



MINUTES

**Meeting of the Legal & Legislative Committee
of the Board of Trustees of the
State Universities Retirement System
Friday, March 9, 2018, 9:00 a.m.
1901 Fox Drive
Main Conference Room
Champaign, Illinois**

The following trustees were present: Mr. Tom Cross, Chair; Mr. Aaron Ammons, Dr. John Engstrom, Dr. Fred Giertz, Mr. Craig McCrohon (via conference call), Dr. Steven Rock and Mr. Antonio Vasquez.

Others present: Mr. Martin Noven, Executive Director; Mr. Doug Wesley, Chief Investment Officer; Ms. Bianca Green, General Counsel; Mr. Albert Lee, Associate General Counsel; Ms. Emily Vock, Associate General Counsel; Ms. Kristen Houch, Legislative Liaison; Ms. Phyllis Walker, Chief Financial Officer; Ms. Tara Myers, Chief Financial Officer; Ms. Brenda Dunn, Director of Human Resources; Ms. Suzanne Mayer, Chief Benefits Officer; Mr. Steve Hayward, Director of Internal Audit; Mr. Shane Willoughby and Mr. Joe Duncan, Senior Investment Officers; Ms. Kelly Carson and Ms. Annette Ackerman, Executive Assistants; Ms. Mary Pat Burns of Burke, Burns & Pinelli; and Mr. Steve Zahn of Zahn Governmental Solutions.

Legal & Legislative Committee roll call attendance was taken. Trustee Cozzi, absent; Trustee Cross, present; Trustee Giertz, present; Trustee Johnson, absent; and Trustee Rock, present.

APPROVAL OF MINUTES

Trustee Tom Cross presented the minutes from the Legal & Legislative Committee meeting of December 7, 2017.

Trustee Steven Rock made the following motion:

- That the minutes from the December 7, 2017 Legal & Legislative Committee meeting be approved, as presented.

Trustee John Engstrom seconded and the motion carried with all trustees present voting in favor.

CHAIRPERSON'S REPORT

Trustee Cross did not have a formal Chairperson's Report.

RULEMAKING AND COMPLIANCE UPDATES

Status of Pending Rules

Mr. Albert Lee updated the group on the status of the rulemaking approved by the board in December 2017. The proposed rules were filed with JCAR and published in the Illinois Register on February 23, 2018. The first notice period ends on April 9, 2018.

Mr. Lee stated that staff is currently crafting rules for employee participation due to Public Act 99-897. Mr. Lee reminded the board that Public Act 99-897 mandates that the board to establish a rule regarding eligibility for participation in SURS.

Copies of the document titled “IL Register Version” is incorporated as part of these minutes as [Exhibit 1](#).

Compliance Stop Light Report

Ms. Green discussed the updated compliance stop light report which shows that SURS is in compliance with its reporting requirements.

Ms. Green reminded the trustees that the annual mandatory ethics training must be completed by June 30, 2018. Cyber security training and sexual harassment training will also be required; however no definite information regarding the timing of the training has been provided to SURS yet.

A copy of the report titled “February Compliance Stop Light Report” is incorporated as part of these minutes as [Exhibit 2](#).

LEGISLATIVE UPDATE

SURS Legislative Liaison, Ms. Kristen Houch, and Mr. Steve Zahn of Zahn Governmental Solutions provided the legislative update. Ms. Houch highlighted the status of bills that have been filed and are moving through the General Assembly. Discussions continued as Ms. Houch and Mr. Zahn addressed questions raised by the trustees. At the conclusion of the discussion, it was determined that Ms. Houch will draft language regarding the minimum number of providers that SURS must use in the defined contribution plan; she will present draft language to the board in April.

Details regarding the upcoming SURS/SUAA annual legislative outreach event were provided.

A copy of the reports titled “Master Board Bill Summaries” and “Spring Session 2018 March Board Meeting” are incorporated as part of these minutes as [Exhibit 3](#) and [Exhibit 4](#).

PUBLIC COMMENT

There were no public comments presented to the Legal & Legislative Committee.

There was no further business before the committee and Trustee Rock moved that the meeting be

adjourned. The motion was seconded by Trustee Vasquez and carried with all trustees present voting in favor.

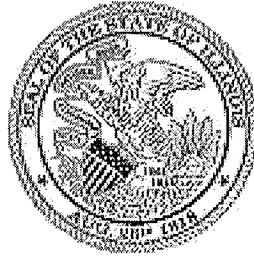
Respectfully submitted,

A handwritten signature in black ink, appearing to read "Martin Noven", with a long horizontal flourish extending to the right.

Mr. Martin Noven
Secretary, Board of Trustees

MMN/kc

RECEIVED
FEB 27 2018
STATE UNIV. RET. SYS.



RECEIVED
FEB 22 2018
STATE UNIV. RET. SYS.

OFFICE OF THE SECRETARY OF STATE

JESSE WHITE • Secretary of State

February 16, 2018

STATE UNIVERSITIES RETIREMENT SYSTEM
KAREN NYI ADMIN AIDE
1901 FOX DR
CHAMPAIGN, IL 61820

Dear KAREN NYI ADMIN AIDE

Your rules Listed below met our codification standards and have been published in Volume 42, Issue 8 of the Illinois Register, dated 2/23/2018.

PROPOSED RULES

Universities Retirement	
80 Ill. Adm. Code 1600	3715
Point of Contact: Karen Nyi	

If you have any questions, you may contact the Administrative Code Division at (217) 782 - 7017.

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STATE UNIVERSITIES RETIREMENT SYSTEM

NOTICE OF PROPOSED AMENDMENTS

- 1) Heading of the Part: Universities Retirement
- 2) Code Citation: 80 Ill. Adm. Code 1600
- 3) Section Numbers:

1600.205	<u>Proposed Actions</u> :
1600.270	Amendment
1600.271	Amendment
	New Section
- 4) Statutory Authority: 40 ILCS 5/15-177
- 5) A Complete Description of the Subjects and Issues Involved: The proposed amendments to Sections 1600.205, 1600.270, and the new addition of Section 1600.271 are intended to implement legislative changes to Article 15 of the Illinois Pension Code (40 ILCS 5/15) made by Public Act 99-897, effective January 1, 2017, and Public Act 100-23, effective July 6, 2017, in addition to making minor stylistic corrections.
- 6) Published studies or reports, and sources of underlying data, used to compose this rulemaking: None
- 7) Will this rulemaking replace any emergency rulemaking currently in effect? No
- 8) Does this rulemaking contain an automatic repeal date? No
- 9) Does this rulemaking contain incorporations by reference? No
- 10) Are there any other proposed rulemakings pending on this Part? No
- 11) Statement of Statewide Policy Objectives: This rulemaking does not affect units of local government.
- 12) Time, Place, and Manner in which interested persons may comment on this proposed rulemaking: Comments on the proposed rulemaking may be submitted in writing for a period of 45 days following publication of this Notice to:

Albert J. Lee, Associate General Counsel
 State Universities Retirement System
 1901 Fox Drive
 Champaign, IL 61820

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FEB 7 2018

SOS-CODE DIV.

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STATE UNIVERSITIES RETIREMENT SYSTEM

NOTICE OF PROPOSED AMENDMENTS

217-378-8861

- 13) Initial Regulatory Flexibility Analysis:
- A) Types of small businesses, small municipalities and not for profit corporations affected: None
 - B) Reporting, bookkeeping or other procedures required for compliance: None
 - C) Types of Professional skills necessary for compliance: None
- 14) Regulatory Agenda on which this rulemaking was summarized: January 2018

The full text of the Proposed Amendments begins on the next page:

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STATE UNIVERSITIES RETIREMENT SYSTEM

NOTICE OF PROPOSED AMENDMENTS

 TITLE 80: PUBLIC OFFICIALS AND EMPLOYEES
 SUBTITLE D: RETIREMENT SYSTEMS
 CHAPTER II: STATE UNIVERSITIES RETIREMENT SYSTEM

 PART 1600
 UNIVERSITIES RETIREMENT

SUBPART A: GENERAL

Section

1600.100	Definitions
1600.110	Freedom of Information Act
1600.120	Open Meetings Act
1600.130	Procurement
1600.140	Compliance with the Internal Revenue Code
1600.145	Compliance with Final 415 Treasury Regulations
1600.150	Group Trust Provisions

SUBPART B: CONTRIBUTIONS AND SERVICE CREDIT

Section

1600.202	Return to Employment
1600.203	Independent Contractors
1600.205	Earnings Subject to Withholding and Crediting
1600.210	Crediting Interest on Participant Contributions and Other Reserves
1600.220	Election to Make Contributions Covering Leave of Absence at Less Than 50% Pay
1600.230	Election to Pay Contributions Based upon Employment that Preceded Certification as a Participant
1600.240	Election to Make Contributions Covering Periods of Military Leave Protected under USERRA
1600.241	Survivor Benefits for Members Who Die While on Military Leave Protected under USERRA
1600.250	Sick Leave Accrual Schedule
1600.260	Part-time/Concurrent Service Adjustment
1600.270	Employer Contributions for Benefit Increases Resulting from Earnings Increases Exceeding 6%
<u>1600.271</u>	<u>Employer Contributions for Earnings in Excess of the Governor's Salary</u>
1600.275	Employer Contributions for Employing Affected Annuitants

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SUBPART C: SURVIVORS AND BENEFICIARIES

Section	
1600.300	Effective Beneficiary Designations
1600.305	Full-Time Student Survivors Insurance Beneficiaries
1600.310	Dependency of Beneficiaries
1600.320	Disability Claims Procedure (Renumbered)

SUBPART D: BENEFIT CALCULATION AND PAYMENT

Section	
1600.400	Determination of Final Rate of Earnings Period
1600.410	Twenty Percent Limitation on Final Rate of Earnings Increases
1600.420	Making Preliminary Estimated Payments
1600.430	Excess Benefit Arrangement
1600.431	Indirect Payments to Minors and Legally Disabled Persons
1600.432	Indirect Payments to Child Survivors Through the Surviving Spouse
1600.440	Voluntary Deductions from Annuity Payments
1600.450	Overpayment Recovery

SUBPART E: DISABILITY CLAIMS AND ADMINISTRATIVE REVIEW

Section	
1600.500	Administrative Staff Determinations and Rules for Appeal – Nature and Requirements of Formal Hearings
1600.510	Employer-Related Determinations and Rules for Appeal
1600.550	Disability Claims Procedure

SUBPART F: QUALIFIED ILLINOIS DOMESTIC RELATIONS ORDERS

Section	
1600.600	Definitions
1600.605	Requirements for a Valid Qualified Illinois Domestic Relations Order
1600.610	Invalid Orders
1600.615	Filing a QILDRO with the System
1600.620	Modified QILDROs
1600.625	Benefits Affected by a QILDRO
1600.630	Effect of a Valid QILDRO
1600.635	QILDROs Against Persons Who Became Members Prior to July 1, 1999

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1600.640	Alternate Payee's Address
1600.645	Electing Form of Payment
1600.650	Automatic Annual Increases
1600.655	Expiration of a QILDRO
1600.660	Reciprocal Systems QILDRO Policy Statement
1600.665	Providing Benefit Information for Divorce Purposes

SUBPART G: BOARD TRUSTEE ELECTION

Section

1600.700	Nomination of Candidates
1600.705	Election Date/Election Day – Defined
1600.710	Petitions
1600.715	Eligible Voters
1600.720	Election Materials
1600.725	Casting Votes
1600.730	Return of Ballots and Ballot Counting Process
1600.735	Certification of Ballot Counting
1600.740	Challenges to Election Results
1600.745	Candidate Informational Communication
1600.750	Filling a Vacancy in the Term of an Elected Trustee

AUTHORITY: Implementing and authorized by Section 15-177 of the Illinois Pension Code [40 ILCS 5/15-177].

