



Sen. Susan Garrett

Filed: 3/25/2009

09600SB2212sam002

LRB096 09675 AMC 24639 a

1 AMENDMENT TO SENATE BILL 2212

2 AMENDMENT NO. _____. Amend Senate Bill 2212 by replacing
3 everything after the enacting clause with the following:

4 "Section 5. The Illinois Pension Code is amended by
5 changing Section 1A-104 as follows:

6 (40 ILCS 5/1A-104)

7 Sec. 1A-104. Examinations and investigations.

8 (a) The Division shall make periodic examinations and
9 investigations of all pension funds established under this Code
10 and maintained for the benefit of employees and officers of
11 governmental units in the State of Illinois. However, in lieu
12 of making an examination and investigation, the Division may
13 accept and rely upon a report of audit or examination of any
14 pension fund made by an independent certified public accountant
15 pursuant to the provisions of the Article of this Code
16 governing the pension fund. The acceptance of the report of

1 audit or examination does not bar the Division from making a
2 further audit, examination, and investigation if deemed
3 necessary by the Division.

4 The Department may implement a flexible system of
5 examinations under which it directs resources as it deems
6 necessary or appropriate. In consultation with the pension fund
7 being examined, the Division may retain attorneys, independent
8 actuaries, independent certified public accountants, and other
9 professionals and specialists as examiners, the cost of which
10 (except in the case of pension funds established under Article
11 3 or 4) shall be borne by the pension fund that is the subject
12 of the examination.

13 (b) The Division shall examine or investigate each pension
14 fund established under Article 3 or Article 4 of this Code.
15 Beginning December 31, 2010, the ~~The~~ schedule of each
16 examination shall be such that each fund shall be examined once
17 every 5 ~~3~~ years. The Division shall comply with the changes
18 made by this amendatory Act of the 96th General Assembly, and
19 any costs associated with the changes shall be paid for using
20 the pension fund fee structure as it exists on the effective
21 date of that amendatory Act.

22 Each examination shall include the following:

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

25 (2) an examination of books, records, documents,
26 files, and other pertinent memoranda relating to

1 financial, statistical, and administrative operations;

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

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

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

12 (6) a determination of whether or not proper financial
13 and statistical records have been established and adequate
14 documentary evidence is recorded and maintained in support
15 of the several types of annuity and benefit payments being
16 made; and

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

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

23 A copy of the report of examination or investigation as
24 prepared by the Division shall be submitted to the secretary of
25 the board of trustees of the pension fund examined or
26 investigated and to the chief executive officer of the

1 municipality. The Director, upon request, shall grant a hearing
2 to the officers or trustees of the pension fund or their duly
3 appointed representatives, upon any facts contained in the
4 report of examination. The hearing shall be conducted before
5 filing the report or making public any information contained in
6 the report. The Director may withhold the report from public
7 inspection for up to 60 days following the hearing.

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

9 Section 99. Effective date. This Act takes effect upon
10 becoming law.".