

1 AN ACT concerning public employee benefits.

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

4 Section 5. The Illinois Pension Code is amended by changing  
5 Section 7-210 as follows:

6 (40 ILCS 5/7-210) (from Ch. 108 1/2, par. 7-210)

7 Sec. 7-210. Funds. (a) All money received by the board  
8 shall immediately be deposited with the State Treasurer for the  
9 account of the fund, or in the case of funds received under  
10 Section 7-199.1, in a separate account maintained for that  
11 purpose. All disbursements of funds held by the State Treasurer  
12 shall be made only upon warrants of the State Comptroller drawn  
13 upon the Treasurer as custodian of this fund upon vouchers  
14 signed by the person or persons designated for such purpose by  
15 resolution of the board. The Comptroller is authorized to draw  
16 such warrants upon vouchers so signed, including warrants  
17 payable to the Fund for deposit in a revolving account  
18 authorized by Section 7-195.1. The Treasurer shall accept all  
19 warrants so signed and shall be released from liability for all  
20 payments made thereon. Vouchers shall be drawn only upon proper  
21 authorization by the board as properly recorded in the official  
22 minute books of the meetings of the board.

23 (b) All securities of the fund when received shall be

1 deposited with the State Treasurer who shall provide adequate  
2 safe deposit facilities for their preservation and have custody  
3 of them.

4 (c) The assets of the fund shall be invested as one fund,  
5 and no particular person, municipality, or instrumentality  
6 thereof or participating instrumentality shall have any right  
7 in any specific security or in any item of cash other than an  
8 undivided interest in the whole.

9 (d) Except as provided in subsection (d-5), whenever  
10 ~~whenever~~ any employees of a municipality or participating  
11 instrumentality have been or shall be excluded from  
12 participation in this fund by virtue of the application of  
13 paragraph b of Section 7-109 (2), the board shall issue a  
14 voucher authorizing the Comptroller to draw his warrant upon  
15 the Treasurer as custodian of this fund in an amount equal to  
16 the accumulated contributions of such employees. Such warrant  
17 shall be drawn in favor of the appropriate fund of the  
18 retirement fund in which such employees have or shall become  
19 participants. Such transfer shall terminate any further rights  
20 of such employees under this fund.

21 (d-5) Upon creation of a newly established Article 3 police  
22 pension fund by referendum under Section 3-145 or by census  
23 under Section 3-105, the following amounts shall be transferred  
24 from this Fund to the new police pension fund, within 30 days  
25 after an application therefor is received from the new pension  
26 fund:

1           (1) the amounts actually contributed to this Fund as  
2           employee contributions by or on behalf of the police  
3           officers transferring to the new pension fund for their  
4           service as police officers of the municipality that is  
5           establishing the new pension fund, plus interest on those  
6           amounts at the rate of 6% per year, compounded annually,  
7           from the date of contribution to the date of transfer to  
8           the new pension fund, and

9           (2) an amount representing employer contributions,  
10          equal to the total amount determined under item (1).

11          This transfer terminates any further rights of such police  
12          officers in this Fund arising out of their service as police  
13          officers of the municipality that is establishing the new  
14          pension fund.

15          (e) If a participating instrumentality terminates  
16 participation because it fails to meet the requirements of  
17 Section 7-108, it shall pay to the fund the amount equal to any  
18 net debit balance in its municipality reserve account and  
19 account receivable. Its successors, and assigns and  
20 transferees of its assets shall be obligated to make this  
21 payment to the extent of the value of assets transferred to  
22 them. The fund shall pay an amount equal to any net credit  
23 balance to the participating instrumentality, its successors  
24 or assigns. Any remaining net debit or credit balance not  
25 collectible or payable shall be transferred to the terminated  
26 municipality reserve account. The fund shall pay to each

1 employee of the participating instrumentality an amount equal  
2 to his credits in the employee reserves. The employees shall  
3 have no further rights to any benefits from the fund, except  
4 that annuities awarded prior to the date of termination shall  
5 continue to be paid.

6 (Source: P.A. 84-812.)

7 Section 90. The State Mandates Act is amended by adding  
8 Section 8.38 as follows:

9 (30 ILCS 805/8.38 new)

10 Sec. 8.38. Exempt mandate. Notwithstanding Sections 6 and 8  
11 of this Act, no reimbursement by the State is required for the  
12 implementation of any mandate created by this amendatory Act of  
13 the 98th General Assembly.

14 Section 99. Effective date. This Act takes effect upon  
15 becoming law.