

HB3178



99TH GENERAL ASSEMBLY

State of Illinois

2015 and 2016

HB3178

by Rep. Elaine Nekritz

SYNOPSIS AS INTRODUCED:

30 ILCS 5/2-8.1

Amends the Illinois State Actuary Act. Requires the State Actuary to conduct a full-scope audit of each of the 5 State-funded retirement systems at least once every 5 years. The audit must fully replicate the actuarial valuation used to report the financial condition of the system, and shall include an examination of methods and assumptions used for the actuarial valuation for reasonableness and internal consistency. Effective immediately.

LRB099 10186 EFG 31544 b

FISCAL NOTE ACT
MAY APPLY

PENSION IMPACT
NOTE ACT MAY
APPLY

A BILL FOR

1 AN ACT concerning finance.

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

4 Section 5. The Illinois State Auditing Act is amended by
5 changing Section 2-8.1 as follows:

6 (30 ILCS 5/2-8.1)

7 Sec. 2-8.1. Actuarial Responsibilities.

8 (a) The Auditor General shall contract with or hire an
9 actuary to serve as the State Actuary. The State Actuary shall
10 be retained by, serve at the pleasure of, and be under the
11 supervision of the Auditor General and shall be paid from
12 appropriations to the office of the Auditor General. The State
13 Actuary may be selected by the Auditor General without engaging
14 in a competitive procurement process.

15 (b) The State Actuary shall:

16 (1) review assumptions and valuations prepared by
17 actuaries retained by the boards of trustees of the
18 State-funded retirement systems;

19 (2) issue preliminary reports to the boards of trustees
20 of the State-funded retirement systems concerning proposed
21 certifications of required State contributions submitted
22 to the State Actuary by those boards;

23 (3) cooperate with the boards of trustees of the

1 State-funded retirement systems to identify recommended
2 changes in actuarial assumptions that the boards must
3 consider before finalizing their certifications of the
4 required State contributions;

5 (4) conduct reviews of the actuarial practices of the
6 boards of trustees of the State-funded retirement systems;

7 (5) make additional reports as directed by joint
8 resolution of the General Assembly; and

9 (6) perform any other duties assigned by the Auditor
10 General, including, but not limited to, reviews of the
11 actuarial practices of other entities.

12 (c) On or before January 1, 2013 and each January 1
13 thereafter, the Auditor General shall submit a written report
14 to the General Assembly and Governor documenting the initial
15 assumptions and valuations prepared by actuaries retained by
16 the boards of trustees of the State-funded retirement systems,
17 any changes recommended by the State Actuary in the actuarial
18 assumptions, and the responses of each board to the State
19 Actuary's recommendations.

20 (d) For the purposes of this Section, "State-funded
21 retirement system" means a retirement system established
22 pursuant to Article 2, 14, 15, 16, or 18 of the Illinois
23 Pension Code.

24 (7) At least once every 5 years, the State Actuary
25 shall fully replicate the actuarial valuation used to
26 report the financial condition of each of the 5

1 State-funded retirement systems, based on the same census
2 data, assumptions, and actuarial methods used in the
3 actuarial valuation. The full-scope actuarial audit shall
4 include an examination of methods and assumptions used for
5 the actuarial valuation for reasonableness and internal
6 consistency.

7 (Source: P.A. 97-694, eff. 6-18-12.)

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