwise:

(a) The term "Authority" means the Illinois Finance Authority created by this Act.

(b) The term "project" means an industrial project, conservation project, housing project, public purpose project, higher education project, health facility project, cultural institution project, municipal bond program project, PACE Project, agricultural facility or agribusiness, and "project" may include any combination of one or more of the foregoing undertaken jointly by any person with one or more other persons.

(c) The term "public purpose project" means (i) any project or facility, including without limitation land, buildings, structures, machinery, equipment and all other real and

personal property, which is authorized or required by law to be acquired, constructed, improved, rehabilitated, reconstructed, replaced or maintained by any unit of government or any other lawful public purpose, including provision of working capital, which is authorized or required by law to be undertaken by any unit of government or (ii) costs incurred and other expenditures, including expenditures for management, investment, or working capital costs, incurred in connection with the reform, consolidation, or implementation of the transition process as described in Articles 22B and 22C of the Illinois Pension Code.

(d) The term "industrial project" means the acquisition, construction, refurbishment, creation, development or redevelopment of any facility, equipment, machinery, real property or personal property for use by any instrumentality of the State or its political subdivisions, for use by any person or institution, public or private, for profit or not for profit, or for use in any trade or business, including, but not limited to, any industrial, manufacturing or commercial enterprise that is located within or outside the State, provided that, with respect to a project involving property located outside the State, the property must be owned, operated, leased or managed by an entity located within the State or an entity affiliated with an entity located within the State, and which is (1) a capital project, including, but not limited to: (i) land and any rights therein, one or more

buildings, structures or other improvements, machinery and equipment, whether now existing or hereafter acquired, and whether or not located on the same site or sites; (ii) all appurtenances and facilities incidental to the foregoing, including, but not limited to, utilities, access roads, railroad sidings, track, docking and similar facilities, parking facilities, dockage, wharfage, railroad roadbed, track, trestle, depot, terminal, switching and signaling or related equipment, site preparation and landscaping; and (iii) all non-capital costs and expenses relating thereto or (2) any addition to, renovation, rehabilitation or improvement of a capital project or (3) any activity or undertaking within or outside the State, provided that, with respect to a project involving property located outside the State, the property must be owned, operated, leased or managed by an entity located within the State or an entity affiliated with an entity located within the State, which the Authority determines will aid, assist or encourage economic growth, development or redevelopment within the State or any area thereof, will promote the expansion, retention or diversification of employment opportunities within the State or any area thereof or will aid in stabilizing or developing any industry or economic sector of the State economy. The term "industrial project" also means the production of motion pictures.

(e) The term "bond" or "bonds" shall include bonds, notes (including bond, grant or revenue anticipation notes),

certificates and/or other evidences of indebtedness representing an obligation to pay money, including refunding bonds.

(f) The terms "lease agreement" and "loan agreement" shall mean: (i) an agreement whereby a project acquired by the Authority by purchase, gift or lease is leased to any person, corporation or unit of local government which will use or cause the project to be used as a project as heretofore defined upon terms providing for lease rental payments at least sufficient to pay when due all principal of, interest and premium, if any, on any bonds of the Authority issued with respect to such project, providing for the maintenance, insuring and operation of the project on terms satisfactory to the Authority, providing for disposition of the project upon termination of the lease term, including purchase options or abandonment of the premises, and such other terms as may be deemed desirable by the Authority, or (ii) any agreement pursuant to which the Authority agrees to loan the proceeds of its bonds issued with respect to a project or other funds of the Authority to any person which will use or cause the project to be used as a project as heretofore defined upon terms providing for loan repayment installments at least sufficient to pay when due all principal of, interest and premium, if any, on any bonds of the Authority, if any, issued with respect to the project, and providing for maintenance, insurance and other matters as may be deemed desirable by the Authority.

(g) The term "financial aid" means the expenditure of Authority funds or funds provided by the Authority through the issuance of its bonds, notes or other evidences of indebtedness or from other sources for the development, construction, acquisition or improvement of a project.

(h) The term "person" means an individual, corporation, unit of government, business trust, estate, trust, partnership or association, 2 or more persons having a joint or common interest, or any other legal entity.

(i) The term "unit of government" means the federal government, the State or unit of local government, a school district, or any agency or instrumentality, office, officer, department, division, bureau, commission, college or university thereof.

(j) The term "health facility" means: (a) any public or private institution, place, building, or agency required to be licensed under the Hospital Licensing Act; (b) any public or private institution, place, building, or agency required to be licensed under the Nursing Home Care Act, the Specialized Mental Health Rehabilitation Act of 2013, the ID/DD Community Care Act, or the MC/DD Act; (c) any public or licensed private hospital as defined in the Mental Health and Developmental Disabilities Code; (d) any such facility exempted from such licensure when the Director of Public Health attests that such exempted facility meets the statutory definition of a facility subject to licensure; (e) any other public or private health

service institution, place, building, or agency which the Director of Public Health attests is subject to certification by the Secretary, U.S. Department of Health and Human Services under the Social Security Act, as now or hereafter amended, or which the Director of Public Health attests is subject to standard-setting by a recognized public or voluntary accrediting or standard-setting agency; (f) any public or private institution, place, building or agency engaged in providing one or more supporting services to a health facility; (g) any public or private institution, place, building or agency engaged in providing training in the healing arts, including, but not limited to, schools of medicine, dentistry, osteopathy, optometry, podiatry, pharmacy or nursing, schools for the training of x-ray, laboratory or other health care technicians and schools for the training of para-professionals in the health care field; (h) any public or private congregate, life or extended care or elderly housing facility or any public or private home for the aged or infirm, including, without limitation, any Facility as defined in the Life Care Facilities Act; (i) any public or private mental, emotional or physical rehabilitation facility or any public or private educational, counseling, or rehabilitation facility or home, for those persons with a developmental disability, those who are physically ill or disabled, the emotionally disturbed, those persons with a mental illness or persons with learning or similar disabilities or problems; (j) any public or private

alcohol, drug or substance abuse diagnosis, counseling treatment or rehabilitation facility, (k) any public or private institution, place, building or agency licensed by the Department of Children and Family Services or which is not so licensed but which the Director of Children and Family Services attests provides child care, child welfare or other services of the type provided by facilities subject to such licensure; (l) any public or private adoption agency or facility; and (m) any public or private blood bank or blood center. "Health facility" also means a public or private structure or structures suitable primarily for use as a laboratory, laundry, nurses or interns residence or other housing or hotel facility used in whole or in part for staff, employees or students and their families, patients or relatives of patients admitted for treatment or care in a health facility, or persons conducting business with a health facility, physician's facility, surgicenter, administration building, research facility, maintenance, storage or utility facility and all structures or facilities related to any of the foregoing or required or useful for the operation of a health facility, including parking or other facilities or other supporting service structures required or useful for the orderly conduct of such health facility. "Health facility" also means, with respect to a project located outside the State, any public or private institution, place, building, or agency which provides services similar to those described above, provided that such project is owned, operated, leased or

managed by a participating health institution located within the State, or a participating health institution affiliated with an entity located within the State.

(k) The term "participating health institution" means (i) a private corporation or association or (ii) a public entity of this State, in either case authorized by the laws of this State or the applicable state to provide or operate a health facility as defined in this Act and which, pursuant to the provisions of this Act, undertakes the financing, construction or acquisition of a project or undertakes the refunding or refinancing of obligations, loans, indebtedness or advances as provided in this Act.

(l) The term "health facility project", means a specific health facility work or improvement to be financed or refinanced (including without limitation through reimbursement of prior expenditures), acquired, constructed, enlarged, remodeled, renovated, improved, furnished, or equipped, with funds provided in whole or in part hereunder, any accounts receivable, working capital, liability or insurance cost or operating expense financing or refinancing program of a health facility with or involving funds provided in whole or in part hereunder, or any combination thereof.

(m) The term "bond resolution" means the resolution or resolutions authorizing the issuance of, or providing terms and conditions related to, bonds issued under this Act and includes, where appropriate, any trust agreement, trust

indenture, indenture of mortgage or deed of trust providing terms and conditions for such bonds.

(n) The term "property" means any real, personal or mixed property, whether tangible or intangible, or any interest therein, including, without limitation, any real estate, leasehold interests, appurtenances, buildings, easements, equipment, furnishings, furniture, improvements, machinery, rights of way, structures, accounts, contract rights or any interest therein.

(o) The term "revenues" means, with respect to any project, the rents, fees, charges, interest, principal repayments, collections and other income or profit derived therefrom.

(p) The term "higher education project" means, in the case of a private institution of higher education, an educational facility to be acquired, constructed, enlarged, remodeled, renovated, improved, furnished, or equipped, or any combination thereof.

(q) The term "cultural institution project" means, in the case of a cultural institution, a cultural facility to be acquired, constructed, enlarged, remodeled, renovated, improved, furnished, or equipped, or any combination thereof.

(r) The term "educational facility" means any property located within the State, or any property located outside the State, provided that, if the property is located outside the State, it must be owned, operated, leased or managed by an entity located within the State or an entity affiliated with an

entity located within the State, in each case constructed or acquired before or after the effective date of this Act, which is or will be, in whole or in part, suitable for the instruction, feeding, recreation or housing of students, the conducting of research or other work of a private institution of higher education, the use by a private institution of higher education in connection with any educational, research or related or incidental activities then being or to be conducted by it, or any combination of the foregoing, including, without limitation, any such property suitable for use as or in connection with any one or more of the following: an academic facility, administrative facility, agricultural facility, assembly hall, athletic facility, auditorium, boating facility, campus, communication facility, computer facility, continuing education facility, classroom, dining hall, dormitory, exhibition hall, fire fighting facility, fire prevention facility, food service and preparation facility, gymnasium, greenhouse, health care facility, hospital, housing, instructional facility, laboratory, library, maintenance facility, medical facility, museum, offices, parking area, physical education facility, recreational facility, research facility, stadium, storage facility, student union, study facility, theatre or utility.

(s) The term "cultural facility" means any property located within the State, or any property located outside the State, provided that, if the property is located outside the State, it

must be owned, operated, leased or managed by an entity located within the State or an entity affiliated with an entity located within the State, in each case constructed or acquired before or after the effective date of this Act, which is or will be, in whole or in part, suitable for the particular purposes or needs of a cultural institution, including, without limitation, any such property suitable for use as or in connection with any one or more of the following: an administrative facility, aquarium, assembly hall, auditorium, botanical garden, exhibition hall, gallery, greenhouse, library, museum, scientific laboratory, theater or zoological facility, and shall also include, without limitation, books, works of art or music, animal, plant or aquatic life or other items for display, exhibition or performance. The term "cultural facility" includes buildings on the National Register of Historic Places which are owned or operated by nonprofit entities.

(t) "Private institution of higher education" means a not-for-profit educational institution which is not owned by the State or any political subdivision, agency, instrumentality, district or municipality thereof, which is authorized by law to provide a program of education beyond the high school level and which:

(1) Admits as regular students only individuals having a certificate of graduation from a high school, or the recognized equivalent of such a certificate;

(2) Provides an educational program for which it awards a bachelor's degree, or provides an educational program, admission into which is conditioned upon the prior attainment of a bachelor's degree or its equivalent, for which it awards a postgraduate degree, or provides not less than a 2-year program which is acceptable for full credit toward such a degree, or offers a 2-year program in engineering, mathematics, or the physical or biological sciences which is designed to prepare the student to work as a technician and at a semiprofessional level in engineering, scientific, or other technological fields which require the understanding and application of basic engineering, scientific, or mathematical principles or knowledge;

(3) Is accredited by a nationally recognized accrediting agency or association or, if not so accredited, is an institution whose credits are accepted, on transfer, by not less than 3 institutions which are so accredited, for credit on the same basis as if transferred from an institution so accredited, and holds an unrevoked certificate of approval under the Private College Act from the Board of Higher Education, or is qualified as a "degree granting institution" under the Academic Degree Act; and

(4) Does not discriminate in the admission of students on the basis of race or color. "Private institution of higher education" also includes any "academic

institution".

(u) The term "academic institution" means any not-for-profit institution which is not owned by the State or any political subdivision, agency, instrumentality, district or municipality thereof, which institution engages in, or facilitates academic, scientific, educational or professional research or learning in a field or fields of study taught at a private institution of higher education. Academic institutions include, without limitation, libraries, archives, academic, scientific, educational or professional societies, institutions, associations or foundations having such purposes.

(v) The term "cultural institution" means any not-for-profit institution which is not owned by the State or any political subdivision, agency, instrumentality, district or municipality thereof, which institution engages in the cultural, intellectual, scientific, educational or artistic enrichment of the people of the State. Cultural institutions include, without limitation, aquaria, botanical societies, historical societies, libraries, museums, performing arts associations or societies, scientific societies and zoological societies.

(w) The term "affiliate" means, with respect to financing of an agricultural facility or an agribusiness, any lender, any person, firm or corporation controlled by, or under common control with, such lender, and any person, firm or corporation

controlling such lender.

(x) The term "agricultural facility" means land, any building or other improvement thereon or thereto, and any personal properties deemed necessary or suitable for use, whether or not now in existence, in farming, ranching, the production of agricultural commodities (including, without limitation, the products of aquaculture, hydroponics and silviculture) or the treating, processing or storing of such agricultural commodities when such activities are customarily engaged in by farmers as a part of farming and which land, building, improvement or personal property is located within the State, or is located outside the State, provided that, if such property is located outside the State, it must be owned, operated, leased, or managed by an entity located within the State or an entity affiliated with an entity located within the State.

(y) The term "lender" with respect to financing of an agricultural facility or an agribusiness, means any federal or State chartered bank, Federal Land Bank, Production Credit Association, Bank for Cooperatives, federal or State chartered savings and loan association or building and loan association, Small Business Investment Company or any other institution qualified within this State to originate and service loans, including, but without limitation to, insurance companies, credit unions and mortgage loan companies. "Lender" also means a wholly owned subsidiary of a manufacturer, seller or

distributor of goods or services that makes loans to businesses or individuals, commonly known as a "captive finance company".

(z) The term "agribusiness" means any sole proprietorship, limited partnership, co-partnership, joint venture, corporation or cooperative which operates or will operate a facility located within the State or outside the State, provided that, if any facility is located outside the State, it must be owned, operated, leased, or managed by an entity located within the State or an entity affiliated with an entity located within the State, that is related to the processing of agricultural commodities (including, without limitation, the products of aquaculture, hydroponics and silviculture) or the manufacturing, production or construction of agricultural buildings, structures, equipment, implements, and supplies, or any other facilities or processes used in agricultural production. Agribusiness includes but is not limited to the following:

(1) grain handling and processing, including grain storage, drying, treatment, conditioning, mailing and packaging;

(2) seed and feed grain development and processing;

(3) fruit and vegetable processing, including preparation, canning and packaging;

(4) processing of livestock and livestock products, dairy products, poultry and poultry products, fish or apiarian products, including slaughter, shearing,

collecting, preparation, canning and packaging;

(5) fertilizer and agricultural chemical manufacturing, processing, application and supplying;

(6) farm machinery, equipment and implement manufacturing and supplying;

(7) manufacturing and supplying of agricultural commodity processing machinery and equipment, including machinery and equipment used in slaughter, treatment, handling, collecting, preparation, canning or packaging of agricultural commodities;

(8) farm building and farm structure manufacturing, construction and supplying;

(9) construction, manufacturing, implementation, supplying or servicing of irrigation, drainage and soil and water conservation devices or equipment;

(10) fuel processing and development facilities that produce fuel from agricultural commodities or byproducts;

(11) facilities and equipment for processing and packaging agricultural commodities specifically for export;

(12) facilities and equipment for forestry product processing and supplying, including sawmilling operations, wood chip operations, timber harvesting operations, and manufacturing of prefabricated buildings, paper, furniture or other goods from forestry products;

(13) facilities and equipment for research and

development of products, processes and equipment for the production, processing, preparation or packaging of agricultural commodities and byproducts.

(aa) The term "asset" with respect to financing of any agricultural facility or any agribusiness, means, but is not limited to the following: cash crops or feed on hand; livestock held for sale; breeding stock; marketable bonds and securities; securities not readily marketable; accounts receivable; notes receivable; cash invested in growing crops; net cash value of life insurance; machinery and equipment; cars and trucks; farm and other real estate including life estates and personal residence; value of beneficial interests in trusts; government payments or grants; and any other assets.

(bb) The term "liability" with respect to financing of any agricultural facility or any agribusiness shall include, but not be limited to the following: accounts payable; notes or other indebtedness owed to any source; taxes; rent; amounts owed on real estate contracts or real estate mortgages; judgments; accrued interest payable; and any other liability.

(cc) The term "Predecessor Authorities" means those authorities as described in Section 845-75.

(dd) The term "housing project" means a specific work or improvement located within the State or outside the State and undertaken to provide residential dwelling accommodations, including the acquisition, construction or rehabilitation of lands, buildings and community facilities and in connection

therewith to provide nonhousing facilities which are part of the housing project, including land, buildings, improvements, equipment and all ancillary facilities for use for offices, stores, retirement homes, hotels, financial institutions, service, health care, education, recreation or research establishments, or any other commercial purpose which are or are to be related to a housing development, provided that any work or improvement located outside the State is owned, operated, leased or managed by an entity located within the State, or any entity affiliated with an entity located within the State.

(ee) The term "conservation project" means any project including the acquisition, construction, rehabilitation, maintenance, operation, or upgrade that is intended to create or expand open space or to reduce energy usage through efficiency measures. For the purpose of this definition, "open space" has the definition set forth under Section 10 of the Illinois Open Land Trust Act.

(ff) The term "significant presence" means the existence within the State of the national or regional headquarters of an entity or group or such other facility of an entity or group of entities where a significant amount of the business functions are performed for such entity or group of entities.

(gg) The term "municipal bond issuer" means the State or any other state or commonwealth of the United States, or any unit of local government, school district, agency or

instrumentality, office, department, division, bureau, commission, college or university thereof located in the State or any other state or commonwealth of the United States.

(hh) The term "municipal bond program project" means a program for the funding of the purchase of bonds, notes or other obligations issued by or on behalf of a municipal bond issuer.

(ii) The term "participating lender" means any trust company, bank, savings bank, credit union, merchant bank, investment bank, broker, investment trust, pension fund, building and loan association, savings and loan association, insurance company, venture capital company, or other institution approved by the Authority which provides a portion of the financing for a project.

(jj) The term "loan participation" means any loan in which the Authority co-operates with a participating lender to provide all or a portion of the financing for a project.

(kk) The term "PACE Project" means an energy project as defined in Section 5 of the Property Assessed Clean Energy Act. (Source: P.A. 99-180, eff. 7-29-15; 100-919, eff. 8-17-18.)

(20 ILCS 3501/801-40)

Sec. 801-40. In addition to the powers otherwise authorized by law and in addition to the foregoing general corporate powers, the Authority shall also have the following additional specific powers to be exercised in furtherance of the purposes

of this Act.

(a) The Authority shall have power (i) to accept grants, loans or appropriations from the federal government or the State, or any agency or instrumentality thereof, to be used for the operating expenses of the Authority, or for any purposes of the Authority, including the making of direct loans of such funds with respect to projects, and (ii) to enter into any agreement with the federal government or the State, or any agency or instrumentality thereof, in relationship to such grants, loans or appropriations.

(b) The Authority shall have power to procure and enter into contracts for any type of insurance and indemnity agreements covering loss or damage to property from any cause, including loss of use and occupancy, or covering any other insurable risk.

(c) The Authority shall have the continuing power to issue bonds for its corporate purposes. Bonds may be issued by the Authority in one or more series and may provide for the payment of any interest deemed necessary on such bonds, of the costs of issuance of such bonds, of any premium on any insurance, or of the cost of any guarantees, letters of credit or other similar documents, may provide for the funding of the reserves deemed necessary in connection with such bonds, and may provide for the refunding or advance refunding of any bonds or for accounts deemed necessary in connection with any purpose of the Authority. The bonds may bear interest payable at any time or

times and at any rate or rates, notwithstanding any other provision of law to the contrary, and such rate or rates may be established by an index or formula which may be implemented or established by persons appointed or retained therefor by the Authority, or may bear no interest or may bear interest payable at maturity or upon redemption prior to maturity, may bear such date or dates, may be payable at such time or times and at such place or places, may mature at any time or times not later than 40 years from the date of issuance, may be sold at public or private sale at such time or times and at such price or prices, may be secured by such pledges, reserves, guarantees, letters of credit, insurance contracts or other similar credit support or liquidity instruments, may be executed in such manner, may be subject to redemption prior to maturity, may provide for the registration of the bonds, and may be subject to such other terms and conditions all as may be provided by the resolution or indenture authorizing the issuance of such bonds. The holder or holders of any bonds issued by the Authority may bring suits at law or proceedings in equity to compel the performance and observance by any person or by the Authority or any of its agents or employees of any contract or covenant made with the holders of such bonds and to compel such person or the Authority and any of its agents or employees to perform any duties required to be performed for the benefit of the holders of any such bonds by the provision of the resolution authorizing their issuance, and to enjoin such person or the

Authority and any of its agents or employees from taking any action in conflict with any such contract or covenant. Notwithstanding the form and tenor of any such bonds and in the absence of any express recital on the face thereof that it is non-negotiable, all such bonds shall be negotiable instruments. Pending the preparation and execution of any such bonds, temporary bonds may be issued as provided by the resolution. The bonds shall be sold by the Authority in such manner as it shall determine. The bonds may be secured as provided in the authorizing resolution by the receipts, revenues, income and other available funds of the Authority and by any amounts derived by the Authority from the loan agreement or lease agreement with respect to the project or projects; and bonds may be issued as general obligations of the Authority payable from such revenues, funds and obligations of the Authority as the bond resolution shall provide, or may be issued as limited obligations with a claim for payment solely from such revenues, funds and obligations as the bond resolution shall provide. The Authority may grant a specific pledge or assignment of and lien on or security interest in such rights, revenues, income, or amounts and may grant a specific pledge or assignment of and lien on or security interest in any reserves, funds or accounts established in the resolution authorizing the issuance of bonds. Any such pledge, assignment, lien or security interest for the benefit of the holders of the Authority's bonds shall be valid and binding

from the time the bonds are issued without any physical delivery or further act, and shall be valid and binding as against and prior to the claims of all other parties having claims against the Authority or any other person irrespective of whether the other parties have notice of the pledge, assignment, lien or security interest. As evidence of such pledge, assignment, lien and security interest, the Authority may execute and deliver a mortgage, trust agreement, indenture or security agreement or an assignment thereof. A remedy for any breach or default of the terms of any such agreement by the Authority may be by mandamus proceedings in any court of competent jurisdiction to compel the performance and compliance therewith, but the agreement may prescribe by whom or on whose behalf such action may be instituted. It is expressly understood that the Authority may, but need not, acquire title to any project with respect to which it exercises its authority.

(d) With respect to the powers granted by this Act, the Authority may adopt rules and regulations prescribing the procedures by which persons may apply for assistance under this Act. Nothing herein shall be deemed to preclude the Authority, prior to the filing of any formal application, from conducting preliminary discussions and investigations with respect to the subject matter of any prospective application.

(e) The Authority shall have power to acquire by purchase, lease, gift or otherwise any property or rights therein from

any person useful for its purposes, whether improved for the purposes of any prospective project, or unimproved. The Authority may also accept any donation of funds for its purposes from any such source. The Authority shall have no independent power of condemnation but may acquire any property or rights therein obtained upon condemnation by any other authority, governmental entity or unit of local government with such power.

(f) The Authority shall have power to develop, construct and improve either under its own direction, or through collaboration with any approved applicant, or to acquire through purchase or otherwise, any project, using for such purpose the proceeds derived from the sale of its bonds or from governmental loans or grants, and to hold title in the name of the Authority to such projects.

(g) The Authority shall have power to lease pursuant to a lease agreement any project so developed and constructed or acquired to the approved tenant on such terms and conditions as may be appropriate to further the purposes of this Act and to maintain the credit of the Authority. Any such lease may provide for either the Authority or the approved tenant to assume initially, in whole or in part, the costs of maintenance, repair and improvements during the leasehold period. In no case, however, shall the total rentals from any project during any initial leasehold period or the total loan repayments to be made pursuant to any loan agreement, be less

than an amount necessary to return over such lease or loan period (1) all costs incurred in connection with the development, construction, acquisition or improvement of the project and for repair, maintenance and improvements thereto during the period of the lease or loan; provided, however, that the rentals or loan repayments need not include costs met through the use of funds other than those obtained by the Authority through the issuance of its bonds or governmental loans; (2) a reasonable percentage additive to be agreed upon by the Authority and the borrower or tenant to cover a properly allocable portion of the Authority's general expenses, including, but not limited to, administrative expenses, salaries and general insurance, and (3) an amount sufficient to pay when due all principal of, interest and premium, if any on, any bonds issued by the Authority with respect to the project. The portion of total rentals payable under clause (3) of this subsection (g) shall be deposited in such special accounts, including all sinking funds, acquisition or construction funds, debt service and other funds as provided by any resolution, mortgage or trust agreement of the Authority pursuant to which any bond is issued.

(h) The Authority has the power, upon the termination of any leasehold period of any project, to sell or lease for a further term or terms such project on such terms and conditions as the Authority shall deem reasonable and consistent with the purposes of the Act. The net proceeds from all such sales and

the revenues or income from such leases shall be used to satisfy any indebtedness of the Authority with respect to such project and any balance may be used to pay any expenses of the Authority or be used for the further development, construction, acquisition or improvement of projects. In the event any project is vacated by a tenant prior to the termination of the initial leasehold period, the Authority shall sell or lease the facilities of the project on the most advantageous terms available. The net proceeds of any such disposition shall be treated in the same manner as the proceeds from sales or the revenues or income from leases subsequent to the termination of any initial leasehold period.

(i) The Authority shall have the power to make loans, or to purchase loan participations in loans made, to persons to finance a project, to enter into loan agreements or agreements with participating lenders with respect thereto, and to accept guarantees from persons of its loans or the resultant evidences of obligations of the Authority.

(j) The Authority may fix, determine, charge and collect any premiums, fees, charges, costs and expenses, including, without limitation, any application fees, commitment fees, program fees, financing charges or publication fees from any person in connection with its activities under this Act.

(k) In addition to the funds established as provided herein, the Authority shall have the power to create and establish such reserve funds and accounts as may be necessary

or desirable to accomplish its purposes under this Act and to deposit its available monies into the funds and accounts.

(l) At the request of the governing body of any unit of local government, the Authority is authorized to market such local government's revenue bond offerings by preparing bond issues for sale, advertising for sealed bids, receiving bids at its offices, making the award to the bidder that offers the most favorable terms or arranging for negotiated placements or underwritings of such securities. The Authority may, at its discretion, offer for concurrent sale the revenue bonds of several local governments. Sales by the Authority of revenue bonds under this Section shall in no way imply State guarantee of such debt issue. The Authority may require such financial information from participating local governments as it deems necessary in order to carry out the purposes of this subsection (1).

(m) The Authority may make grants to any county to which Division 5-37 of the Counties Code is applicable to assist in the financing of capital development, construction and renovation of new or existing facilities for hospitals and health care facilities under that Act. Such grants may only be made from funds appropriated for such purposes from the Build Illinois Bond Fund.

(n) The Authority may establish an urban development action grant program for the purpose of assisting municipalities in Illinois which are experiencing severe economic distress to

help stimulate economic development activities needed to aid in economic recovery. The Authority shall determine the types of activities and projects for which the urban development action grants may be used, provided that such projects and activities are broadly defined to include all reasonable projects and activities the primary objectives of which are the development of viable urban communities, including decent housing and a suitable living environment, and expansion of economic opportunity, principally for persons of low and moderate incomes. The Authority shall enter into grant agreements from monies appropriated for such purposes from the Build Illinois Bond Fund. The Authority shall monitor the use of the grants, and shall provide for audits of the funds as well as recovery by the Authority of any funds determined to have been spent in violation of this subsection (n) or any rule or regulation promulgated hereunder. The Authority shall provide technical assistance with regard to the effective use of the urban development action grants. The Authority shall file an annual report to the General Assembly concerning the progress of the grant program.

