

# LEGISLATIVE CHANGES SECTION

## Legislative Changes – Ten Years

### 2013 Session

PA 98-0433 Signed August 16, 2013  
Creates an exception to the current RFP requirements for investment services. The competitive bid process will not be required for contracts for follow-on funds with the same fund sponsor through closed-end funds.

PA 98-0597 Signed November 20, 2013  
Effective June 1, 2014, makes changes permitting same-sex marriage in the State of Illinois. Provides for reciprocity, recognizing same-sex marriages solemnized in other states and countries in which same-sex marriage is legal. Allows for voluntary conversion of civil unions to marriages.

### 2014 Session

PA 98-1022 Signed August 22, 2014  
Effective February 1, 2015, the Boards of the Illinois retirement systems shall establish goals for utilization of investment managers that meet the definition of minority owned business, female owned business, and disabled person owned business. The systems will set a goal for each category.

Furthermore, beginning January 1, 2015, no contract for investment or consulting services or commitment to a private market fund shall be awarded by a retirement system unless such entity first discloses the following:

- 1) The number and percentage of its senior staff who are minority, female, or disabled.
- 2) The number of contracts for services that the applying entity has with a minority owned business, female owned business, or business owned by a person with a disability.
- 3) The number of contracts for services that the applying entity has with businesses other than a minority owned business, female owned business, business owned by a person with a disability, if more than 50% of the services under that contract are performed by a minority person, a female, or a person with a disability.

## Legislative Changes Section

### 2014 Session, continued

PA 98-1022, continued

Provides that a retirement system must consider such information (within the bounds of financial and fiduciary prudence) before awarding a contract for investment services, consulting services, or commitment to a private market firm. The Act also provides that if an investment firm meeting the system's criteria responds to an RFP for investment services and meets the definition of a minority owned business, then that firm shall be allowed to present to the Board before a final decision is made for that RFP.

### 2015 Session

PA 99-0008 Signed July 9, 2015

Effective July 1, 2015, provides that if the employer fails to transmit required contributions to the pension fund, the fund may certify to the State Comptroller the amount due, and the Comptroller must, beginning in 2016, deduct and remit to the fund the certified amounts from payments of State funds to the employer.

PA 99-0462 Signed August 25, 2015

Effective January 1, 2016, adds an aspirational goal for Illinois pension funds to use emerging investment managers for not less than 20% of the total funds under management. It shall also be the goal that not less than 20% of investment managers be minorities, females, and persons with disabilities. It establishes a goal to use businesses owned by minorities, females, and persons with disabilities for not less than 20% of contracts awarded for information technology services, accounting services, insurance brokers, architectural and engineering services and legal services.

### 2016 Session

PA 99-0683 Signed July 29, 2016

Requires Illinois pension funds, except downstate police and fire funds, to develop and implement a process to identify deceased annuitants. The process must be implemented no later than June 30, 2017. The process requires the fund to check for any deceased annuitants at least once per month. Accepted methods to identify deceased annuitants include, but are not limited to, the use of a third-party entity that specializes in the identification of deceased persons, the use of data provided by the Social Security Administration, or the use of data provided by the Department of Public Health's Office of Vital Records. Amends the Vital Records Act to require the Department of Public Health to provide death match services to Illinois pension funds at no cost.

### 2017 Session

PA 100-0244 Signed August 22, 2017

Provides an opportunity for annuitants in same-sex marriages or unions recognized in Illinois a) between June 1, 2011 and June 30, 2016 under the Illinois Religious Freedom Protection and Civil Union Act of 2011, or b) between February 26, 2014 and June 30, 2016 under the Illinois Marriage and Dissolution of Marriage Act of 2014, who retired prior to June 1, 2011 and received a refund of surviving spouse contributions, to repay the no-spouse refund with interest and establish eligibility for a surviving spouse annuity.

## Legislative Changes Section

### 2017 Session, continued

PA 100-0244, continued

The annuitant must make an irrevocable election between January 22, 2018, and January 21, 2019. Repayment of the no-spouse refund includes interest at the actuarially assumed rate of return, compounded from the date of the refund to the date of payment. Payment may be made in full or in installments. All payments must be made in full within 24 months of the election.

PA 100-0334 Signed August 25, 2017

Expands the felony forfeiture language to include the forfeiture of surviving spouse benefits that would have been payable to the surviving spouse of a person entering service on or after August 25, 2017, who was convicted of any felony relating to and arising out of service as an employee.

