



Sen. Robert F. Martwick

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10300HB2352sam001

LRB103 27717 RPS 61565 a

1 AMENDMENT TO HOUSE BILL 2352

2 AMENDMENT NO. \_\_\_\_\_. Amend House Bill 2352 by replacing  
3 everything after the enacting clause with the following:

4 "Section 5. The Illinois Pension Code is amended by  
5 changing Section 1-110 as follows:

6 (40 ILCS 5/1-110) (from Ch. 108 1/2, par. 1-110)

7 Sec. 1-110. Prohibited Transactions.

8 (a) A fiduciary with respect to a retirement system,  
9 pension fund, or investment board shall not cause the ~~the~~  
10 retirement system or pension fund to engage in a transaction  
11 if he or she knows or should know that such transaction  
12 constitutes a direct or indirect:

13 (1) Sale or exchange, or leasing of any property from  
14 the retirement system or pension fund to a party in  
15 interest for less than adequate consideration, or from a  
16 party in interest to a retirement system or pension fund

1 for more than adequate consideration.

2 (2) Lending of money or other extension of credit from  
3 the retirement system or pension fund to a party in  
4 interest without the receipt of adequate security and a  
5 reasonable rate of interest, or from a party in interest  
6 to a retirement system or pension fund with the provision  
7 of excessive security or an unreasonably high rate of  
8 interest.

9 (3) Furnishing of goods, services or facilities from  
10 the retirement system or pension fund to a party in  
11 interest for less than adequate consideration, or from a  
12 party in interest to a retirement system or pension fund  
13 for more than adequate consideration.

14 (4) Transfer to, or use by or for the benefit of, a  
15 party in interest of any assets of a retirement system or  
16 pension fund for less than adequate consideration.

17 (b) A fiduciary with respect to a retirement system or  
18 pension fund established under this Code shall not:

19 (1) Deal with the assets of the retirement system or  
20 pension fund in his own interest or for his own account;

21 (2) In his individual or any other capacity act in any  
22 transaction involving the retirement system or pension  
23 fund on behalf of a party whose interests are adverse to  
24 the interests of the retirement system or pension fund or  
25 the interests of its participants or beneficiaries; or

26 (3) Receive any consideration for his own personal

1 account from any party dealing with the retirement system  
2 or pension fund in connection with a transaction involving  
3 the assets of the retirement system or pension fund.

4 (c) Nothing in this Section shall be construed to prohibit  
5 any trustee from:

6 (1) Receiving any benefit to which he may be entitled  
7 as a participant or beneficiary in the retirement system  
8 or pension fund.

9 (2) Receiving any reimbursement of expenses properly  
10 and actually incurred in the performance of his duties  
11 with the retirement system or pension fund.

12 (3) Serving as a trustee in addition to being an  
13 officer, employee, agent or other representative of a  
14 party in interest.

15 (d) A fiduciary of a pension fund established under  
16 Article 3 or 4 shall not knowingly cause or advise the pension  
17 fund to engage in an investment transaction when the fiduciary  
18 (i) has any direct interest in the income, gains, or profits of  
19 the investment adviser through which the investment  
20 transaction is made or (ii) has a business relationship with  
21 that investment adviser that would result in a pecuniary  
22 benefit to the fiduciary as a result of the investment  
23 transaction.

24 Violation of this subsection (d) is a Class 4 felony.

25 (e) A board member, employee, or consultant with respect  
26 to a retirement system, pension fund, or investment board

1 subject to this Code, except those whose investments are  
2 restricted by Section 1-113.2, shall not knowingly cause or  
3 advise the retirement system, pension fund, or investment  
4 board to engage in an investment transaction with an  
5 investment adviser when the board member, employee,  
6 consultant, or their spouse (i) has any direct interest in the  
7 income, gains, or profits of the investment adviser through  
8 which the investment transaction is made or (ii) has a  
9 relationship with that investment adviser that would result in  
10 a pecuniary benefit to the board member, employee, or  
11 consultant or spouse of such board member, employee, or  
12 consultant as a result of the investment transaction. For  
13 purposes of this subsection (e), a consultant includes an  
14 employee or agent of a consulting firm who has greater than  
15 7.5% ownership of the consulting firm.

16 Violation of this subsection (e) is a Class 4 felony.

17 (Source: P.A. 95-950, eff. 8-29-08; 96-6, eff. 4-3-09.)".