SOURCE: Amended September 2, 1977; amended at 2 Ill. Reg. 31, p.53, effective July 30, 1978; amended at 7 Ill. Reg. 8139, effective June 29, 1983; codified at 8 Ill. Reg. 19683; amended at 11 Ill. Reg. 15656, effective September 9, 1987; amended at 13 Ill. Reg. 18939, effective November 21, 1989; amended at 14 Ill. Reg. 6789, effective April 20, 1990; emergency amendment at 21 Ill. Reg. 4864, effective March 26, 1997, for a maximum of 150 days; amended at 21 Ill. Reg. 6095, effective May 2, 1997; amended at 21 Ill. Reg. 11962, effective August 13, 1997; amended at 21 Ill. Reg. 12653, effective August 28, 1997; amended at 22 Ill. Reg. 4116, effective February 9, 1998; amended at 23 Ill. Reg. 13667, effective November 1, 1999; amended at 25 Ill. Reg. 10206, effective July 30, 2001; amended at 28 Ill. Reg. 2292, effective January 23, 2004; expedited correction at 28 Ill. Reg. 7575, effective January 23, 2004; amended at 29 Ill. Reg. 2729, effective March 1, 2005; amended at 29 Ill. Reg. 11819, effective July 12, 2005; amended at 29 Ill. Reg. 14060, effective September 1, 2005; amended at 29 Ill. Reg. 14351, effective September 6, 2005; amended at 30 Ill. Reg. 6170, effective March 21, 2006; amended at 30 Ill. Reg. 7778, effective April 5, 2006; amended at 30 Ill. Reg. 9911, effective May 9, 2006; amended at 30 Ill. Reg. 17509, effective October 19, 2006; amended at 31 Ill. Reg.

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4267, effective February 22, 2007; amended at 31 Ill. Reg. 4927, effective March 12, 2007; recodified at 31 Ill. Reg. 10194; amended at 32 Ill. Reg. 16515, effective September 25, 2008; emergency amendment at 33 Ill. Reg. 6525, effective April 27, 2009, for a maximum of 150 days; emergency expired September 23, 2009; amended at 33 Ill. Reg. 10757, effective July 1, 2009; amended at 33 Ill. Reg. 16755, effective November 23, 2009; amended at 34 Ill. Reg. 9523, effective June 25, 2010; amended at 35 Ill. Reg. 10952, effective June 22, 2011; amended at 36 Ill. Reg. 3938, effective February 22, 2012; amended at 37 Ill. Reg. 1309, effective January 15, 2013; amended at 37 Ill. Reg. 3866, effective March 15, 2013; amended at 37 Ill. Reg. 10698, effective June 26, 2013; amended at 37 Ill. Reg. 15517, effective September 12, 2013; amended at 38 Ill. Reg. 5659, effective February 11, 2014; emergency amendment at 38 Ill. Reg. 11376, effective May 9, 2014, for a maximum of 150 days; amended at 38 Ill. Reg. 16375, effective July 17, 2014; amended at 38 Ill. Reg. 17457, effective July 30, 2014; amended at 39 Ill. Reg. 8317, effective June 1, 2015; amended at 40 Ill. Reg. 8437, effective June 3, 2016; amended at 41 Ill. Reg. 11606, effective September 1, 2017; amended at 41 Ill. Reg. 15353, effective December 5, 2017; amended at 42 Ill. Reg. _____, effective _____.

SUBPART B: CONTRIBUTIONS AND SERVICE CREDIT

Section 1600.205 Earnings Subject to Withholding and Crediting

- a) Purpose. This Section provides guidance on which payments for compensation constitute "earnings" under ~~Sections~~ Section 15-111 and 15-111.5 of the Code. Section 15-157 of the Code requires every participating employee to make contributions of 8% of his or her pay to fund the benefits payable under SURS. This contribution is deducted from the participating employee's pay on a pre-tax basis and remitted to SURS via payroll deduction. The contributions are made as a percentage of the participating employee's "earnings".
- b) Definition. "Earnings", defined under Section 15-111 of the Code, *is an amount paid for personal services equal to the sum of the basic compensation plus extra compensation for summer teaching, overtime and other extra service, subject to the following:-*
- 1) *For periods for which an employee receives service credit under Section 15-113.1(c) or 15-113.2 of the Code, earnings are equal to the basic compensation on which contributions are paid by the employee during such periods.*
 - 2) Earnings shall include the basic compensation on which employee contributions required under Section 15-157 of the Code are paid by the

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employee for periods of furlough as provided under Section 15-113.11 of the Code.

3) Earnings shall include the amount of a voluntary pay reduction taken in lieu of furlough on which employee contributions required under Section 15-157 of the Code are paid by the employee as provided under Section 15-113.12 of the Code.

4) *Compensation for employment which is irregular, intermittent and temporary shall not be considered earnings, unless the participant is also receiving earnings from the employer as an employee under Section 15-107 of the Code. [40 ILCS 5/15-111(a)]*

c) Tier 2 Member Earnings Limitation

1) *For a Tier 2 member, the annual earnings shall not exceed \$106,800; however, that amount shall annually thereafter be increased by the lesser of:*

A) *3% of that amount, including all previous adjustments; or*

B) *one-half the annual unadjusted percentage increase (but not less than zero) in the Consumer Price Index-U (CPI-U) for the 12 months ending with the September preceding each November 1, including all previous adjustments.*

2) *For the purposes of this Section, CPI-U means the index published by the Bureau of Labor Statistics of the United States Department of Labor that measures the average change in prices of goods and services purchased by all urban consumers, United States city average, all items, 1982-84 = 100. The new amount resulting from each annual adjustment shall be determined by the Public Pension Division of the Department of Insurance and made available to the boards of the retirement systems and pension funds by November 1 of each year. [40 ILCS 5/15-111(b)]*

d) Determination of the Purpose of the Payment

1) *If the payment is for services rendered, then the payment is earnings.*

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- 2) If the payment is for a reason other than services rendered, it is not earnings.
- 3) Other Payments
The following list does not limit SURS' authority to determine whether any payment of compensation constitutes earnings on a case-by-case basis.
 - A) Bonuses; Awards
 - i) Bonuses received by an employee that are related to services rendered for a specific period of time, not to exceed one academic year, shall be included in earnings subject to SURS withholding.
 - ii) Awards, such as longevity of service awards or outstanding employee awards, that are not associated with a particular time period are not subject to SURS withholding.
 - iii) Earnings and basic compensation for an employee who first becomes a participant on or after January 1, 2017 shall not include bonuses.
 - B) Severance Payments, Salary/Contract Continuation Payments, Retirement Payments or Incentives. Payments made to facilitate termination of employment or to induce someone to retire, or not to retire, are not for services rendered, but are made in conjunction with an employee's termination of employment or retirement and are not earnings. These payments are also not includable in the final rate of earnings under Section 15-112.
 - C) Group Fringe Benefits. Group fringe benefits provided by the employer are not earnings. However, employer paid premiums on employer-provided group term life insurance in excess of \$50,000 are earnings.
 - D) Housing Allowance. A housing allowance, whether in the form of a direct salary payment or as a residence in which the employee resides, is earnings. Earnings and basic compensation for an employee who first becomes a participant on or after January 1, 2017 shall not include housing allowances.

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- E) Automobile Allowance. An automobile allowance in the form of a direct salary payment is earnings. However, neither business use nor personal use of an employer-provided automobile is earnings. Earnings and basic compensation for an employee who first becomes a participant on or after January 1, 2017 shall not include vehicle allowances.
- F) Non-Qualified Moving Expenses. Non-qualified moving expenses (see 26 USC 217) are not earnings as they are not furnished in lieu of salary.
- G) Unused Sick Leave Paid at Termination of Employment. These payments are not earnings, except for collectively bargained payments made in accordance with Section 15-112 of the Code.
- H) Overtime. Overtime is earnings.
- I) Miscellaneous Other Benefits. Fringe benefits that are provided in lieu of salary are earnings. Items that are not provided in lieu of salary (such as reimbursement for out-of-pocket travel expenses, relocation expenses, etc.) are not earnings. Items such as country club dues, tuition waivers, tickets to athletic and performing arts events for family members of employees, and other items that are reported as taxable income on the employee's Form W-2 are not earnings, unless those items are a negotiated fringe benefit in lieu of salary. Earnings and basic compensation for an employee who first becomes a participant on or after January 1, 2017 shall not include social club dues or athletic club dues.
- J) Military Differential Wage Payments and Salary Continuation Benefits. For payments made on or after January 1, 2009, differential wage payments, as defined under section 414(u)(12) of the IRC (26 USC 414(u)(12)), and payments to an individual who does not currently perform services for an employer by reason of qualified military service, as defined under section 414(u)(1) of the IRC (26 USC 414(u)(1)), to the extent those payments do not exceed the amounts the individual would have received if the individual had continued to perform services for the employer rather than entering qualified military service, shall be earnings

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and shall be compensation paid or made available during the limitation year for purposes of applying the limitations under section 415 of the IRC.

- K) Retroactive Pay Settlements, Court Settlements or Judgments, or Grievance Arbitration Settlements or Awards. The cash amount for back pay or retroactive pay under a settlement agreement, award or order issued by a court or arbitral body for a disputed termination of employment, suspension or demotion shall be earnings if the agreement, award or order:
- i) Excludes from back pay any non-wage or non-salary items, such as health insurance reimbursements, payments for medical costs, interest awards, attorneys' fees, or damage awards;
 - ii) Specifies the months to which the back pay is allocated and the amount is based on the basic compensation (or a portion thereof) the employee would have otherwise received during those months; and
 - iii) The back pay amounts are paid to the employee within one year after the issuance of the agreement, award or order.
- L) Payment for Unused Vacation Days. Pursuant to Section 15-112(h)(4)(iii) of the Code, payments for unused vacation of up to 56 work days paid upon termination of employment are earnings. Payments for unused vacation days that are paid during employment are not earnings.
- M) Payments made under the Public Employee Disability Act [5 ILCS 345] are not earnings.
- c) Earning History. Certain earnings may be excludable from the "final rate of earnings" determined under Section 15-112 of the Code. Earnings are always attributable to the period when earned, not when paid. SURS reserves the right to reallocate reported earnings to the period when earned, when this is necessary to accurately reflect the employee's earning history.

(Source: Amended at 42 Ill. Reg. _____, effective _____)

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Section 1600.270 Employer Contributions for Benefit Increases Resulting from Earnings Increases Exceeding 6%

Purpose. This Section implements Section 15-155(g), (h), (i), (j) and (k) of the Code. This Section shall not apply to benefits from other retirement systems or pension funds payable under the Retirement Systems Reciprocal Act (Article 20 of the Code).

- a) Calculation of the Employer Cost. This calculation is made when a monthly benefit is calculated from the participant's final rate of earnings (FRE). The "present value of the increase in benefits" described in Section 15-155(g), called the "Employer Cost", will be calculated as follows:
 - 1) The earnings, as defined in Section 15-111 of the Code, for every academic year in the FRE period, as defined in Section 15-112 of the Code, are adjusted on a full-time equivalent basis.
 - A) 48 Month FREs and Partial Academic Years. When the final rate of earnings for a participant is the average annual earnings during the 48 consecutive calendar month period ending with the last day of final termination of employment, any partial academic year at the beginning of the final rate of earnings period will be disregarded.
 - B) Full-Time Equivalent (FTE) Basis
 - i) SURS will adjust earnings from an employer in a manner consistent with the percent time employed reported by the employer.
 - ii) The FTE earnings of an academic year shall equal the total earnings in the academic year divided by the average percent time of employment.
 - C) Earnings credited during periods of service purchased under Sections 15-113.1 through 15-113.7 of the Code shall be determined on a FTE basis.

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- D) For the purpose of Section 15-155(g), earnings do not include payments made under a collective bargaining agreement for unused sick leave or payments made for unused vacation.
- E) For purposes of Section 15-155(g), earnings shall include earnings, to the extent not established by a participant under Section 15-113.11 or 15-113.12, that would have been paid to the participant had the participant not taken periods of voluntary or involuntary furlough occurring on or after July 1, 2015 and on or before June 30, 2017, or periods of voluntary pay reduction in lieu of furlough occurring on or after July 1, 2015 and on or before June 30, 2017. These earnings shall be reported by the employer in the format specified by the System for this purpose.
- 2) The FTE earnings of each academic year in the FRE period are limited to 106% of the previous academic year's FTE earnings to yield the "Capped FTE Earnings" of each academic year.
- 3) The Capped FTE Earnings of each academic year are multiplied by their respective average percent times of employment to yield the "Capped Earnings" for each academic year. The Capped Earnings shall be used to determine the "Capped FRE".
- 4) The "Benefit Increase" shall equal the difference between the FRE and the Capped FRE, multiplied by the number of years of service, and further multiplied by 2.2%.
- 5) The Employer Cost equals the actuarial present value of the Benefit Increase. This actuarial present value calculation will be made by using actuarial tables provided by SURS' actuary from time to time. The actuarial table used will correspond with the type of monthly benefit that is provided to the participant. A single-life annuity table will be used when a traditional benefit package participant has no eligible survivor at the time of retirement. If the participant had employment with more than one employer during the final rate of earnings period, the Employer Cost is calculated for each employer using only the earnings with that employer. However, no Employer Cost will be assessed among multiple, concurrent employers if the increase in total earnings for the concurrent academic year in the FRE period does not exceed 6% over the total earnings of the previous academic year.