(o) The Authority may establish a Housing Partnership Program whereby the Authority provides zero-interest loans to municipalities for the purpose of assisting in the financing of projects for the rehabilitation of affordable multi-family housing for low and moderate income residents. The Authority may provide such loans only upon a municipality's providing

evidence that it has obtained private funding for the rehabilitation project. The Authority shall provide 3 State dollars for every 7 dollars obtained by the municipality from sources other than the State of Illinois. The loans shall be made from monies appropriated for such purpose from the Build Illinois Bond Fund. The total amount of loans available under the Housing Partnership Program shall not exceed \$30,000,000. State loan monies under this subsection shall be used only for the acquisition and rehabilitation of existing buildings containing 4 or more dwelling units. The terms of any loan made by the municipality under this subsection shall require repayment of the loan to the municipality upon any sale or other transfer of the project. In addition, the Authority may use any moneys appropriated for such purpose from the Build Illinois Bond Fund, including funds loaned under this subsection and repaid as principal or interest, and investment income on such funds, to make the loans authorized by subsection (z), without regard to any restrictions or limitations provided in this subsection.

(p) The Authority may award grants to universities and research institutions, research consortiums and other not-for-profit entities for the purposes of: remodeling or otherwise physically altering existing laboratory or research facilities, expansion or physical additions to existing laboratory or research facilities, construction of new laboratory or research facilities or acquisition of modern

equipment to support laboratory or research operations provided that such grants (i) be used solely in support of project and equipment acquisitions which enhance technology transfer, and (ii) not constitute more than 60 percent of the total project or acquisition cost.

(q) Grants may be awarded by the Authority to units of local government for the purpose of developing the appropriate infrastructure or defraying other costs to the local government in support of laboratory or research facilities provided that such grants may not exceed 40% of the cost to the unit of local government.

(r) In addition to the powers granted to the Authority under subsection (i), and in all cases supplemental to it, the Authority may establish a direct loan program to make loans to, or may purchase participations in loans made by participating lenders to, individuals, partnerships, corporations, or other business entities for the purpose of financing an industrial project, as defined in Section 801-10 of this Act. For the purposes of such program and not by way of limitation on any other program of the Authority, including, without limitation, programs established under subsection (i), the Authority shall have the power to issue bonds, notes, or other evidences of indebtedness including commercial paper for purposes of providing a fund of capital from which it may make such loans. The Authority shall have the power to use any appropriations from the State made especially for the Authority's direct loan

program, or moneys at any time held by the Authority under this Act outside the State treasury in the custody of either the Treasurer of the Authority or a trustee or depository appointed by the Authority, for additional capital to make such loans or purchase such loan participations, or for the purposes of reserve funds or pledged funds which secure the Authority's obligations of repayment of any bond, note or other form of indebtedness established for the purpose of providing capital for which it intends to make such loans or purchase such loan participations. For the purpose of obtaining such capital, the Authority may also enter into agreements with financial institutions, participating lenders, and other persons for the purpose of administering a loan participation program, selling loans or developing a secondary market for such loans or loan participations. Loans made under the direct loan program specifically established under this subsection (r), including loans under such program made by participating lenders in which the Authority purchases a participation, may be in an amount not to exceed \$600,000 and shall be made for a portion of an industrial project which does not exceed 50% of the total project. No loan may be made by the Authority unless approved by the affirmative vote of at least 8 members of the board. The Authority shall establish procedures and publish rules which shall provide for the submission, review, and analysis of each direct loan and loan participation application and which shall preserve the ability of each board member and the Executive

Director, as applicable, to reach an individual business judgment regarding the propriety of each direct loan or loan participation. The collective discretion of the board to approve or disapprove each loan shall be unencumbered. The Authority may establish and collect such fees and charges, determine and enforce such terms and conditions, and charge such interest rates as it determines to be necessary and appropriate to the successful administration of the direct loan program, including purchasing loan participations. The Authority may require such interests in collateral and such guarantees as it determines are necessary to protect the Authority's interest in the repayment of the principal and interest of each loan and loan participation made under the direct loan program. The restrictions established under this subsection (r) shall not be applicable to any loan or loan participation made under subsection (i) or to any loan or loan participation made under any other Section of this Act.

(s) The Authority may guarantee private loans to third parties up to a specified dollar amount in order to promote economic development in this State.

(t) The Authority may adopt rules and regulations as may be necessary or advisable to implement the powers conferred by this Act.

(u) The Authority shall have the power to issue bonds, notes or other evidences of indebtedness, which may be used to make loans to units of local government which are authorized to

enter into loan agreements and other documents and to issue bonds, notes and other evidences of indebtedness for the purpose of financing the protection of storm sewer outfalls, the construction of adequate storm sewer outfalls, and the provision for flood protection of sanitary sewage treatment plans, in counties that have established a stormwater management planning committee in accordance with Section 5-1062 of the Counties Code. Any such loan shall be made by the Authority pursuant to the provisions of Section 820-5 to 820-60 of this Act. The unit of local government shall pay back to the Authority the principal amount of the loan, plus annual interest as determined by the Authority. The Authority shall have the power, subject to appropriations by the General Assembly, to subsidize or buy down a portion of the interest on such loans, up to 4% per annum.

(v) The Authority may accept security interests as provided in Sections 11-3 and 11-3.3 of the Illinois Public Aid Code.

(w) Moral Obligation. In the event that the Authority determines that monies of the Authority will not be sufficient for the payment of the principal of and interest on its bonds during the next State fiscal year, the Chairperson, as soon as practicable, shall certify to the Governor the amount required by the Authority to enable it to pay such principal of and interest on the bonds. The Governor shall submit the amount so certified to the General Assembly as soon as practicable, but no later than the end of the current State fiscal year. This

subsection shall apply only to any bonds or notes as to which the Authority shall have determined, in the resolution authorizing the issuance of the bonds or notes, that this subsection shall apply. Whenever the Authority makes such a determination, that fact shall be plainly stated on the face of the bonds or notes and that fact shall also be reported to the Governor. In the event of a withdrawal of moneys from a reserve fund established with respect to any issue or issues of bonds of the Authority to pay principal or interest on those bonds, the Chairperson of the Authority, as soon as practicable, shall certify to the Governor the amount required to restore the reserve fund to the level required in the resolution or indenture securing those bonds. The Governor shall submit the amount so certified to the General Assembly as soon as practicable, but no later than the end of the current State fiscal year. The Authority shall obtain written approval from the Governor for any bonds and notes to be issued under this Section. In addition to any other bonds authorized to be issued under Sections 825-60, 825-65(e), 830-25 and 845-5, the principal amount of Authority bonds outstanding issued under this Section 801-40(w) or under 20 ILCS 3850/1-80 or 30 ILCS 360/2-6(c), which have been assumed by the Authority, shall not exceed \$150,000,000. This subsection (w) shall in no way be applied to any bonds issued by the Authority on behalf of the Illinois Power Agency under Section 825-90 of this Act.

(x) The Authority may enter into agreements or contracts

with any person necessary or appropriate to place the payment obligations of the Authority under any of its bonds in whole or in part on any interest rate basis, cash flow basis, or other basis desired by the Authority, including without limitation agreements or contracts commonly known as "interest rate swap agreements", "forward payment conversion agreements", and "futures", or agreements or contracts to exchange cash flows or a series of payments, or agreements or contracts, including without limitation agreements or contracts commonly known as "options", "puts", or "calls", to hedge payment, rate spread, or similar exposure; provided that any such agreement or contract shall not constitute an obligation for borrowed money and shall not be taken into account under Section 845-5 of this Act or any other debt limit of the Authority or the State of Illinois.

(y) The Authority shall publish summaries of projects and actions approved by the members of the Authority on its website. These summaries shall include, but not be limited to, information regarding the:

- (1) project;
- (2) Board's action or actions;
- (3) purpose of the project;
- (4) Authority's program and contribution;
- (5) volume cap;
- (6) jobs retained;
- (7) projected new jobs;

- (8) construction jobs created;
- (9) estimated sources and uses of funds;
- (10) financing summary;
- (11) project summary;
- (12) business summary;
- (13) ownership or economic disclosure statement;
- (14) professional and financial information;
- (15) service area; and
- (16) legislative district.

The disclosure of information pursuant to this subsection shall comply with the Freedom of Information Act.

(z) Consistent with the findings and declaration of policy set forth in item (j) of Section 801-5 of this Act, the Authority shall have the power to make loans to the Police Officers' Pension Investment Fund authorized by Section 22B-120 of the Illinois Pension Code and to make loans to the Firefighters' Pension Investment Fund authorized by Section 22C-120 of the Illinois Pension Code. Notwithstanding anything in this Act to the contrary, loans authorized by Section 22B-120 and Section 22C-120 of the Illinois Pension Code may be made from any of the Authority's funds, including, but not limited to, funds in its Illinois Housing Partnership Program Fund, its Industrial Project Insurance Fund, or its Illinois Venture Investment Fund.

(Source: P.A. 100-919, eff. 8-17-18.)

(20 ILCS 3501/805-20)

Sec. 805-20. Powers and Duties; Industrial Project Insurance Program. The Authority has the power:

(a) to insure and make advance commitments to insure all or any part of the payments required on the bonds issued or a loan made to finance any environmental facility under the Illinois Environmental Facilities Financing Act or for any industrial project upon such terms and conditions as the Authority may prescribe in accordance with this Article. The insurance provided by the Authority shall be payable solely from the Fund created by Section 805-15 and shall not constitute a debt or pledge of the full faith and credit of the State, the Authority, or any political subdivision thereof;

(b) to enter into insurance contracts, letters of credit or any other agreements or contracts with financial institutions with respect to the Fund and any bonds or loans insured thereunder. Any such agreement or contract may contain terms and provisions necessary or desirable in connection with the program, subject to the requirements established by this Act, including without limitation terms and provisions relating to loan documentation, review and approval procedures, origination and servicing rights and responsibilities, default conditions, procedures and obligations with respect to insurance contracts made under this Act. The agreements or contracts

may be executed on an individual, group or master contract basis with financial institutions;

(c) to charge reasonable fees to defray the cost of obtaining letters of credit or other similar documents, other than insurance contracts under paragraph (b). Any such fees shall be payable by such person, in such amounts and at such times as the Authority shall determine, and the amount of the fees need not be uniform among the various bonds or loans insured;

(d) to fix insurance premiums for the insurance of payments under the provisions of this Article. Such premiums shall be computed as determined by the Authority. Any premiums for the insurance of loan payments under the provisions of this Act shall be payable by such person, in such amounts and at such times as the Authority shall determine, and the amount of the premiums need not be uniform among the various bonds or loans insured;

(e) to establish application fees and prescribe application, notification, contract and insurance forms, rules and regulations it deems necessary or appropriate;

(f) to make loans and to issue bonds secured by insurance or other agreements authorized by paragraphs (a) and (b) of this Section 805-20 and to issue bonds secured by loans that are guaranteed by the federal government or agencies thereof;

(g) to issue a single bond issue, or a series of bond

issues, for a group of industrial projects, a group of corporations, or a group of business entities or any combination thereof insured by insurance or backed by any other agreement authorized by paragraphs (a) and (b) of this Section or secured by loans that are guaranteed by the federal government or agencies thereof;

(h) to enter into trust agreements for the management of the Fund created under Section 805-15 of this Act;

(i) to exercise such other powers as are necessary or incidental to the powers granted in this Section and to the issuance of State Guarantees under Article 830 of this Act; and

(j) at the discretion of the Authority, (i) to insure and make advance commitments to insure, and issue State Guarantees for, all or any part of the payments required on the bonds issued or loans made to finance any agricultural facility, project, farmer, producer, agribusiness, qualified veteran-owned small business, or program under Article 830 or Article 835 of this Act upon such terms and conditions as the Authority may prescribe in accordance with this Article or (ii) to make loans authorized by subsection (z) of Section 801-40 of this Act upon such terms and conditions as the Authority may prescribe, consistent with Sections 22B-120 and 22C-120 of the Illinois Pension Code and without regard to any other restrictions or limitations provided in this Article. The

insurance and State Guarantees provided by the Authority may be payable from the Fund created by Section 805-15 and is in addition to and not in replacement of the Illinois Agricultural Loan Guarantee Fund and the Illinois Farmer and Agribusiness Loan Guarantee Fund created under Article 830 of this Act.

(Source: P.A. 99-509, eff. 6-24-16.)

Section 10. The Illinois Pension Code is amended by changing Sections 1-109.3, 1-113.12, 1-160, 1A-102, 1A-104, 1A-109, 1A-111, 1A-112, 1A-113, 3-111, 3-112, 3-125, 3-132, 4-109, 4-114, 4-118, 4-123, 7-159, 14-110, 14-152.1, 15-120, 15-135, 15-136, 15-159, 15-198, 16-163, 16-164, and 16-165 and by adding Sections 1-101.6, 3-124.3, 3-132.1, 4-117.2, and 4-123.2 and Articles 22B and 22C as follows:

(40 ILCS 5/1-101.6 new)

Sec. 1-101.6. Transferor pension fund. "Transferor pension fund" means any pension fund established pursuant to Article 3 or 4 of this Code.

(40 ILCS 5/1-109.3)

Sec. 1-109.3. Training requirement for pension trustees.

(a) All elected and appointed trustees under Article 3 and 4 of this Code must participate in a mandatory trustee certification training seminar that consists of at least 16 ~~32~~

hours of initial trustee certification at a training facility that is accredited and affiliated with a State of Illinois certified college or university. This training must include without limitation all of the following:

(1) Duties and liabilities of a fiduciary with respect to the administration and payment of pension benefits ~~under Article 1 of the Illinois Pension Code.~~

(2) Adjudication of pension claims.

(3) (Blank) ~~Basic accounting and actuarial training.~~

(4) Trustee ethics.

(5) The Illinois Open Meetings Act.

(6) The Illinois Freedom of Information Act.

The training required under this subsection (a) must be completed within the first year that a trustee is elected or appointed under an Article 3 or 4 pension fund. Any trustee who has completed the training required under Section 1.05 of the Open Meetings Act shall not be required to participate in training concerning item (5) of this subsection. The elected and appointed trustees of an Article 3 or 4 pension fund who are police officers (as defined in Section 3-106 of this Code) or firefighters (as defined in Section 4-106 of this Code) or are employed by the municipality shall be permitted time away from their duties to attend such training without reduction of accrued leave or benefit time. Active or appointed trustees serving on the effective date of this amendatory Act of the 96th General Assembly shall not be required to attend the

training required under this subsection (a).

(a-5) In addition to the initial trustee certification training required under subsection (a), all elected and appointed trustees who were elected or appointed on or before the effective date of this amendatory Act of the 101st General Assembly shall also participate in 4 hours of training on the changes made by this amendatory Act of the 101st General Assembly. For trustees of funds under Article 3, this training shall be conducted at a training facility that is accredited and affiliated with a State of Illinois certified college or university. For trustees of funds under Article 4, this training may be conducted by a fund, the Department of Insurance, or both a fund and the Department of Insurance. This training is only required to be completed once by each trustee required to participate.

(b) In addition to the initial trustee certification training required under subsection (a), all elected and appointed trustees under Article 3 and 4 of this Code, including trustees serving on the effective date of this amendatory Act of the 96th General Assembly, shall also participate in a minimum of 8 ~~16~~ hours of continuing trustee education each year after the first year that the trustee is elected or appointed.

(c) The training required under this Section shall be paid for by the pension fund.

(d) Any board member who does not timely complete the

training required under this Section is not eligible to serve on the board of trustees of an Article 3 or 4 pension fund, unless the board member completes the missed training within 6 months after the date the member failed to complete the required training. In the event of a board member's failure to complete the required training, a successor shall be appointed or elected, as applicable, for the unexpired term. A successor who is elected under such circumstances must be elected at a special election called by the board and conducted in the same manner as a regular election under Article 3 or 4, as applicable.

(Source: P.A. 96-429, eff. 8-13-09.)

(40 ILCS 5/1-113.12)

Sec. 1-113.12. Application.

(a) Except as provided in subsection (b) of this Section, Sections 1-113.1 through 1-113.10 apply only to pension funds established under Article 3 or 4 of this Code.

(b) Upon the transfer of the securities, funds, assets, and moneys of a transferor pension fund to a fund created under Article 22B or 22C, that pension fund shall no longer exercise any investment authority with respect to those securities, funds, assets, and moneys and Sections 1-113.1 through 113.10 shall not apply to those securities, funds, assets, and moneys.

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

(40 ILCS 5/1-160)

Sec. 1-160. Provisions applicable to new hires.

(a) The provisions of this Section apply to a person who, on or after January 1, 2011, first becomes a member or a participant under any reciprocal retirement system or pension fund established under this Code, other than a retirement system or pension fund established under Article 2, 3, 4, 5, 6, 15 or 18 of this Code, notwithstanding any other provision of this Code to the contrary, but do not apply to any self-managed plan established under this Code, to any person with respect to service as a sheriff's law enforcement employee under Article 7, or to any participant of the retirement plan established under Section 22-101. Notwithstanding anything to the contrary in this Section, for purposes of this Section, a person who participated in a retirement system under Article 15 prior to January 1, 2011 shall be deemed a person who first became a member or participant prior to January 1, 2011 under any retirement system or pension fund subject to this Section. The changes made to this Section by Public Act 98-596 are a clarification of existing law and are intended to be retroactive to January 1, 2011 (the effective date of Public Act 96-889), notwithstanding the provisions of Section 1-103.1 of this Code.

This Section does not apply to a person who first becomes a noncovered employee under Article 14 on or after the implementation date of the plan created under Section 1-161 for

that Article, unless that person elects under subsection (b) of Section 1-161 to instead receive the benefits provided under this Section and the applicable provisions of that Article.

This Section does not apply to a person who first becomes a member or participant under Article 16 on or after the implementation date of the plan created under Section 1-161 for that Article, unless that person elects under subsection (b) of Section 1-161 to instead receive the benefits provided under this Section and the applicable provisions of that Article.

This Section does not apply to a person who elects under subsection (c-5) of Section 1-161 to receive the benefits under Section 1-161.

This Section does not apply to a person who first becomes a member or participant of an affected pension fund on or after 6 months after the resolution or ordinance date, as defined in Section 1-162, unless that person elects under subsection (c) of Section 1-162 to receive the benefits provided under this Section and the applicable provisions of the Article under which he or she is a member or participant.

(b) "Final average salary" means the average monthly (or annual) salary obtained by dividing the total salary or earnings calculated under the Article applicable to the member or participant during the 96 consecutive months (or 8 consecutive years) of service within the last 120 months (or 10 years) of service in which the total salary or earnings calculated under the applicable Article was the highest by the

number of months (or years) of service in that period. For the purposes of a person who first becomes a member or participant of any retirement system or pension fund to which this Section applies on or after January 1, 2011, in this Code, "final average salary" shall be substituted for the following:

(1) In Article 7 (except for service as sheriff's law enforcement employees), "final rate of earnings".

(2) In Articles 8, 9, 10, 11, and 12, "highest average annual salary for any 4 consecutive years within the last 10 years of service immediately preceding the date of withdrawal".

(3) In Article 13, "average final salary".

(4) In Article 14, "final average compensation".

(5) In Article 17, "average salary".

(6) In Section 22-207, "wages or salary received by him at the date of retirement or discharge".

(b-5) Beginning on January 1, 2011, for all purposes under this Code (including without limitation the calculation of benefits and employee contributions), the annual earnings, salary, or wages (based on the plan year) of a member or participant to whom this Section applies shall not exceed \$106,800; however, that amount shall annually thereafter be increased by the lesser of (i) 3% of that amount, including all previous adjustments, or (ii) one-half the annual unadjusted percentage increase (but not less than zero) in the consumer price index-u for the 12 months ending with the September

preceding each November 1, including all previous adjustments.

For the purposes of this Section, "consumer price index-u" means the index published by the Bureau of Labor Statistics of the United States Department of Labor that measures the average change in prices of goods and services purchased by all urban consumers, United States city average, all items, 1982-84 = 100. The new amount resulting from each annual adjustment shall be determined by the Public Pension Division of the Department of Insurance and made available to the boards of the retirement systems and pension funds by November 1 of each year.

(c) A member or participant is entitled to a retirement annuity upon written application if he or she has attained age 67 (beginning January 1, 2015, age 65 with respect to service under Article 12 of this Code that is subject to this Section) and has at least 10 years of service credit and is otherwise eligible under the requirements of the applicable Article.

A member or participant who has attained age 62 (beginning January 1, 2015, age 60 with respect to service under Article 12 of this Code that is subject to this Section) and has at least 10 years of service credit and is otherwise eligible under the requirements of the applicable Article may elect to receive the lower retirement annuity provided in subsection (d) of this Section.

(c-5) A person who first becomes a member or a participant subject to this Section on or after July 6, 2017 (the effective date of Public Act 100-23), notwithstanding any other provision

of this Code to the contrary, is entitled to a retirement annuity under Article 8 or Article 11 upon written application if he or she has attained age 65 and has at least 10 years of service credit and is otherwise eligible under the requirements of Article 8 or Article 11 of this Code, whichever is applicable.

(d) The retirement annuity of a member or participant who is retiring after attaining age 62 (beginning January 1, 2015, age 60 with respect to service under Article 12 of this Code that is subject to this Section) with at least 10 years of service credit shall be reduced by one-half of 1% for each full month that the member's age is under age 67 (beginning January 1, 2015, age 65 with respect to service under Article 12 of this Code that is subject to this Section).

(d-5) The retirement annuity payable under Article 8 or Article 11 to an eligible person subject to subsection (c-5) of this Section who is retiring at age 60 with at least 10 years of service credit shall be reduced by one-half of 1% for each full month that the member's age is under age 65.

(d-10) Each person who first became a member or participant under Article 8 or Article 11 of this Code on or after January 1, 2011 and prior to the effective date of this amendatory Act of the 100th General Assembly shall make an irrevocable election either:

(i) to be eligible for the reduced retirement age provided in subsections (c-5) and (d-5) of this Section,

the eligibility for which is conditioned upon the member or participant agreeing to the increases in employee contributions for age and service annuities provided in subsection (a-5) of Section 8-174 of this Code (for service under Article 8) or subsection (a-5) of Section 11-170 of this Code (for service under Article 11); or

(ii) to not agree to item (i) of this subsection (d-10), in which case the member or participant shall continue to be subject to the retirement age provisions in subsections (c) and (d) of this Section and the employee contributions for age and service annuity as provided in subsection (a) of Section 8-174 of this Code (for service under Article 8) or subsection (a) of Section 11-170 of this Code (for service under Article 11).

The election provided for in this subsection shall be made between October 1, 2017 and November 15, 2017. A person subject to this subsection who makes the required election shall remain bound by that election. A person subject to this subsection who fails for any reason to make the required election within the time specified in this subsection shall be deemed to have made the election under item (ii).

(e) Any retirement annuity or supplemental annuity shall be subject to annual increases on the January 1 occurring either on or after the attainment of age 67 (beginning January 1, 2015, age 65 with respect to service under Article 12 of this Code that is subject to this Section and beginning on the

effective date of this amendatory Act of the 100th General Assembly, age 65 with respect to service under Article 8 or Article 11 for eligible persons who: (i) are subject to subsection (c-5) of this Section; or (ii) made the election under item (i) of subsection (d-10) of this Section) or the first anniversary of the annuity start date, whichever is later. Each annual increase shall be calculated at 3% or one-half the annual unadjusted percentage increase (but not less than zero) in the consumer price index-u for the 12 months ending with the September preceding each November 1, whichever is less, of the originally granted retirement annuity. If the annual unadjusted percentage change in the consumer price index-u for the 12 months ending with the September preceding each November 1 is zero or there is a decrease, then the annuity shall not be increased.

For the purposes of Section 1-103.1 of this Code, the changes made to this Section by this amendatory Act of the 100th General Assembly are applicable without regard to whether the employee was in active service on or after the effective date of this amendatory Act of the 100th General Assembly.

(f) The initial survivor's or widow's annuity of an otherwise eligible survivor or widow of a retired member or participant who first became a member or participant on or after January 1, 2011 shall be in the amount of 66 2/3% of the retired member's or participant's retirement annuity at the date of death. In the case of the death of a member or

participant who has not retired and who first became a member or participant on or after January 1, 2011, eligibility for a survivor's or widow's annuity shall be determined by the applicable Article of this Code. The initial benefit shall be 66 2/3% of the earned annuity without a reduction due to age. A child's annuity of an otherwise eligible child shall be in the amount prescribed under each Article if applicable. Any survivor's or widow's annuity shall be increased (1) on each January 1 occurring on or after the commencement of the annuity if the deceased member died while receiving a retirement annuity or (2) in other cases, on each January 1 occurring after the first anniversary of the commencement of the annuity. Each annual increase shall be calculated at 3% or one-half the annual unadjusted percentage increase (but not less than zero) in the consumer price index-u for the 12 months ending with the September preceding each November 1, whichever is less, of the originally granted survivor's annuity. If the annual unadjusted percentage change in the consumer price index-u for the 12 months ending with the September preceding each November 1 is zero or there is a decrease, then the annuity shall not be increased.

(g) The benefits in Section 14-110 apply only if the person is a State policeman, a fire fighter in the fire protection service of a department, a conservation police officer, an investigator for the Secretary of State, an arson investigator, a Commerce Commission police officer, investigator for the

Department of Revenue or the Illinois Gaming Board, a security employee of the Department of Corrections or the Department of Juvenile Justice, or a security employee of the Department of Innovation and Technology, as those terms are defined in subsection (b) and subsection (c) of Section 14-110. A person who meets the requirements of this Section is entitled to an annuity calculated under the provisions of Section 14-110, in lieu of the regular or minimum retirement annuity, only if the person has withdrawn from service with not less than 20 years of eligible creditable service and has attained age 60, regardless of whether the attainment of age 60 occurs while the person is still in service.

(h) If a person who first becomes a member or a participant of a retirement system or pension fund subject to this Section on or after January 1, 2011 is receiving a retirement annuity or retirement pension under that system or fund and becomes a member or participant under any other system or fund created by this Code and is employed on a full-time basis, except for those members or participants exempted from the provisions of this Section under subsection (a) of this Section, then the person's retirement annuity or retirement pension under that system or fund shall be suspended during that employment. Upon termination of that employment, the person's retirement annuity or retirement pension payments shall resume and be recalculated if recalculation is provided for under the applicable Article of this Code.

If a person who first becomes a member of a retirement system or pension fund subject to this Section on or after January 1, 2012 and is receiving a retirement annuity or retirement pension under that system or fund and accepts on a contractual basis a position to provide services to a governmental entity from which he or she has retired, then that person's annuity or retirement pension earned as an active employee of the employer shall be suspended during that contractual service. A person receiving an annuity or retirement pension under this Code shall notify the pension fund or retirement system from which he or she is receiving an annuity or retirement pension, as well as his or her contractual employer, of his or her retirement status before accepting contractual employment. A person who fails to submit such notification shall be guilty of a Class A misdemeanor and required to pay a fine of \$1,000. Upon termination of that contractual employment, the person's retirement annuity or retirement pension payments shall resume and, if appropriate, be recalculated under the applicable provisions of this Code.

(i) (Blank).

(j) In the case of a conflict between the provisions of this Section and any other provision of this Code, the provisions of this Section shall control.

(Source: P.A. 100-23, eff. 7-6-17; 100-201, eff. 8-18-17; 100-563, eff. 12-8-17; 100-611, eff. 7-20-18; 100-1166, eff. 1-4-19.)

(40 ILCS 5/1A-102)

Sec. 1A-102. Definitions. As used in this Article, the following terms have the meanings ascribed to them in this Section, unless the context otherwise requires:

"Accrued liability" means the actuarial present value of future benefit payments and appropriate administrative expenses under a plan, reduced by the actuarial present value of all future normal costs (including any participant contributions) with respect to the participants included in the actuarial valuation of the plan.

"Actuarial present value" means the single amount, as of a given valuation date, that results from applying actuarial assumptions to an amount or series of amounts payable or receivable at various times.

