**Section 1600.150 Group Trust Provisions**

a) Creation and Purpose. A Group Trust is hereby created effective April 1, 1998, pursuant to Section 15-177 of the Illinois Pension Code [40 ILCS 5]. The purpose of the Group Trust is to hold and jointly invest the assets of the SURS defined benefit plan, the Retirement Savings Plan (formerly the "Self-Managed Plan"), and the disability benefit program for Retirement Savings Plan participants provided under Section 15-103.3 of the Code (collectively "Participating Trusts"), and make appropriate payments pursuant to directions from the respective trusts. The Board shall be the trustee of the Group Trust.

b) Tax Status. The Group Trust is intended to qualify as a group trust under IRC Sections 401(a) and 501(a), and Revenue Ruling 81-100, as modified by Revenue Rulings 2004-67, 2011-1 and 2014-24, and all provisions of this Section must be so construed. The Group Trust is established within the System and the Board shall generally assert that no taxes may be assessed on any income or interest of the Group Trust.

c) Exclusive Benefit. Notwithstanding anything in this Section to the contrary, no part of the Group Trust that equitably belongs to a Participating Trust, other than that portion required for reasonable fees, taxes and trust expenses applicable to the Participating Trust, may be used or diverted for any purpose other than the exclusive benefit of the Participating Trust's participants or their beneficiaries who are entitled to benefits under the Participating Trust.

d) Nonassignment. No Participating Trust may assign or transfer any part of its equity or interest in the Group Trust, except in accordance with this Section.

e) Authority of the Board. The Board's determination as to whether any investment is within the class or classes of property in which the Group Trust may be invested will be conclusive; provided, however, that all such decisions must be made in accordance with the then current investment policy adopted by the Board and consistent with any requirements under Article 1 of the Pension Code. The Board is solely and exclusively responsible for, and has exclusive authority and discretion for, the management and control of the Group Trust. Subject to the provisions of the preceding sentence, the Board may, at its reasonable expense, retain the services of such investment or other advisers and consultants as it may deem desirable to assist it in carrying out its responsibilities under this Section.

f) Trust Accounting. The Group Trust will be invested and administered as a common investment fund. The equitable interest of each Participating Trust shall be accounted for separately in dollar amounts or proportional interest. Consistent with the selected accounting method, the Board shall maintain books and records that value the interest of each Participating Trust at least monthly.

g) Admission to Participation. Participation in the Group Trust is limited to the qualified trusts administered by the Board under the SURS defined benefit plan, the Retirement Savings Plan, the disability benefit program for Retirement Savings plan participants provided under Section 15-103.3 of the Code; pension, profit-sharing and stock bonus trusts or custodial accounts qualifying under IRC section 501(a); individual retirement accounts that are exempt under IRC section 408(e); eligible governmental plan trusts or custodial accounts under IRC section 457(b) that are exempt under IRC section 457(g); custodial accounts under IRC section 403(b)(7); retirement income accounts under IRC section 403(b)(9); and IRC section 401(a)(24) governmental plans. Each Participating Trust must adopt the terms of this Section by reference in its enabling statute, rules or plan document, as the case may be, and transfer all or any part of its assets to the Group Trust. This Section shall serve as the adopting instrument under which the SURS defined benefit plan and the disability benefit program for Retirement Savings Plan participants provided under Section 15-103.3 of the Code shall participate in the Group Trust.

h) Qualified Status of Participating Trusts. Each Participating Trust must satisfy the qualification requirements as a qualified governmental pension plan under IRC sections 401(a) and 414(d) or a trust, a custodial account, or similar entity that is tax exempt under IRC section 408(e) or IRC section 501(a) (or is treated as tax exempt under IRC section 501(a)). A Participating Trust that is an IRC section 401(a)(24) governmental plan is treated as meeting this requirement if it is not subject to federal income taxation. A Participating Trust shall be deemed to satisfy this subsection (h) if it has a current determination letter issued by the Internal Revenue Service.

i) Contributions. The Board shall accept transfers of assets only from the Participating Trusts and the plan sponsors of those Participating Trusts and not from any other person except as permitted by law. However, the Board shall also accept cash payments, rollovers, or plan-to-plan transfers for a purchase of service credit by a participant of a Participating Trust in accordance with the terms of the plan. The Board may accept assets in its sole discretion. The value of any non-cash asset shall be transferred on the basis of fair market value on the date of contribution and consistent with the terms of this Section.

j) Termination of Participating Trust. The Board may terminate the participation of a Participating Trust in the Group Trust by amending this Section and, in the case of the Retirement Savings Plan, amending the plan document. In the event of termination of the participation of a Participating Trust, the Board shall distribute to the terminating Participating Trust its share of the Group Trust in cash, assets or otherwise determined by the Board.

k) Termination of Group Trust. The Board may terminate the Group Trust at any time by amending this Section. In the event of the termination of the Group Trust, the Board shall distribute to each Participating Trust its share of the Group Trust in cash, assets or otherwise as determined by the Trustee.

l) Valuation of Assets upon Distribution. In all cases, at no time prior to the satisfaction of all liabilities with respect to participants and their beneficiaries under any Participating Trust shall that part of the corpus or income of the Group Trust that equitably belongs to that Participating Trust be used for, or diverted to, purposes other than for the exclusive benefit of the participants and their beneficiaries.

m) Allocation and Apportionment of Trust Expenses. The Board may pay reasonable trust expenses from the Group Trust if these amounts would have been chargeable to the Participating Trusts if incurred in their separate administration. For each year, the Board shall determine and allocate to each Participating Trust the reasonable and quantifiable trust expenses from the previous fiscal year that the Board recorded as directly attributable to the Participating Trust. Investment manager fees, custodian fees, and other investment-related fees will be allocated based on the same proportion as the allocation of net assets to each Participating Trust as of the last valuation date. All other remaining expenses shall be allocated based on the same proportion as the number of total participants of a Participating Trust on the first day of the plan year is to the number of total participants of all Participating Trusts on the first day of the plan year.

n) Duty of Board. For all purposes under this Section, the Board shall discharge its duties under this Section with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims.

(Source: Amended at 47 Ill. Reg. 14005, effective September 14, 2023)