PA 100-0542 Signed November 8, 2017

No later than January 1, 2018, and each January thereafter, requires a consultant to annually disclose to the board of the retirement system, board of the pension fund, or the investment board that retains the consultant certain information concerning searches for investment services from minority owned businesses, female owned businesses, and businesses owned by persons with a disability. Requires a consultant to disclose any compensation or economic opportunity received in the last 24 months from investment advisors retained by the board of a retirement system, board of a pension fund, or investment board. Requires consideration of these disclosures before awarding a contract for consulting services.

### 2018 Session

PA 100-0902 Signed August 17, 2018

Amends Article 1 to state that each retirement system, pension fund, or investment board shall make its best efforts to ensure that the racial and ethnic makeup of its senior administrative staff represents the racial and ethnic makeup of its membership.

### 2019 Session

PA 101-0339 Signed August 9, 2019

Amends Section 5/13-208. Provides that "average final salary" means the highest average monthly (instead of annual) salary as calculated by accumulating the salary for the highest 520 consecutive paid days of service (instead of 52 consecutive pay periods) within the last 10 years of service immediately preceding the date of retirement and dividing by 24 (instead of 2). Provides that if the employee is paid for any portion of a workday, the fraction of the day worked and the salary for that fraction of the day shall be counted in accordance with the Fund's administrative rules.

PA 101-0473 Signed August 23, 2019

Amends Section 5/1-113.6 and creates 5/1-113.17. The Illinois Sustainable Investing Act. Provides that any public agency or governmental unit shall develop, publish, and implement sustainable investment policies applicable to the management of all public funds under its control. Provides that the sustainable investment policy may be incorporated in existing investment policies developed, published, and implemented by a public agency or governmental unit. Provides that the sustainable investment policy shall include material, relevant, and decision-useful sustainability factors to be applied by the public agency or governmental unit in evaluating investment decisions. Provides that a public agency shall prudently integrate sustainability factors into its investment decision-making, investment analysis, portfolio construction, due diligence, and investment ownership in order to maximize

## Legislative Changes Section

### 2019 Session, continued

PA 101-0473, continued

anticipated financial returns, minimize projected risk, and more effectively execute its fiduciary duty. Specifies sustainability factors, and the ways in which such factors may be analyzed. Amends the Deposit of State Moneys Act, the Public Funds Investment Act, and the Illinois Pension Code to make changes concerning investment policy and the Illinois Sustainable Investing Act. Provides findings and purpose provisions.

PA 101-0546 Signed August 23, 2019

Creates 765 ILCS 1026/15-1505. Requires a retirement system, pension fund, or investment board under the Illinois Pension Code report to the Illinois Treasurers' Office annually property presumed abandoned. No retirement system, pension fund, or investment board under the Illinois Pension Code shall pay or deliver any annuity, pension, or benefit fund held in a fiduciary capacity to the Illinois Treasurers' Office.

PA 101-0620 Signed December 20, 2019

Adds Section 167 to Article 1. Prohibits the disclosure of certain personal information regarding participants and members except where required by the Freedom of Information Act.

**2020 Session** No legislative changes

### 2021 Session

PA 102-0097 Signed July 9, 2021

Created 40 ILCS 5/1-113.24. Provides an exception to 5/1-113.14 for investment services with an emerging investment manager provided through a qualified manager of emerging managers service provider.

PA 102-0210 Signed July 30, 2021

Revises 40 ILCS 5/13-310. Provides that payments of an ordinary disability benefit shall be made at least monthly instead of intervals of not more than 30 days.

PA 102-0603 Signed August 27, 2021

Provides that no individual who is a board member of a pension fund, investment board, or retirement system may be employed by that pension fund, investment board, or retirement system at any time during his or her service and for a period of 12 months after he or she ceases to be a board member.

### 2022 Session

PA 102-0699 Revises 40 ILCS 5/1-110.16. Makes changes to the makeup of the Illinois Investment Policy Board regarding the members appointed by the Governor. States that the Governor shall designate the Chairperson of the Board.

PA 102-0707 Revises 40 ILCS 5/13-503. Changes the funding goal from 90% to 100% by 2050. Allows for revenue derived from the amount taxed for employer contributions to the Fund be retained by the District and used to pay principal and interest on pension obligations bonds issued by the District. The retention shall not decrease the amount of the employer contributions required in any given year under 40 ILCS 5/13-503.

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