"Actuarial value of assets" means the value assigned by the actuary to the assets of a plan for the purposes of an actuarial valuation.

"Basis point" means 1/100th of one percent.

"Beneficiary" means a person eligible for or receiving benefits from a pension fund as provided in the Article of this Code under which the fund is established.

"Consolidated Fund" means: (i) with respect to the pension funds established under Article 3 of this Code, the Police Officers' Pension Investment Fund established under Article 22B of this Code; and (ii) with respect to the pension funds

established under Article 4 of this Code, the Firefighters' Pension Investment Fund established under Article 22C of this Code.

"Credited projected benefit" means that portion of a participant's projected benefit based on an allocation taking into account service to date determined in accordance with the terms of the plan based on anticipated future compensation.

"Current value" means the fair market value when available; otherwise, the fair value as determined in good faith by a trustee, assuming an orderly liquidation at the time of the determination.

"Department" means the Department of Insurance of the State of Illinois.

"Director" means the Director of the Department of Insurance.

"Division" means the Public Pension Division of the Department of Insurance.

"Governmental unit" means the State of Illinois, any instrumentality or agency thereof (except transit authorities or agencies operating within or within and without cities with a population over 3,000,000), and any political subdivision or municipal corporation that establishes and maintains a public pension fund.

"Normal cost" means that part of the actuarial present value of all future benefit payments and appropriate administrative expenses assigned to the current year under the

actuarial valuation method used by the plan (excluding any amortization of the unfunded accrued liability).

"Participant" means a participating member or deferred pensioner or annuitant of a pension fund as provided in the Article of this Code under which the pension fund is established, or a beneficiary thereof.

"Pension fund" means any public pension fund, annuity and benefit fund, or retirement system established under this Code.

"Plan year" means the calendar or fiscal year on which the records of a given plan are kept.

"Projected benefits" means benefit amounts under a plan which are expected to be paid at various future times under a particular set of actuarial assumptions, taking into account, as applicable, the effect of advancement in age and past and anticipated future compensation and service credits.

"Supplemental annual cost" means that portion of the unfunded accrued liability assigned to the current year under one of the following bases:

- (1) interest only on the unfunded accrued liability;
- (2) the level annual amount required to amortize the unfunded accrued liability over a period not exceeding 40 years;
- (3) the amount required for the current year to amortize the unfunded accrued liability over a period not exceeding 40 years as a level percentage of payroll.

"Total annual cost" means the sum of the normal cost plus

the supplemental annual cost.

"Transition period" means the period described in Section 22B-120 with respect to the pension funds established under Article 3 of this Code and the period described in Section 22C-120 with respect to the pension funds established under Article 4 of this Code.

"Unfunded accrued liability" means the excess of the accrued liability over the actuarial value of the assets of a plan.

"Vested pension benefit" means an interest obtained by a participant or beneficiary in that part of an immediate or deferred benefit under a plan which arises from the participant's service and is not conditional upon the participant's continued service for an employer any of whose employees are covered under the plan, and which has not been forfeited under the terms of the plan.

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

(40 ILCS 5/1A-104)

Sec. 1A-104. Examinations and investigations.

(a) Except as described in the following paragraph with respect to pension funds established under Article 3 or 4 of this Code, the ~~The~~ Division shall make periodic examinations and investigations of all pension funds established under this Code and maintained for the benefit of employees and officers of governmental units in the State of Illinois. However, in

lieu of making an examination and investigation, the Division may accept and rely upon a report of audit or examination of any pension fund made by an independent certified public accountant pursuant to the provisions of the Article of this Code governing the pension fund. The acceptance of the report of audit or examination does not bar the Division from making a further audit, examination, and investigation if deemed necessary by the Division.

For pension funds established under Article 3 or 4 of this Code: (i) prior to the conclusion of the transition period, the Division shall make the periodic examinations and investigations described in the preceding paragraph; and (ii) after the conclusion of the transition period, the Division may accept and rely upon a report of audit or examination of such pension fund made by an independent certified public accountant retained by the Consolidated Fund. The acceptance of the report of audit or examination does not bar the Division from making a further audit, examination, and investigation if deemed necessary by the Division.

The Department may implement a flexible system of examinations under which it directs resources as it deems necessary or appropriate. In consultation with the pension fund being examined, the Division may retain attorneys, independent actuaries, independent certified public accountants, and other professionals and specialists as examiners, the cost of which (except in the case of pension funds established under Article

3 or 4) shall be borne by the pension fund that is the subject of the examination.

(b) The Division or the Consolidated Fund, as appropriate, shall examine or investigate each pension fund established under Article 3 or Article 4 of this Code. The schedule of each examination shall be such that each fund shall be examined once every 3 years.

Each examination shall include the following:

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

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

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

(4) a determination of whether or not full effect is being given to the statutory provisions governing the operation of the pension fund;

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

(6) a determination of whether or not proper financial and statistical records have been established and adequate documentary evidence is recorded and maintained in support

of the several types of annuity and benefit payments being made; and

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

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

A copy of the report of examination or investigation as prepared by the Division or the Consolidated Fund, as appropriate, shall be submitted to the secretary of the board of trustees of the pension fund examined or investigated and to the chief executive officer of the municipality. The Director, upon request, shall grant a hearing to the officers or trustees of the pension fund and to the officers or trustees of the Consolidated Fund, as appropriate, or their duly appointed representatives, upon any facts contained in the report of examination. The hearing shall be conducted before filing the report or making public any information contained in the report. The Director may withhold the report from public inspection for up to 60 days following the hearing.

(Source: P.A. 95-950, eff. 8-29-08.)

(40 ILCS 5/1A-109)

Sec. 1A-109. Annual statements by pension funds. Each

pension fund shall furnish to the Division an annual statement in a format prepared by the Division.

The Division shall design the form and prescribe the content of the annual statement and, at least 60 days prior to the filing date, shall furnish the form to each pension fund for completion. The annual statement shall be prepared by each fund, properly certified by its officers, and submitted to the Division within 6 months following the close of the fiscal year of the pension fund.

The annual statement shall include, but need not be limited to, the following:

- (1) a financial balance sheet as of the close of the fiscal year;
- (2) a statement of income and expenditures;
- (3) an actuarial balance sheet;
- (4) statistical data reflecting age, service, and salary characteristics concerning all participants;
- (5) special facts concerning disability or other claims;
- (6) details on investment transactions that occurred during the fiscal year covered by the report;
- (7) details on administrative expenses; and
- (8) such other supporting data and schedules as in the judgement of the Division may be necessary for a proper appraisal of the financial condition of the pension fund and the results of its operations. The annual statement

shall also specify the actuarial and interest tables used in the operation of the pension fund.

For pension funds under Article 3 or 4 of this Code, after the conclusion of the transition period, the Consolidated Fund shall furnish directly to the Division the information described in items (1) and (6) of this Section and shall otherwise cooperate with the pension fund in the preparation of the annual statement.

A pension fund that fails to file its annual statement within the time prescribed under this Section is subject to the penalty provisions of Section 1A-113.

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

(40 ILCS 5/1A-111)

Sec. 1A-111. Actuarial statements by pension funds established under Article 3 or 4.

(a) For each ~~Each~~ pension fund established under Article 3 or 4 of this Code, a complete actuarial statement applicable to its plan year shall be included ~~include~~ as part of its annual statement in accordance with the following: ~~a complete actuarial statement applicable to the plan year.~~

(1) Prior to the conclusion of the transition period, if ~~if~~ the actuarial statement is prepared by a person other than the Department, it shall be filed with the Division within 9 months after the close of the fiscal year of the pension fund. Any pension fund that fails to file within

that time shall be subject to the penalty provisions of Section 1A-113. The statement shall be prepared by or under the supervision of a qualified actuary, signed by the qualified actuary, and contain such information as the Division may by rule require.

(2) After the conclusion of the transition period, each actuarial statement shall be prepared by or under the supervision of a qualified actuary retained by the Consolidated Fund and signed by the qualified actuary and shall contain such information as the Division may by rule require. The actuarial statement shall be filed with the Division within 9 months after the close of the fiscal year of the pension fund.

(a-5) Prior to the conclusion of the transition period, the actuarial statements may be prepared utilizing the method for calculating the actuarially required contribution for the pension fund that was in effect prior to the effective date of this amendatory Act of the 101st General Assembly.

After the conclusion of the transition period, the actuarial statements shall be prepared by or under the supervision of a qualified actuary retained by the Consolidated Fund, and if a change occurs in an actuarial or investment assumption that increases or decreases the actuarially required contribution for the pension fund, that change shall be implemented in equal annual amounts over the 3-year period beginning in the fiscal year of the pension fund in which such

change first occurs.

The actuarially required contribution as described in this subsection shall determine the annual required employer contribution.

(b) For the purposes of this Section, "qualified actuary" means (i) a member of the American Academy of Actuaries, or (ii) an individual who has demonstrated to the satisfaction of the Director that he or she has the educational background necessary for the practice of actuarial science and has at least 7 years of actuarial experience.

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

(40 ILCS 5/1A-112)

Sec. 1A-112. Fees.

(a) Every pension fund that is required to file an annual statement under Section 1A-109 shall pay to the Department an annual compliance fee. In the case of a pension fund under Article 3 or 4 of this Code, (i) prior to the conclusion of the transition period, the annual compliance fee shall be 0.02% (2 basis points) of the total assets of the pension fund, as reported in the most current annual statement of the fund, but not more than \$8,000 and (ii) after the conclusion of the transition period, the annual compliance fee shall be \$8,000 and shall be paid by the Consolidated Fund. In the case of all other pension funds and retirement systems, the annual compliance fee shall be \$8,000.

(b) The annual compliance fee shall be due on June 30 for the following State fiscal year, except that the fee payable in 1997 for fiscal year 1998 shall be due no earlier than 30 days following the effective date of this amendatory Act of 1997.

(c) Any information obtained by the Division that is available to the public under the Freedom of Information Act and is either compiled in published form or maintained on a computer processible medium shall be furnished upon the written request of any applicant and the payment of a reasonable information services fee established by the Director, sufficient to cover the total cost to the Division of compiling, processing, maintaining, and generating the information. The information may be furnished by means of published copy or on a computer processed or computer processible medium.

No fee may be charged to any person for information that the Division is required by law to furnish to that person.

(d) Except as otherwise provided in this Section, all fees and penalties collected by the Department under this Code shall be deposited into the Public Pension Regulation Fund.

(e) Fees collected under subsection (c) of this Section and money collected under Section 1A-107 shall be deposited into the Technology Management Revolving Fund and credited to the account of the Department's Public Pension Division. This income shall be used exclusively for the purposes set forth in Section 1A-107. Notwithstanding the provisions of Section

408.2 of the Illinois Insurance Code, no surplus funds remaining in this account shall be deposited in the Insurance Financial Regulation Fund. All money in this account that the Director certifies is not needed for the purposes set forth in Section 1A-107 of this Code shall be transferred to the Public Pension Regulation Fund.

(f) Nothing in this Code prohibits the General Assembly from appropriating funds from the General Revenue Fund to the Department for the purpose of administering or enforcing this Code.

(Source: P.A. 100-23, eff. 7-6-17.)

(40 ILCS 5/1A-113)

Sec. 1A-113. Penalties.

(a) A pension fund that fails, without just cause, to file its annual statement within the time prescribed under Section 1A-109 shall pay to the Department a penalty to be determined by the Department, which shall not exceed \$100 for each day's delay.

(b) A pension fund that fails, without just cause, to file its actuarial statement within the time prescribed under Section 1A-110 or 1A-111 shall pay to the Department a penalty to be determined by the Department, which shall not exceed \$100 for each day's delay.

(c) A pension fund that fails to pay a fee within the time prescribed under Section 1A-112 shall pay to the Department a

penalty of 5% of the amount of the fee for each month or part of a month that the fee is late. The entire penalty shall not exceed 25% of the fee due.

(d) This subsection applies to any governmental unit, as defined in Section 1A-102, that is subject to any law establishing a pension fund or retirement system for the benefit of employees of the governmental unit.

Whenever the Division determines by examination, investigation, or in any other manner that the governing body or any elected or appointed officer or official of a governmental unit has failed to comply with any provision of that law:

(1) The Director shall notify in writing the governing body, officer, or official of the specific provision or provisions of the law with which the person has failed to comply.

(2) Upon receipt of the notice, the person notified shall take immediate steps to comply with the provisions of law specified in the notice.

(3) If the person notified fails to comply within a reasonable time after receiving the notice, the Director may hold a hearing at which the person notified may show cause for noncompliance with the law.

(4) If upon hearing the Director determines that good and sufficient cause for noncompliance has not been shown, the Director may order the person to submit evidence of

compliance within a specified period of not less than 30 days.

(5) If evidence of compliance has not been submitted to the Director within the period of time prescribed in the order and no administrative appeal from the order has been initiated, the Director may assess a civil penalty of up to \$2,000 against the governing body, officer, or official for each noncompliance with an order of the Director.

The Director shall develop by rule, with as much specificity as practicable, the standards and criteria to be used in assessing penalties and their amounts. The standards and criteria shall include, but need not be limited to, consideration of evidence of efforts made in good faith to comply with applicable legal requirements. This rulemaking is subject to the provisions of the Illinois Administrative Procedure Act.

If a penalty is not paid within 30 days of the date of assessment, the Director without further notice shall report the act of noncompliance to the Attorney General of this State. It shall be the duty of the Attorney General or, if the Attorney General so designates, the State's Attorney of the county in which the governmental unit is located to apply promptly by complaint on relation of the Director of Insurance in the name of the people of the State of Illinois, as plaintiff, to the circuit court of the county in which the governmental unit is located for enforcement of the penalty

prescribed in this subsection or for such additional relief as the nature of the case and the interest of the employees of the governmental unit or the public may require.

(e) Whoever knowingly makes a false certificate, entry, or memorandum upon any of the books or papers pertaining to any pension fund or upon any statement, report, or exhibit filed or offered for file with the Division or the Director of Insurance in the course of any examination, inquiry, or investigation, with intent to deceive the Director, the Division, or any of its employees is guilty of a Class A misdemeanor.

(f) Subsections (b) and (c) shall apply to pension funds established under Article 3 or Article 4 of this Code only prior to the conclusion of the transition period, and this Section shall not apply to the Consolidated Funds.

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

(40 ILCS 5/3-111) (from Ch. 108 1/2, par. 3-111)

Sec. 3-111. Pension.

(a) A police officer age 50 or more with 20 or more years of creditable service, who is not a participant in the self-managed plan under Section 3-109.3 and who is no longer in service as a police officer, shall receive a pension of 1/2 of the salary attached to the rank held by the officer on the police force for one year immediately prior to retirement or, beginning July 1, 1987 for persons terminating service on or after that date, the salary attached to the rank held on the

last day of service or for one year prior to the last day, whichever is greater. The pension shall be increased by 2.5% of such salary for each additional year of service over 20 years of service through 30 years of service, to a maximum of 75% of such salary.

The changes made to this subsection (a) by this amendatory Act of the 91st General Assembly apply to all pensions that become payable under this subsection on or after January 1, 1999. All pensions payable under this subsection that began on or after January 1, 1999 and before the effective date of this amendatory Act shall be recalculated, and the amount of the increase accruing for that period shall be payable to the pensioner in a lump sum.

(a-5) No pension in effect on or granted after June 30, 1973 shall be less than \$200 per month. Beginning July 1, 1987, the minimum retirement pension for a police officer having at least 20 years of creditable service shall be \$400 per month, without regard to whether or not retirement occurred prior to that date. If the minimum pension established in Section 3-113.1 is greater than the minimum provided in this subsection, the Section 3-113.1 minimum controls.

(b) A police officer mandatorily retired from service due to age by operation of law, having at least 8 but less than 20 years of creditable service, shall receive a pension equal to 2 1/2% of the salary attached to the rank he or she held on the police force for one year immediately prior to retirement or,

beginning July 1, 1987 for persons terminating service on or after that date, the salary attached to the rank held on the last day of service or for one year prior to the last day, whichever is greater, for each year of creditable service.

A police officer who retires or is separated from service having at least 8 years but less than 20 years of creditable service, who is not mandatorily retired due to age by operation of law, and who does not apply for a refund of contributions at his or her last separation from police service, shall receive a pension upon attaining age 60 equal to 2.5% of the salary attached to the rank held by the police officer on the police force for one year immediately prior to retirement or, beginning July 1, 1987 for persons terminating service on or after that date, the salary attached to the rank held on the last day of service or for one year prior to the last day, whichever is greater, for each year of creditable service.

(c) A police officer no longer in service who has at least one but less than 8 years of creditable service in a police pension fund but meets the requirements of this subsection (c) shall be eligible to receive a pension from that fund equal to 2.5% of the salary attached to the rank held on the last day of service under that fund or for one year prior to that last day, whichever is greater, for each year of creditable service in that fund. The pension shall begin no earlier than upon attainment of age 60 (or upon mandatory retirement from the fund by operation of law due to age, if that occurs before age

60) and in no event before the effective date of this amendatory Act of 1997.

In order to be eligible for a pension under this subsection (c), the police officer must have at least 8 years of creditable service in a second police pension fund under this Article and be receiving a pension under subsection (a) or (b) of this Section from that second fund. The police officer need not be in service on or after the effective date of this amendatory Act of 1997.

(d) Notwithstanding any other provision of this Article, the provisions of this subsection (d) apply to a person who is not a participant in the self-managed plan under Section 3-109.3 and who first becomes a police officer under this Article on or after January 1, 2011.

A police officer age 55 or more who has 10 or more years of service in that capacity shall be entitled at his option to receive a monthly pension for his service as a police officer computed by multiplying 2.5% for each year of such service by his or her final average salary.

The pension of a police officer who is retiring after attaining age 50 with 10 or more years of creditable service shall be reduced by one-half of 1% for each month that the police officer's age is under age 55.

The maximum pension under this subsection (d) shall be 75% of final average salary.

For the purposes of this subsection (d), "final average

salary" means the greater of: (i) the average monthly salary obtained by dividing the total salary of the police officer during the ~~48~~ 96 consecutive months of service within the last ~~60~~ 120 months of service in which the total salary was the highest by the number of months of service in that period; or (ii) the average monthly salary obtained by dividing the total salary of the police officer during the 96 consecutive months of service within the last 120 months of service in which the total salary was the highest by the number of months of service in that period.

Beginning on January 1, 2011, for all purposes under this Code (including without limitation the calculation of benefits and employee contributions), the annual salary based on the plan year of a member or participant to whom this Section applies shall not exceed \$106,800; however, that amount shall annually thereafter be increased by the lesser of (i) 3% of that amount, including all previous adjustments, or (ii) ~~one-half~~ the annual unadjusted percentage increase (but not less than zero) in the consumer price index-u for the 12 months ending with the September preceding each November 1, including all previous adjustments.

Nothing in this amendatory Act of the 101st General Assembly shall cause or otherwise result in any retroactive adjustment of any employee contributions.

(Source: P.A. 96-1495, eff. 1-1-11.)

(40 ILCS 5/3-112) (from Ch. 108 1/2, par. 3-112)

Sec. 3-112. Pension to survivors.

(a) Upon the death of a police officer entitled to a pension under Section 3-111, the surviving spouse shall be entitled to the pension to which the police officer was then entitled. Upon the death of the surviving spouse, or upon the remarriage of the surviving spouse if that remarriage terminates the surviving spouse's eligibility under Section 3-121, the police officer's unmarried children who are under age 18 or who are dependent because of physical or mental disability shall be entitled to equal shares of such pension. If there is no eligible surviving spouse and no eligible child, the dependent parent or parents of the officer shall be entitled to receive or share such pension until their death or marriage or remarriage after the death of the police officer.

Notwithstanding any other provision of this Article, for a person who first becomes a police officer under this Article on or after January 1, 2011, the pension to which the surviving spouse, children, or parents are entitled under this subsection (a) shall be in an ~~the~~ amount equal to the greater of (i) 54% of the police officer's monthly salary at the date of death, or (ii) ~~of~~ 66 2/3% of the police officer's earned pension at the date of death, and, if there is a surviving spouse, 12% of such monthly salary shall be granted to the guardian of any minor child or children, including a child who has been conceived but not yet born, for each such child until attainment of age 18.

Upon the death of the surviving spouse leaving one or more minor children, or upon the death of a police officer leaving one or more minor children but no surviving spouse, a monthly pension of 20% of the monthly salary shall be granted to the duly appointed guardian of each such child for the support and maintenance of each such child until the child reaches age 18. The total pension provided under this paragraph shall not exceed 75% of the monthly salary of the deceased police officer (1) when paid to the survivor of a police officer who has attained 20 or more years of service credit and who receives or is eligible to receive a retirement pension under this Article, (2) when paid to the survivor of a police officer who dies as a result of illness or accident, (3) when paid to the survivor of a police officer who dies from any cause while in receipt of a disability pension under this Article, or (4) when paid to the survivor of a deferred pensioner. Nothing in this subsection (a) shall act to diminish the survivor's benefits described in subsection (e) of this Section.

Notwithstanding Section 1-103.1, the changes made to this subsection apply without regard to whether the deceased police officer was in service on or after the effective date of this amendatory Act of the 101st General Assembly.

Notwithstanding any other provision of this Article, the monthly pension of a survivor of a person who first becomes a police officer under this Article on or after January 1, 2011 shall be increased on the January 1 after attainment of age 60

by the recipient of the survivor's pension and each January 1 thereafter by 3% or one-half the annual unadjusted percentage increase (but not less than zero) in the consumer price index-u for the 12 months ending with the September preceding each November 1, whichever is less, of the originally granted survivor's pension. If the annual unadjusted percentage change in the consumer price index-u for a 12-month period ending in September is zero or, when compared with the preceding period, decreases, then the survivor's pension shall not be increased.

For the purposes of this subsection (a), "consumer price index-u" means the index published by the Bureau of Labor Statistics of the United States Department of Labor that measures the average change in prices of goods and services purchased by all urban consumers, United States city average, all items, 1982-84 = 100. The new amount resulting from each annual adjustment shall be determined by the Public Pension Division of the Department of Insurance and made available to the boards of the pension funds.

(b) Upon the death of a police officer while in service, having at least 20 years of creditable service, or upon the death of a police officer who retired from service with at least 20 years of creditable service, whether death occurs before or after attainment of age 50, the pension earned by the police officer as of the date of death as provided in Section 3-111 shall be paid to the survivors in the sequence provided in subsection (a) of this Section.

(c) Upon the death of a police officer while in service, having at least 10 but less than 20 years of service, a pension of 1/2 of the salary attached to the rank or ranks held by the officer for one year immediately prior to death shall be payable to the survivors in the sequence provided in subsection (a) of this Section. If death occurs as a result of the performance of duty, the 10 year requirement shall not apply and the pension to survivors shall be payable after any period of service.

(d) Beginning July 1, 1987, a minimum pension of \$400 per month shall be paid to all surviving spouses, without regard to the fact that the death of the police officer occurred prior to that date. If the minimum pension established in Section 3-113.1 is greater than the minimum provided in this subsection, the Section 3-113.1 minimum controls.

(e) The pension of the surviving spouse of a police officer who dies (i) on or after January 1, 2001, (ii) without having begun to receive either a retirement pension payable under Section 3-111 or a disability pension payable under Section 3-114.1, 3-114.2, 3-114.3, or 3-114.6, and (iii) as a result of sickness, accident, or injury incurred in or resulting from the performance of an act of duty shall not be less than 100% of the salary attached to the rank held by the deceased police officer on the last day of service, notwithstanding any provision in this Article to the contrary.

(Source: P.A. 96-1495, eff. 1-1-11.)

(40 ILCS 5/3-124.3 new)

Sec. 3-124.3. Authority of the fund. Subject to Section 3-141.1, the fund shall retain the exclusive authority to adjudicate and award disability benefits pursuant to Sections 3-114.1, 3-114.2, and 3-114.3, retirement benefits pursuant to Section 3-111, and survivor benefits under Sections 3-112 and 3-113.1 and to issue refunds pursuant to Section 3-124. The exclusive method of judicial review of any final administrative decision of the fund shall be made in accordance with Section 3-148. The Police Officers' Pension Investment Fund established under Article 22B of this Code shall not have the authority to control, alter, or modify, or the ability to review or intervene in, the proceedings or decisions of the fund as otherwise provided in this Section.

(40 ILCS 5/3-125) (from Ch. 108 1/2, par. 3-125)

Sec. 3-125. Financing.

(a) The city council or the board of trustees of the municipality shall annually levy a tax upon all the taxable property of the municipality at the rate on the dollar which will produce an amount which, when added to the deductions from the salaries or wages of police officers, and revenues available from other sources, will equal a sum sufficient to meet the annual requirements of the police pension fund. The annual requirements to be provided by such tax levy are equal

to (1) the normal cost of the pension fund for the year involved, plus (2) an amount sufficient to bring the total assets of the pension fund up to 90% of the total actuarial liabilities of the pension fund by the end of municipal fiscal year 2040, as annually updated and determined by an enrolled actuary employed by the Illinois Department of Insurance or by an enrolled actuary retained by the pension fund or the municipality. In making these determinations, the required minimum employer contribution shall be calculated each year as a level percentage of payroll over the years remaining up to and including fiscal year 2040 and shall be determined under the projected unit credit actuarial cost method. The tax shall be levied and collected in the same manner as the general taxes of the municipality, and in addition to all other taxes now or hereafter authorized to be levied upon all property within the municipality, and shall be in addition to the amount authorized to be levied for general purposes as provided by Section 8-3-1 of the Illinois Municipal Code, approved May 29, 1961, as amended. The tax shall be forwarded directly to the treasurer of the board within 30 business days after receipt by the county.

(b) For purposes of determining the required employer contribution to a pension fund, the value of the pension fund's assets shall be equal to the actuarial value of the pension fund's assets, which shall be calculated as follows:

(1) On March 30, 2011, the actuarial value of a pension

fund's assets shall be equal to the market value of the assets as of that date.

(2) In determining the actuarial value of the System's assets for fiscal years after March 30, 2011, any actuarial gains or losses from investment return incurred in a fiscal year shall be recognized in equal annual amounts over the 5-year period following that fiscal year.

(c) If a participating municipality fails to transmit to the fund contributions required of it under this Article for more than 90 days after the payment of those contributions is due, the fund may, after giving notice to the municipality, certify to the State Comptroller the amounts of the delinquent payments in accordance with any applicable rules of the Comptroller, and the Comptroller must, beginning in fiscal year 2016, deduct and remit to the fund the certified amounts or a portion of those amounts from the following proportions of payments of State funds to the municipality:

(1) in fiscal year 2016, one-third of the total amount of any payments of State funds to the municipality;

(2) in fiscal year 2017, two-thirds of the total amount of any payments of State funds to the municipality; and

(3) in fiscal year 2018 and each fiscal year thereafter, the total amount of any payments of State funds to the municipality.

The State Comptroller may not deduct from any payments of State funds to the municipality more than the amount of

delinquent payments certified to the State Comptroller by the fund.

(d) The police pension fund shall consist of the following moneys which shall be set apart by the treasurer of the municipality:

- (1) All moneys derived from the taxes levied hereunder;
- (2) Contributions by police officers under Section 3-125.1;

(2.5) All moneys received from the Police Officers' Pension Investment Fund as provided in Article 22B of this Code;

(3) All moneys accumulated by the municipality under any previous legislation establishing a fund for the benefit of disabled or retired police officers;

(4) Donations, gifts or other transfers authorized by this Article.

(e) The Commission on Government Forecasting and Accountability shall conduct a study of all funds established under this Article and shall report its findings to the General Assembly on or before January 1, 2013. To the fullest extent possible, the study shall include, but not be limited to, the following:

- (1) fund balances;
- (2) historical employer contribution rates for each fund;
- (3) the actuarial formulas used as a basis for employer

contributions, including the actual assumed rate of return for each year, for each fund;

(4) available contribution funding sources;

(5) the impact of any revenue limitations caused by PTELL and employer home rule or non-home rule status; and

(6) existing statutory funding compliance procedures and funding enforcement mechanisms for all municipal pension funds.

