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 Pension Code is amended by changing Section 7-210 as follows:

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

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

(b) All securities of the fund when received shall be deposited with the State Treasurer who shall provide adequate safe deposit facilities for their preservation and have custody of them.

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

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

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

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

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

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

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

employee of the participating instrumentality an amount equal to his credits in the employee reserves. The employees shall have no further rights to any benefits from the fund, except that annuities awarded prior to the date of termination shall continue to be paid.
(Source: P.A. 84-812.)

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

(30 ILCS 805/8.38 new)

Sec. 8.38. 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 this amendatory Act of the 98th General Assembly.

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