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- b) Employer Billing
- 1) Billing. *Whenever it determines that a payment is or may be required under Section 15-155(g), SURS will calculate the amount of the payment and bill the employer for the amount. The bill will specify the calculations used to determine the amount due.*
 - 2) Request for Recalculation. *If the employer disputes the amount of the bill, it may, within 30 days after receipt of the bill, apply to SURS in writing for a recalculation. The application must specify the grounds of the dispute and, if the employer asserts the calculation is subject to Section 15-155(h) or (i), must include an affidavit setting forth and attesting to all facts within the employer's knowledge that are pertinent to the applicability of Section 15-155(h) or (i). Upon receiving a timely application for recalculation, SURS will review the application and, if appropriate, recalculate the amount due.*
 - 3) Payment. *The employer contributions required under Section 15-155(g) may be paid in the form of a lump sum within 90 days after the receipt of the bill. If the employer contributions are not paid within 90 days after receipt of the bill, then interest will be charged at a rate equal to SURS' prescribed rate of interest compounded annually from the 91st day after the receipt of the bill. Payments must be concluded within 3 years after the employer's receipt of the bill. [40 ILCS 5/15-155(g)]*
 - 4) Appeals of the Recalculation. *The employer may appeal a recalculation pursuant to Section 1600.510.*
- c) Exclusions for Earnings Increases Paid on or after June 1, 2005, but before July 1, 2011, under Section 15-155(h)
- 1) Grandfathering. *When assessing payment for any amount due under Section 15-155(g), SURS will exclude earnings increases paid to participants required under contracts or collective bargaining agreements entered into, amended, or renewed before June 1, 2005. [40 ILCS 5/15-155(h)] ~~These~~ Such contracts are "grandfathered". For the purposes of Section 15-155(h):*

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- A) A contract or collective bargaining agreement is "entered into, amended or renewed" on the earliest of the following:
- i) the date the governing body of the employer voted to accept the contract or collective bargaining agreement;
 - ii) the date the contract or collective bargaining agreement was executed in final form by the parties; or
 - iii) the date the parties to the contract or collective bargaining agreement reached a tentative agreement regarding the terms of the contract or collective bargaining agreement, provided that the tentative agreement is subsequently approved by the governing body of the employer on or after June 1, 2005, without any changes to the terms that have the effects described under subsection (c)(1)(B)(i) or (ii).
- B) A contract or collective bargaining agreement will not exclude earnings increases paid under the contract or agreement if the contract or agreement is amended or renegotiated after June 1, 2005 to have the effect of:
- i) increasing the earnings usable for the FRE (except when the increase is the result of a salary reopener provision that was part of the contract or collective bargaining agreement prior to June 1, 2005); or
 - ii) extending the expiration date of the contract (in which case the earnings will be excluded only through the original expiration date of the contract).
- C) Miscellaneous
- i) A contract exception made by an employer for an individual shall disqualify that individual's earnings increases from grandfathering but shall not invalidate the grandfathering for any other persons.
 - ii) A memorandum of understanding between the employer and the collective bargaining unit to increase the credit

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hours available shall not invalidate the contract, but any earnings increases because of the increased credit hours shall not be excluded from the calculation under subsection (a), unless Section 15-155(h) or (i) of the Code applies.

- iii) When a member has given notice to the employer of intent to retire pursuant to the terms of a grandfathered contract or collective bargaining agreement, earnings provided under the contract or collective bargaining agreement shall be excluded so long as the earnings are provided to the member within four years after the expiration date of the contract or collective bargaining agreement.
 - iv) Notwithstanding the other provisions of this subsection (c)(1), earnings paid under a grandfathered contract on or after July 1, 2011 shall not be excluded from earnings under subsection (a).
 - 2) *Earnings 10 Years Prior to Retirement Eligibility. When assessing payment for any amount due under Section 15-155(g) of the Code, SURS will exclude earnings increases paid to a participant at a time when the participant is 10 or more years from retirement eligibility under Section 15-135 of the Code. [40 ILCS 5/15-155(h)] Earnings increases paid in academic years preceding and including the academic year during which the participant was 10 years from attaining earliest retirement eligibility shall be excluded.*
 - 3) **Overloads and Overtime**
 - A) *Earnings increases resulting from overload work, including a contract for summer teaching, or overtime when the employer has certified to SURS, and SURS has approved the certification, that:*
 - i) *in the case of overloads:*
 - *the overload work is for the sole purpose of academic instruction in excess of the standard number of instruction hours for a full-time employee occurring during the academic year that the overload is paid; and*

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- *the earnings increases are equal to or less than the rate of pay for academic instruction computed using the participant's current salary rate and work schedule; and*
 - ii) *in the case of overtime, the overtime was necessary for the educational mission. [40 ILCS 5/15-155(h)]*
 - B) The certification shall be in the form adopted by SURS and be signed by a duly authorized representative of the employer. The certification must be accompanied by supporting documentation as required by the form.
 - C) The standard number of instruction hours for a full-time employee shall be consistent with employer policy in force for the academic year in which the overload earnings were earned.
- 4) Promotions
- A) *When assessing payment for any amount due under Section 15-155(g) of the Code, SURS will exclude earnings increases resulting from:*
 - i) *a promotion for which the employee moves from one classification to a higher classification under the State Universities Civil Service System;*
 - ii) *a promotion in academic rank for a tenured or tenure-track faculty position; or*
 - iii) *a promotion that the Illinois Community College Board has recommended in accordance with Section 15-155(k).*
 - B) *The earnings increases referenced in subsection (c)(4)(A) shall be excluded only if the promotion is to a position that has existed and been filled by a member for no less than one complete academic year and the earnings increase as a result of the promotion is an increase that results in an amount no greater than the average salary paid for other similar positions. [40 ILCS 5/15-155(h)]*

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- C) The employer shall certify that the promotion is to a position that has existed and been filled by a member for no less than one complete academic year and the earnings increase as a result of the promotion is an increase that results in an amount no greater than the average salary paid for other similar positions. The certification shall be in the form adopted by SURS and be signed by a duly authorized representative of the employer. The certification must be accompanied by supporting documentation as required by the form.
- D) The phrase "an amount no greater than the average salary paid for other similar positions" shall mean the midpoint of the salary range for the position or similar positions as most recently approved by the Merit Board of the State Universities Civil Service System or the current average salary paid for tenured or tenure-track faculty positions in the same department, as the case may be.
- d) Exclusions for earnings increases described in Section 15-155(h) of the Code paid on or after July 1, 2011, but before July 1, 2014, under a contract or collective bargaining agreement entered into, amended, or renewed on or after June 1, 2005, but before July 1, 2011, under Section 15-155(i). For the purpose of Section 15-155(i), a contract or collective bargaining agreement is "entered into, amended or renewed" on the earliest of the following:
- 1) the date the governing body of the employer voted to accept the contract or collective bargaining agreement;
 - 2) the date the contract or collective bargaining agreement was executed in final form by the parties; or
 - 3) the date the parties to the contract or collective bargaining agreement reached a tentative agreement regarding the terms of the contract or collective bargaining agreement, provided that the tentative agreement is subsequently approved by the governing body of the employer on or after July 1, 2011 without any changes to the terms that have the effect of extending the expiration date.
- e) The exclusions under subsections (c) and (d) shall not apply to earnings increases paid after June 30, 2014.

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(Source: Amended at 42 Ill. Reg. _____, effective _____)

Section 1600.271 Employer Contributions for Earnings in Excess of the Governor's Salary

- a) Purpose and Applicability. This Section implements Section 15-155(j-5) of the Code. Section 15-155(j-5) and this Section shall not apply to any participant's earnings to the extent the employer pays the employer normal cost for such earnings. For purposes of Section 15-155(j-5), the terms stated in subsections (b) through (i) shall have the meanings ascribed in this Section.
- b) Measurement Year. "Academic year" and "school year" shall mean the 12-month period beginning on July 1 and shall be collectively referred to in this Section as the "measurement year".
- c) Governor's Salary. The "amount of the salary set for the Governor" shall be the salary for the Governor set by law by the General Assembly as of July 1 of the measurement year or, in its absence, the most recent salary for the Governor set by law by the General Assembly.
- d) FTE Earnings. "A participant's earnings for any school year, determined on a full-time equivalent basis" ("FTE earnings") shall equal the total earnings in the measurement year divided by the average of the percent times of employment reported by the employer during the measurement year.
 - 1) The employer shall report percent time with each submission of payroll information duly certified to be correct and in compliance with all applicable State and federal laws pursuant to Section 15-111(c) of the Code.
 - 2) The average percent time calculation shall only take into account periods during which services were actually rendered or periods during which the employee was on an approved leave of absence at a percentage of pay greater than 0% (as adjusted by any voluntary employee contributions made for such periods).
 - 3) Earnings do not include payments made under a collective bargaining agreement for unused sick leave or payments made for unused vacation.

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- e) Excess Earnings. The "amount of earnings in excess of the amount of the salary set for the Governor" ("excess earnings") shall be equal to the difference between the FTE earnings and the Governor's salary as defined in subsection (c) and that difference multiplied by the average percent time described by subsection (d)(2).
- f) Employer Normal Cost. The "employer normal cost" shall mean the employer normal cost described in Section 15-155 of the Code, expressed as a total percentage of payroll, approved by the Board for the measurement year. *This amount shall be computed by the System on the basis of the actuarial assumptions and tables used in the most recent actuarial valuation of the System that is available at the time of the computation. [40 ILCS 5/15-155(j-5)]*
- g) Employer Contribution Amount. The employer contribution amount shall be equal to the excess earnings under subsection (e) multiplied by the employer normal cost percentage under subsection (f).
- h) Multiple or Concurrent Employers. In the event that an employee has been employed by two or more employers during a measurement year, earnings shall be measured and the employer contribution amount shall be calculated on an employer-by-employer basis.
- i) Employer Billing
- 1) Billing. *Whenever it determines that a payment is or may be required under Section 15-155(j-5) of the Code, the System shall calculate the amount of the payment and bill the employer for that amount. The bill shall specify the calculations used to determine the amount due. No bills shall be issued for de minimis employer contribution amounts that are \$25.00 or less. The System shall issue the bill during the September immediately following the end of the measurement year to which the bill relates.*
 - 2) Request for Recalculation. *If the employer disputes the amount of the bill, it may, within 30 days after receipt of the bill, apply to the System in writing for a recalculation. The application must specify in detail the grounds of the dispute. Upon receiving a timely application for recalculation, the System shall review the application and, if appropriate, recalculate the amount due. An employer shall be deemed to have been in receipt of the bill on the date the bill is issued.*

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- 3) Payment. The employer contributions required under this subsection (i) may be paid in the form of a lump sum within 90 days after receipt of the bill. If the employer contributions are not paid within 90 days after receipt of the bill, then interest will be charged at a rate equal to the System's annual actuarially assumed rate of return on investment compounded annually from the 91st day after receipt of the bill. Payments must be concluded within 3 years after the employer's receipt of the bill. [40 ILCS 5/15-155(j-5)]

- 4) Appeals of the Recalculation. The employer may appeal a recalculation pursuant to Section 1600.510.