(Source: P.A. 99-8, eff. 7-9-15.)

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

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

(1) the pension fund,

(2) until the board's investment authority is terminated pursuant to Section 3-132.1, investment expenditures and income, including interest dividends, capital gains and other distributions on the investments, and

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

All money received or collected shall be credited by the

treasurer of the municipality to the account of the pension fund and held by the treasurer of the municipality subject to the order and control of the board. The treasurer of the municipality shall maintain a record of all money received, transferred, and held for the account of the board.

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

(40 ILCS 5/3-132.1 new)

Sec. 3-132.1. To transfer investment authority to the Police Officers' Pension Investment Fund. As soon as practicable after the effective date of this amendatory Act of the 101st General Assembly, but no later than 30 months after the effective date of this amendatory Act of the 101st General Assembly, each transferor pension fund shall transfer, in accordance with the requirements of Section 22B-120, to the Police Officers' Pension Investment Fund created under Article 22B for management and investment all of their securities or for which commitments have been made, and all funds, assets, or moneys representing permanent or temporary investments, or cash reserves maintained for the purpose of obtaining income thereon. Upon the transfer of such securities, funds, assets, and moneys of a transferor pension fund to the Police Officers' Pension Investment Fund, the transferor pension fund shall not manage or control the same and shall no longer exercise any investment authority pursuant to Section 3-135 of this Code, notwithstanding any other provision of this Article to the

contrary.

Nothing in this Section prohibits a fund under this Article from maintaining an account, including an interest earning account, for the purposes of benefit payments and other reasonable expenses after the end of the transition period as defined in Section 22B-112, and funds under this Article are encouraged to consider a local bank or financial institution to provide such accounts and related financial services.

(40 ILCS 5/4-109) (from Ch. 108 1/2, par. 4-109)

Sec. 4-109. Pension.

(a) A firefighter age 50 or more with 20 or more years of creditable service, who is no longer in service as a firefighter, shall receive a monthly pension of 1/2 the monthly salary attached to the rank held by him or her in the fire service at the date of retirement.

The monthly pension shall be increased by 1/12 of 2.5% of such monthly salary for each additional month over 20 years of service through 30 years of service, to a maximum of 75% of such monthly salary.

The changes made to this subsection (a) by this amendatory Act of the 91st General Assembly apply to all pensions that become payable under this subsection on or after January 1, 1999. All pensions payable under this subsection that began on or after January 1, 1999 and before the effective date of this amendatory Act shall be recalculated, and the amount of the

increase accruing for that period shall be payable to the pensioner in a lump sum.

(b) A firefighter who retires or is separated from service having at least 10 but less than 20 years of creditable service, who is not entitled to receive a disability pension, and who did not apply for a refund of contributions at his or her last separation from service shall receive a monthly pension upon attainment of age 60 based on the monthly salary attached to his or her rank in the fire service on the date of retirement or separation from service according to the following schedule:

- For 10 years of service, 15% of salary;
- For 11 years of service, 17.6% of salary;
- For 12 years of service, 20.4% of salary;
- For 13 years of service, 23.4% of salary;
- For 14 years of service, 26.6% of salary;
- For 15 years of service, 30% of salary;
- For 16 years of service, 33.6% of salary;
- For 17 years of service, 37.4% of salary;
- For 18 years of service, 41.4% of salary;
- For 19 years of service, 45.6% of salary.

(c) Notwithstanding any other provision of this Article, the provisions of this subsection (c) apply to a person who first becomes a firefighter under this Article on or after January 1, 2011.

A firefighter age 55 or more who has 10 or more years of

service in that capacity shall be entitled at his option to receive a monthly pension for his service as a firefighter computed by multiplying 2.5% for each year of such service by his or her final average salary.

The pension of a firefighter who is retiring after attaining age 50 with 10 or more years of creditable service shall be reduced by one-half of 1% for each month that the firefighter's age is under age 55.

The maximum pension under this subsection (c) shall be 75% of final average salary.

For the purposes of this subsection (c), "final average salary" means the greater of: (i) the average monthly salary obtained by dividing the total salary of the firefighter during the ~~48~~ 96 consecutive months of service within the last ~~60~~ 120 months of service in which the total salary was the highest by the number of months of service in that period; or (ii) the average monthly salary obtained by dividing the total salary of the firefighter during the 96 consecutive months of service within the last 120 months of service in which the total salary was the highest by the number of months of service in that period.

Beginning on January 1, 2011, for all purposes under this Code (including without limitation the calculation of benefits and employee contributions), the annual salary based on the plan year of a member or participant to whom this Section applies shall not exceed \$106,800; however, that amount shall

annually thereafter be increased by the lesser of (i) 3% of that amount, including all previous adjustments, or (ii) ~~one-half~~ the annual unadjusted percentage increase (but not less than zero) in the consumer price index-u for the 12 months ending with the September preceding each November 1, including all previous adjustments.

Nothing in this amendatory Act of the 101st General Assembly shall cause or otherwise result in any retroactive adjustment of any employee contributions.

(Source: P.A. 96-1495, eff. 1-1-11.)

(40 ILCS 5/4-114) (from Ch. 108 1/2, par. 4-114)

Sec. 4-114. Pension to survivors. If a firefighter who is not receiving a disability pension under Section 4-110 or 4-110.1 dies (1) as a result of any illness or accident, or (2) from any cause while in receipt of a disability pension under this Article, or (3) during retirement after 20 years service, or (4) while vested for or in receipt of a pension payable under subsection (b) of Section 4-109, or (5) while a deferred pensioner, having made all required contributions, a pension shall be paid to his or her survivors, based on the monthly salary attached to the firefighter's rank on the last day of service in the fire department, as follows:

(a) (1) To the surviving spouse, a monthly pension of 40% of the monthly salary, and if there is a surviving spouse, to the guardian of any minor child or children

including a child which has been conceived but not yet born, 12% of such monthly salary for each such child until attainment of age 18 or until the child's marriage, whichever occurs first. Beginning July 1, 1993, the monthly pension to the surviving spouse shall be 54% of the monthly salary for all persons receiving a surviving spouse pension under this Article, regardless of whether the deceased firefighter was in service on or after the effective date of this amendatory Act of 1993.

(2) Beginning July 1, 2004, unless the amount provided under paragraph (1) of this subsection (a) is greater, the total monthly pension payable under this paragraph (a), including any amount payable on account of children, to the surviving spouse of a firefighter who died (i) while receiving a retirement pension, (ii) while he or she was a deferred pensioner with at least 20 years of creditable service, or (iii) while he or she was in active service having at least 20 years of creditable service, regardless of age, shall be no less than 100% of the monthly retirement pension earned by the deceased firefighter at the time of death, regardless of whether death occurs before or after attainment of age 50, including any increases under Section 4-109.1. This minimum applies to all such surviving spouses who are eligible to receive a surviving spouse pension, regardless of whether the deceased firefighter was in service on or after the

effective date of this amendatory Act of the 93rd General Assembly, and notwithstanding any limitation on maximum pension under paragraph (d) or any other provision of this Article.

(3) If the pension paid on and after July 1, 2004 to the surviving spouse of a firefighter who died on or after July 1, 2004 and before the effective date of this amendatory Act of the 93rd General Assembly was less than the minimum pension payable under paragraph (1) or (2) of this subsection (a), the fund shall pay a lump sum equal to the difference within 90 days after the effective date of this amendatory Act of the 93rd General Assembly.

The pension to the surviving spouse shall terminate in the event of the surviving spouse's remarriage prior to July 1, 1993; remarriage on or after that date does not affect the surviving spouse's pension, regardless of whether the deceased firefighter was in service on or after the effective date of this amendatory Act of 1993.

The surviving spouse's pension shall be subject to the minimum established in Section 4-109.2.

(b) Upon the death of the surviving spouse leaving one or more minor children, or upon the death of a firefighter leaving one or more minor children but no surviving spouse, to the duly appointed guardian of each such child, for support and maintenance of each such child until the child reaches age 18 or marries, whichever occurs first, a

monthly pension of 20% of the monthly salary.

In a case where the deceased firefighter left one or more minor children but no surviving spouse and the guardian of a child is receiving a pension of 12% of the monthly salary on August 16, 2013 (the effective date of Public Act 98-391), the pension is increased by Public Act 98-391 to 20% of the monthly salary for each such child, beginning on the pension payment date occurring on or next following August 16, 2013. The changes to this Section made by Public Act 98-391 apply without regard to whether the deceased firefighter was in service on or after August 16, 2013.

(c) If a deceased firefighter leaves no surviving spouse or unmarried minor children under age 18, but leaves a dependent father or mother, to each dependent parent a monthly pension of 18% of the monthly salary. To qualify for the pension, a dependent parent must furnish satisfactory proof that the deceased firefighter was at the time of his or her death the sole supporter of the parent or that the parent was the deceased's dependent for federal income tax purposes.

(d) The total pension provided under paragraphs (a), (b) and (c) of this Section shall not exceed 75% of the monthly salary of the deceased firefighter (1) when paid to the survivor of a firefighter who has attained 20 or more years of service credit and who receives or is eligible to

receive a retirement pension under this Article, or (2) when paid to the survivor of a firefighter who dies as a result of illness or accident, or (3) when paid to the survivor of a firefighter who dies from any cause while in receipt of a disability pension under this Article, or (4) when paid to the survivor of a deferred pensioner. For all other survivors of deceased firefighters, the total pension provided under paragraphs (a), (b) and (c) of this Section shall not exceed 50% of the retirement annuity the firefighter would have received on the date of death.

The maximum pension limitations in this paragraph (d) do not control over any contrary provision of this Article explicitly establishing a minimum amount of pension or granting a one-time or annual increase in pension.

(e) If a firefighter leaves no eligible survivors under paragraphs (a), (b) and (c), the board shall refund to the firefighter's estate the amount of his or her accumulated contributions, less the amount of pension payments, if any, made to the firefighter while living.

(f) (Blank).

(g) If a judgment of dissolution of marriage between a firefighter and spouse is judicially set aside subsequent to the firefighter's death, the surviving spouse is eligible for the pension provided in paragraph (a) only if the judicial proceedings are filed within 2 years after the date of the dissolution of marriage and within one year

after the firefighter's death and the board is made a party to the proceedings. In such case the pension shall be payable only from the date of the court's order setting aside the judgment of dissolution of marriage.

(h) Benefits payable on account of a child under this Section shall not be reduced or terminated by reason of the child's attainment of age 18 if he or she is then dependent by reason of a physical or mental disability but shall continue to be paid as long as such dependency continues. Individuals over the age of 18 and adjudged as a disabled person pursuant to Article XIa of the Probate Act of 1975, except for persons receiving benefits under Article III of the Illinois Public Aid Code, shall be eligible to receive benefits under this Act.

(i) Beginning January 1, 2000, the pension of the surviving spouse of a firefighter who dies on or after January 1, 1994 as a result of sickness, accident, or injury incurred in or resulting from the performance of an act of duty or from the cumulative effects of acts of duty shall not be less than 100% of the salary attached to the rank held by the deceased firefighter on the last day of service, notwithstanding subsection (d) or any other provision of this Article.

(j) Beginning July 1, 2004, the pension of the surviving spouse of a firefighter who dies on or after January 1, 1988 as a result of sickness, accident, or

injury incurred in or resulting from the performance of an act of duty or from the cumulative effects of acts of duty shall not be less than 100% of the salary attached to the rank held by the deceased firefighter on the last day of service, notwithstanding subsection (d) or any other provision of this Article.

Notwithstanding any other provision of this Article, if a person who first becomes a firefighter under this Article on or after January 1, 2011 and who is not receiving a disability pension under Section 4-110 or 4-110.1 dies (1) as a result of any illness or accident, (2) from any cause while in receipt of a disability pension under this Article, (3) during retirement after 20 years service, (4) while vested for or in receipt of a pension payable under subsection (b) of Section 4-109, or (5) while a deferred pensioner, having made all required contributions, then a pension shall be paid to his or her survivors in an the amount equal to the greater of (i) 54% of the firefighter's monthly salary at the date of death, or (ii) ~~of~~ 66 2/3% of the firefighter's earned pension at the date of death, and, if there is a surviving spouse, 12% of such monthly salary shall be granted to the guardian of any minor child or children, including a child who has been conceived but not yet born, for each such child until attainment of age 18. Upon the death of the surviving spouse leaving one or more minor children, or upon the death of a firefighter leaving one or more minor children but no surviving spouse, a monthly pension

of 20% of the monthly salary shall be granted to the duly appointed guardian of each such child for the support and maintenance of each such child until the child reaches age 18. The total pension provided under this paragraph shall not exceed 75% of the monthly salary of the deceased firefighter (1) when paid to the survivor of a firefighter who has attained 20 or more years of service credit and who receives or is eligible to receive a retirement pension under this Article, (2) when paid to the survivor of a firefighter who dies as a result of illness or accident, (3) when paid to the survivor of a firefighter who dies from any cause while in receipt of a disability pension under this Article, or (4) when paid to the survivor of a deferred pensioner. Nothing in this Section shall act to diminish the survivor's benefits described in subsection (j) of this Section.

Notwithstanding Section 1-103.1, the changes made to this subsection apply without regard to whether the deceased firefighter was in service on or after the effective date of this amendatory Act of the 101st General Assembly.

Notwithstanding any other provision of this Article, the monthly pension of a survivor of a person who first becomes a firefighter under this Article on or after January 1, 2011 shall be increased on the January 1 after attainment of age 60 by the recipient of the survivor's pension and each January 1 thereafter by 3% or one-half the annual unadjusted percentage increase in the consumer price index-u for the 12 months ending

with the September preceding each November 1, whichever is less, of the originally granted survivor's pension. If the annual unadjusted percentage change in the consumer price index-u for a 12-month period ending in September is zero or, when compared with the preceding period, decreases, then the survivor's pension shall not be increased.

For the purposes of this Section, "consumer price index-u" means the index published by the Bureau of Labor Statistics of the United States Department of Labor that measures the average change in prices of goods and services purchased by all urban consumers, United States city average, all items, 1982-84 = 100. The new amount resulting from each annual adjustment shall be determined by the Public Pension Division of the Department of Insurance and made available to the boards of the pension funds.

(Source: P.A. 98-391, eff. 8-16-13; 98-756, eff. 7-16-14.)

(40 ILCS 5/4-117.2 new)

Sec. 4-117.2. Authority of the fund. The fund shall retain the exclusive authority to adjudicate and award disability benefits, retirement benefits, and survivor benefits under this Article and to issue refunds under this Article. The exclusive method of judicial review of any final administrative decision of the fund shall be made in accordance with Section 4-139. The Firefighters' Pension Investment Fund established under Article 22C of this Code shall not have the authority to

control, alter, or modify, or the ability to review or intervene in, the proceedings or decisions of the fund as otherwise provided in this Section.

(40 ILCS 5/4-118) (from Ch. 108 1/2, par. 4-118)

Sec. 4-118. Financing.

(a) The city council or the board of trustees of the municipality shall annually levy a tax upon all the taxable property of the municipality at the rate on the dollar which will produce an amount which, when added to the deductions from the salaries or wages of firefighters and revenues available from other sources, will equal a sum sufficient to meet the annual actuarial requirements of the pension fund, as determined by an enrolled actuary employed by the Illinois Department of Insurance or by an enrolled actuary retained by the pension fund or municipality. For the purposes of this Section, the annual actuarial requirements of the pension fund are equal to (1) the normal cost of the pension fund, or 17.5% of the salaries and wages to be paid to firefighters for the year involved, whichever is greater, plus (2) an annual amount sufficient to bring the total assets of the pension fund up to 90% of the total actuarial liabilities of the pension fund by the end of municipal fiscal year 2040, as annually updated and determined by an enrolled actuary employed by the Illinois Department of Insurance or by an enrolled actuary retained by the pension fund or the municipality. In making these

determinations, the required minimum employer contribution shall be calculated each year as a level percentage of payroll over the years remaining up to and including fiscal year 2040 and shall be determined under the projected unit credit actuarial cost method. The amount to be applied towards the amortization of the unfunded accrued liability in any year shall not be less than the annual amount required to amortize the unfunded accrued liability, including interest, as a level percentage of payroll over the number of years remaining in the 40 year amortization period.

(a-2) A municipality that has established a pension fund under this Article and who employs a full-time firefighter, as defined in Section 4-106, shall be deemed a primary employer with respect to that full-time firefighter. Any municipality of 5,000 or more inhabitants that employs or enrolls a firefighter while that firefighter continues to earn service credit as a participant in a primary employer's pension fund under this Article shall be deemed a secondary employer and such employees shall be deemed to be secondary employee firefighters. To ensure that the primary employer's pension fund under this Article is aware of additional liabilities and risks to which firefighters are exposed when performing work as firefighters for secondary employers, a secondary employer shall annually prepare a report accounting for all hours worked by and wages and salaries paid to the secondary employee firefighters it receives services from or employs for each fiscal year in which

such firefighters are employed and transmit a certified copy of that report to the primary employer's pension fund and the secondary employee firefighter no later than 30 days after the end of any fiscal year in which wages were paid to the secondary employee firefighters.

Nothing in this Section shall be construed to allow a secondary employee to qualify for benefits or creditable service for employment as a firefighter for a secondary employer.

(a-5) For purposes of determining the required employer contribution to a pension fund, the value of the pension fund's assets shall be equal to the actuarial value of the pension fund's assets, which shall be calculated as follows:

(1) On March 30, 2011, the actuarial value of a pension fund's assets shall be equal to the market value of the assets as of that date.

(2) In determining the actuarial value of the pension fund's assets for fiscal years after March 30, 2011, any actuarial gains or losses from investment return incurred in a fiscal year shall be recognized in equal annual amounts over the 5-year period following that fiscal year.

(b) The tax shall be levied and collected in the same manner as the general taxes of the municipality, and shall be in addition to all other taxes now or hereafter authorized to be levied upon all property within the municipality, and in addition to the amount authorized to be levied for general

purposes, under Section 8-3-1 of the Illinois Municipal Code or under Section 14 of the Fire Protection District Act. The tax shall be forwarded directly to the treasurer of the board within 30 business days of receipt by the county (or, in the case of amounts added to the tax levy under subsection (f), used by the municipality to pay the employer contributions required under subsection (b-1) of Section 15-155 of this Code).

(b-5) If a participating municipality fails to transmit to the fund contributions required of it under this Article for more than 90 days after the payment of those contributions is due, the fund may, after giving notice to the municipality, certify to the State Comptroller the amounts of the delinquent payments in accordance with any applicable rules of the Comptroller, and the Comptroller must, beginning in fiscal year 2016, deduct and remit to the fund the certified amounts or a portion of those amounts from the following proportions of payments of State funds to the municipality:

(1) in fiscal year 2016, one-third of the total amount of any payments of State funds to the municipality;

(2) in fiscal year 2017, two-thirds of the total amount of any payments of State funds to the municipality; and

(3) in fiscal year 2018 and each fiscal year thereafter, the total amount of any payments of State funds to the municipality.

The State Comptroller may not deduct from any payments of

State funds to the municipality more than the amount of delinquent payments certified to the State Comptroller by the fund.

(c) The board shall make available to the membership and the general public for inspection and copying at reasonable times the most recent Actuarial Valuation Balance Sheet and Tax Levy Requirement issued to the fund by the Department of Insurance.

(d) The firefighters' pension fund shall consist of the following moneys which shall be set apart by the treasurer of the municipality: (1) all moneys derived from the taxes levied hereunder; (2) contributions by firefighters as provided under Section 4-118.1; (2.5) all moneys received from the Firefighters' Pension Investment Fund as provided in Article 22C of this Code; (3) all rewards in money, fees, gifts, and emoluments that may be paid or given for or on account of extraordinary service by the fire department or any member thereof, except when allowed to be retained by competitive awards; and (4) any money, real estate or personal property received by the board.

(e) For the purposes of this Section, "enrolled actuary" means an actuary: (1) who is a member of the Society of Actuaries or the American Academy of Actuaries; and (2) who is enrolled under Subtitle C of Title III of the Employee Retirement Income Security Act of 1974, or who has been engaged in providing actuarial services to one or more public

retirement systems for a period of at least 3 years as of July 1, 1983.

(f) The corporate authorities of a municipality that employs a person who is described in subdivision (d) of Section 4-106 may add to the tax levy otherwise provided for in this Section an amount equal to the projected cost of the employer contributions required to be paid by the municipality to the State Universities Retirement System under subsection (b-1) of Section 15-155 of this Code.

(g) The Commission on Government Forecasting and Accountability shall conduct a study of all funds established under this Article and shall report its findings to the General Assembly on or before January 1, 2013. To the fullest extent possible, the study shall include, but not be limited to, the following:

- (1) fund balances;
- (2) historical employer contribution rates for each fund;
- (3) the actuarial formulas used as a basis for employer contributions, including the actual assumed rate of return for each year, for each fund;
- (4) available contribution funding sources;
- (5) the impact of any revenue limitations caused by PTELL and employer home rule or non-home rule status; and
- (6) existing statutory funding compliance procedures and funding enforcement mechanisms for all municipal

pension funds.

(Source: P.A. 101-522, eff. 8-23-19.)

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

Sec. 4-123. To control and manage the Pension Fund. In accordance with the applicable provisions of Articles 1 and 1A and this Article, to control and manage, exclusively, the following:

(1) the pension fund,

(2) until the board's investment authority is terminated pursuant to Section 4-123.2, investment expenditures and income, including interest dividends, capital gains, and other distributions on the investments, and

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

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

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

(40 ILCS 5/4-123.2 new)

Sec. 4-123.2. To transfer investment authority to the Firefighters' Pension Investment Fund. As soon as practicable after the effective date of this amendatory Act of the 101st General Assembly, but no later than 30 months after the effective date of this amendatory Act of the 101st General Assembly, each transferor pension fund shall transfer, in accordance with the requirements of Section 22C-120 to the Firefighters' Pension Investment Fund created under Article 22C for management and investment all of their securities or for which commitments have been made, and all funds, assets, or moneys representing permanent or temporary investments, or cash reserves maintained for the purpose of obtaining income thereon. Upon the transfer of such securities, funds, assets, and moneys of a transferor pension fund to the Firefighters' Pension Investment Fund, the transferor pension fund shall not manage or control the same and shall no longer exercise any investment authority pursuant to Section 4-128 of this Code, notwithstanding any other provision of this Article to the contrary.

Nothing in this Section prohibits a fund under this Article from maintaining an account, including an interest earning account, for the purposes of benefit payments and other reasonable expenses after the end of the transition period as defined in Section 22C-112, and funds under this Article are encouraged to consider a local bank or financial institution to

provide such accounts and related financial services.

(40 ILCS 5/7-159) (from Ch. 108 1/2, par. 7-159)

Sec. 7-159. Surviving spouse annuity - refund of survivor credits.

(a) Any employee annuitant who (1) upon the date a retirement annuity begins is not then married, or (2) is married to a person who would not qualify for surviving spouse annuity if the person died on such date, is entitled to a refund of the survivor credits including interest accumulated on the date the annuity begins, excluding survivor credits and interest thereon credited during periods of disability, and no spouse shall have a right to any surviving spouse annuity from this Fund. If the employee annuitant reenters service and upon subsequent retirement has a spouse who would qualify for a surviving spouse annuity, the employee annuitant may pay the fund the amount of the refund plus interest at the effective rate at the date of payment. The payment shall qualify the spouse for a surviving spouse annuity and the amount paid shall be considered as survivor contributions.

(b) Instead of a refund under subsection (a), the retiring employee may elect to convert the amount of the refund into an annuity, payable separately from the retirement annuity. If the annuitant dies before the guaranteed amount has been distributed, the remainder shall be paid in a lump sum to the designated beneficiary of the annuitant. The Board shall adopt

any rules necessary for the implementation of this subsection.

(c) An annuitant who retired prior to June 1, 2011 and received a refund of survivor credits under subsection (a), and who thereafter became, and remains, either:

(1) a party to a civil union or a party to a legal relationship that is recognized as a civil union or marriage under the Illinois Religious Freedom Protection and Civil Union Act on or after June 1, 2011; or

(2) a party to a marriage under the Illinois Marriage and Dissolution of Marriage Act on or after February 26, 2014; or

(3) a party to a marriage, civil union or other legal relationship that, at the time it was formed, was not legally recognized in Illinois but was subsequently recognized as a civil union or marriage under the Illinois Religious Freedom Protection and Civil Union Act on or after June 1, 2011, a marriage under the Illinois Marriage and Dissolution of Marriage Act on or after February 26, 2014, or both;

may, within a period of one year beginning 5 months after the effective date of this amendatory Act of the 99th General Assembly, make an election to re-establish rights to a surviving spouse annuity under Sections 7-154 through 7-158 (notwithstanding the eligibility requirements of paragraph (a) (1) of Section 7-154), by paying to the Fund: (1) the total amount of the refund received for survivor credits; and (2)

interest thereon at the actuarially assumed rate of return from the date of the refund to the date of payment. Such election must be made prior to the date of death of the annuitant.

The Fund may allow the annuitant to repay this refund over a period of not more than 24 months. To the extent permitted by the Internal Revenue Code of 1986, as amended, for federal and State tax purposes, if a member pays in monthly installments by reducing the monthly benefit by the amount of the otherwise applicable contribution, the monthly amount by which the annuitant's benefit is reduced shall not be treated as a contribution by the annuitant but rather as a reduction of the annuitant's monthly benefit.

If an annuitant makes an election under this subsection (c) and the contributions required are not paid in full, an otherwise qualifying spouse shall be given the option to make an additional lump sum payment of the remaining contributions and qualify for a surviving spouse annuity. Otherwise, an additional refund representing contributions made hereunder shall be paid at the annuitant's death and there shall be no surviving spouse annuity paid.

(d) Any surviving spouse of an annuitant who (1) retired prior to June 1, 2011, (2) was not married on the date the retirement annuity began, (3) received a refund of survivor credits under subsection (a), and (4) died prior to the implementation of Public Act 99-682 on December 29, 2016 may, within a period of one year beginning 5 months after the

effective date of this amendatory Act of the 101st General Assembly, make an election to re-establish rights to a surviving spouse annuity under Sections 7-154 through 7-158 (notwithstanding the eligibility requirements of paragraph (a) of subsection (1) of Section 7-154), by paying to the Fund: (i) the total amount of the refund received for survivor credits; and (ii) interest thereon at the actuarially assumed rate of return from the date of the refund to the date of payment. The surviving spouse must also provide documentation proving he or she was married to the annuitant or a party to a civil union with the annuitant at the time of death and has not subsequently remarried. This proof must include a marriage certificate or a certificate for a civil union and any other supporting documents deemed necessary by the Fund.

(Source: P.A. 99-682, eff. 7-29-16.)

(40 ILCS 5/14-110) (from Ch. 108 1/2, par. 14-110)

Sec. 14-110. Alternative retirement annuity.

(a) Any member who has withdrawn from service with not less than 20 years of eligible creditable service and has attained age 55, and any member who has withdrawn from service with not less than 25 years of eligible creditable service and has attained age 50, regardless of whether the attainment of either of the specified ages occurs while the member is still in service, shall be entitled to receive at the option of the member, in lieu of the regular or minimum retirement annuity, a

retirement annuity computed as follows:

(i) for periods of service as a noncovered employee: if retirement occurs on or after January 1, 2001, 3% of final average compensation for each year of creditable service; if retirement occurs before January 1, 2001, 2 1/4% of final average compensation for each of the first 10 years of creditable service, 2 1/2% for each year above 10 years to and including 20 years of creditable service, and 2 3/4% for each year of creditable service above 20 years; and

(ii) for periods of eligible creditable service as a covered employee: if retirement occurs on or after January 1, 2001, 2.5% of final average compensation for each year of creditable service; if retirement occurs before January 1, 2001, 1.67% of final average compensation for each of the first 10 years of such service, 1.90% for each of the next 10 years of such service, 2.10% for each year of such service in excess of 20 but not exceeding 30, and 2.30% for each year in excess of 30.

Such annuity shall be subject to a maximum of 75% of final average compensation if retirement occurs before January 1, 2001 or to a maximum of 80% of final average compensation if retirement occurs on or after January 1, 2001.