(Source: Added at 42 Ill. Reg. _____, effective _____)

FEBRUARY COMPLIANCE REPORT (2018)

Report Owner: Compliance Officer		* indicates new requirement/change in requirement			Complete/Next due > 30 days	Due < 30 days	Past Due/Missed	
Department	Report	Filed With	Frequency	Statute/Rule	Last Filed	Next Due	Status	Notes
					EOQ= End of Quarter	EOM=End of Month		
Administration	Travel Exception Report	IHETCB	Quarterly	80 IL 2900.105	1/2/2018	4/30/2018		
Administration	Drivers License & Insurance Certification	U of I	Annual	625 ILCS 5/7-203 & JCAR 44 Sec 5040.500	7/10/2017	6/30/2018		
Administration	Certification of Board Training Requirement	DFPR-Public Pension/Insurance Div	Annual	40 ILCS 5/1/113.18	6/30/2017	6/30/2018		
Administration	Notice of Regularly Scheduled Board Meetings	SURS Lobby and SURS website	Annual	5 ILCS 120.202	Dec-18	Dec-18		
Administration	Oath of Office	Internal	Ad Hoc	40 ILCS 5/15-159(h)	As needed	As needed		
Administration	Disclosure of Appointee Interest in State Contracts	SOS	Ad Hoc	5 ILCS 420/3A.30	As needed	As needed		
Administration	Trustee Indemnification Agreements	Internal & Fiduciary Council	Ad Hoc	40 ILCS 5/1-107 & Board Governance Bylaws 1.1	As needed	As needed		
Administration	iPad User Agreements	Internal	Ad Hoc	Internal Requirement	As needed	As needed		
Audit	Deceased Annuitant Reporting	Internal	Quarterly	30 ILCS 805/8.40	12/26/2017	3/31/2018		
Audit	Fiscal Year Audit Completion Report	Internal - Filed with the Executive Director	Annual	Fiscal Control & Auditing Act	9/1/2017	9/30/2018		
Audit	FCIAA Internal Control Certification	Auditor General	Annual	FCIAA	4/26/2017	5/1/2018		
Audit	Two Year Audit Plan	Internal/ ED approval/A & R Committee	Annual	30 ILCS 10/2003	6/30/2017	6/30/2018		
Audit	Submission of System Audit (due after FY end)	Governor - submitted by SURS and by the	Annual	State Auditing Act and 30 ILCS 5/3-14 and 40 ILCS 5/15-174	FY17 - 1/19/2018	FY18		
Finance	CAFR	Internal	Annual	40 ILCS 5/15-150	12/17/2017	12/31/2018		
Finance	GAAP	Comptroller	Annual (by 10/15)	PA 097-1055/ Financial Reporting Standards Board Act	9/29/2017	9/30/2018		
Finance	Public Accountability Report	Comptroller	Annual (by 10/15)	SAMS	10/13/2017	10/15/2018		
Finance	IRS Form 941-Employer Fed Tax Return Form	IRS	Quarterly	IRS CODE	1/18/2018	4/30/2018		
Finance	IRS Form 945 Annual Return of Withheld Federal Tax	IRS	Annual	IRS Code	1/30/2018	1/30/2019		
Finance	Cash Receipts and Disbursement Reports	Comptroller	Quarterly	SAMS	1/31/2018	4/30/2018		
Finance	Agency Fixed Asset Report	Comptroller	Quarterly	SAMS	1/31/2018	4/30/2018		
Finance	Accounts Receivable	Comptroller	Quarterly	SAMS	1/31/2018	4/30/2018		
Finance	Report on SMP Participation Rate	COGFA	Annual	40 ILCS 5/15	10/21/2016	11/1/2018		
Finance	Cert. of State Contribution and CIP	Governor, CMS, and Comptroller	Annual (final by 1/15)	40 ILCS 5/14A	1/3/2018	1/15/2019		
Finance	Department of Insurance Report	Pension Division of Illinois Dept. of Ins.	Annual	40 ILCS 5/1A-109	12/7/2017	12/31/2018		
Finance	IRS Form 1099R (FIRE)	IRS	Annual	IRS CODE	2/28/2018	2/28/2019		
Finance	IRS 1042: Withholding US income of Foreign Persons	IRS	Annual	IRS CODE	2/28/2017	3/15/2018		
Finance	Report on Voluntary Deductions	Comptroller	Annual (by 3/31)	5 ILCS 340/8	2/6/2017	3/31/2018		
Finance	Comptroller Agency Invoice	Comptroller	Annual	PA 98-0228	9/21/2017	10/1/2018		
Finance	Fee Imposition Report	Comptroller	Annual by 9/1	15 ILCS 405/16.2	7/29/2017	7/31/2018		
Finance	5 year review of 90% funding target	COGFA	5 years	40 ICLS 1-103.3	12/31/2015	12/31/2020		
Finance	Certification of Overpayments	Internal and Board of Trustees	Determined Internally	80 Ill Adm. Code Sec.1600.450	As needed	As needed		
Finance	IRS W-3	IRS	Annual	IRS Code	1/26/2018	1/31/2019		
Finance	Information to COGFA	COGFA	Ad Hoc/At will	40 ILCS 5/22-803	As needed	As needed		
Finance	Debt Transparency Report	Comptroller	Monthly	30 ILCS 105/9.08	2/3/2018	3/10/2018		
Finance/Mem Serv	Fin. Stmt. to Participants/ Serv. Cred Stmt	Annuitants	As requested	40 ILCS 5/15-175	Ongoing	ongoing		
Finance/Mem Serv	Reports to Reciprocals	Recip Systems	As requested	40 ILCS 5/20-126	Ongoing	ongoing		
Human Resources	Separation Report	State Universities Civil Service System	Monthly (w/n 10 days EOM)	Civil Service Rule 250.30	11/15/2017	12/31/2017		
Human Resources	Monthly Wage Report	IDES taxnet Online	Monthly (EXCEPT 1/4/7/10)	IDES PA 97-0689	11/20/2017	12/31/2017		
Human Resources		IDES taxnet Online	Quarterly (1/31, 4/30, 7/31/10/31)	IDES PA 97-0689	1/5/2018	4/30/2018		
Human Resources	Form UI-3/40							
Human Resources	Report of Employee Served	State Universities Civil Service System	Quarterly (w/n 10 days EOQ)	Civil Service Rule 250.30	1/5/2018	4/30/2018		
Human Resources	Exempt Employees Report	State Universities Civil Service System	Quarterly	110 ILCS 70/36€	1/5/2018	4/30/2018		
Human Resources	Occupational Ethnic and Gender Report	State Universities Civil Service System	Quarterly (w/n 10 days EOQ)	Civil Service Rule 250.3.1	1/5/2018	4/30/2018		
Human Resources	Agency Workforce Report	Secretary of State; Office of Governor	Annual	5 ILCS 410/20	12/26/2017	12/31/2018		
Human Resources	TA-2	Legislative Audit Commission	Bi-Annually	St. Fin. Act 30 ILCS 105/12-3	1/12/2018	7/15/2018		
Human Resources	I-9 Eligibility	Internal In File	Ad Hoc w/n 20 days of hire	Dept. Homeland Security	Time of Hire	As needed		
Human Resources	SSA 1945	Internal In File	Ad Hoc w/n 20 days of hire	SSA	Time of Hire	As needed		
Investments	Investment Update Report	Online Surs.org	75 days after month end	Internal procedure - monthly	Nov filed 1/26/18	Dec due 3/31/18		
Investments	Investments Update -Monthly Web Update	Online Surs.org	Monthly (by the 15th)	30 ILCS 237/10 PA 93-049	2/15/2018	3/31/2018		
Investments	Report to Gov. on MWDB Firms/HR/Vendors	Governor	Annual	40 ILCS 5/1-109	12/1/2017	1/1/2019		
Investments	Consultant Report on MWDB searches	SURS Board of Trustees	Annual	40 ILCS 5/1-113.22	Both - 11/20/17	1/1/2019		
Investments	Consultant Report on Economic Opportunities	SURS Board of Trustees	Annual	40 ILCS 5/1-113.23	Both - 11/20/17	1/1/2019		
Investments	Quinquennial Rep. US Owned Foreign Securities**	Federal Reserve Bank	5 years	22 USC Sec 3101	2012	Not required for 2017		*required threshold for reporting not met for 2017
Investments	Restricted Companies Divestiture Reporting*	Illinois Investment Policy Board	Annual	40 ILCS 5/1-110.16	4/1/2017	4/7/2018		
Investments	Illinois Finance Entity/High Risk Home Loan Act Cert.	DFPR-Public Pension/Insurance Div	Annual	40 ILCS 5/1-110.10; PA 95-521	7/19/2017	7/31/2018		
Investments	Invest in Illinois	Governor	Annual	PA 96-0753	8/24/2017	9/1/2018		
Investments	Annual SEC ADV's from Financial managers	SEC	Annual-120 days from FY end S Investment Advisors Act of 194		4/30/2017	4/30/2018		

FEBRUARY COMPLIANCE REPORT (2018)

Investments	Public Disclosure of Investments	SURS.org website	Quarterly	15 ICLS 520	Sept filed 12/6/2017	Dec. due 3/31/2018
Investments	Written Investment Policies	Illinois Department of Insurance	Ad Hoc	40 ILCS 5/1-113.6	As needed	As needed
Investments	IS Policy Exemptions, Forms and Contract Summaries	Illinois Procurement Policy Board	Ad Hoc	40 ILCS 5/1-113.14	As needed	As needed
Investments	Required disclosure for Consultants - MWDB	Internal - Report to Compliance	Annual	40 ILCS 5/1-113.22	12/4/2017	1/1/2019
Investments	Qualified FOF Mgmt. Services Contract Summaries	SURS.org website	Ongoing	40 ILCS 5/1-113.15	As needed	As needed
Legal & Ethics	Ethics Training for Registered Lobbyists	Secretary of State	Annual	25 ILCS 170	2017 Complete	2018
Legal & Ethics	Lobbying Expenditure Report (20th)	Secretary of State	Monthly	25 ILCS 170/6	2/2/2018	3/20/2018
Legal & Ethics	Lobbying Expenditure Report (5th)	Secretary of State	Monthly	25 ILCS 170/6	2/16/2018	4/5/2018
Legal & Ethics	Statement of Economic Interests (Board and Execs)	Secretary of State	Annual	5 ILCS 420/4A-101	5/1/2017	5/1/2018
Legal & Ethics	Annual Ethics Training for Trustees	Internal-Cert of Completion to EO	Annual	5 ILCS 430/5-10	6/30/2017	6/30/2018
Legal & Ethics	Ethics Training Plan/Ethics Training State Employees-Part 1- staff only online	Office of the Inspector General	Annual	5 ILCS 430/5-10	4/17/2017	6/30/2018
Legal & Ethics	ARDC Registration	ARDC	Annual	128 Ill.2d 351, 538 NE 2d 1152	7/31/2017	7/31/2018
Legal & Ethics	FOIA Officer Training & Annual Certification	IAG	Annual	5 ILCS 140/3.5	Dec-17	12/31/2018
Legal & Ethics	Ethics Officer Designation Notice	IL Executive Ethics Commission	As Needed/Ad Hoc	2 IL 1620.83	As needed	as needed
Legal & Ethics	Revolving Door Policy Sign off	Executive Inspector General	As Needed/Ad Hoc	5 ILCS 430/5-5-45	Time of Hire	As needed
Legal & Ethics	Ex Parte Communications Reports	Executive Ethics Commission	As Needed/Ad Hoc	5 ILCS 430/5-50	9/13/2017	As needed
Legal & Ethics	OMA Trustee Training	IAG	One Time	5 ILCS 120/1.05	current various dates	As needed
Legal & Ethics	QILDRO Forms Electronically Available	SURS.org website	Ongoing requirement	40 ILCS 5/1-119	current	as updated
Legal & Ethics	OMA Officer Training	IAG	Annual	5 ILCS 120/1.05	MPB 12/27/2018	12/31/2018
Legal & Ethics	Annual Completed Ethics Training and Reporting- Staff and Board -online & paper format	OEIG	Annual	5 ILCS 430/5-10	1/24/2018	12/31/2018
Legal & Ethics	Ethics Orientation for State of Illinois Employees-Paper	OEIG	W/n 30 days of hire	5 ILCS 430/5-10	As needed	As needed
Legal & Ethics	Cybersecurity Training for Staff and Trustees	Dept. of Innovation and Technology	Annual	20 ILCS 450/25	NEW	Due by 6/30/18
Legal & Ethics	Sexual Harassment Training for Staff and Trustees	OEIG	Annual	5 ILCS 450/5-10.5	NEW	Calendar Year 2018



100th General Assembly					
Bill Number	Sponsor	Short Title	Short Summary	Notes	Status
NOTE: Statutes Last Updated 2/26/18 at 9:30 AM					
SA #1 to SB 4	Sen. Trotter	State Pension Obligation Acceleration Bonds	Adds language authorizing the Illinois Finance Authority to issue up to \$250 million in State Pension Obligation Acceleration Bonds if the amount appropriated for accelerated pension benefit payments is less than the amount required for those payments. Creates a continuing appropriation for the payment of principal and interest due on State Pension Obligation Acceleration Bonds.		Amendment Tabled on 5/17/17
SA #2 to SB 4	Sen. Trotter	State Pension Obligation Acceleration Bonds	Adds language authorizing the Illinois Finance Authority to issue up to \$250 million in State Pension Obligation Acceleration Bonds if the amount appropriated for accelerated pension benefit payments is less than the amount required for those payments. Creates a continuing appropriation for the payment of principal and interest due on State Pension Obligation Acceleration Bonds.	Identical to SA #1 to SB 4 (Sen. Trotter)	Amendment Tabled on 5/17/17
SB 6 (ENRL)	Sen. Steans (Rep. G. Harris)	FY 2018 Budget	Appropriates \$1,587,985,000 to SURS for the State contribution for FY 2018 (\$1,372,985,000 from the General Revenue Fund and \$215,000,000 from the State Pensions Fund). The FY 2018 certified State contribution to SURS is \$1,753,685,000. Appropriates \$4,133,336 from the Education Assistance Fund to the College Insurance Program ("CIP") for FY 2018. This amount is equal to the certified State contribution to CIP for FY 2018.		Became Public Act 100-0021 on 7/6/17 (Senate Override: 39-15-0; House Override: 74-37-0)
SB 11	Sen. J. Cullerton	Pension Reform	Requires Tier I employees to choose between: (1) accepting a reduced and delayed COLA; or (2) keeping the Tier I COLA. Tier I employees who choose to accept the reduced and delayed COLA will have future earnings increases count towards their pensions, pay reduced employee contributions moving forward, and receive a payment equal to 10% of their employee contributions prior to the date of the election. Tier I employees who choose to keep the Tier I COLA will not have future earnings increases count towards their pensions. Creates an accelerated pension benefit payment option for up to 10% of eligible SURS members each year. Creates a voluntary defined contribution plan for up to 5% of Tier I employees. Requires the State contribution to be based on total payroll (including payroll that is not pensionable). Phases-in changes in actuarial and investment assumptions over a 5-year period. Requires the FY 2018 and FY 2019 State contributions to be recertified based on the changes in the legislation. Requires employers to pay the present value of any benefit increases attributable to earnings increases above CPI-U during the final rate of earnings period. Requires employers to pay a contribution to SURS for the portion of earnings in excess of \$140,000.	\$250 million worth of bonds for buyout	Lost on 3rd Reading in the Senate (18-29-10) on 2/8/17

100th General Assembly					
Bill Number	Sponsor	Short Title	Short Summary	Notes	Status
NOTE: Statuses Last Updated 2/26/18 at 9:30 AM					
SB 16 (ENGR)	Sen. J. Cullerton (Rep. Durkin)	Pension Reform	Creates an optional hybrid plan for new members. Allows new members to elect to participate in Tier II. Requires Tier I employees to choose between: (1) accepting a reduced and delayed COLA; or (2) keeping the Tier I COLA. Tier I employees who choose to accept the reduced and delayed COLA will have future earnings increases count towards their pensions, pay reduced employee contributions moving forward, and receive a payment equal to 10% of their employee contributions prior to the date of the election. Tier I employees who choose to keep the Tier I COLA will not have future earnings increases count towards their pensions. Creates an accelerated pension benefit payment option for up to 10% of eligible SURS members each year. Creates a voluntary defined contribution plan for up to 5% of Tier I employees. Requires the State contribution to be based on total payroll (including payroll that is not pensionable). Phases-in changes in actuarial and investment assumptions over a 5-year period. Requires the FY 2018 and FY 2019 State contributions to be recertified based on the changes in the legislation. Requires employers to pay the present value of any benefit increases attributable to earnings increases above CPI-U during the final rate of earnings period. Requires employers to pay a contribution to SURS for the portion of earnings in excess of \$140,000.	\$250 million worth of bonds for buyout	House Re-Referred to Rules Committee on 5/31/17; Passed the Senate 31-21-0 on 5/17/17
SB 42 (ENRL)	Sen. Trotter (Rep. G. Harris)	FY 2018 Budget Implementation Act	Authorizes the use of money in the State Pensions Fund as part of the FY 2018 State contribution to SURS. Creates an optional hybrid plan for: new participants of SURS on or after the implementation date of the optional hybrid plan; and current Tier II participants who irrevocably elect to participate in the optional hybrid plan. Requires the State to make additional contributions in FY 2018, FY 2019, and FY 2020 equal to 2% of the total payroll for each employee who participates in the optional hybrid plan or who participates in the Tier II plan in lieu of the optional hybrid plan. Requires prospective and retroactive smoothing of any changes in actuarial assumptions made to the State contribution since FY 2014. Requires recertification of the FY 2018 State contribution. Requires the employer to contribute the employer normal cost of the defined benefits of optional hybrid plan participants and participants who would have been in the optional hybrid plan but elected to participate in the Tier II plan, beginning in FY 2018. Requires the employer to pay the unfunded liability of the defined benefits of optional hybrid plan participants, participants who would have been in the optional hybrid plan but elected to participate in the Tier II plan, and participants who currently participate in the Tier II plan but elect to participate in the optional hybrid plan, beginning in FY 2018. Requires the employer to pay a 2% surcharge for optional hybrid plan participants and participants who would have been in the optional hybrid plan but elected to participate in the Tier II plan, beginning in FY 2021. Requires the employer to pay the employer normal cost of the portion of an employee's earnings that exceeds the amount of salary set for the Governor, for academic years beginning on or after July 1, 2017.		Became Public Act 100-0023 on 7/6/17 (Senate Override: 36-18-0; House Override: 71-41-0)
SA #1 to SB 363	Sen. Morrison	No Pensions for Private Employment	Prospectively prohibits a person from becoming a member or participant in any pension fund or retirement system with respect to private employment. Prohibits a person who first becomes a participant or member of a public pension fund or retirement system on or after the effective date of the legislation from establishing service credit under that fund or system with respect to private employment.		Senate Re-Referred to Assignments Committee on 8/4/17

100th General Assembly					
Bill Number	Sponsor	Short Title	Short Summary	Notes	Status
NOTE: Statuses Last Updated 2/26/18 at 9:30 AM					
SB 402 (ENRL)	Sen. J. Cullerton (Rep. Madigan)	Sexual Harassment Reforms	Establishes that all persons have a right to work in an environment free from sexual harassment. Prohibits the sexual harassment of any person, regardless of any employment relationship or lack thereof. Requires personnel policies to include: prohibitions on sexual harassment; processes for reporting allegations of sexual harassment; prohibitions on retaliation for reporting allegations of sexual harassment; the consequences of a violation of the prohibition on sexual harassment; and the consequences of filing a false report alleging sexual harassment. Requires each officer, member, employee, and each natural person required to register as a lobbyist to complete, at least annually, a sexual harassment training program. Imposes penalties for a violation of the prohibition on sexual harassment. Creates a hotline to report sexual harassment.		Became Public Act 100-0554 on 11/16/17 (Senate: 55-0-0; House: 117-0-0)
SB 654 (ENGR)	Sen. Biss (Rep. Nekritz)	SURS Administrative and Technical Corrections	Authorizes SURS to issue subpoenas in connection with an attempt to obtain information to assist in the collection of sums due to the System, all personal identifying information necessary for the administration of benefits, and the determination of the death of a benefit recipient or a potential benefit recipient. Codifies longstanding practices related to the administration of disability benefits and disability retirement annuities.	Identical to HB 368 (Rep. Nekritz)	House Referred to Rules Committee on 5/9/17; Passed the Senate 47-0-0 on 5/5/17
SB 662	Sen. Hastings	Pension Buyout Act	Creates the Pension Buyout Act. Authorizes the Illinois Department of Central Management Services to enter into contracts with approved vendors to provide lump-sum payments to eligible SURS retirees pursuant to a pension buyout option. An eligible SURS retiree who elects a pension buyout option relinquishes all rights and benefits under the Illinois Pension Code in exchange for a lump-sum payment equal to the present value of his or her retirement annuity under SURS. Eligible SURS retirees who elect to participate in a pension buyout option will receive any applicable retiree health insurance benefits.	\$500 million worth of bonds for buyout	Senate Re-Referred to Assignments Committee on 5/5/17
SB 778	Sen. Biss	FOIA - Alternative Investment Contracts	Establishes that the texts of new agreements entered into by a public pension fund or retirement system after January 1, 2018 to invest in a private equity fund, hedge fund, or absolute return fund are not exempt from disclosure under the Freedom of Information Act. However, trade secrets contained in the texts of such new agreements remain exempt under the Freedom of Information Act.		Senate Re-Referred to Assignments Committee on 8/4/17
SB 779 (ENGR)	Sen. Biss (Rep. Martwick)	Alternative Investment Fund Contract and Fee Transparency	Requires all pension funds, retirement systems, and investment boards to disclose the following information for each alternative investment fund: (1) all management fee waiver provisions; (2) all indemnification provisions; (3) all clawback provisions; and (4) the cover page and signature block of the agreement. Requires all pension funds, retirement systems, and investment boards to require their alternative investment fund external managers and general partners to disclose the following information annually for each alternative investment fund: (1) direct fees and expenses; (2) all other fees and expenses, including carried interest; (3) the amount of all management fee waivers; and (4) the total amount of portfolio holding fees. Disclosure of fee information may be satisfied by the completion of the Institutional Limited Partners Association ("ILPA") template for the relevant category of investment for the applicable year.	Similar to HA #1 to HB 163 (Rep. Halpin)	House Re-Referred to Rules Committee on 11/10/17; Passed the Senate 34-19-0 on 5/29/17

100th General Assembly					
Bill Number	Sponsor	Short Title	Short Summary	Notes	Status
NOTE: Statutes Last Updated 2/26/18 at 9:30 AM					
HA #1 to SB 779	Rep. Currie	Shell Amendment	Deletes the provisions of the engrossed bill.		Amendment Tabled on 11/7/17
HA #2 to SB 779	Rep. Martwick	Public Act 100-0023 Trailer Bill – Omnibus	Enables SURS to comply with IRS requirements when developing the defined contribution portion of the Optional Hybrid Plan created under Public Act 100-0023. Makes technical and administrative changes, codifies existing practices, and provides fiduciary protections to permit the implementation of Public Act 100-0023.		Adopted in House Personnel and Pensions Committee on 11/7/17
SB 896 (ENGR)	Sen. Althoff (Rep. Parkhurst)	Survivors Felony Forfeiture	Prohibits any benefits from being paid to a person who otherwise would receive a survivor benefit but is convicted of a felony relating to, arising out of, or in connection with the service of the employee from whom the benefit results. Applies to participants who enter service after the effective date of the legislation.	Identical to HB 350 as Introduced (Rep. McSweeney)	House Referred to Rules Committee on 4/27/17; Passed the Senate 57-0-0 on 4/26/17
SA #1 to SB 1012	Sen. Righter	Tier III Defined Contribution Plan	Requires SURS to prepare and implement a Tier III Defined Contribution Plan for new members on or after July 1, 2018 and for Tier I and Tier II members who elect to participate in the Tier III Defined Contribution Plan.	Identical to the Tier III DC Plan in HB 2405 (Rep. Ives)	Senate Re-Referred to Assignments Committee on 8/4/17
SA #2 to SB 1012	Sen. Righter	Tier III Defined Contribution Plan	Requires SURS to prepare and implement a Tier III Defined Contribution Plan for new members on or after July 1, 2018 and for Tier I and Tier II members who elect to participate in the Tier III Defined Contribution Plan. Requires the Tier III Defined Contribution Plan to use the framework of the existing Self-Managed Plan.	Similar to the Tier III DC Plan in HB 4057 (Rep. Ives)	Senate Re-Referred to Assignments Committee on 8/4/17
SB 1345 (ENRL)	Sen. Trotter (Rep. Martwick)	Public Act 100-0023 Trailer Bill – Tier Clarification	Clarifies that individuals who first become members of SURS on or after January 1, 2011 and prior to the implementation date of the Optional Hybrid Plan will participate in SURS as Tier 2 members.		Became Public Act 100-0563 on 12/08/17 (Senate: 43-5-0; House: 116-0-0)
SB 1714 (ENRL)	Sen. Clayborne (Rep. Turner)	Investment Consultant Disclosures	Requires investment consultants to make certain disclosures related to searches for investment services. Prohibits the board from awarding a contract without receiving these disclosures and requires the Board to consider these disclosures prior to the award of a contract. Requires investment consultants to disclose all compensation and economic opportunity received in the last 24 months by investment advisors retained by the Board. Requires investment consultants to disclose any compensation or economic opportunity received in the last 24 months by an investment advisor that is recommended for selection by the consultant. Prohibits a board from awarding a contract without receiving these disclosures.		Became Public Act 100-0542 on 11/9/17 (Senate Override: 52-0-0; House Override: 109-0-0)