These rates shall not be applicable to any service performed by a member as a covered employee which is not eligible creditable service. Service as a covered employee which is not eligible creditable service shall be subject to

the rates and provisions of Section 14-108.

(b) For the purpose of this Section, "eligible creditable service" means creditable service resulting from service in one or more of the following positions:

- (1) State policeman;
- (2) fire fighter in the fire protection service of a department;
- (3) air pilot;
- (4) special agent;
- (5) investigator for the Secretary of State;
- (6) conservation police officer;
- (7) investigator for the Department of Revenue or the Illinois Gaming Board;
- (8) security employee of the Department of Human Services;
- (9) Central Management Services security police officer;
- (10) security employee of the Department of Corrections or the Department of Juvenile Justice;
- (11) dangerous drugs investigator;
- (12) investigator for the Department of State Police;
- (13) investigator for the Office of the Attorney General;
- (14) controlled substance inspector;
- (15) investigator for the Office of the State's Attorneys Appellate Prosecutor;

- (16) Commerce Commission police officer;
- (17) arson investigator;
- (18) State highway maintenance worker;
- (19) security employee of the Department of Innovation and Technology; or
- (20) transferred employee.

A person employed in one of the positions specified in this subsection is entitled to eligible creditable service for service credit earned under this Article while undergoing the basic police training course approved by the Illinois Law Enforcement Training Standards Board, if completion of that training is required of persons serving in that position. For the purposes of this Code, service during the required basic police training course shall be deemed performance of the duties of the specified position, even though the person is not a sworn peace officer at the time of the training.

A person under paragraph (20) is entitled to eligible creditable service for service credit earned under this Article on and after his or her transfer by Executive Order No. 2003-10, Executive Order No. 2004-2, or Executive Order No. 2016-1.

(c) For the purposes of this Section:

(1) The term "State policeman" includes any title or position in the Department of State Police that is held by an individual employed under the State Police Act.

(2) The term "fire fighter in the fire protection

service of a department" includes all officers in such fire protection service including fire chiefs and assistant fire chiefs.

(3) The term "air pilot" includes any employee whose official job description on file in the Department of Central Management Services, or in the department by which he is employed if that department is not covered by the Personnel Code, states that his principal duty is the operation of aircraft, and who possesses a pilot's license; however, the change in this definition made by this amendatory Act of 1983 shall not operate to exclude any noncovered employee who was an "air pilot" for the purposes of this Section on January 1, 1984.

(4) The term "special agent" means any person who by reason of employment by the Division of Narcotic Control, the Bureau of Investigation or, after July 1, 1977, the Division of Criminal Investigation, the Division of Internal Investigation, the Division of Operations, or any other Division or organizational entity in the Department of State Police is vested by law with duties to maintain public order, investigate violations of the criminal law of this State, enforce the laws of this State, make arrests and recover property. The term "special agent" includes any title or position in the Department of State Police that is held by an individual employed under the State Police Act.

(5) The term "investigator for the Secretary of State"

means any person employed by the Office of the Secretary of State and vested with such investigative duties as render him ineligible for coverage under the Social Security Act by reason of Sections 218(d)(5)(A), 218(d)(8)(D) and 218(1)(1) of that Act.

A person who became employed as an investigator for the Secretary of State between January 1, 1967 and December 31, 1975, and who has served as such until attainment of age 60, either continuously or with a single break in service of not more than 3 years duration, which break terminated before January 1, 1976, shall be entitled to have his retirement annuity calculated in accordance with subsection (a), notwithstanding that he has less than 20 years of credit for such service.

(6) The term "Conservation Police Officer" means any person employed by the Division of Law Enforcement of the Department of Natural Resources and vested with such law enforcement duties as render him ineligible for coverage under the Social Security Act by reason of Sections 218(d)(5)(A), 218(d)(8)(D), and 218(1)(1) of that Act. The term "Conservation Police Officer" includes the positions of Chief Conservation Police Administrator and Assistant Conservation Police Administrator.

(7) The term "investigator for the Department of Revenue" means any person employed by the Department of Revenue and vested with such investigative duties as render

him ineligible for coverage under the Social Security Act by reason of Sections 218(d)(5)(A), 218(d)(8)(D) and 218(1)(1) of that Act.

The term "investigator for the Illinois Gaming Board" means any person employed as such by the Illinois Gaming Board and vested with such peace officer duties as render the person ineligible for coverage under the Social Security Act by reason of Sections 218(d)(5)(A), 218(d)(8)(D), and 218(1)(1) of that Act.

(8) The term "security employee of the Department of Human Services" means any person employed by the Department of Human Services who (i) is employed at the Chester Mental Health Center and has daily contact with the residents thereof, (ii) is employed within a security unit at a facility operated by the Department and has daily contact with the residents of the security unit, (iii) is employed at a facility operated by the Department that includes a security unit and is regularly scheduled to work at least 50% of his or her working hours within that security unit, or (iv) is a mental health police officer. "Mental health police officer" means any person employed by the Department of Human Services in a position pertaining to the Department's mental health and developmental disabilities functions who is vested with such law enforcement duties as render the person ineligible for coverage under the Social Security Act by reason of Sections 218(d)(5)(A),

218(d)(8)(D) and 218(1)(1) of that Act. "Security unit" means that portion of a facility that is devoted to the care, containment, and treatment of persons committed to the Department of Human Services as sexually violent persons, persons unfit to stand trial, or persons not guilty by reason of insanity. With respect to past employment, references to the Department of Human Services include its predecessor, the Department of Mental Health and Developmental Disabilities.

The changes made to this subdivision (c)(8) by Public Act 92-14 apply to persons who retire on or after January 1, 2001, notwithstanding Section 1-103.1.

(9) "Central Management Services security police officer" means any person employed by the Department of Central Management Services who is vested with such law enforcement duties as render him ineligible for coverage under the Social Security Act by reason of Sections 218(d)(5)(A), 218(d)(8)(D) and 218(1)(1) of that Act.

(10) For a member who first became an employee under this Article before July 1, 2005, the term "security employee of the Department of Corrections or the Department of Juvenile Justice" means any employee of the Department of Corrections or the Department of Juvenile Justice or the former Department of Personnel, and any member or employee of the Prisoner Review Board, who has daily contact with inmates or youth by working within a correctional facility

or Juvenile facility operated by the Department of Juvenile Justice or who is a parole officer or an employee who has direct contact with committed persons in the performance of his or her job duties. For a member who first becomes an employee under this Article on or after July 1, 2005, the term means an employee of the Department of Corrections or the Department of Juvenile Justice who is any of the following: (i) officially headquartered at a correctional facility or Juvenile facility operated by the Department of Juvenile Justice, (ii) a parole officer, (iii) a member of the apprehension unit, (iv) a member of the intelligence unit, (v) a member of the sort team, or (vi) an investigator.

(11) The term "dangerous drugs investigator" means any person who is employed as such by the Department of Human Services.

(12) The term "investigator for the Department of State Police" means a person employed by the Department of State Police who is vested under Section 4 of the Narcotic Control Division Abolition Act with such law enforcement powers as render him ineligible for coverage under the Social Security Act by reason of Sections 218(d)(5)(A), 218(d)(8)(D) and 218(1)(1) of that Act.

(13) "Investigator for the Office of the Attorney General" means any person who is employed as such by the Office of the Attorney General and is vested with such

investigative duties as render him ineligible for coverage under the Social Security Act by reason of Sections 218(d)(5)(A), 218(d)(8)(D) and 218(1)(1) of that Act. For the period before January 1, 1989, the term includes all persons who were employed as investigators by the Office of the Attorney General, without regard to social security status.

(14) "Controlled substance inspector" means any person who is employed as such by the Department of Professional Regulation and is vested with such law enforcement duties as render him ineligible for coverage under the Social Security Act by reason of Sections 218(d)(5)(A), 218(d)(8)(D) and 218(1)(1) of that Act. The term "controlled substance inspector" includes the Program Executive of Enforcement and the Assistant Program Executive of Enforcement.

(15) The term "investigator for the Office of the State's Attorneys Appellate Prosecutor" means a person employed in that capacity on a full time basis under the authority of Section 7.06 of the State's Attorneys Appellate Prosecutor's Act.

(16) "Commerce Commission police officer" means any person employed by the Illinois Commerce Commission who is vested with such law enforcement duties as render him ineligible for coverage under the Social Security Act by reason of Sections 218(d)(5)(A), 218(d)(8)(D), and

218(1)(1) of that Act.

(17) "Arson investigator" means any person who is employed as such by the Office of the State Fire Marshal and is vested with such law enforcement duties as render the person ineligible for coverage under the Social Security Act by reason of Sections 218(d)(5)(A), 218(d)(8)(D), and 218(1)(1) of that Act. A person who was employed as an arson investigator on January 1, 1995 and is no longer in service but not yet receiving a retirement annuity may convert his or her creditable service for employment as an arson investigator into eligible creditable service by paying to the System the difference between the employee contributions actually paid for that service and the amounts that would have been contributed if the applicant were contributing at the rate applicable to persons with the same social security status earning eligible creditable service on the date of application.

(18) The term "State highway maintenance worker" means a person who is either of the following:

(i) A person employed on a full-time basis by the Illinois Department of Transportation in the position of highway maintainer, highway maintenance lead worker, highway maintenance lead/lead worker, heavy construction equipment operator, power shovel operator, or bridge mechanic; and whose principal responsibility is to perform, on the roadway, the

actual maintenance necessary to keep the highways that form a part of the State highway system in serviceable condition for vehicular traffic.

(ii) A person employed on a full-time basis by the Illinois State Toll Highway Authority in the position of equipment operator/laborer H-4, equipment operator/laborer H-6, welder H-4, welder H-6, mechanical/electrical H-4, mechanical/electrical H-6, water/sewer H-4, water/sewer H-6, sign maker/hanger H-4, sign maker/hanger H-6, roadway lighting H-4, roadway lighting H-6, structural H-4, structural H-6, painter H-4, or painter H-6; and whose principal responsibility is to perform, on the roadway, the actual maintenance necessary to keep the Authority's tollways in serviceable condition for vehicular traffic.

(19) The term "security employee of the Department of Innovation and Technology" means a person who was a security employee of the Department of Corrections or the Department of Juvenile Justice, was transferred to the Department of Innovation and Technology pursuant to Executive Order 2016-01, and continues to perform similar job functions under that Department.

(20) "Transferred employee" means an employee who was transferred to the Department of Central Management Services by Executive Order No. 2003-10 or Executive Order

No. 2004-2 or transferred to the Department of Innovation and Technology by Executive Order No. 2016-1, or both, and was entitled to eligible creditable service for services immediately preceding the transfer.

(d) A security employee of the Department of Corrections or the Department of Juvenile Justice, a security employee of the Department of Human Services who is not a mental health police officer, and a security employee of the Department of Innovation and Technology shall not be eligible for the alternative retirement annuity provided by this Section unless he or she meets the following minimum age and service requirements at the time of retirement:

(i) 25 years of eligible creditable service and age 55;
or

(ii) beginning January 1, 1987, 25 years of eligible creditable service and age 54, or 24 years of eligible creditable service and age 55; or

(iii) beginning January 1, 1988, 25 years of eligible creditable service and age 53, or 23 years of eligible creditable service and age 55; or

(iv) beginning January 1, 1989, 25 years of eligible creditable service and age 52, or 22 years of eligible creditable service and age 55; or

(v) beginning January 1, 1990, 25 years of eligible creditable service and age 51, or 21 years of eligible creditable service and age 55; or

(vi) beginning January 1, 1991, 25 years of eligible creditable service and age 50, or 20 years of eligible creditable service and age 55.

Persons who have service credit under Article 16 of this Code for service as a security employee of the Department of Corrections or the Department of Juvenile Justice, or the Department of Human Services in a position requiring certification as a teacher may count such service toward establishing their eligibility under the service requirements of this Section; but such service may be used only for establishing such eligibility, and not for the purpose of increasing or calculating any benefit.

(e) If a member enters military service while working in a position in which eligible creditable service may be earned, and returns to State service in the same or another such position, and fulfills in all other respects the conditions prescribed in this Article for credit for military service, such military service shall be credited as eligible creditable service for the purposes of the retirement annuity prescribed in this Section.

(f) For purposes of calculating retirement annuities under this Section, periods of service rendered after December 31, 1968 and before October 1, 1975 as a covered employee in the position of special agent, conservation police officer, mental health police officer, or investigator for the Secretary of State, shall be deemed to have been service as a noncovered

employee, provided that the employee pays to the System prior to retirement an amount equal to (1) the difference between the employee contributions that would have been required for such service as a noncovered employee, and the amount of employee contributions actually paid, plus (2) if payment is made after July 31, 1987, regular interest on the amount specified in item (1) from the date of service to the date of payment.

For purposes of calculating retirement annuities under this Section, periods of service rendered after December 31, 1968 and before January 1, 1982 as a covered employee in the position of investigator for the Department of Revenue shall be deemed to have been service as a noncovered employee, provided that the employee pays to the System prior to retirement an amount equal to (1) the difference between the employee contributions that would have been required for such service as a noncovered employee, and the amount of employee contributions actually paid, plus (2) if payment is made after January 1, 1990, regular interest on the amount specified in item (1) from the date of service to the date of payment.

(g) A State policeman may elect, not later than January 1, 1990, to establish eligible creditable service for up to 10 years of his service as a policeman under Article 3, by filing a written election with the Board, accompanied by payment of an amount to be determined by the Board, equal to (i) the difference between the amount of employee and employer contributions transferred to the System under Section 3-110.5,

and the amounts that would have been contributed had such contributions been made at the rates applicable to State policemen, plus (ii) interest thereon at the effective rate for each year, compounded annually, from the date of service to the date of payment.

Subject to the limitation in subsection (i), a State policeman may elect, not later than July 1, 1993, to establish eligible creditable service for up to 10 years of his service as a member of the County Police Department under Article 9, by filing a written election with the Board, accompanied by payment of an amount to be determined by the Board, equal to (i) the difference between the amount of employee and employer contributions transferred to the System under Section 9-121.10 and the amounts that would have been contributed had those contributions been made at the rates applicable to State policemen, plus (ii) interest thereon at the effective rate for each year, compounded annually, from the date of service to the date of payment.

(h) Subject to the limitation in subsection (i), a State policeman or investigator for the Secretary of State may elect to establish eligible creditable service for up to 12 years of his service as a policeman under Article 5, by filing a written election with the Board on or before January 31, 1992, and paying to the System by January 31, 1994 an amount to be determined by the Board, equal to (i) the difference between the amount of employee and employer contributions transferred

to the System under Section 5-236, and the amounts that would have been contributed had such contributions been made at the rates applicable to State policemen, plus (ii) interest thereon at the effective rate for each year, compounded annually, from the date of service to the date of payment.

Subject to the limitation in subsection (i), a State policeman, conservation police officer, or investigator for the Secretary of State may elect to establish eligible creditable service for up to 10 years of service as a sheriff's law enforcement employee under Article 7, by filing a written election with the Board on or before January 31, 1993, and paying to the System by January 31, 1994 an amount to be determined by the Board, equal to (i) the difference between the amount of employee and employer contributions transferred to the System under Section 7-139.7, and the amounts that would have been contributed had such contributions been made at the rates applicable to State policemen, plus (ii) interest thereon at the effective rate for each year, compounded annually, from the date of service to the date of payment.

Subject to the limitation in subsection (i), a State policeman, conservation police officer, or investigator for the Secretary of State may elect to establish eligible creditable service for up to 5 years of service as a police officer under Article 3, a policeman under Article 5, a sheriff's law enforcement employee under Article 7, a member of the county police department under Article 9, or a police

officer under Article 15 by filing a written election with the Board and paying to the System an amount to be determined by the Board, equal to (i) the difference between the amount of employee and employer contributions transferred to the System under Section 3-110.6, 5-236, 7-139.8, 9-121.10, or 15-134.4 and the amounts that would have been contributed had such contributions been made at the rates applicable to State policemen, plus (ii) interest thereon at the effective rate for each year, compounded annually, from the date of service to the date of payment.

Subject to the limitation in subsection (i), an investigator for the Office of the Attorney General, or an investigator for the Department of Revenue, may elect to establish eligible creditable service for up to 5 years of service as a police officer under Article 3, a policeman under Article 5, a sheriff's law enforcement employee under Article 7, or a member of the county police department under Article 9 by filing a written election with the Board within 6 months after August 25, 2009 (the effective date of Public Act 96-745) and paying to the System an amount to be determined by the Board, equal to (i) the difference between the amount of employee and employer contributions transferred to the System under Section 3-110.6, 5-236, 7-139.8, or 9-121.10 and the amounts that would have been contributed had such contributions been made at the rates applicable to State policemen, plus (ii) interest thereon at the actuarially assumed rate for each year,

compounded annually, from the date of service to the date of payment.

Subject to the limitation in subsection (i), a State policeman, conservation police officer, investigator for the Office of the Attorney General, an investigator for the Department of Revenue, or investigator for the Secretary of State may elect to establish eligible creditable service for up to 5 years of service as a person employed by a participating municipality to perform police duties, or law enforcement officer employed on a full-time basis by a forest preserve district under Article 7, a county corrections officer, or a court services officer under Article 9, by filing a written election with the Board within 6 months after August 25, 2009 (the effective date of Public Act 96-745) and paying to the System an amount to be determined by the Board, equal to (i) the difference between the amount of employee and employer contributions transferred to the System under Sections 7-139.8 and 9-121.10 and the amounts that would have been contributed had such contributions been made at the rates applicable to State policemen, plus (ii) interest thereon at the actuarially assumed rate for each year, compounded annually, from the date of service to the date of payment.

(i) The total amount of eligible creditable service established by any person under subsections (g), (h), (j), (k), ~~and~~ (l), (1-5), and (o) of this Section shall not exceed 12 years.

(j) Subject to the limitation in subsection (i), an investigator for the Office of the State's Attorneys Appellate Prosecutor or a controlled substance inspector may elect to establish eligible creditable service for up to 10 years of his service as a policeman under Article 3 or a sheriff's law enforcement employee under Article 7, by filing a written election with the Board, accompanied by payment of an amount to be determined by the Board, equal to (1) the difference between the amount of employee and employer contributions transferred to the System under Section 3-110.6 or 7-139.8, and the amounts that would have been contributed had such contributions been made at the rates applicable to State policemen, plus (2) interest thereon at the effective rate for each year, compounded annually, from the date of service to the date of payment.

(k) Subject to the limitation in subsection (i) of this Section, an alternative formula employee may elect to establish eligible creditable service for periods spent as a full-time law enforcement officer or full-time corrections officer employed by the federal government or by a state or local government located outside of Illinois, for which credit is not held in any other public employee pension fund or retirement system. To obtain this credit, the applicant must file a written application with the Board by March 31, 1998, accompanied by evidence of eligibility acceptable to the Board and payment of an amount to be determined by the Board, equal

to (1) employee contributions for the credit being established, based upon the applicant's salary on the first day as an alternative formula employee after the employment for which credit is being established and the rates then applicable to alternative formula employees, plus (2) an amount determined by the Board to be the employer's normal cost of the benefits accrued for the credit being established, plus (3) regular interest on the amounts in items (1) and (2) from the first day as an alternative formula employee after the employment for which credit is being established to the date of payment.

(1) Subject to the limitation in subsection (i), a security employee of the Department of Corrections may elect, not later than July 1, 1998, to establish eligible creditable service for up to 10 years of his or her service as a policeman under Article 3, by filing a written election with the Board, accompanied by payment of an amount to be determined by the Board, equal to (i) the difference between the amount of employee and employer contributions transferred to the System under Section 3-110.5, and the amounts that would have been contributed had such contributions been made at the rates applicable to security employees of the Department of Corrections, plus (ii) interest thereon at the effective rate for each year, compounded annually, from the date of service to the date of payment.

(1-5) Subject to the limitation in subsection (i) of this Section, a State policeman may elect to establish eligible

creditable service for up to 5 years of service as a full-time law enforcement officer employed by the federal government or by a state or local government located outside of Illinois for which credit is not held in any other public employee pension fund or retirement system. To obtain this credit, the applicant must file a written application with the Board no later than 3 years after the effective date of this amendatory Act of the 101st General Assembly, accompanied by evidence of eligibility acceptable to the Board and payment of an amount to be determined by the Board, equal to (1) employee contributions for the credit being established, based upon the applicant's salary on the first day as an alternative formula employee after the employment for which credit is being established and the rates then applicable to alternative formula employees, plus (2) an amount determined by the Board to be the employer's normal cost of the benefits accrued for the credit being established, plus (3) regular interest on the amounts in items (1) and (2) from the first day as an alternative formula employee after the employment for which credit is being established to the date of payment.

(m) The amendatory changes to this Section made by this amendatory Act of the 94th General Assembly apply only to: (1) security employees of the Department of Juvenile Justice employed by the Department of Corrections before the effective date of this amendatory Act of the 94th General Assembly and transferred to the Department of Juvenile Justice by this

amendatory Act of the 94th General Assembly; and (2) persons employed by the Department of Juvenile Justice on or after the effective date of this amendatory Act of the 94th General Assembly who are required by subsection (b) of Section 3-2.5-15 of the Unified Code of Corrections to have any bachelor's or advanced degree from an accredited college or university or, in the case of persons who provide vocational training, who are required to have adequate knowledge in the skill for which they are providing the vocational training.

(n) A person employed in a position under subsection (b) of this Section who has purchased service credit under subsection (j) of Section 14-104 or subsection (b) of Section 14-105 in any other capacity under this Article may convert up to 5 years of that service credit into service credit covered under this Section by paying to the Fund an amount equal to (1) the additional employee contribution required under Section 14-133, plus (2) the additional employer contribution required under Section 14-131, plus (3) interest on items (1) and (2) at the actuarially assumed rate from the date of the service to the date of payment.

(o) Subject to the limitation in subsection (i), a conservation police officer, investigator for the Secretary of State, Commerce Commission police officer, investigator for the Department of Revenue or the Illinois Gaming Board, or arson investigator subject to subsection (g) of Section 1-160 may elect to convert up to 8 years of service credit

established before the effective date of this amendatory Act of the 101st General Assembly as a conservation police officer, investigator for the Secretary of State, Commerce Commission police officer, investigator for the Department of Revenue or the Illinois Gaming Board, or arson investigator under this Article into eligible creditable service by filing a written election with the Board no later than one year after the effective date of this amendatory Act of the 101st General Assembly, accompanied by payment of an amount to be determined by the Board equal to (i) the difference between the amount of the employee contributions actually paid for that service and the amount of the employee contributions that would have been paid had the employee contributions been made as a noncovered employee serving in a position in which eligible creditable service, as defined in this Section, may be earned, plus (ii) interest thereon at the effective rate for each year, compounded annually, from the date of service to the date of payment.

(Source: P.A. 100-19, eff. 1-1-18; 100-611, eff. 7-20-18.)

(40 ILCS 5/14-152.1)

Sec. 14-152.1. Application and expiration of new benefit increases.

(a) As used in this Section, "new benefit increase" means an increase in the amount of any benefit provided under this Article, or an expansion of the conditions of eligibility for

any benefit under this Article, that results from an amendment to this Code that takes effect after June 1, 2005 (the effective date of Public Act 94-4). "New benefit increase", however, does not include any benefit increase resulting from the changes made to Article 1 or this Article by Public Act 96-37, Public Act 100-23, Public Act 100-587, ~~or~~ Public Act 100-611, ~~or~~ Public Act 101-10, or this amendatory Act of the 101st General Assembly ~~this amendatory Act of the 101st General Assembly~~.

(b) Notwithstanding any other provision of this Code or any subsequent amendment to this Code, every new benefit increase is subject to this Section and shall be deemed to be granted only in conformance with and contingent upon compliance with the provisions of this Section.

(c) The Public Act enacting a new benefit increase must identify and provide for payment to the System of additional funding at least sufficient to fund the resulting annual increase in cost to the System as it accrues.

Every new benefit increase is contingent upon the General Assembly providing the additional funding required under this subsection. The Commission on Government Forecasting and Accountability shall analyze whether adequate additional funding has been provided for the new benefit increase and shall report its analysis to the Public Pension Division of the Department of Insurance. A new benefit increase created by a Public Act that does not include the additional funding

required under this subsection is null and void. If the Public Pension Division determines that the additional funding provided for a new benefit increase under this subsection is or has become inadequate, it may so certify to the Governor and the State Comptroller and, in the absence of corrective action by the General Assembly, the new benefit increase shall expire at the end of the fiscal year in which the certification is made.

(d) Every new benefit increase shall expire 5 years after its effective date or on such earlier date as may be specified in the language enacting the new benefit increase or provided under subsection (c). This does not prevent the General Assembly from extending or re-creating a new benefit increase by law.

(e) Except as otherwise provided in the language creating the new benefit increase, a new benefit increase that expires under this Section continues to apply to persons who applied and qualified for the affected benefit while the new benefit increase was in effect and to the affected beneficiaries and alternate payees of such persons, but does not apply to any other person, including, without limitation, a person who continues in service after the expiration date and did not apply and qualify for the affected benefit while the new benefit increase was in effect.

(Source: P.A. 100-23, eff. 7-6-17; 100-587, eff. 6-4-18; 100-611, eff. 7-20-18; 101-10, eff. 6-5-19; 101-81, eff.

7-12-19; revised 7-24-19.)

(40 ILCS 5/15-120) (from Ch. 108 1/2, par. 15-120)

Sec. 15-120. Beneficiary; survivor annuitant under portable benefit package. "Beneficiary": The person or persons designated by the participant or annuitant in the last written designation on file with the board; or if no person so designated survives, or if no designation is on file, the estate of the participant or annuitant. Acceptance by the participant of a refund of accumulated contributions or an accelerated pension benefit payment under Section 15-185.5 shall result in cancellation of all beneficiary designations previously filed. A spouse whose marriage was dissolved shall be disqualified as beneficiary unless the spouse was designated as beneficiary after the effective date of the dissolution of marriage.

After a joint and survivor annuity commences under the portable benefit package, the survivor annuitant of a joint and survivor annuity is not disqualified, and may not be removed, as the survivor annuitant by a dissolution of the survivor's marriage with the participant or annuitant.

(Source: P.A. 91-887, eff. 7-6-00.)

(40 ILCS 5/15-135) (from Ch. 108 1/2, par. 15-135)

Sec. 15-135. Retirement annuities - Conditions.

(a) This subsection (a) applies only to a Tier 1 member. A

participant who retires in one of the following specified years with the specified amount of service is entitled to a retirement annuity at any age under the retirement program applicable to the participant:

35 years if retirement is in 1997 or before;

34 years if retirement is in 1998;

33 years if retirement is in 1999;

32 years if retirement is in 2000;

31 years if retirement is in 2001;

30 years if retirement is in 2002 or later.

A participant with 8 or more years of service after September 1, 1941, is entitled to a retirement annuity on or after attainment of age 55.

A participant with at least 5 but less than 8 years of service after September 1, 1941, is entitled to a retirement annuity on or after attainment of age 62.

A participant who has at least 25 years of service in this system as a police officer or firefighter is entitled to a retirement annuity on or after the attainment of age 50, if Rule 4 of Section 15-136 is applicable to the participant.

(a-5) A Tier 2 member is entitled to a retirement annuity upon written application if he or she has attained age 67 and has at least 10 years of service credit and is otherwise eligible under the requirements of this Article. A Tier 2 member who has attained age 62 and has at least 10 years of service credit and is otherwise eligible under the requirements

of this Article may elect to receive the lower retirement annuity provided in subsection (b-5) of Section 15-136 of this Article.

(a-10) A Tier 2 member who has at least 20 years of service in this system as a police officer or firefighter is entitled to a retirement annuity upon written application on or after the attainment of age 60 if Rule 4 of Section 15-136 is applicable to the participant. The changes made to this subsection by this amendatory Act of the 101st General Assembly apply retroactively to January 1, 2011.