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Bill Number	Sponsor	Short Title	Short Summary	Notes	Status
NOTE: Statuses Last Updated 2/26/18 at 9:30 AM					
SB 1798	Sen. Hastings	No Investments in Expatriated Entities	Prohibits the state-funded retirement systems from investing in expatriated entities. Authorizes the state-funded retirement systems to use shareholder activism prior to divestment.	Nearly Identical to HB 3419 (Rep. Andrade)	Senate Re-Referred to Assignments Committee on 8/4/17
SB 1801	Sen. Brady	Supplemental Defined Contribution Plan	Requires the SURS Board of Trustees to establish and maintain a defined contribution plan to address the retirement preparedness gap for participants in a defined benefit plan who are not on track to maintain their standard of living in retirement.	Identical to HB 3867 (Rep. Morrison)	Senate Referred to Assignments Committee on 2/9/17
SB 1820	Sen. McConchie	Full and Partial Accelerated Pension Benefit Payment Options	Authorizes an eligible person to irrevocably elect to receive an accelerated pension benefit payment, beginning January 1, 2018. The accelerated pension benefit payment consists of a one-time lump sum payment equal to 70 percent of the net present value of the eligible person's pension benefits in lieu of receiving any pension benefit from SURS. The accelerated pension benefit payment must be rolled into another retirement plan or account qualified under the Internal Revenue Code of 1986, as amended. Authorizes an eligible person to make a written election to receive a partial accelerated pension benefit payment in exchange for a reduction in pension benefits, beginning January 1, 2018. In the written election, the eligible person must specify the percentage by which pension benefits are reduced. However, an eligible person may not elect a percentage reduction of his or her pension benefits that would result in a partial accelerated pension benefit payment of less than \$50,000. The partial accelerated pension benefit payment consists of a one-time lump sum payment equal to 70 percent of the elected percentage of the net present value of the eligible person's pension benefits.	\$250 million worth of bonds for buyout	Senate Referred to Assignments Committee on 2/9/17
SB 2063	Sen. Brady	Unbalanced Budget Response Act	Creates the Unbalanced Budget Response Act. Authorizes the Governor to designate a contingency reserve to balance the budget. Allows the contingency reserve to consist of amounts appropriated from funds held by the State Treasurer to any agency for Fiscal Year 2017 and Fiscal Year 2018, including amounts appropriated under a statutory continuing appropriation (except for debt service, General State Aid, and early childhood education). Authorizes the Governor to delay payments under any statutory continuing appropriation, except for payments of debt service, for Fiscal Year 2017 and Fiscal Year 2018. Provides that any payment so delayed may be paid out of the next fiscal year's appropriation.	Identical to HB 3868 (Rep. Durkin)	Senate Re-Referred to Assignments Committee on 3/17/17
SB 2091	Sen. Sandoval	No Investments in Businesses that Build A Border Wall	Prohibits the state-funded retirement systems from investing in businesses that enter into a contract with the federal government for the purpose of building a wall along the border of Mexico and the United States of America.	Similar to HB 3061 (Rep. Guzzardi)	Senate Re-Referred to Assignments Committee on 5/5/17

100th General Assembly					
Bill Number	Sponsor	Short Title	Short Summary	Notes	Status
NOTE: Statuses Last Updated 2/26/18 at 9:30 AM					
SB 2164	Sen. Brady	FY 2018 Governor Introduced Budget	Appropriates \$1,461,685,000 for the annual required State contribution to SURS for Fiscal Year 2018. Of this amount, \$1,321,685,000 comes from the General Revenue Fund, and \$140,000,000 comes from the State Pensions Fund. The certified Fiscal Year 2018 State contribution to SURS is \$1,753,685,000. Appropriates \$0 from the Education Assistance Fund for the State contribution to the College Insurance Program ("CIP") for Fiscal Year 2018. The certified Fiscal Year 2018 State contribution to CIP is \$4,133,336.	Identical to HB 3926 (Rep. Durkin)	Senate Referred to Assignments Committee on 2/22/17
SB 2172	Sen. Connelly	Pension Reform	Creates an optional Hybrid Plan for new members. Allows new members to elect to participate in Tier II. Creates an accelerated pension benefit payment option for up to 10% of eligible SURS members each year. Creates a voluntary defined contribution plan for up to 5% of Tier I employees. Requires the State contribution to be based on total payroll (including payroll that is not pensionable). Phases-in changes in actuarial and investment assumptions over a 5-year period. Requires the FY 2018 State contribution to be recertified based on the changes in the legislation. Requires employers to pay the present value of any benefit increases attributable to earnings increases above CPI-U during the final rate of earnings period. Requires employers to pay a contribution to SURS for the portion of earnings in excess of \$140,000.	\$250 million worth of bonds for buyout	Senate Re-Referred to Assignments Committee on 4/7/17
SB 2173	Sen. Connelly	Pension Reform	Requires Tier I employees to choose between: (1) accepting a reduced and delayed COLA; or (2) keeping the Tier I COLA. Tier I employees who choose to accept the reduced and delayed COLA will have future earnings increases count towards their pensions, pay reduced employee contributions moving forward, and receive a payment equal to 10% of their employee contributions prior to the date of the election. Tier I employees who choose to keep the Tier I COLA will not have future earnings increases count towards their pensions. Requires the FY 2019 State contribution to be recertified based on the changes in the legislation.		Senate Re-Referred to Assignments Committee on 4/7/17
SB 2181	Sen. Brady	FY 2017 and FY 2018 Budget Implementation Act	Creates the FY 2017 and FY 2018 Budget Implementation Act. Authorizes the use of money in the State Pensions Fund as part of the annual required State contribution to SURS for FY 2018. Ends the continuing appropriation for the College Insurance Program ("CIP"). Establishes a state spending limitation for FY 2018 to FY 2022 of \$36 billion annually, except for: (1) increases over amounts appropriated in FY 2018 as required by certifications of the state-funded retirement systems; (2) increases over amounts transferred in FY 2018 under the General Obligation Bond Act; or (3) increases over payments made in FY 2018 to cover state obligations of the State Employee Group Insurance Act of 1971. Provides that if the Auditor General reports that spending has exceeded the limitation and if the Governor has not been presented with a bill or bills passed by the General Assembly to reduce spending to a level that does not exceed the limitation, then the Governor may reduce spending by designating amounts to be set aside as a reserve from the amounts appropriated from the state general funds for all boards, commissions, agencies, institutions, authorities, colleges, universities, and bodies politic and corporate of the state (except for constitutional officers, the legislative and judicial branch, the Office of the Executive Inspector General, or the Executive Ethics Commission). Provides that the amounts placed in reserves cannot be transferred, obligated, encumbered, expended, or otherwise committed unless so authorized by law.		Senate Referred to Assignments Committee on 3/28/17

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Bill Number	Sponsor	Short Title	Short Summary	Notes	Status
NOTE: Statuses Last Updated 2/26/18 at 9:30 AM					
SB 2182	Sen. Brady	FY 2017 and FY 2018 Budget	Appropriates \$1,481,426,000 from the General Revenue Fund to SURS as part of the annual required State contribution for Fiscal Year 2017. Appropriates \$4,309,111 from the General Revenue Fund for the College Insurance Program ("CIP") for Fiscal Year 2017. Appropriates \$1,461,685,000 to SURS as part of the annual required State contribution for Fiscal Year 2018 (\$1,306,685,000 from the General Revenue Fund and \$155,000,000 from the State Pensions Fund). Appropriates \$3,307,000 from the General Revenue Fund for the College Insurance Program ("CIP") for Fiscal Year 2018.		Senate Referred to Assignments Committee on 3/28/17
SB 2194	Sen. Brady	Pension Reform	Requires Tier I employees to choose between: (1) accepting a reduced and delayed COLA; or (2) keeping the Tier I COLA. Tier I employees who choose to accept the reduced and delayed COLA will have future earnings increases count towards their pensions, pay reduced employee contributions moving forward, and receive a payment equal to 10% of their employee contributions prior to the date of the election. Tier I employees who choose to keep the Tier I COLA will not have future earnings increases count towards their pensions. Requires the FY 2019 State contribution to be recertified based on the changes in the legislation.		Senate Re-Referred to Assignments Committee on 8/4/17
SB 2195	Sen. Brady	Pension Reform	Creates an optional hybrid plan for new members. Allows new members to elect to participate in Tier II. Creates an accelerated pension benefit payment option for up to 10% of eligible SURS members each year. Creates a voluntary defined contribution plan for up to 5% of Tier I employees. Requires the State contribution to be based on total payroll (including payroll that is not pensionable). Phases-in changes in actuarial and investment assumptions over a 5-year period. Requires the FY 2018 State contribution to be recertified based on the changes in the legislation. Requires employers to pay the present value of any benefit increases attributable to earnings increases above CPI-U during the final rate of earnings period. Requires employers to pay a contribution to SURS for the portion of earnings in excess of \$140,000.		Senate Re-Referred to Assignments Committee on 8/4/17
SB 2197	Sen. McCarter	SURS Normal Cost Shift	Requires the actual employer to pay the full employer's normal cost of the benefits earned by its employees to SURS on a payroll-by-payroll basis. Sets the employer normal cost rate as a percentage of earnings determined by SURS on a system-wide basis and certified by SURS to all employers for use in the applicable fiscal year. Requires recalculation and recertification of the required State contribution for the current fiscal year based on this change.		Senate Referred to Assignments Committee on 4/27/17
SB 2198	Sen. Oberweis	Re-Issuance of Bonds to Retire FY 2011 Pension Bonds	Authorizes the re-issuance of \$2.2 billion worth of General Obligation Bonds to retire outstanding bonds issued to finance the Fiscal Year 2011 State contribution to the State-funded retirement systems.		Senate Re-Referred to Assignments Committee on 5/12/17

100th General Assembly					
Bill Number	Sponsor	Short Title	Short Summary	Notes	Status
NOTE: Statutes Last Updated 2/26/18 at 9:30 AM					
SB 2205	Sen. McCarter	State Pension Obligation Acceleration Bonds	Authorizes the Illinois Finance Authority to issue up to \$250 million in State Pension Obligation Acceleration Bonds if the amount appropriated for accelerated pension benefit payments is less than the amount required for those payments. Creates a continuing appropriation for the payment of principal and interest due on State Pension Obligation Acceleration Bonds. Authorizes the State to issue up to \$7 billion worth of State General Obligation Restructuring Bonds for the purpose of paying vouchers (bills) incurred by the State prior to July 1, 2017. Limits state general funds spending for Fiscal Year 2018 through Fiscal Year 2025 to \$31.374 billion annually. Provides that if the Auditor General reports that spending has exceeded the limitation for the fiscal year, and if the General Assembly does not pass legislation to reduce spending to a level at or below the limitation, then the Governor may designate amounts to be set aside as a reserve from the amounts appropriated from the state general funds for all boards, commissions, agencies, institutions, authorities, colleges, universities, and bodies politic and corporate of the State (but not other constitutional officers, the legislative or judicial branch, the Office of the Executive Inspector General, or the Executive Ethics Commission).	\$250 million worth of bonds for buyout	Senate Referred to Assignments Committee on 4/27/17
SB 2214	Sen. Brady	FY 2017 and FY 2018 Budget	Appropriates \$1,481,426,000 from the General Revenue Fund as part of the FY 2017 State contribution to SURS. Appropriates \$4,309,111 from the General Revenue Fund for the FY 2017 State contribution to CIP. Appropriates \$1,461,685,000 for the FY 2018 State contribution to SURS. (Of this amount, \$1,306,685,000 comes from the General Revenue Fund and \$155,000,000 comes from the State Pensions Fund.) Appropriates \$2,755,000 from the General Revenue Fund for the FY 2018 State contribution to CIP.		Senate Referred to Assignments Committee on 6/15/17