(b) The annuity payment period shall begin on the date specified by the participant or the recipient of a disability retirement annuity submitting a written application. For a participant, the date on which the annuity payment period begins shall not be prior to termination of employment or more than one year before the application is received by the board; however, if the participant is not an employee of an employer participating in this System or in a participating system as defined in Article 20 of this Code on April 1 of the calendar year next following the calendar year in which the participant attains age 70 1/2, the annuity payment period shall begin on that date regardless of whether an application has been filed. For a recipient of a disability retirement annuity, the date on which the annuity payment period begins shall not be prior to the discontinuation of the disability retirement annuity under Section 15-153.2.

(c) An annuity is not payable if the amount provided under Section 15-136 is less than \$10 per month.

(Source: P.A. 100-556, eff. 12-8-17.)

(40 ILCS 5/15-136) (from Ch. 108 1/2, par. 15-136)

(Text of Section WITHOUT the changes made by P.A. 98-599, which has been held unconstitutional)

Sec. 15-136. Retirement annuities - Amount. The provisions of this Section 15-136 apply only to those participants who are participating in the traditional benefit package or the portable benefit package and do not apply to participants who are participating in the self-managed plan.

(a) The amount of a participant's retirement annuity, expressed in the form of a single-life annuity, shall be determined by whichever of the following rules is applicable and provides the largest annuity:

Rule 1: The retirement annuity shall be 1.67% of final rate of earnings for each of the first 10 years of service, 1.90% for each of the next 10 years of service, 2.10% for each year of service in excess of 20 but not exceeding 30, and 2.30% for each year in excess of 30; or for persons who retire on or after January 1, 1998, 2.2% of the final rate of earnings for each year of service.

Rule 2: The retirement annuity shall be the sum of the following, determined from amounts credited to the participant in accordance with the actuarial tables and the effective rate

of interest in effect at the time the retirement annuity begins:

(i) the normal annuity which can be provided on an actuarially equivalent basis, by the accumulated normal contributions as of the date the annuity begins;

(ii) an annuity from employer contributions of an amount equal to that which can be provided on an actuarially equivalent basis from the accumulated normal contributions made by the participant under Section 15-113.6 and Section 15-113.7 plus 1.4 times all other accumulated normal contributions made by the participant; and

(iii) the annuity that can be provided on an actuarially equivalent basis from the entire contribution made by the participant under Section 15-113.3.

With respect to a police officer or firefighter who retires on or after August 14, 1998, the accumulated normal contributions taken into account under clauses (i) and (ii) of this Rule 2 shall include the additional normal contributions made by the police officer or firefighter under Section 15-157(a).

The amount of a retirement annuity calculated under this Rule 2 shall be computed solely on the basis of the participant's accumulated normal contributions, as specified in this Rule and defined in Section 15-116. Neither an employee or employer contribution for early retirement under Section

15-136.2 nor any other employer contribution shall be used in the calculation of the amount of a retirement annuity under this Rule 2.

This amendatory Act of the 91st General Assembly is a clarification of existing law and applies to every participant and annuitant without regard to whether status as an employee terminates before the effective date of this amendatory Act.

This Rule 2 does not apply to a person who first becomes an employee under this Article on or after July 1, 2005.

Rule 3: The retirement annuity of a participant who is employed at least one-half time during the period on which his or her final rate of earnings is based, shall be equal to the participant's years of service not to exceed 30, multiplied by (1) \$96 if the participant's final rate of earnings is less than \$3,500, (2) \$108 if the final rate of earnings is at least \$3,500 but less than \$4,500, (3) \$120 if the final rate of earnings is at least \$4,500 but less than \$5,500, (4) \$132 if the final rate of earnings is at least \$5,500 but less than \$6,500, (5) \$144 if the final rate of earnings is at least \$6,500 but less than \$7,500, (6) \$156 if the final rate of earnings is at least \$7,500 but less than \$8,500, (7) \$168 if the final rate of earnings is at least \$8,500 but less than \$9,500, and (8) \$180 if the final rate of earnings is \$9,500 or more, except that the annuity for those persons having made an election under Section 15-154(a-1) shall be calculated and payable under the portable retirement benefit program pursuant

to the provisions of Section 15-136.4.

Rule 4: A participant who is at least age 50 and has 25 or more years of service as a police officer or firefighter, and a participant who is age 55 or over and has at least 20 but less than 25 years of service as a police officer or firefighter, shall be entitled to a retirement annuity of 2 1/4% of the final rate of earnings for each of the first 10 years of service as a police officer or firefighter, 2 1/2% for each of the next 10 years of service as a police officer or firefighter, and 2 3/4% for each year of service as a police officer or firefighter in excess of 20. The retirement annuity for all other service shall be computed under Rule 1. A Tier 2 member is eligible for a retirement annuity calculated under Rule 4 only if that Tier 2 member meets the service requirements for that benefit calculation as prescribed under this Rule 4 in addition to the applicable age requirement under subsection (a-10) ~~(a-5)~~ of Section 15-135.

For purposes of this Rule 4, a participant's service as a firefighter shall also include the following:

(i) service that is performed while the person is an employee under subsection (h) of Section 15-107; and

(ii) in the case of an individual who was a participating employee employed in the fire department of the University of Illinois's Champaign-Urbana campus immediately prior to the elimination of that fire department and who immediately after the elimination of

that fire department transferred to another job with the University of Illinois, service performed as an employee of the University of Illinois in a position other than police officer or firefighter, from the date of that transfer until the employee's next termination of service with the University of Illinois.

(b) For a Tier 1 member, the retirement annuity provided under Rules 1 and 3 above shall be reduced by 1/2 of 1% for each month the participant is under age 60 at the time of retirement. However, this reduction shall not apply in the following cases:

(1) For a disabled participant whose disability benefits have been discontinued because he or she has exhausted eligibility for disability benefits under clause (6) of Section 15-152;

(2) For a participant who has at least the number of years of service required to retire at any age under subsection (a) of Section 15-135; or

(3) For that portion of a retirement annuity which has been provided on account of service of the participant during periods when he or she performed the duties of a police officer or firefighter, if these duties were performed for at least 5 years immediately preceding the date the retirement annuity is to begin.

(b-5) The retirement annuity of a Tier 2 member who is retiring under Rule 1 or 3 after attaining age 62 with at least

10 years of service credit shall be reduced by 1/2 of 1% for each full month that the member's age is under age 67.

(c) The maximum retirement annuity provided under Rules 1, 2, 4, and 5 shall be the lesser of (1) the annual limit of benefits as specified in Section 415 of the Internal Revenue Code of 1986, as such Section may be amended from time to time and as such benefit limits shall be adjusted by the Commissioner of Internal Revenue, and (2) 80% of final rate of earnings.

(d) A Tier 1 member whose status as an employee terminates after August 14, 1969 shall receive automatic increases in his or her retirement annuity as follows:

Effective January 1 immediately following the date the retirement annuity begins, the annuitant shall receive an increase in his or her monthly retirement annuity of 0.125% of the monthly retirement annuity provided under Rule 1, Rule 2, Rule 3, or Rule 4 contained in this Section, multiplied by the number of full months which elapsed from the date the retirement annuity payments began to January 1, 1972, plus 0.1667% of such annuity, multiplied by the number of full months which elapsed from January 1, 1972, or the date the retirement annuity payments began, whichever is later, to January 1, 1978, plus 0.25% of such annuity multiplied by the number of full months which elapsed from January 1, 1978, or the date the retirement annuity payments began, whichever is later, to the effective date of the increase.

The annuitant shall receive an increase in his or her monthly retirement annuity on each January 1 thereafter during the annuitant's life of 3% of the monthly annuity provided under Rule 1, Rule 2, Rule 3, or Rule 4 contained in this Section. The change made under this subsection by P.A. 81-970 is effective January 1, 1980 and applies to each annuitant whose status as an employee terminates before or after that date.

Beginning January 1, 1990, all automatic annual increases payable under this Section shall be calculated as a percentage of the total annuity payable at the time of the increase, including all increases previously granted under this Article.

The change made in this subsection by P.A. 85-1008 is effective January 26, 1988, and is applicable without regard to whether status as an employee terminated before that date.

(d-5) A retirement annuity of a Tier 2 member shall receive annual increases on the January 1 occurring either on or after the attainment of age 67 or the first anniversary of the annuity start date, whichever is later. Each annual increase shall be calculated at 3% or one half the annual unadjusted percentage increase (but not less than zero) in the consumer price index-u for the 12 months ending with the September preceding each November 1, whichever is less, of the originally granted retirement annuity. If the annual unadjusted percentage change in the consumer price index-u for the 12 months ending with the September preceding each November 1 is

zero or there is a decrease, then the annuity shall not be increased.

(e) If, on January 1, 1987, or the date the retirement annuity payment period begins, whichever is later, the sum of the retirement annuity provided under Rule 1 or Rule 2 of this Section and the automatic annual increases provided under the preceding subsection or Section 15-136.1, amounts to less than the retirement annuity which would be provided by Rule 3, the retirement annuity shall be increased as of January 1, 1987, or the date the retirement annuity payment period begins, whichever is later, to the amount which would be provided by Rule 3 of this Section. Such increased amount shall be considered as the retirement annuity in determining benefits provided under other Sections of this Article. This paragraph applies without regard to whether status as an employee terminated before the effective date of this amendatory Act of 1987, provided that the annuitant was employed at least one-half time during the period on which the final rate of earnings was based.

(f) A participant is entitled to such additional annuity as may be provided on an actuarially equivalent basis, by any accumulated additional contributions to his or her credit. However, the additional contributions made by the participant toward the automatic increases in annuity provided under this Section shall not be taken into account in determining the amount of such additional annuity.

(g) If, (1) by law, a function of a governmental unit, as defined by Section 20-107 of this Code, is transferred in whole or in part to an employer, and (2) a participant transfers employment from such governmental unit to such employer within 6 months after the transfer of the function, and (3) the sum of (A) the annuity payable to the participant under Rule 1, 2, or 3 of this Section (B) all proportional annuities payable to the participant by all other retirement systems covered by Article 20, and (C) the initial primary insurance amount to which the participant is entitled under the Social Security Act, is less than the retirement annuity which would have been payable if all of the participant's pension credits validated under Section 20-109 had been validated under this system, a supplemental annuity equal to the difference in such amounts shall be payable to the participant.

(h) On January 1, 1981, an annuitant who was receiving a retirement annuity on or before January 1, 1971 shall have his or her retirement annuity then being paid increased \$1 per month for each year of creditable service. On January 1, 1982, an annuitant whose retirement annuity began on or before January 1, 1977, shall have his or her retirement annuity then being paid increased \$1 per month for each year of creditable service.

(i) On January 1, 1987, any annuitant whose retirement annuity began on or before January 1, 1977, shall have the monthly retirement annuity increased by an amount equal to 8¢

per year of creditable service times the number of years that have elapsed since the annuity began.

(j) The changes made to this Section by this amendatory Act of the 101st General Assembly apply retroactively to January 1, 2011.

(Source: P.A. 97-933, eff. 8-10-12; 97-968, eff. 8-16-12; 98-92, eff. 7-16-13.)

(40 ILCS 5/15-159) (from Ch. 108 1/2, par. 15-159)

Sec. 15-159. Board created.

(a) A board of trustees constituted as provided in this Section shall administer this System. The board shall be known as the Board of Trustees of the State Universities Retirement System.

(b) (Blank).

(c) (Blank).

(d) Beginning on the 90th day after April 3, 2009 (the effective date of Public Act 96-6), the Board of Trustees shall be constituted as follows:

(1) The Chairperson of the Board of Higher Education, ~~who shall act as chairperson of this Board.~~

(2) Four trustees appointed by the Governor with the advice and consent of the Senate who may not be members of the system or hold an elective State office and who shall serve for a term of 6 years, except that the terms of the initial appointees under this subsection (d) shall be as

follows: 2 for a term of 3 years and 2 for a term of 6 years.

(3) Four active participants of the system to be elected from the contributing membership of the system by the contributing members, no more than 2 of which may be from any of the University of Illinois campuses, who shall serve for a term of 6 years, except that the terms of the initial electees shall be as follows: 2 for a term of 3 years and 2 for a term of 6 years.

(4) Two annuitants of the system who have been annuitants for at least one full year, to be elected from and by the annuitants of the system, no more than one of which may be from any of the University of Illinois campuses, who shall serve for a term of 6 years, except that the terms of the initial electees shall be as follows: one for a term of 3 years and one for a term of 6 years.

The chairperson of the Board shall be appointed by the Governor from among the trustees.

For the purposes of this Section, the Governor may make a nomination and the Senate may confirm the nominee in advance of the commencement of the nominee's term of office.

(e) The 6 elected trustees shall be elected within 90 days after April 3, 2009 (the effective date of Public Act 96-6) for a term beginning on the 90th day after that effective date. Trustees shall be elected thereafter as terms expire for a 6-year term beginning July 15 next following their election,

and such election shall be held on May 1, or on May 2 when May 1 falls on a Sunday. The board may establish rules for the election of trustees to implement the provisions of Public Act 96-6 and for future elections. Candidates for the participating trustee shall be nominated by petitions in writing, signed by not less than 400 participants with their addresses shown opposite their names. Candidates for the annuitant trustee shall be nominated by petitions in writing, signed by not less than 100 annuitants with their addresses shown opposite their names. If there is more than one qualified nominee for each elected trustee, then the board shall conduct a secret ballot election by mail for that trustee, in accordance with rules as established by the board. If there is only one qualified person nominated by petition for each elected trustee, then the election as required by this Section shall not be conducted for that trustee and the board shall declare such nominee duly elected. A vacancy occurring in the elective membership of the board shall be filled for the unexpired term by the elected trustees serving on the board for the remainder of the term. Nothing in this subsection shall preclude the adoption of rules providing for internet or phone balloting in addition, or as an alternative, to election by mail.

(f) A vacancy in the appointed membership on the board of trustees caused by resignation, death, expiration of term of office, or other reason shall be filled by a qualified person appointed by the Governor for the remainder of the unexpired

term.

(g) Trustees (other than the trustees incumbent on June 30, 1995 or as provided in subsection (c) of this Section) shall continue in office until their respective successors are appointed and have qualified, except that a trustee appointed to one of the participant positions shall be disqualified immediately upon the termination of his or her status as a participant and a trustee appointed to one of the annuitant positions shall be disqualified immediately upon the termination of his or her status as an annuitant receiving a retirement annuity.

(h) Each trustee must take an oath of office before a notary public of this State and shall qualify as a trustee upon the presentation to the board of a certified copy of the oath. The oath must state that the person will diligently and honestly administer the affairs of the retirement system, and will not knowingly violate or willfully permit to be violated any provisions of this Article.

Each trustee shall serve without compensation but shall be reimbursed for expenses necessarily incurred in attending board meetings and carrying out his or her duties as a trustee or officer of the system.

(Source: P.A. 98-92, eff. 7-16-13.)

(40 ILCS 5/15-198)

Sec. 15-198. Application and expiration of new benefit

increases.

(a) As used in this Section, "new benefit increase" means an increase in the amount of any benefit provided under this Article, or an expansion of the conditions of eligibility for any benefit under this Article, that results from an amendment to this Code that takes effect after June 1, 2005 (the effective date of Public Act 94-4) ~~this amendatory Act of the 94th General Assembly~~. "New benefit increase", however, does not include any benefit increase resulting from the changes made to Article 1 or this Article by Public Act 100-23, Public Act 100-587, ~~or~~ Public Act 100-769, ~~or~~ Public Act 101-10, or this amendatory Act of the 101st General Assembly ~~this amendatory Act of the 101st General Assembly~~.

(b) Notwithstanding any other provision of this Code or any subsequent amendment to this Code, every new benefit increase is subject to this Section and shall be deemed to be granted only in conformance with and contingent upon compliance with the provisions of this Section.

(c) The Public Act enacting a new benefit increase must identify and provide for payment to the System of additional funding at least sufficient to fund the resulting annual increase in cost to the System as it accrues.

Every new benefit increase is contingent upon the General Assembly providing the additional funding required under this subsection. The Commission on Government Forecasting and Accountability shall analyze whether adequate additional

funding has been provided for the new benefit increase and shall report its analysis to the Public Pension Division of the Department of Insurance. A new benefit increase created by a Public Act that does not include the additional funding required under this subsection is null and void. If the Public Pension Division determines that the additional funding provided for a new benefit increase under this subsection is or has become inadequate, it may so certify to the Governor and the State Comptroller and, in the absence of corrective action by the General Assembly, the new benefit increase shall expire at the end of the fiscal year in which the certification is made.

(d) Every new benefit increase shall expire 5 years after its effective date or on such earlier date as may be specified in the language enacting the new benefit increase or provided under subsection (c). This does not prevent the General Assembly from extending or re-creating a new benefit increase by law.

(e) Except as otherwise provided in the language creating the new benefit increase, a new benefit increase that expires under this Section continues to apply to persons who applied and qualified for the affected benefit while the new benefit increase was in effect and to the affected beneficiaries and alternate payees of such persons, but does not apply to any other person, including, without limitation, a person who continues in service after the expiration date and did not

apply and qualify for the affected benefit while the new benefit increase was in effect.

(Source: P.A. 100-23, eff. 7-6-17; 100-587, eff. 6-4-18; 100-769, eff. 8-10-18; 101-10, eff. 6-5-19; 101-81, eff. 7-12-19; revised 8-1-19.)

(40 ILCS 5/16-163) (from Ch. 108 1/2, par. 16-163)

Sec. 16-163. Board created. A board of 15 ~~13~~ members constitutes the board of trustees authorized to carry out the provisions of this Article and is responsible for the general administration of the System. The board shall be known as the Board of Trustees of the Teachers' Retirement System of the State of Illinois. The board shall be composed of the Superintendent of Education, ex officio, ~~who shall be the president of the board;~~ 7 ~~6~~ persons, not members of the System, to be appointed by the Governor, who shall hold no elected State office; 5 ~~4~~ persons who, at the time of their election, are teachers as defined in Section 16-106, elected by the contributing members; and 2 annuitant members elected by the annuitants of the System, as provided in Section 16-165. The president of the board shall be appointed by the Governor from among the trustees.

(Source: P.A. 96-6, eff. 4-3-09.)

(40 ILCS 5/16-164) (from Ch. 108 1/2, par. 16-164)

Sec. 16-164. Board; appointed members; vacancies ~~Board~~

~~appointed members — vacancies.~~ Terms of office for the appointed members shall begin on July 15 of an even-numbered year, except that the terms of office for members appointed pursuant to this amendatory Act of the 96th General Assembly shall begin upon being confirmed by the Senate. The Governor shall appoint 3 members as trustees with the advice and consent of the Senate in each even-numbered year who shall hold office for a term of 4 years, except that, of the members appointed pursuant to this amendatory Act of the 96th General Assembly, 3 members shall be appointed for a term ending July 14, 2012 and 3 members shall be appointed for a term ending July 14, 2014. The Governor shall appoint the additional member authorized under this amendatory Act of the 101st General Assembly with the advice and consent of the Senate for a term beginning on July 15, 2020 and ending July 14, 2022, and successors shall hold office for a term of 4 years. Each such appointee shall reside in and be a taxpayer in the territory covered by this system, shall be interested in public school welfare, and experienced and competent in financial and business management. A vacancy in the term of an appointed trustee shall be filled for the unexpired term by appointment of the Governor.

Notwithstanding any provision of this Section to the contrary, the term of office of each member of the Board appointed by the Governor who is sitting on the Board on the effective date of this amendatory Act of the 96th General

Assembly is terminated on that effective date. A trustee sitting on the Board on the effective date of this amendatory Act of the 96th General Assembly may not hold over in office for more than 60 days after the effective date of this amendatory Act of the 96th General Assembly. Nothing in this Section shall prevent the Governor from making a temporary appointment or nominating a trustee holding office on the day before the effective date of this amendatory Act of the 96th General Assembly.

(Source: P.A. 96-6, eff. 4-3-09.)

(40 ILCS 5/16-165) (from Ch. 108 1/2, par. 16-165)

Sec. 16-165. Board; elected members; vacancies.

(a) In each odd-numbered year, if there are 2 teachers whose terms of office will expire in that year, there shall be elected 2 teachers who shall hold office for a term of 4 years beginning July 15 next following their election or, if there are 3 teachers whose terms of office will expire in that year, there shall be elected 3 teachers who shall hold office for a term of 4 years beginning July 15 next following their election, in the manner provided under this Section. An elected teacher member of the board who ceases to be a teacher as defined in Section 16-106 may continue to serve on the board for the remainder of the term to which he or she was elected.

(b) One elected annuitant trustee shall first be elected in 1987, and in every fourth year thereafter, for a term of 4

years beginning July 15 next following his or her election.

(c) The elected annuitant position created by this amendatory Act of the 91st General Assembly shall be filled as soon as possible in the manner provided for vacancies, for an initial term ending July 15, 2001. One elected annuitant trustee shall be elected in 2001, and in every fourth year thereafter, for a term of 4 years beginning July 15 next following his or her election.

The elected teacher position created by this amendatory Act of the 101st General Assembly shall be for an initial 3-year term and shall be filled in the manner provided for vacancies; except that if the teacher candidate who receives the highest number of votes and the incumbent members not up for election belong to the same statewide teacher organization, then the teacher candidate who receives the highest number of votes and is not a member of that statewide teacher organization shall be declared elected.

(d) Elections shall be held on May 1, unless May 1 falls on a Saturday or Sunday, in which event the election shall be conducted on the following Monday. Candidates shall be nominated by petitions in writing, signed by not less than 500 teachers or annuitants, as the case may be, with their addresses shown opposite their names. The petitions shall be filed with the board's Secretary not less than 90 nor more than 120 days prior to May 1. The Secretary shall determine their validity not less than 75 days before the election.

(d-5) Beginning July 15, 2020, not more than 4 of the 5 teachers elected to the Board of Trustees may be active members of the same statewide teacher organization. For the purposes of this Section, "statewide teacher organization" means a teacher organization (1) in which membership is not restricted to persons living or teaching within a limited geographical area of this State and (2) that has among its membership at least 10,000 persons who participate in this System.

Candidates for the teacher positions on the Board shall indicate, in their nomination petitions and campaign materials, which (if any) statewide teacher organizations they have belonged to during the 5 years preceding the election.

(e) If, for either teacher or annuitant members, the number of qualified nominees exceeds the number of available positions, the system shall prepare an appropriate ballot with the names of the candidates in alphabetical order and shall mail one copy thereof, at least 10 days prior to the election day, to each teacher or annuitant of this system as of the latest date practicable, at the latest known address, together with a return envelope addressed to the board and also a smaller envelope marked "For Ballot Only", and a slip for signature. Each voter, upon marking his ballot with a cross mark in the square before the name of the person voted for, shall place the ballot in the envelope marked "For Ballot Only", seal the envelope, write on the slip provided therefor his signature and address, enclose both the slip and sealed

envelope containing the marked ballot in the return envelope addressed to the board, and mail it. Whether a person is eligible to vote for the teacher nominees or the annuitant nominees shall be determined from system payroll records as of March 1.

Upon receipt of the return envelopes, the system shall open them and set aside unopened the envelopes marked "For Ballot Only". On election day ballots shall be publicly opened and counted by the trustees or canvassers appointed therefor. Each vote cast for a candidate represents one vote only. No ballot arriving after 10 o'clock a.m. on election day shall be counted.

(e-3) The 2 teacher candidates or 3 teacher candidates, whichever is applicable for that election, and the annuitant candidate receiving the highest number of votes shall be declared elected; except that beginning with the election in 2021, if the teacher candidate who receives the highest number of votes and the incumbent members not up for election belong to the same statewide teacher organization, then the second teacher candidate to be declared elected shall be the candidate who is not a member of the same statewide teacher organization and receives the highest number of votes, unless there is no such candidate or at least one candidate declared elected in the same election is not a member of that statewide teacher organization. The board shall declare the results of the election, keep a record thereof, and notify the candidates of

the results thereof within 30 days after the election.

(e-5) If, for either class of members, there are only as many qualified nominees as there are positions available, the balloting as described in this Section shall not be conducted for those nominees, and the board shall declare them duly elected.

(f) A vacancy occurring in the elective membership of the board shall be filled for the unexpired term by a person qualified for the vacant position, selected by the remaining elected members of the board, if there are no more than 6 months remaining on the term. For a term with more than 6 months remaining, the Director of the Teachers' Retirement System of the State of Illinois shall institute an election in accordance with this Act to fill the unexpired term.

(Source: P.A. 94-423, eff. 8-2-05; 94-710, eff. 12-5-05; 95-331, eff. 8-21-07.)

(40 ILCS 5/Art. 22B heading new)

ARTICLE 22B. THE POLICE OFFICERS' PENSION INVESTMENT FUND

(40 ILCS 5/22B-101 new)

Sec. 22B-101. Establishment. The Police Officers' Pension Investment Fund is created with authority to manage the reserves, funds, assets, securities, properties, and moneys of the police pension funds created pursuant to Article 3 of this Code, all as provided in this Article.

(40 ILCS 5/22B-102 new)

Sec. 22B-102. Definitions. For the purposes of this Article, the following words and phrases shall have the meaning ascribed to them unless the context requires otherwise.

(40 ILCS 5/22B-103 new)

Sec. 22B-103. Fund. "Fund" means the Police Officers' Pension Investment Fund.

(40 ILCS 5/22B-104 new)

Sec. 22B-104. Transferor pension fund. "Transferor pension fund" means any pension fund established pursuant to Article 3 of this Code.

(40 ILCS 5/22B-105 new)

Sec. 22B-105. Participating pension fund. "Participating pension fund" means any pension fund established pursuant to Article 3 of this Code that has transferred securities, funds, assets, and moneys, and responsibility for custody and control of those securities, funds, assets, and moneys, to the Fund pursuant to Section 3-132.1.

(40 ILCS 5/22B-106 new)

Sec. 22B-106. Pension fund assets. "Pension fund assets" means the reserves, funds, assets, securities, and moneys of

any transferor pension fund.

(40 ILCS 5/22B-107 new)

Sec. 22B-107. Invest. "Invest" means to acquire, invest, reinvest, exchange, or retain pension fund assets of the transferor pension funds and to sell and manage the reserves, funds, securities, moneys, or assets of the transferor pension fund, all in accordance with this Article.

(40 ILCS 5/22B-108 new)

Sec. 22B-108. Investment advisor. "Investment advisor" means any person or business entity that provides investment advice to the Board on a personalized basis and with an understanding of the policies and goals of the Board. "Investment advisor" does not include any person or business entity that provides statistical or general market research data available for purchase or use by others.

(40 ILCS 5/22B-112 new)

Sec. 22B-112. Transition period. "Transition period" means the period immediately following the effective date of this amendatory Act of the 101st General Assembly during which pension fund assets, and responsibility for custody and control of those assets, will be transferred from the transferor pension funds to the board, as described in Section 22B-120.

(40 ILCS 5/22B-113 new)

Sec. 22B-113. Illinois Municipal League. "Illinois Municipal League" means the unincorporated, nonprofit, nonpolitical association of Illinois cities, villages, and incorporated towns described in Section 1-8-1 of the Illinois Municipal Code.

(40 ILCS 5/22B-114 new)

Sec. 22B-114. Purpose, establishment, and governance. The Fund is established to consolidate the transferor pension funds to streamline investments and eliminate unnecessary and redundant administrative costs, thereby ensuring more money is available to fund pension benefits for the beneficiaries of the transferor pension funds. The transition board trustees and permanent board trustees of the Fund shall be fiduciaries for the participants and beneficiaries of the participating pension funds and shall discharge their duties with respect to the retirement system or pension fund solely in the interest of the participants and beneficiaries. Further, the transition board trustees and permanent board trustees, acting prudently and as fiduciaries, shall take all reasonable steps to ensure that all of the transferor pension funds are treated equitably and that the financial condition of one participating pension fund, including, but not limited to, pension benefit funding levels and ratios, will have no effect on the financial condition of any other transferor pension fund.

(40 ILCS 5/22B-115 new)

Sec. 22B-115. Board of Trustees of the Fund.

(a) No later than one month after the effective date of this amendatory Act of the 101st General Assembly or as soon thereafter as may be practicable, the Governor shall appoint, by and with the advice and consent of the Senate, a transition board of trustees consisting of 9 members as follows:

(1) three members representing municipalities who are mayors, presidents, chief executive officers, chief financial officers, or other officers, executives, or department heads of municipalities and appointed from among candidates recommended by the Illinois Municipal League;

(2) three members representing participants and who are participants, 2 of whom shall be appointed from among candidates recommended by a statewide fraternal organization representing more than 20,000 active and retired police officers in the State of Illinois, and one of whom shall be appointed from among candidates recommended by a benevolent association representing sworn police officers in the State of Illinois;

(3) two members representing beneficiaries and who are beneficiaries, one of whom shall be appointed from among candidates recommended by a statewide fraternal organization representing more than 20,000 active and

retired police officers in the State of Illinois, and one of whom shall be appointed from among candidates recommended by a benevolent association representing sworn police officers in the State of Illinois; and

(4) one member who is a representative of the Illinois Municipal League.

The transition board members shall serve until the initial permanent board members are elected and qualified.

The transition board of trustees shall select the chairperson of the transition board of trustees from among the trustees for the duration of the transition board's tenure.

(b) The permanent board of trustees shall consist of 9 members as follows:

(1) Three members who are mayors, presidents, chief executive officers, chief financial officers, or other officers, executives, or department heads of municipalities that have participating pension funds and are elected by the mayors and presidents of municipalities that have participating pension funds.

(2) Three members who are participants of participating pension funds and are elected by the participants of participating pension funds.

(3) Two members who are beneficiaries of participating pension funds and are elected by the beneficiaries of participating pension funds.

(4) One member recommended by the Illinois Municipal

League who shall be appointed by the Governor with the advice and consent of the Senate.

The permanent board of trustees shall select the chairperson of the permanent board of trustees from among the trustees for a term of 2 years. The holder of the office of chairperson shall alternate between a person elected or appointed under item (1) or (4) of this subsection (b) and a person elected under item (2) or (3) of this subsection (b).

(c) Each trustee shall qualify by taking an oath of office before the Secretary of State stating that he or she will diligently and honestly administer the affairs of the board and will not violate or knowingly permit the violation of any provision of this Article.

(d) Trustees shall receive no salary for service on the board but shall be reimbursed for travel expenses incurred while on business for the board according to the standards in effect for members of the Commission on Government Forecasting and Accountability.

A municipality employing a police officer who is an elected or appointed trustee of the board must allow reasonable time off with compensation for the police officer to conduct official business related to his or her position on the board, including time for travel. The board shall notify the municipality in advance of the dates, times, and locations of this official business. The Fund shall timely reimburse the municipality for the reasonable costs incurred that are due to

the police officer's absence.

(e) No trustee shall have any interest in any brokerage fee, commission, or other profit or gain arising out of any investment directed by the board. This subsection does not preclude ownership by any member of any minority interest in any common stock or any corporate obligation in which an investment is directed by the board.

(f) Notwithstanding any provision or interpretation of law to the contrary, any member of the transition board may also be elected or appointed as a member of the permanent board.

Notwithstanding any provision or interpretation of law to the contrary, any trustee of a fund established under Article 3 of this Code may also be appointed as a member of the transition board or elected or appointed as a member of the permanent board.

The restriction in Section 3.1 of the Lobbyist Registration Act shall not apply to a member of the transition board appointed pursuant to item (4) of subsection (a) or to a member of the permanent board appointed pursuant to item (4) of subsection (b).

(40 ILCS 5/22B-116 new)

Sec. 22B-116. Conduct and administration of elections; terms of office.

(a) For the election of the permanent trustees, the transition board shall administer the initial elections and the

permanent board shall administer all subsequent elections. Each board shall develop and implement such procedures as it determines to be appropriate for the conduct of such elections. For the purposes of obtaining information necessary to conduct elections under this Section, participating pension funds shall cooperate with the Fund.

(b) All nominations for election shall be by petition. Each petition for a trustee shall be executed as follows:

(1) for trustees to be elected by the mayors and presidents of municipalities that have participating pension funds, by at least 20 such mayors and presidents;

(2) for trustees to be elected by participants, by at least 400 participants; and

(3) for trustees to be elected by beneficiaries, by at least 100 beneficiaries.

(c) A separate ballot shall be used for each class of trustee. The board shall prepare and send ballots and ballot envelopes to the participants and beneficiaries eligible to vote in accordance with rules adopted by the board. The ballots shall contain the names of all candidates in alphabetical order. The ballot envelope shall have on the outside a form of certificate stating that the person voting the ballot is a participant or beneficiary entitled to vote.

Participants and beneficiaries, upon receipt of the ballot, shall vote the ballot and place it in the ballot envelope, seal the envelope, execute the certificate thereon,

and return the ballot to the Fund.

The board shall set a final date for ballot return, and ballots received prior to that date in a ballot envelope with a properly executed certificate and properly voted shall be valid ballots.

The board shall set a day for counting the ballots and name judges and clerks of election to conduct the count of ballots and shall make any rules necessary for the conduct of the count.

The candidate or candidates receiving the highest number of votes for each class of trustee shall be elected. In the case of a tie vote, the winner shall be determined in accordance with procedures developed by the Department of Insurance.

In lieu of conducting elections via mail balloting as described in this Section, the board may instead adopt rules to provide for elections to be carried out solely via Internet balloting or phone balloting. Nothing in this Section prohibits the Fund from contracting with a third party to administer the election in accordance with this Section.

(d) At any election, voting shall be as follows:

(1) Each person authorized to vote for an elected trustee may cast one vote for each related position for which such person is entitled to vote and may cast such vote for any candidate or candidates on the ballot for such trustee position.

(2) If only one candidate for each position is properly

nominated in petitions received, that candidate shall be deemed the winner and no election under this Section shall be required.

(3) The results shall be entered in the minutes of the first meeting of the board following the tally of votes.

(e) The initial election for permanent trustees shall be held and the permanent board shall be seated no later than 12 months after the effective date of this amendatory Act of the 101st General Assembly. Each subsequent election shall be held no later than 30 days prior to the end of the term of the incumbent trustees.

(f) The elected trustees shall each serve for terms of 4 years commencing on the first business day of the first month after election; except that the terms of office of the initially elected trustees shall be as follows:

(1) one trustee elected pursuant to item (1) of subsection (b) of Section 22B-115 shall serve for a term of 2 years and 2 trustees elected pursuant to item (1) of subsection (b) of Section 22B-115 shall serve for a term of 4 years;

(2) two trustees elected pursuant to item (2) of subsection (b) of Section 22B-115 shall serve for a term of 2 years and one trustee elected pursuant to item (2) of subsection (b) of Section 22B-115 shall serve for a term of 4 years; and

(3) one trustee elected pursuant to item (3) of

subsection (b) of Section 22B-115 shall serve for a term of 2 years and one trustee elected pursuant to item (3) of subsection (b) of Section 22B-115 shall serve for a term of 4 years.

(g) The trustee appointed pursuant to item (4) of subsection (b) of Section 22B-115 shall serve for a term of 2 years commencing on the first business day of the first month after the election of the elected trustees.

(h) A member of the board who was elected pursuant to item (1) of subsection (b) of Section 22B-115 who ceases to serve as a mayor, president, chief executive officer, chief financial officer, or other officer, executive, or department head of a municipality that has a participating pension fund shall not be eligible to serve as a member of the board and his or her position shall be deemed vacant. A member of the board who was elected by the participants of participating pension funds who ceases to be a participant may serve the remainder of his or her elected term.

For a vacancy of an elected trustee occurring with an unexpired term of 6 months or more, an election shall be conducted for the vacancy in accordance with Section 22B-115 and this Section.

For a vacancy of an elected trustee occurring with an unexpired term of less than 6 months, the vacancy shall be filled by appointment by the board for the unexpired term as follows: a vacancy of a member elected pursuant to item (1) of

subsection (b) of Section 22B-115 shall be filled by a mayor, president, chief executive officer, chief financial officer, or other officer, executive, or department head of a municipality that has a participating pension fund; a vacancy of a member elected pursuant to item (2) of subsection (b) of Section 22B-115 shall be filled by a participant of a participating pension fund; and a vacancy of a member elected under item (3) of subsection (b) of Section 22B-115 shall be filled by a beneficiary of a participating pension fund.

Vacancies among the appointed trustees shall be filled for unexpired terms by appointment in like manner as for the original appointments.

(40 ILCS 5/22B-117 new)

Sec. 22B-117. Meetings of the board.

(a) The transition board and the permanent board shall each meet at least quarterly and otherwise upon written request of either the Chairperson or 3 other members. The Chairperson shall preside over meetings of the board. The executive director and personnel of the board shall prepare agendas and materials and required postings for meetings of the board.

(b) Six members of the board shall constitute a quorum.

(c) All actions taken by the transition board and the permanent board shall require a vote of least 5 trustees, except that the following shall require a vote of at least 6 trustees: the adoption of actuarial assumptions; the selection

of the chief investment officer, fiduciary counsel, or a consultant as defined under Section 1-101.5 of this Code; the adoption of rules for the conduct of election of trustees; and the adoption of asset allocation policies and investment policies.

(40 ILCS 5/22B-118 new)

Sec. 22B-118. Operation and administration of the Fund.

(a) The operation and administration of the Fund shall be managed by an executive director. No later than 2 months after the transition board is appointed or as soon thereafter as may be practicable, the transition board shall appoint an interim executive director who shall serve until a permanent executive director is appointed by the board, with such appointment to be made no later than 6 months after the end of the transition period. The executive director shall act subject to and under the supervision of the board and the board shall fix the compensation of the executive director.

(b) The board may appoint one or more custodians to facilitate the transfer of pension fund assets during the transition period, and subsequently to provide custodial and related fiduciary services on behalf of the board, and enter into contracts for such services. The board may also appoint external legal counsel and an independent auditing firm and may appoint investment advisors and other consultants as it determines to be appropriate and enter into contracts for such

services. With approval of the board, the executive director may retain such other consultants, advisors, fiduciaries, and service providers as may be desirable and enter into contracts for such services.

(c) The board shall separately calculate account balances for each participating pension fund. The operations and financial condition of each participating pension fund account shall not affect the account balance of any other participating pension fund. Further, investment returns earned by the Fund shall be allocated and distributed pro rata among each participating pension fund account in accordance with the value of the pension fund assets attributable to each fund.

(d) With approval of the board, the executive director may employ such personnel, professional or clerical, as may be desirable and fix their compensation. The appointment and compensation of the personnel, including the executive director, shall not be subject to the Personnel Code.

(e) The board shall annually adopt a budget to support its operations and administration. The board shall apply moneys derived from the pension fund assets transferred and under its control to pay the costs and expenses incurred in the operation and administration of the Fund. The board shall from time to time transfer moneys and other assets to the participating pension funds as required for the participating pension funds to pay expenses, benefits, and other required payments to beneficiaries in the amounts and at the times prescribed in

this Code.

(f) The board may exercise any of the powers granted to boards of trustees of pension funds under Sections 1-107 and 1-108 of this Code and may by resolution provide for the indemnification of its members and any of its officers, advisors, or employees in a manner consistent with those Sections.

(g) An office for meetings of the board and for its administrative personnel shall be established at any suitable place within the State as may be selected by the board. All books and records of the board shall be kept in such office.

(h) The board shall contract for a blanket fidelity bond in the penal sum of not less than \$1,000,000 to cover members of the board of trustees, the executive director, and all other employees of the board, conditioned for the faithful performance of the duties of their respective offices, the premium on which shall be paid by the board.

(40 ILCS 5/22B-119 new)

Sec. 22B-119. Adoption of rules. The board shall adopt such rules (not inconsistent with this Code) as in its judgment are desirable to implement and properly administer this Article. Such rules shall specifically provide for the following: (1) the implementation of the transition process described in Section 22B-120; (2) the process by which the participating pension funds may request transfer of funds; (3) the process

for the transfer in, receipt for, and investment of pension assets received by the Fund after the transition period from the participating pension funds; (4) the process by which contributions from municipalities for the benefit of the participating pension funds may, but are not required to, be directly transferred to the Fund; and (5) compensation and benefits for its employees. A copy of the rules adopted by the Fund shall be filed with the Secretary of State and the Department of Insurance. The adoption and effectiveness of such rules shall not be subject to Article 5 of the Illinois Administrative Procedure Act.

(40 ILCS 5/22B-120 new)

Sec. 22B-120. Transition period; transfer of securities, assets, and investment functions.

(a) The transition period shall commence on the effective date of this amendatory Act of the 101st General Assembly and shall end as determined by the board, consistent with and in the application of its fiduciary responsibilities, but in no event later than 30 months thereafter.

(b) The board may retain the services of custodians, investment consultants, and other professional services it deems prudent to implement the transition of assets described in this Section. The permanent board of trustees shall not be bound by any contract or agreement regarding such custodians, investment consultants, or other professional services entered

into by the transition board of trustees.

(c) As soon as practicable after the effective date of this amendatory Act of the 101st General Assembly, the board, in cooperation with the Department of Insurance, shall audit the investment assets of each transferor pension fund to determine a certified investment asset list for each transferor pension fund. The audit shall be performed by a certified public accountant engaged by the board, and the board shall be responsible for payment of the costs and expenses associated with the audit. Upon completion of the audit for any transferor pension fund, the board and the Department of Insurance shall provide the certified investment asset list to that transferor pension fund. Upon determination of the certified investment asset list for any transferor pension fund, the board shall, within 10 business days or as soon thereafter as may be practicable as determined by the board, initiate the transfer of assets from that transferor pension fund. Further and to maintain accuracy of the certified investment asset list, upon determination of the certified investment asset list for a transferor pension fund, that fund shall not purchase or sell any of its pension fund assets.

(d) When the Fund is prepared to receive pension fund assets from any transferor pension fund, the executive director shall notify in writing the board of trustees of that transferor pension fund of the Fund's intent to assume fiduciary control of those pension fund assets, and the date at

which it will assume such control and that the transferor pension fund will cease to exercise fiduciary responsibility. This letter shall be transmitted no less than 30 days prior to the transfer date. A copy of the letter shall be transmitted to the Department of Insurance. Upon receipt of the letter, the transferor pension fund shall promptly notify its custodian, as well as any and all entities with fiduciary control of any portion of the pension assets. Each transferor pension fund shall have sole fiduciary and statutory responsibility for the management of its pension assets until the start of business on the transfer date. At the start of business on the transfer date, statutory and fiduciary responsibility for the investment of pension fund assets shall shift exclusively to the Fund and the Fund shall promptly and prudently transfer all such pension fund assets to the board and terminate the relationship with the local custodian of that transferor pension fund. The Fund shall provide a receipt for the transfer to the transferor pension fund within 30 days of the transfer date.

As used in this subsection, "transfer date" means the date at which the Fund will assume fiduciary control of the transferor pension fund's assets and the transferor pension fund will cease to exercise fiduciary responsibility.

(e) Within 90 days after the end of the transition period or as soon thereafter as may be practicable as determined by the board, the Fund and the Department of Insurance shall

cooperate in transferring to the Fund all pension fund assets remaining in the custody of the transferor pension funds.

(f) The board shall adopt such rules as in its judgment are desirable to implement the transition process, including, without limitation, the transfer of the pension fund assets of the transferor pension funds, the assumption of fiduciary control of such assets by the Fund, and the termination of relationships with local custodians. The adoption and effectiveness of such rules and regulations shall not be subject to Article 5 of the Illinois Administrative Procedure Act.

(g) Within 6 months after the end of the transition period or as soon thereafter as may be practicable as determined by the board, the books, records, accounts, and securities of the Fund shall be audited by a certified public accountant selected by the board. This audit shall include, but not be limited to, the following: (1) a full description of the investments acquired, showing average costs; (2) a full description of the securities sold or exchanged, showing average proceeds or other conditions of an exchange; (3) gains or losses realized during the period; (4) income from investments; and (5) administrative expenses incurred by the board. This audit report shall be published on the Fund's official website and filed with the Department of Insurance.

(h) To provide funds for payment of the ordinary and regular costs associated with the implementation of this

transition process, the Illinois Finance Authority is authorized to loan to the Fund up to \$7,500,000 of any of the Authority's funds, including, but not limited to, funds in its Illinois Housing Partnership Program Fund, its Industrial Project Insurance Fund, or its Illinois Venture Investment Fund, for such purpose. Such loan shall be repaid by the Fund with an interest rate tied to the Federal Funds Rate or an equivalent market established variable rate. The Fund and the Illinois Finance Authority shall enter into a loan or similar agreement that specifies the period of the loan, the payment interval, procedures for making periodic loans, the variable rate methodology to which the interest rate for loans should be tied, the funds of the Illinois Finance Authority that will be used to provide the loan, and such other terms that the Fund and the Illinois Finance Authority reasonably believe to be mutually beneficial. Such agreement shall be a public record and the Fund shall post the terms of the agreement on its official website.

(40 ILCS 5/22B-121 new)

Sec. 22B-121. Management and direction of investments.

(a) The board shall have the authority to manage the pension fund assets of the transferor pension funds for the purpose of obtaining a total return on investments for the long term.

(b) The authority of the board to manage pension fund

assets and the liability shall begin when there has been a physical transfer of the pension fund assets to the Fund and placed in the custody of the Fund's custodian or custodians, as described in Section 22B-123.

(c) The pension fund assets of the Fund shall be maintained in accounts held outside the State treasury. Moneys in those accounts are not subject to administrative charges or chargebacks, including, but not limited to, those authorized under the State Finance Act.

(d) The board may not delegate its management functions, but it may, but is not required to, arrange to compensate for personalized investment advisory service for any or all investments under its control with any national or state bank or trust company authorized to do a trust business and domiciled in Illinois, other financial institution organized under the laws of Illinois, or an investment advisor who is qualified under the federal Investment Advisers Act of 1940 and is registered under the Illinois Securities Law of 1953. Nothing contained in this Article prevents the board from subscribing to general investment research services available for purchase or use by others. The board shall also have the authority to compensate for accounting services.

(e) This Section does not prohibit the board from directly investing pension fund assets in public market investments, private investments, real estate investments, or other investments authorized by this Code.

(40 ILCS 5/22B-122 new)

Sec. 22B-122. Investment authority. The Fund shall have the authority to invest funds, subject to the requirements and restrictions set forth in Sections 1-109, 1-109.1, 1-109.2, 1-110, 1-111, 1-114, and 1-115 of this Code.

The Fund shall not be subject to any of the limitations applicable to investments of pension fund assets by the transferor pension funds under Sections 1-113.1 through 1-113.12 or Article 3 of this Code. The Fund shall not, for purposes of Article 1 of this Code, be deemed to be a retirement system, pension fund, or investment board whose investments are restricted by Section 1-113.2 of this Code, and, as a result, the Fund shall be subject to the provisions of Section 1-109.1, including, but not limited to: utilization of emerging investment managers; increasing racial, ethnic, and gender diversity of its fiduciaries; utilization of businesses owned by minorities, women, and persons with disabilities; utilization of minority broker-dealers; utilization of minority investment managers; and applicable reporting requirements.

No bank or savings and loan association shall receive investment funds as permitted by this Section, unless it has complied with the requirements established pursuant to Section 6 of the Public Funds Investment Act. The limitations set forth in Section 6 of the Public Funds Investment Act shall be

applicable only at the time of investment and shall not require the liquidation of any investment at any time.

The Fund shall have the authority to enter into such agreements and to execute such documents as it determines to be necessary to complete any investment transaction.

All investments shall be clearly held and accounted for to indicate ownership by the Fund. The Fund may direct the registration of securities in its own name or in the name of a nominee created for the express purpose of registration of securities by a national or state bank or trust company authorized to conduct a trust business in the State of Illinois.

Investments shall be carried at cost or at a value determined in accordance with generally accepted accounting principles and accounting procedures approved by the Fund.

(40 ILCS 5/22B-123 new)

Sec. 22B-123. Custodian. The pension fund assets transferred to or otherwise acquired by the Fund shall be placed in the custody of a custodian who shall provide adequate safe deposit facilities for those assets and hold all such securities, funds, and other assets subject to the order of the Fund.

Each custodian shall furnish a corporate surety bond of such amount as the board designates, which bond shall indemnify the Fund, the board, and the officers and employees of the Fund

against any loss that may result from any action or failure to act by the custodian or any of the custodian's agents. All charges incidental to the procuring and giving of any bond shall be paid by the board and each bond shall be in the custody of the board.

(40 ILCS 5/22B-124 new)

Sec. 22B-124. Accounting for pension fund assets. In the management of the pension fund assets of the transferor pension funds, the Fund:

(1) shall carry all pension fund assets at fair market value determined in accordance with generally accepted accounting principles and accounting procedures approved by the board. Each investment initially transferred to the Fund by a transferor pension fund shall be similarly valued, except that the board may elect to place such value on any investment conditionally in which case, the amount of any later realization of such asset in cash that is in excess of or is less than the amount so credited shall be credited or charged to the account maintained for the transferor pension fund that made the transfer;

(2) shall keep proper books of account that shall reflect at all times the value of all investments held by the Fund; and

(3) shall charge all distributions made by the Fund to or for a transferor pension fund to the account maintained

for that fund.

(40 ILCS 5/22B-125 new)

Sec. 22B-125. Audits and reports.

(a) At least annually, the books, records, accounts, and securities of the Fund shall be audited by a certified public accountant selected by the board and conducted in accordance with the rules and procedures promulgated by the Governmental Accounting Standards Board. The audit opinion shall be published as a part of the annual report of the Fund, which shall be submitted to the transferor pension funds and to the Department of Insurance.

(b) For the quarterly periods ending September 30, December 31, and March 31, the Fund shall submit to the participating pension funds and to the Department of Insurance a report providing, among other things, the following information:

(1) a full description of the investments acquired, showing average costs;

(2) a full description of the securities sold or exchanged, showing average proceeds or other conditions of an exchange;

(3) gains or losses realized during the period;

(4) income from investments; and

(5) administrative expenses.

(c) An annual report shall be prepared by the Fund for submission to the participating pension funds and to the

Department of Insurance within 6 months after the close of each fiscal year. A fiscal year shall date from July 1 of one year to June 30 of the year next following. This report shall contain full information concerning the results of investment operations of the Fund. This report shall include the information described in subsection (b) and, in addition thereto, the following information:

(1) a listing of the investments held by the Fund at the end of the year, showing their book values and market values and their income yields on market values;

(2) comments on the pertinent factors affecting such investments;

(3) a review of the policies maintained by the Fund and any changes that occurred during the year;

(4) a copy of the audited financial statements for the year;

(5) recommendations for possible changes in this Article or otherwise governing the operations of the Fund; and

(6) a listing of the names of securities brokers and dealers dealt with during the year showing the total amount of commissions received by each on transactions with the Fund.

(40 ILCS 5/Art. 22C heading new)

ARTICLE 22C. THE FIREFIGHTERS' PENSION INVESTMENT FUND

(40 ILCS 5/22C-101 new)

Sec. 22C-101. Establishment. The Firefighters' Pension Investment Fund is created with authority to manage the reserves, funds, assets, securities, properties, and moneys of the firefighter pension funds created pursuant to Article 4 of this Code, all as provided in this Article.

(40 ILCS 5/22C-102 new)

Sec. 22C-102. Definitions. For the purposes of this Article, the following words and phrases shall have the meaning ascribed to them unless the context requires otherwise.

(40 ILCS 5/22C-103 new)

Sec. 22C-103. Fund. "Fund" means the Firefighters' Pension Investment Fund.

(40 ILCS 5/22C-104 new)

Sec. 22C-104. Transferor pension fund. "Transferor pension fund" means any pension fund established pursuant to Article 4 of this Code.

(40 ILCS 5/22C-105 new)

Sec. 22C-105. Participating pension fund. "Participating pension fund" means any pension fund established pursuant to Article 4 of this Code that has transferred securities, funds,

assets, and moneys, and responsibility for custody and control of those securities, funds, assets, and moneys, to the Fund pursuant to Section 4-123.2.

(40 ILCS 5/22C-106 new)

Sec. 22C-106. Pension fund assets. "Pension fund assets" means the reserves, funds, assets, securities, and moneys of any transferor pension fund.

(40 ILCS 5/22C-107 new)

Sec. 22C-107. Invest. "Invest" means to acquire, invest, reinvest, exchange, or retain pension fund assets of the transferor pension funds and to sell and manage the reserves, funds, securities, moneys, or assets of the transferor pension fund, all in accordance with this Article.

(40 ILCS 5/22C-108 new)

Sec. 22C-108. Investment advisor. "Investment advisor" means any person or business entity that provides investment advice to the board on a personalized basis and with an understanding of the policies and goals of the board. "Investment advisor" does not include any person or business entity that provides statistical or general market research data available for purchase or use by others.

(40 ILCS 5/22C-112 new)

Sec. 22C-112. Transition period. "Transition period" means the period immediately following the effective date of this amendatory Act of the 101st General Assembly during which pension fund assets, and responsibility for custody and control of those assets, will be transferred from the transferor pension funds to the board, as described in Section 22C-120.

(40 ILCS 5/22C-113 new)

Sec. 22C-113. Illinois Municipal League. "Illinois Municipal League" means the unincorporated, nonprofit, nonpolitical association of Illinois cities, villages, and incorporated towns described in Section 1-8-1 of the Illinois Municipal Code.

(40 ILCS 5/22C-114 new)

Sec. 22C-114. Purpose, establishment, and governance. The Fund is established to consolidate the transferor pension funds to streamline investments and eliminate unnecessary and redundant administrative costs, thereby ensuring more money is available to fund pension benefits for the beneficiaries of the transferor pension funds. The transition board trustees and permanent board trustees of the Fund shall be fiduciaries for the participants and beneficiaries of the participating pension funds and shall discharge their duties with respect to the retirement system or pension fund solely in the interest of the participants and beneficiaries. Further, the transition

board trustees and permanent board trustees, acting prudently and as fiduciaries, shall take all reasonable steps to ensure that all of the transferor pension funds are treated equitably and that the financial condition of one participating pension fund, including, but not limited to, pension benefit funding levels and ratios, will have no effect on the financial condition of any other transferor pension fund.

(40 ILCS 5/22C-115 new)

Sec. 22C-115. Board of Trustees of the Fund.

(a) No later than one month after the effective date of this amendatory Act of the 101st General Assembly or as soon thereafter as may be practicable, the Governor shall appoint, by and with the advice and consent of the Senate, a transition board of trustees consisting of 9 members as follows:

(1) three members representing municipalities and fire protection districts who are mayors, presidents, chief executive officers, chief financial officers, or other officers, executives, or department heads of municipalities or fire protection districts and appointed from among candidates recommended by the Illinois Municipal League;

(2) three members representing participants who are participants and appointed from among candidates recommended by the statewide labor organization representing firefighters employed by at least 85

municipalities that is affiliated with the Illinois State Federation of Labor;

(3) one member representing beneficiaries who is a beneficiary and appointed from among the candidate or candidates recommended by the statewide labor organization representing firefighters employed by at least 85 municipalities that is affiliated with the Illinois State Federation of Labor; and

(4) one member recommended by the Illinois Municipal League; and

(5) one member who is a participant recommended by the statewide labor organization representing firefighters employed by at least 85 municipalities and that is affiliated with the Illinois State Federation of Labor.

The transition board members shall serve until the initial permanent board members are elected and qualified.

The transition board of trustees shall select the chairperson of the transition board of trustees from among the trustees for the duration of the transition board's tenure.

(b) The permanent board of trustees shall consist of 9 members comprised as follows:

(1) Three members who are mayors, presidents, chief executive officers, chief financial officers, or other officers, executives, or department heads of municipalities or fire protection districts that have participating pension funds and are elected by the mayors

and presidents of municipalities or fire protection districts that have participating pension funds.

(2) Three members who are participants of participating pension funds and elected by the participants of participating pension funds.

(3) One member who is a beneficiary of a participating pension fund and is elected by the beneficiaries of participating pension funds.

(4) One member recommended by the Illinois Municipal League who shall be appointed by the Governor with the advice and consent of the Senate.