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Bill Number	Sponsor	Short Title	Short Summary	Notes	Status
NOTE: Statutes Last Updated 2/26/18 at 9:30 AM					
SB 2217	Sen. Brady	FY 2017 and FY 2018 Budget Implementation Act	Creates the FY2017 and FY 2018 Budget Implementation Act. Extends the lapse period for FY 2017 until December 31, 2017. Authorizes the Governor to designate a contingency reserve from the amounts appropriated from funds held by the Treasurer for fiscal years 2018 through 2021 to any agency. Prohibits the Governor from designating a contingency reserve from amounts that have been appropriated: (1) for payment of debt service; (2) to the State Board of Education for evidence-based funding to the common schools; (3) to the State Board of Education for grants or aid for early childhood education; (4) for contributions to the State-funded retirement systems; or (5) to the Attorney General, Secretary of State, Treasurer, Comptroller, or any legislative or judicial branch agency or office. Authorizes the use of money in the State Pensions Fund as part of the FY 2018 State contribution to SURS. Ends the continuing appropriation for the College Insurance Program at the end of Fiscal Year 2017. Establishes the State spending limitation for fiscal years 2018 through 2022 as \$36 billion, except for: (1) increases over amounts as required to be paid to the State-funded retirement systems; (2) increases in amounts required to be transferred for the payment of principal and interest on bonds under the General Obligation Bond Act; or (3) increases in payments to the Health Insurance Reserve Fund necessary to cover state obligations of the State Employees Group Insurance Act of 1971. Provides that if State spending exceeds the limitation and if the Governor has not been presented with a bill or bills passed by the General Assembly to reduce State spending, the Governor may designate a reserve from the amounts appropriated from the State general funds for all boards, commissions, agencies, institutions, authorities, colleges, universities, and bodies politic and corporate of the State, but not other constitutional officers, the legislative or judicial branch, the office of the Executive Inspector General, or the Executive Ethics Commission. Prohibits amounts placed in reserves from being transferred, obligated, encumbered, expended, or otherwise committed unless so authorized by law. Establishes the FY 2018 State contribution to SURS as \$1,461,685,000.		Senate Referred to Assignments Committee on 6/15/17
SB 2954	Sen. Aquino	SURS Comptroller Intercept	Enhances SURS' ability to obtain delinquent employer payments that are owed under the law by intercepting them through the State Comptroller and/or the county treasurer for the county in which the employer is located.	Identical to HB 4684 (Rep. Martwick)	Senate Assigned to Licensed Activities and Pensions Committee on 2/21/18
SB 3046	Sen. Manar	College Insurance Program – Opt-Out	Authorizes eligible benefit recipients and dependent beneficiaries to elect not to participate in the Teachers' Retiree Health Insurance Program and the College Insurance Program, as applicable.		Senate Assigned to State Government Committee on 2/21/18

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Bill Number	Sponsor	Short Title	Short Summary	Notes	Status
NOTE: Statuses Last Updated 2/26/18 at 9:30 AM					
SB 3073	Sen. Schimpf	Accelerated Pension Benefit Payment Option	Creates an accelerated pension benefit payment option for up to 10% of eligible SURS members each year. Gives each eligible person the opportunity to elect to receive an accelerated pension benefit payment equal to 70 percent of the net present value of his or her pension benefits in lieu of receiving any pension benefit from SURS.	\$250 million worth of bonds for buyout	Senate Assigned to Licensed Activities and Pensions Committee on 2/21/18
SB 3382	Sen. Brady	FY 2019 Governor Introduced Budget	Ap propriates \$1,554,498,000 for the annual required State contribution to SURS for Fiscal Year 2019. Of this amount, \$1,414,498,000 is appropriated from the General Revenue Fund, and \$140,000,000 is appropriated from the State Pensions Fund. The certified Fiscal Year 2019 State contribution to SURS is \$1,655,154,000. Appropriates \$0 from the Education Assistance Fund for the State contribution to the College Insurance Program ("CIP") for Fiscal Year 2019. The certified Fiscal Year 2019 State contribution to CIP is \$4,390,811.	Identical to HB 5404 (Rep. Durkin)	Senate Referred to Assignments Committee on 2/16/18
SB 3545	Sen. Manar	No Investments in Major Opioid Manufacturers	Prohibits the State-funded retirement systems from investing in major opioid manufacturers. By July 1, 2019, requires the Illinois Investment Policy Board to make its best efforts to identify all major opioid manufacturers and include those companies in the list of restricted companies distributed to each retirement system for this purpose.		Senate Referred to Assignments Committee on 2/16/18
HA #1 to HB 117	Rep. Crespo	FY 2018 General Services Budget	Appropriates \$1,622,785,000 to SURS for the State contribution for FY 2018 (\$1,407,785,000 from the General Revenue Fund and \$215,000,000 from the State Pensions Fund). The FY 2018 certified State contribution to SURS is \$1,753,685,000. Appropriates \$4,133,336 from the Education Assistance Fund to the College Insurance Program ("CIP") for FY 2018. This amount is equal to the certified State contribution to CIP for FY 2018.	Identical to HA #2 to SB 6 (Rep. G. Harris)	House Re-Referred to Rules Committee on 9/28/17; House Rules Committee Recommends Be Adopted (3-1-0) on 6/29/17
HA #1 to HB 163	Rep. Halpin	Alternative Investment Fund Contract and Fee Transparency	Creates the Investment Transparency Task Force to study, identify best available practices, and make recommendations by January 15, 2018 relating to: (1) disclosure of, and best practices related to, the portions of limited partnership agreements addressing indemnification provisions, clawback provisions, and management fee waivers; and (2) disclosure of fees and expenses incurred, including related fee waivers and portfolio holding fees. If a public pension fund, retirement system, or investment board adopts and implements the recommendations of the Task Force, and the General Assembly does not reject the recommendations of the Task Force by joint resolution during the 100th General Assembly, then the public pension fund, retirement system, or investment board is deemed in compliance with the legislation. However, if the Task Force does not adopt recommendations by January 15, 2018, the General Assembly rejects the recommendations of the Task Force, or the public pension fund, retirement system, or investment board fails to adopt and implement the recommendations of the Task Force, then alternative provisions of the legislation related to items (1) and (2) take effect.	Similar to SB 779 (Sen. Biss)	House Re-Referred to Rules Committee on 4/28/17

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Bill Number	Sponsor	Short Title	Short Summary	Notes	Status
NOTE: Statutes Last Updated 2/26/18 at 9:30 AM					
HB 299 (ENRL)	Rep. Ammons (Sen. Biss)	Return to Work for Affected Annuitants Exemption + SURS Administrative and Technical Corrections	Allows SURS retirees who became affected annuitants between August 1, 2013 and May 31, 2015 and who receive annualized retirement annuities of less than \$10,000 to return to work with a SURS-covered employer without the employer having to pay a contribution to SURS. Authorizes SURS to issue subpoenas in connection with an attempt to obtain information to assist in the collection of sums due to the System, all personal identifying information necessary for the administration of benefits, and the determination of the death of a benefit recipient or a potential benefit recipient. Codifies longstanding practices related to the administration of disability benefits and disability retirement annuities.		Became Public Act 100-0556 on 12/8/17 (House: 115-0-1; Senate: 54-0-0)
HB 315	Rep. Batinick	Accelerated Pension Benefit Payment Option	Requires SURS to offer each eligible person the opportunity to irrevocably elect to receive an accelerated pension benefit payment equal to 70 percent of the net present value of his or her pension benefits in lieu of receiving any pension benefit from SURS. The accelerated pension benefit payment must be rolled over into another retirement plan or account qualified under the Internal Revenue Code of 1986, as amended. Eligible members have between January 1, 2018 and July 1, 2018 to elect the accelerated pension benefit payment. Eligible members who irrevocably elect to receive an accelerated pension benefit payment will receive any applicable retiree health insurance benefits.	\$250 million worth of bonds for buyout	House Re-Referred to Rules Committee on 3/31/17
HB 350 (ENRL)	Rep. McSweeney (Sen. Althoff)	Survivors Felony Forfeiture	Prohibits any benefits from being paid to a person who otherwise would receive a survivor benefit but is convicted of a felony relating to, arising out of, or in connection with the service of the employee from whom the benefit results. Applies to participants who enter service after the effective date of the legislation. Prohibits any benefits from being paid to a person who is convicted of a felony relating to, arising out of, or in connection with a person's service as an employee under SURS. This change applies to individuals who first become participants in SURS on or after the effective date of the legislation.		Became Public Act 100-0334 on 8/25/17 (House 101-0-0; Senate 54-0-0)
HB 368 (ENGR)	Rep. Nekritz (Sen. Biss)	SURS Administrative and Technical Corrections	Authorizes SURS to issue subpoenas in connection with an attempt to obtain information to assist in the collection of sums due to the System, all personal identifying information necessary for the administration of benefits, and the determination of the death of a benefit recipient or a potential benefit recipient. Codifies longstanding practices related to the administration of disability benefits and disability retirement annuities.	Identical to SB 654 (Sen. Biss)	Senate Re-Referred to Assignments Committee on 8/4/17; Passed the House 115-0-1 on 3/7/17
HB 436	Rep. Ives	Tier III Defined Contribution Plan	Requires SURS to prepare and implement a Tier III defined contribution plan by July 1, 2018. Tier I participants and Tier II participants may make a voluntary, irrevocable election to become Tier III participants, stopping participation in the defined benefit plan and starting participation in the defined contribution plan for future service. Tier III participants may also irrevocably elect to terminate all participation in the defined benefit plan. Prohibits payments for unused sick or vacation time from counting towards the pensionable earnings of individuals who first become participants of SURS on or after the effective date of the legislation. Prohibits unused, unpaid sick time from counting towards the service credit of individuals who first become participants of SURS on or after the effective date of the legislation. Allows employees to opt-out of participation in SURS.	Very similar to HB 445 (Rep. Ives) and Nearly Identical to HB 2405 (Rep. Ives)	House Re-Referred to Rules Committee on 3/31/17

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HB 445	Rep. Ives	Tier III Defined Contribution Plan	Requires SURS to prepare and implement a Tier III defined contribution plan by July 1, 2018. Tier I members and Tier II members may make a voluntary, irrevocable election to become Tier III members, stopping participation in the defined benefit plan and starting participation in the defined contribution plan for future service. Tier III members may also irrevocably elect to terminate all participation in the defined benefit plan. Allows employees to opt-out of participation in SURS.	Very similar to HB 436 (Rep. Ives) but does not include prohibitions on sick time and vacation time from counting towards pensions	House Re-Referred to Rules Committee on 3/31/17
HB 669	Rep. Morrison	Alternative Retirement Plan - Local Control of Benefits	Authorizes the board of trustees of a community college district that is an employer covered under SURS to provide an alternative retirement plan, either in addition to or in lieu of the existing retirement plans under SURS, for its eligible new employees. The alternative retirement plan only applies to persons who have not participated in the existing plans under SURS. Participants in an alternative retirement plan are deemed to be participants in SURS.	Identical to HB 3069 (Rep. Morrison)	House Re-Referred to Rules Committee on 3/31/17
HB 671	Rep. Morrison	Employers Pay Pension Costs of Salary Increases above Inflation	Establishes that, for academic years beginning on or after July 1, 2017, if a participant's earnings exceed the amount of his or her earnings with the same employer for the previous academic year by more than the increase in CPI-U for any year during the final rate of earnings period, then the employer must pay the present value of the resulting increase in benefits to SURS. Earnings increases under contracts or collective bargaining agreements entered into, amended, or renewed before the effective date of the legislation are exempt.	Identical to HB 3175 (Rep. Sauer)	House Re-Referred to Rules Committee on 3/31/17
HB 775	Rep. Lilly	Climate Change Risk Minimization Policy	Requires each pension fund and retirement system (except for downstate policemen's and firefighters' pension funds) to develop a climate change risk minimization policy by December 31, 2018. If the retirement system or pension fund determines that increasing climate change poses a significant financial risk to its long-term value, then it may develop a policy on voting for shareholder resolutions and directors to advance corporate policies that minimize the long-term risk to assets from increased climate change.		House Re-Referred to Rules Committee on 3/31/17
HB 2371 (ENRL)	Rep. Welch (Sen. Hunter)	Cybersecurity Training	Requires every employee to annually undergo training by the Department of Innovation and Technology concerning cybersecurity. Establishes that the training may include, but need not be limited to, detecting phishing scams, preventing spyware infections and identity theft, and preventing and responding to data breaches.		Became Public Act 100-0040 on 8/8/17 (House: 107-0-0; Senate: 54-0-0)