(5) One member recommended by the statewide labor organization representing firefighters employed by at least 85 municipalities and that is affiliated with the Illinois State Federation of Labor who shall be appointed by the Governor with the advice and consent of the Senate.

The permanent board of trustees shall select the chairperson of the permanent board of trustees from among the trustees for a term of 2 years. The holder of the office of chairperson shall alternate between a person elected or appointed under item (1) or (4) of this subsection (b) and a person elected or appointed under item (2), (3), or (5) of this subsection (b).

(c) Each trustee shall qualify by taking an oath of office before the Secretary of State stating that he or she will diligently and honestly administer the affairs of the board and

will not violate or knowingly permit the violation of any provision of this Article.

(d) Trustees shall receive no salary for service on the board but shall be reimbursed for travel expenses incurred while on business for the board according to the standards in effect for members of the Commission on Government Forecasting and Accountability.

A municipality or fire protection district employing a firefighter who is an elected or appointed trustee of the board must allow reasonable time off with compensation for the firefighter to conduct official business related to his or her position on the board, including time for travel. The board shall notify the municipality or fire protection district in advance of the dates, times, and locations of this official business. The Fund shall timely reimburse the municipality or fire protection district for the reasonable costs incurred that are due to the firefighter's absence.

(e) No trustee shall have any interest in any brokerage fee, commission, or other profit or gain arising out of any investment directed by the board. This subsection does not preclude ownership by any member of any minority interest in any common stock or any corporate obligation in which an investment is directed by the board.

(f) Notwithstanding any provision or interpretation of law to the contrary, any member of the transition board may also be elected or appointed as a member of the permanent board.

Notwithstanding any provision or interpretation of law to the contrary, any trustee of a fund established under Article 4 of this Code may also be appointed as a member of the transition board or elected or appointed as a member of the permanent board.

The restriction in Section 3.1 of the Lobbyist Registration Act shall not apply to a member of the transition board appointed pursuant to items (4) or (5) of subsection (a) or to a member of the permanent board appointed pursuant to items (4) or (5) of subsection (b).

(40 ILCS 5/22C-116 new)

Sec. 22C-116. Conduct and administration of elections; terms of office.

(a) For the election of the permanent trustees, the transition board shall administer the initial elections and the permanent board shall administer all subsequent elections. Each board shall develop and implement such procedures as it determines to be appropriate for the conduct of such elections. For the purposes of obtaining information necessary to conduct elections under this Section, participating pension funds shall cooperate with the Fund.

(b) All nominations for election shall be by petition. Each petition for a trustee shall be executed as follows:

(1) for trustees to be elected by the mayors and presidents of municipalities or fire protection districts

that have participating pension funds, by at least 20 such mayors and presidents; except that this item (1) shall apply only with respect to participating pension funds;

(2) for trustees to be elected by participants, by at least 400 participants; and

(3) for trustees to be elected by beneficiaries, by at least 100 beneficiaries.

(c) A separate ballot shall be used for each class of trustee. The board shall prepare and send ballots and ballot envelopes to the participants and beneficiaries eligible to vote in accordance with rules adopted by the board. The ballots shall contain the names of all candidates in alphabetical order. The ballot envelope shall have on the outside a form of certificate stating that the person voting the ballot is a participant or beneficiary entitled to vote.

Participants and beneficiaries, upon receipt of the ballot, shall vote the ballot and place it in the ballot envelope, seal the envelope, execute the certificate thereon, and return the ballot to the Fund.

The board shall set a final date for ballot return, and ballots received prior to that date in a ballot envelope with a properly executed certificate and properly voted shall be valid ballots.

The board shall set a day for counting the ballots and name judges and clerks of election to conduct the count of ballots and shall make any rules necessary for the conduct of the

count.

The candidate or candidates receiving the highest number of votes for each class of trustee shall be elected. In the case of a tie vote, the winner shall be determined in accordance with procedures developed by the Department of Insurance.

In lieu of conducting elections via mail balloting as described in this Section, the board may instead adopt rules to provide for elections to be carried out solely via Internet balloting or phone balloting. Nothing in this Section prohibits the Fund from contracting with a third party to administer the election in accordance with this Section.

(d) At any election, voting shall be as follows:

(1) Each person authorized to vote for an elected trustee may cast one vote for each related position for which such person is entitled to vote and may cast such vote for any candidate or candidates on the ballot for such trustee position.

(2) If only one candidate for each position is properly nominated in petitions received, that candidate shall be deemed the winner and no election under this Section shall be required.

(3) The results shall be entered in the minutes of the first meeting of the board following the tally of votes.

(e) The initial election for permanent trustees shall be held and the permanent board shall be seated no later than 12 months after the effective date of this amendatory Act of the

101st General Assembly. Each subsequent election shall be held no later than 30 days prior to the end of the term of the incumbent trustees.

(f) The elected trustees shall each serve for terms of 4 years commencing on the first business day of the first month after election; except that the terms of office of the initially elected trustees shall be as follows:

(1) One trustee elected pursuant to item (1) of subsection (b) of Section 22C-115 shall serve for a term of 2 years and 2 trustees elected pursuant to item (1) of subsection (b) of Section 22C-115 shall serve for a term of 4 years;

(2) One trustee elected pursuant to item (2) of subsection (b) of Section 22C-115 shall serve for a term of 2 years and 2 trustees elected pursuant to item (2) of subsection (b) of Section 22C-115 shall serve for a term of 4 years; and

(3) The trustee elected pursuant to item (3) of subsection (b) of Section 22C-115 shall serve for a term of 2 years.

(g) The trustees appointed pursuant to items (4) and (5) of subsection (b) of Section 22C-115 shall each serve for a term of 4 years commencing on the first business day of the first month after the election of the elected trustees.

(h) A member of the board who was elected pursuant to item (1) of subsection (b) of Section 22C-115 who ceases to serve as

a mayor, president, chief executive officer, chief financial officer, or other officer, executive, or department head of a municipality or fire protection district that has a participating pension fund shall not be eligible to serve as a member of the board and his or her position shall be deemed vacant. A member of the board who was elected by the participants of participating pension funds who ceases to be a participant may serve the remainder of his or her elected term.

For a vacancy of an elected trustee occurring with an unexpired term of 6 months or more, an election shall be conducted for the vacancy in accordance with Section 22C-115 and this Section.

For a vacancy of an elected trustee occurring with an unexpired term of less than 6 months, the vacancy shall be filled by appointment by the board for the unexpired term as follows: a vacancy of a member elected pursuant to item (1) of subsection (b) of Section 22C-115 shall be filled by a mayor, president, chief executive officer, chief financial officer, or other officer, executive, or department head of a municipality or fire protection district that has a participating pension fund; a vacancy of a member elected pursuant to item (2) of subsection (b) of Section 22C-115 shall be filled by a participant of a participating pension fund; and a vacancy of a member elected under item (3) of subsection (b) of Section 22C-115 shall be filled by a beneficiary of a participating pension fund.

Vacancies among the appointed trustees shall be filled for unexpired terms by appointment in like manner as for the original appointments.

(40 ILCS 5/22C-117 new)

Sec. 22C-117. Meetings of the board.

(a) The transition board and the permanent board shall each meet at least quarterly and otherwise upon written request of either the Chairperson or 3 other members. The Chairperson shall preside over meetings of the board. The executive director and personnel of the board shall prepare agendas and materials and required postings for meetings of the board.

(b) Six members of the board shall constitute a quorum.

(c) All actions taken by the transition board and the permanent board shall require a vote of least 5 trustees, except that the following shall require a vote of at least 6 trustees: the adoption of actuarial assumptions; the selection of the chief investment officer, fiduciary counsel, or a consultant as defined under Section 1-101.5 of this Code; the adoption of rules for the conduct of election of trustees; and the adoption of asset allocation policies and investment policies.

(40 ILCS 5/22C-118 new)

Sec. 22C-118. Operation and administration of the Fund.

(a) The operation and administration of the Fund shall be

managed by an executive director. No later than 2 months after the transition board is appointed or as soon thereafter as may be practicable, the transition board shall appoint an interim executive director who shall serve until a permanent executive director is appointed by the board, with such appointment to be made no later than 6 months after the end of the transition period. The executive director shall act subject to and under the supervision of the board and the board shall fix the compensation of the executive director.

(b) The board may appoint one or more custodians to facilitate the transfer of pension fund assets during the transition period, and subsequently to provide custodial and related fiduciary services on behalf of the board, and enter into contracts for such services. The board may also appoint external legal counsel and an independent auditing firm and may appoint investment advisors and other consultants as it determines to be appropriate and enter into contracts for such services. With approval of the board, the executive director may retain such other consultants, advisors, fiduciaries, and service providers as may be desirable and enter into contracts for such services.

(c) The board shall separately calculate account balances for each participating pension fund. The operations and financial condition of each participating pension fund account shall not affect the account balance of any other participating pension fund. Further, investment returns earned by the Fund

shall be allocated and distributed pro rata among each participating pension fund account in accordance with the value of the pension fund assets attributable to each fund.

(d) With approval of the board, the executive director may employ such personnel, professional or clerical, as may be desirable and fix their compensation. The appointment and compensation of the personnel, including the executive director, shall not be subject to the Personnel Code.

(e) The board shall annually adopt a budget to support its operations and administration. The board shall apply moneys derived from the pension fund assets transferred and under its control to pay the costs and expenses incurred in the operation and administration of the Fund. The board shall from time to time transfer moneys and other assets to the participating pension funds as required for the participating pension funds to pay expenses, benefits, and other required payments to beneficiaries in the amounts and at the times prescribed in this Code.

(f) The board may exercise any of the powers granted to boards of trustees of pension funds under Sections 1-107 and 1-108 of this Code and may by resolution provide for the indemnification of its members and any of its officers, advisors, or employees in a manner consistent with those Sections.

(g) An office for meetings of the board and for its administrative personnel shall be established at any suitable

place within the State as may be selected by the board. All books and records of the board shall be kept in such office.

(h) The board shall contract for a blanket fidelity bond in the penal sum of not less than \$1,000,000 to cover members of the board of trustees, the executive director, and all other employees of the board, conditioned for the faithful performance of the duties of their respective offices, the premium on which shall be paid by the board.

(40 ILCS 5/22C-119 new)

Sec. 22C-119. Adoption of rules. The board shall adopt such rules (not inconsistent with this Code) as in its judgment are desirable to implement and properly administer this Article. Such rules shall specifically provide for the following: (1) the implementation of the transition process described in Section 22C-120; (2) the process by which the participating pension funds may request transfer of funds; (3) the process for the transfer in, receipt for, and investment of pension assets received by the Fund after the transition period from the participating pension funds; (4) the process by which contributions from municipalities and fire protection districts for the benefit of the participating pension funds may, but are not required to, be directly transferred to the Fund; and (5) compensation and benefits for its employees. A copy of the rules adopted by the Fund shall be filed with the Secretary of State and the Department of Insurance. The

adoption and effectiveness of such rules shall not be subject to Article 5 of the Illinois Administrative Procedure Act.

(40 ILCS 5/22C-120 new)

Sec. 22C-120. Transition period; transfer of securities, assets, and investment functions.

(a) The transition period shall commence on the effective date of this amendatory Act of the 101st General Assembly and shall end as determined by the board, consistent with and in the application of its fiduciary responsibilities, but in no event later than 30 months thereafter.

(b) The board may retain the services of custodians, investment consultants, and other professional services it deems prudent to implement the transition of assets described in this Section. The permanent board of trustees shall not be bound by any contract or agreement regarding such custodians, investment consultants, or other professional services entered into by the transition board of trustees.

(c) As soon as practicable after the effective date of this amendatory Act of the 101st General Assembly, the board, in cooperation with the Department of Insurance, shall audit the investment assets of each transferor pension fund to determine a certified investment asset list for each transferor pension fund. The audit shall be performed by a certified public accountant engaged by the board, and the board shall be responsible for payment of the costs and expenses associated

with the audit. Upon completion of the audit for any transferor pension fund, the board and the Department of Insurance shall provide the certified investment asset list to that transferor pension fund. Upon determination of the certified investment asset list for any transferor pension fund, the board shall, within 10 business days or as soon thereafter as may be practicable, as determined by the board, initiate the transfer of assets from that transferor pension fund. Further and to maintain accuracy of the certified investment asset list, upon determination of the certified investment asset list for a transferor pension fund, that fund shall not purchase or sell any of its pension fund assets.

(d) When the Fund is prepared to receive pension fund assets from any transferor pension fund, the executive director shall notify in writing the board of trustees of that transferor pension fund of the Fund's intent to assume fiduciary control of those pension fund assets, and the date at which it will assume such control and that the transferor pension fund will cease to exercise fiduciary responsibility. This letter shall be transmitted no less than 30 days prior to the transfer date. A copy of the letter shall be transmitted to the Department of Insurance. Upon receipt of the letter, the transferor pension fund shall promptly notify its custodian, as well as any and all entities with fiduciary control of any portion of the pension assets. Each transferor pension fund shall have sole fiduciary and statutory responsibility for the

management of its pension assets until the start of business on the transfer date. At the start of business on the transfer date, statutory and fiduciary responsibility for the investment of pension fund assets shall shift exclusively to the Fund and the Fund shall promptly and prudently transfer all such pension fund assets to the board and terminate the relationship with the local custodian of that transferor pension fund. The Fund shall provide a receipt for the transfer to the transferor pension fund within 30 days of the transfer date.

As used in this subsection, "transfer date" means the date at which the Fund will assume fiduciary control of the transferor pension fund's assets and the transferor pension fund will cease to exercise fiduciary responsibility.

(e) Within 90 days after the end of the transition period or as soon thereafter as may be practicable as determined by the board, the Fund and the Department of Insurance shall cooperate in transferring to the Fund all pension fund assets remaining in the custody of the transferor pension funds.

(f) The board shall adopt such rules as in its judgment are desirable to implement the transition process, including, without limitation, the transfer of the pension fund assets of the transferor pension funds, the assumption of fiduciary control of such assets by the Fund, and the termination of relationships with local custodians. The adoption and effectiveness of such rules and regulations shall not be

subject to Article 5 of the Illinois Administrative Procedure Act.

(g) Within 6 months after the end of the transition period or as soon thereafter as may be practicable as determined by the board, the books, records, accounts, and securities of the Fund shall be audited by a certified public accountant selected by the board. This audit shall include, but not be limited to, the following: (1) a full description of the investments acquired, showing average costs; (2) a full description of the securities sold or exchanged, showing average proceeds or other conditions of an exchange; (3) gains or losses realized during the period; (4) income from investments; and (5) administrative expenses incurred by the board. This audit report shall be published on the Fund's official website and filed with the Department of Insurance.

(h) To provide funds for payment of the ordinary and regular costs associated with the implementation of this transition process, the Illinois Finance Authority is authorized to loan to the Fund up to \$7,500,000 of any of the Authority's funds, including, but not limited to, funds in its Illinois Housing Partnership Program Fund, its Industrial Project Insurance Fund, or its Illinois Venture Investment Fund, for such purpose. Such loan shall be repaid by the Fund with an interest rate tied to the Federal Funds Rate or an equivalent market established variable rate. The Fund and the Illinois Finance Authority shall enter into a loan or similar

agreement that specifies the period of the loan, the payment interval, procedures for making periodic loans, the variable rate methodology to which the interest rate for loans should be tied, the funds of the Illinois Finance Authority that will be used to provide the loan, and such other terms that the Fund and the Illinois Finance Authority reasonably believe to be mutually beneficial. Such agreement shall be a public record and the Fund shall post the terms of the agreement on its official website.

(40 ILCS 5/22C-121 new)

Sec. 22C-121. Management and direction of investments.

(a) The board shall have the authority to manage the pension fund assets of the transferor pension funds for the purpose of obtaining a total return on investments for the long term.

(b) The authority of the board to manage pension fund assets and the liability shall begin when there has been a physical transfer of the pension fund assets to the Fund and placed in the custody of the Fund's custodian or custodians, as described in Section 22C-123.

(c) The pension fund assets of the Fund shall be maintained in accounts held outside the State treasury. Moneys in those accounts are not subject to administrative charges or chargebacks, including, but not limited to, those authorized under the State Finance Act.

(d) The board may not delegate its management functions, but it may, but is not required to, arrange to compensate for personalized investment advisory service for any or all investments under its control with any national or state bank or trust company authorized to do a trust business and domiciled in Illinois, other financial institution organized under the laws of Illinois, or an investment advisor who is qualified under the federal Investment Advisers Act of 1940 and is registered under the Illinois Securities Law of 1953. Nothing contained in this Article prevents the board from subscribing to general investment research services available for purchase or use by others. The board shall also have the authority to compensate for accounting services.

(e) This Section does not prohibit the board from directly investing pension fund assets in public market investments, private investments, real estate investments, or other investments authorized by this Code.

(40 ILCS 5/22C-122 new)

Sec. 22C-122. Investment authority. The Fund shall have the authority to invest funds, subject to the requirements and restrictions set forth in Sections 1-109, 1-109.1, 1-109.2, 1-110, 1-111, 1-114, and 1-115 of this Code.

The Fund shall not be subject to any of the limitations applicable to investments of pension fund assets by the transferor pension funds under Sections 1-113.1 through

1-113.12 or Article 4 of this Code. The Fund shall not, for purposes of Article 1 of this Code, be deemed to be a retirement system, pension fund, or investment board whose investments are restricted by Section 1-113.2 of this Code, and, as a result, the Fund shall be subject to the provisions of Section 1-109.1, including, but not limited to: utilization of emerging investment managers; increasing racial, ethnic, and gender diversity of its fiduciaries; utilization of businesses owned by minorities, women, and persons with disabilities; utilization of minority broker-dealers; utilization of minority investment managers; and applicable reporting requirements.

No bank or savings and loan association shall receive investment funds as permitted by this Section, unless it has complied with the requirements established pursuant to Section 6 of the Public Funds Investment Act. The limitations set forth in Section 6 of the Public Funds Investment Act shall be applicable only at the time of investment and shall not require the liquidation of any investment at any time.

The Fund shall have the authority to enter into such agreements and to execute such documents as it determines to be necessary to complete any investment transaction.

All investments shall be clearly held and accounted for to indicate ownership by the Fund. The Fund may direct the registration of securities in its own name or in the name of a nominee created for the express purpose of registration of

securities by a national or state bank or trust company authorized to conduct a trust business in the State of Illinois.

Investments shall be carried at cost or at a value determined in accordance with generally accepted accounting principles and accounting procedures approved by the Fund.

(40 ILCS 5/22C-123 new)

Sec. 22C-123. Custodian. The pension fund assets transferred to or otherwise acquired by the Fund shall be placed in the custody of a custodian who shall provide adequate safe deposit facilities for those assets and hold all such securities, funds, and other assets subject to the order of the Fund.

Each custodian shall furnish a corporate surety bond of such amount as the board designates, which bond shall indemnify the Fund, the board, and the officers and employees of the Fund against any loss that may result from any action or failure to act by the custodian or any of the custodian's agents. All charges incidental to the procuring and giving of any bond shall be paid by the board and each bond shall be in the custody of the board.

(40 ILCS 5/22C-124 new)

Sec. 22C-124. Accounting for pension fund assets. In the management of the pension fund assets of the transferor pension

funds, the Fund:

(1) shall carry all pension fund assets at fair market value determined in accordance with generally accepted accounting principles and accounting procedures approved by the board. Each investment initially transferred to the Fund by a transferor pension fund shall be similarly valued, except that the board may elect to place such value on any investment conditionally in which case, the amount of any later realization of such asset in cash that is in excess of or is less than the amount so credited shall be credited or charged to the account maintained for the transferor pension fund that made the transfer;

(2) shall keep proper books of account that shall reflect at all times the value of all investments held by the Fund; and

(3) shall charge all distributions made by the Fund to or for a transferor pension fund to the account maintained for that fund.

(40 ILCS 5/22C-125 new)

Sec. 22C-125. Audits and reports.

(a) At least annually, the books, records, accounts, and securities of the Fund shall be audited by a certified public accountant selected by the board and conducted in accordance with the rules and procedures promulgated by the Governmental Accounting Standards Board. The audit opinion shall be

published as a part of the annual report of the Fund, which shall be submitted to the transferor pension funds and to the Department of Insurance.

(b) For the quarterly periods ending September 30, December 31, and March 31, the Fund shall submit to the participating pension funds and to the Department of Insurance a report providing, among other things, the following information:

(1) a full description of the investments acquired, showing average costs;

(2) a full description of the securities sold or exchanged, showing average proceeds or other conditions of an exchange;

(3) gains or losses realized during the period;

(4) income from investments; and

(5) administrative expenses.

(c) An annual report shall be prepared by the Fund for submission to the participating pension funds and to the Department of Insurance within 6 months after the close of each fiscal year. A fiscal year shall date from July 1 of one year to June 30 of the year next following. This report shall contain full information concerning the results of investment operations of the Fund. This report shall include the information described in subsection (b) and, in addition thereto, the following information:

(1) a listing of the investments held by the Fund at the end of the year, showing their book values and market

values and their income yields on market values;

(2) comments on the pertinent factors affecting such investments;

(3) a review of the policies maintained by the Fund and any changes that occurred during the year;

(4) a copy of the audited financial statements for the year;

(5) recommendations for possible changes in this Article or otherwise governing the operations of the Fund;
and

(6) a listing of the names of securities brokers and dealers dealt with during the year showing the total amount of commissions received by each on transactions with the Fund.

Section 15. The Local Government Officer Compensation Act is amended by changing Section 25 as follows:

(50 ILCS 145/25)

Sec. 25. Elected official salary.

(a) Notwithstanding the provision of any other law to the contrary, an elected officer of a unit of local government that is a participating employer under the Illinois Municipal Retirement Fund shall not receive any salary or other compensation from the unit of local government if the member is receiving pension benefits from the Illinois Municipal

Retirement Fund under Article 7 of the Illinois Pension Code for the elected official's service in that same elected position. If an elected officer is receiving benefits from the Illinois Municipal Retirement Fund on August 23, 2019 (the effective date of Public Act 101-544) ~~this amendatory Act of the 101st General Assembly~~, the elected official's salary and compensation shall be reduced to zero at the beginning of the member's next term if the member is still receiving such pension benefits.

(b) This Section does not apply to a unit of local government that has adopted an ordinance or resolution effective prior to January 1, 2019 that: (i) reduces the compensation of an elected official of the unit of local government who is receiving pension benefits from the Illinois Municipal Retirement Fund under Article 7 of the Illinois Pension Code for his or her service as an elected official in the same elected position of that unit of local government; and (ii) changes the official's position to part-time.

(Source: P.A. 101-544, eff. 8-23-19.)

Section 20. The Illinois Vehicle Code is amended by changing Section 2-115 as follows:

(625 ILCS 5/2-115) (from Ch. 95 1/2, par. 2-115)

Sec. 2-115. Investigators.

(a) The Secretary of State, for the purpose of more

effectively carrying out the provisions of the laws in relation to motor vehicles, shall have power to appoint such number of investigators as he may deem necessary. It shall be the duty of such investigators to investigate and enforce violations of the provisions of this Act administered by the Secretary of State and provisions of Chapters 11, 12, 13, 14, and 15 and to investigate and report any violation by any person who operates as a motor carrier of property as defined in Section 18-100 of this Act and does not hold a valid certificate or permit. Such investigators shall have and may exercise throughout the State all of the powers of peace officers.

No person may be retained in service as an investigator under this Section after he or she has reached 60 years of age, except for a person employed in the title of Capitol Police Investigator ~~and who began employment on or after January 1, 2011,~~ in which case, that person may not be retained in service after that person has reached 65 years of age.

The Secretary of State must authorize to each investigator employed under this Section and to any other employee of the Office of the Secretary of State exercising the powers of a peace officer a distinct badge that, on its face, (i) clearly states that the badge is authorized by the Office of the Secretary of State and (ii) contains a unique identifying number. No other badge shall be authorized by the Office of the Secretary of State.

(b) The Secretary may expend such sums as he deems

necessary from Contractual Services appropriations for the Department of Police for the purchase of evidence, for the employment of persons to obtain evidence, and for the payment for any goods or services related to obtaining evidence. Such sums shall be advanced to investigators authorized by the Secretary to expend funds, on vouchers signed by the Secretary. In addition, the Secretary of State is authorized to maintain one or more commercial checking accounts with any State banking corporation or corporations organized under or subject to the Illinois Banking Act for the deposit and withdrawal of moneys to be used solely for the purchase of evidence and for the employment of persons to obtain evidence, or for the payment for any goods or services related to obtaining evidence; provided that no check may be written on nor any withdrawal made from any such account except on the written signatures of 2 persons designated by the Secretary to write such checks and make such withdrawals, and provided further that the balance of moneys on deposit in any such account shall not exceed \$5,000 at any time, nor shall any one check written on or single withdrawal made from any such account exceed \$5,000.

All fines or moneys collected or received by the Department of Police under any State or federal forfeiture statute; including, but not limited to moneys forfeited under Section 12 of the Cannabis Control Act, moneys forfeited under Section 85 of the Methamphetamine Control and Community Protection Act, and moneys distributed under Section 413 of the Illinois

Controlled Substances Act, shall be deposited into the Secretary of State Evidence Fund.

In all convictions for offenses in violation of this Act, the Court may order restitution to the Secretary of any or all sums expended for the purchase of evidence, for the employment of persons to obtain evidence, and for the payment for any goods or services related to obtaining evidence. All such restitution received by the Secretary shall be deposited into the Secretary of State Evidence Fund. Moneys deposited into the fund shall, subject to appropriation, be used by the Secretary of State for the purposes provided for under the provisions of this Section.

(Source: P.A. 99-896, eff. 1-1-17; 100-201, eff. 8-18-17.)

Section 90. The State Mandates Act is amended by adding Section 8.43 as follows:

(30 ILCS 805/8.43)

(Text of Section before amendment by P.A. 101-50 and 101-504)

Sec. 8.43. Exempt mandate. Notwithstanding Sections 6 and 8 of this Act, no reimbursement by the State is required for the implementation of any mandate created by Public Act 101-11, 101-49, 101-275, 101-320, 101-377, 101-387, 101-474, 101-492, 101-502, 101-522, or this amendatory Act of the 101st General Assembly ~~this amendatory Act of the 101st General Assembly.~~

(Source: P.A. 101-11, eff. 6-7-19; 101-49, eff. 7-12-19; 101-275, eff. 8-9-19; 101-320, eff. 8-9-19; 101-377, eff. 8-16-19; 101-387, eff. 8-16-19; 101-474, eff. 8-23-19; 101-492, eff. 8-23-19; 101-502, eff. 8-23-19; 101-522, eff. 8-23-19; revised 10-21-19.)

(Text of Section after amendment by P.A. 101-50 and 101-504)

Sec. 8.43. Exempt mandate.

(a) Notwithstanding Sections 6 and 8 of this Act, no reimbursement by the State is required for the implementation of any mandate created by Public Act 101-11, 101-49, 101-275, 101-320, 101-377, 101-387, 101-474, 101-492, 101-502, 101-504, 101-522, or this amendatory Act of the 101st General Assembly ~~this amendatory Act of the 101st General Assembly.~~

(b) Notwithstanding Sections 6 and 8 of this Act, no reimbursement by the State is required for the implementation of any mandate created by the Seizure Smart School Act.

(Source: P.A. 101-11, eff. 6-7-19; 101-49, eff. 7-12-19; 101-50, eff. 7-1-20; 101-275, eff. 8-9-19; 101-320, eff. 8-9-19; 101-377, eff. 8-16-19; 101-387, eff. 8-16-19; 101-474, eff. 8-23-19; 101-492, eff. 8-23-19; 101-502, eff. 8-23-19; 101-504, eff. 7-1-20; 101-522, eff. 8-23-19; revised 10-21-19.)

Section 95. No acceleration or delay. Where this Act makes

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changes in a statute that is represented in this Act by text that is not yet or no longer in effect (for example, a Section represented by multiple versions), the use of that text does not accelerate or delay the taking effect of (i) the changes made by this Act or (ii) provisions derived from any other Public Act.

Section 99. Effective date. This Act takes effect January 1, 2020.