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Bill Number	Sponsor	Short Title	Short Summary	Notes	Status
NOTE: Statuses Last Updated 2/26/18 at 9:30 AM					
HB 2405	Rep. Ives	Tier III Defined Contribution Plan	Requires SURS to prepare and implement a Tier III defined contribution plan for new participants by July 1, 2018. Tier I participants and Tier II participants may make a voluntary, irrevocable election to become Tier III participants, stopping participation in the defined benefit plan and starting participation in the defined contribution plan for future service. Tier III participants may also irrevocably elect to terminate all participation in the defined benefit plan. Prohibits payments for unused sick or vacation time from counting towards the pensionable earnings of individuals who first become participants of SURS on or after the effective date of the legislation. Prohibits unused, unpaid sick time from counting towards the service credit of individuals who first become participants of SURS on or after the effective date of the legislation. Allows an employee to opt-out of participation in SURS.	Nearly Identical to HB 436 (Rep. Ives) but requires all persons who first become participants in SURS on or after July 1, 2018 to participate in the Tier III defined contribution plan	House Re-Referred to Rules Committee on 3/31/17
HB 2491	Rep. Bennett	QILDRO Calculations	Establishes that, for a QILDRO issued after January 1, 2018, the member's salary on the date the QILDRO was issued is the salary that must be used to calculate the amount of the benefit under the QILDRO.		House Re-Referred to Rules Committee on 3/31/17
HB 2707	Rep. Wehrli	Smoothing of Changes in Actuarial Assumptions	Requires any change in the actuarial assumptions that increases or decreases the required State contribution, including a change in assumed investment returns or mortality rates, that first applies in State Fiscal Year 2016 or thereafter, to be phased-in over a 5-year period beginning in the State Fiscal Year in which the actuarial change first applies or Fiscal Year 2018, whichever is later. Requires recertification of the State contribution for Fiscal Year 2018.		House Re-Referred to Rules Committee on 3/31/17
HA #1 to HB 2707	Rep. Wehrli	Smoothing of Changes in Actuarial Assumptions	Changes the 5-year smoothing requirement to a 3-year smoothing requirement.		House Re-Referred to Rules Committee on 3/31/17
HB 2758	Rep. Sosnowski	Overtime Pay Not Included in Pensions	Prohibits pay to a participant in any pension fund or retirement system under the Illinois Pension Code for overtime performed on or after July 1, 2017 from being considered as pensionable salary, earnings, or compensation.		House Re-Referred to Rules Committee on 3/31
HB 2759	Rep. Sosnowski	Pensions Suspended During Reemployment	Requires a retirement annuity to be suspended during employment for any person who first becomes a member or participant of a pension fund or retirement system on or after January 1, 2018, is receiving a retirement annuity under that system or fund, and becomes a member or participant under any other system or fund based on full-time employment. Requires the person's retirement annuity to resume (after recalculation, if necessary) upon termination of that employment.		House Re-Referred to Rules Committee on 3/31/17
HB 2760	Rep. Sosnowski	Self-Managed Plan Transfers to In-Plan Roth Accounts	Requires all employees under the Self-Managed Plan to be provided options to establish, contribute to, and transfer any guaranteed or vested portion of their accounts, on any day, into qualified in-plan Roth accounts, without distribution.		House Re-Referred to Rules Committee on 3/31/17

100th General Assembly					
Bill Number	Sponsor	Short Title	Short Summary	Notes	Status
NOTE: Statuses Last Updated 2/26/18 at 9:30 AM					
HB 2902	Rep. Fortner	Buyout Option + Tier III	Authorizes the Illinois Department of Central Management Services to enter into contracts with approved vendors to provide lump sum payments to eligible retirees pursuant to a pension buyout option. A pension buyout option is a plan that authorizes an eligible retiree to relinquish all service credit, rights, and benefits under SURS in exchange for a lump sum payment equal to the present value of his or her retirement annuity. Requires SURS to prepare and implement a Tier III defined contribution plan by July 1, 2018.	\$500 million worth of bonds for buyout	House Re-Referred to Rules Committee on 3/31/17
HB 2903	Rep. Fortner	Buyout Option + Tier III	Authorizes the Illinois Department of Central Management Services to enter into contracts with approved vendors to provide lump sum payments to eligible retirees pursuant to a pension buyout option. A pension buyout option is a plan that authorizes an eligible retiree to relinquish all service credit, rights, and benefits under SURS in exchange for a lump sum payment equal to the present value of his or her retirement annuity. Requires SURS to prepare and implement a Tier III defined contribution plan by July 1, 2018.	\$500 million worth of bonds for buyout; Nearly Identical to HB 2902 (Rep. Fortner) but allows eligible persons (instead of eligible retirees) to elect the pension buyout option	House Re-Referred to Rules Committee on 3/31/17
HB 3061	Rep. Guzzardi	No Investments in Companies that Build A Border Wall	Prohibits the state-funded retirement systems from investing in companies that contract to build a border wall.	Similar to SB 2091 (Sen. Sandoval)	House Re-Referred to Rules Committee on 4/28/17
HB 3069	Rep. Morrison	Alternative Retirement Plan - Local Control of Benefits	Authorizes the board of trustees of a community college district that is an employer covered under SURS to provide an alternative retirement plan, either in addition to or in lieu of the existing retirement plans under SURS, for its eligible new employees. The alternative retirement plan applies only to persons who have not participated in the existing plans under SURS. Participants in an alternative retirement plan are deemed to be participants in SURS.	Identical to HB 669 (Rep. Morrison)	House Re-Referred to Rules Committee on 3/31/17
HB 3175	Rep. Sauer	Employers Pay Pension Costs of Salary Increases above Inflation	Establishes that, for academic years beginning on or after July 1, 2017, if a participant's earnings exceed the amount of his or her earnings with the same employer for the previous academic year by more than the increase in CPI-U for any year during the final rate of earnings period, then the employer must pay the present value of the resulting increase in benefits to SURS. Earnings increases under contracts or collective bargaining agreements entered into, amended, or renewed before the effective date of the legislation are exempt.	Identical to HB 671 (Rep. Morrison)	House Re-Referred to Rules Committee on 3/31/17
HB 3258	Rep. Jimenez	Retiree Health Insurance Benefits Without Annuity	Allows members of the Portable Defined Benefit Plan and the Self-Managed Plan who take lump-sum distributions of their retirement benefits to receive retiree health insurance.		House Re-Referred to Rules Committee on 3/31/17

100th General Assembly					
Bill Number	Sponsor	Short Title	Short Summary	Notes	Status
NOTE: Statutes Last Updated 2/26/18 at 9:30 AM					
HB 3419 (ENRL)	Rep. Andrade (Sen. Hastings)	No Investments in Expatriated Entities	Prohibits the state-funded retirement systems from investing in expatriated entities. Authorizes the state-funded retirement systems to use shareholder activism prior to divestment.	Nearly Identical to SB 1798 (Sen. Hastings)	Became Public Act 100-0551 on 11/9/17 (House Override: 75-36-0; Senate Override: 39-12-0)
HB 3475	Rep. Breen	30-Year Rolling Discount Rate	Requires the discount rate to be the actual 30-year rolling rate of return experienced by the system, beginning in Fiscal Year 2019.		House Re-Referred to Rules Committee on 3/31
HB 3867	Rep. Morrison	Supplemental Defined Contribution Plan	Requires the SURS Board of Trustees to establish and maintain a defined contribution plan to address the retirement preparedness gap for participants in a defined benefit plan who are not on track to maintain their standard of living in retirement.	Identical to SB 1801 (Sen. Brady)	House Re-Referred to Rules Committee on 3/31/17
HB 3868	Rep. Durkin	Unbalanced Budget Response Act	Creates the Unbalanced Budget Response Act. Authorizes the Governor to designate a contingency reserve to balance the budget. Allows the contingency reserve to consist of amounts appropriated from funds held by the State Treasurer to any agency for Fiscal Year 2017 and Fiscal Year 2018, including amounts appropriated under a statutory continuing appropriation (except for debt service, General State Aid, and early childhood education). Authorizes the Governor to delay payments under any statutory continuing appropriation, except for payments of debt service, for Fiscal Year 2017 and Fiscal Year 2018. Provides that any payment so delayed may be paid out of the next fiscal year's appropriation.	Identical to SB 2063 (Sen. Brady)	House Re-Referred to Rules Committee on 3/31/17
HB 3926	Rep. Durkin	FY 2018 Governor Introduced Budget	Appropriates \$1,461,685,000 for the annual required State contribution to SURS for Fiscal Year 2018. Of this amount, \$1,321,685,000 comes from the General Revenue Fund, and \$140,000,000 comes from the State Pensions Fund. The certified Fiscal Year 2018 State contribution to SURS is \$1,753,685,000. Appropriates \$0 from the Education Assistance Fund for the State contribution to the College Insurance Program ("CIP") for Fiscal Year 2018. The certified Fiscal Year 2018 State contribution to CIP is \$4,133,336.	Identical to SB 2164 (Sen. Brady)	House Re-Referred to Rules Committee on 9/28/17

100th General Assembly					
Bill Number	Sponsor	Short Title	Short Summary	Notes	Status
NOTE: Statuses Last Updated 2/26/18 at 9:30 AM					
HB 4027	Rep. Durkin	Pension Reform	Creates an optional hybrid plan for new members. Allows new members to elect to participate in Tier II. Requires Tier I employees to choose between: (1) accepting a reduced and delayed COLA; or (2) keeping the Tier I COLA. Tier I employees who choose to accept the reduced and delayed COLA will have future earnings increases count towards their pensions, pay reduced employee contributions moving forward, and receive a payment equal to 10% of their employee contributions prior to the date of the election. Tier I employees who choose to keep the Tier I COLA will not have future earnings increases count towards their pensions. Creates an accelerated pension benefit payment option for up to 10% of eligible SURS members each year. Creates a voluntary defined contribution plan for up to 5% of Tier I employees. Requires the State contribution to be based on total payroll (including payroll that is not pensionable). Phases-in changes in actuarial and investment assumptions over a 5-year period. Requires the FY 2018 and FY 2019 State contributions to be recertified based on the changes in the legislation. Requires employers to pay the present value of any benefit increases attributable to earnings increases above CPI-U during the final rate of earnings period. Requires employers to pay a contribution to SURS for the portion of earnings in excess of \$140,000.	\$250 million worth of bonds for buyout; Identical to HB 4045 (Rep. Currie)	House Re-Referred to Rules Committee on 1/3/18
HB 4045 (ENGR)	Rep. Martwick (Sen. J. Cullerton)	Pension Reform	Creates an optional hybrid plan for new participants on and after July 1, 2018 and current Tier II participants who elect to participate in the optional hybrid plan. Allows new participants to elect to participate in Tier II. Allows current Tier II members to elect to participate in the optional hybrid plan. Allows the SURS Board of Trustees, by resolution, to permit Tier I employees to voluntarily elect a reduced and delayed COLA. Tier I employees who voluntarily elect a reduced and delayed COLA will receive: (1) a consideration payment equal to 10% of their employee contributions made prior to the date of the election; and (2) a 10% reduction in their future employee pension contributions. Requires the consideration payment to be paid by SURS. Allows the Board of Trustees, by resolution, to create an accelerated pension benefit payment option for vested inactive in any year. Requires SURS to pay the accelerated pension benefit payments. Creates a voluntary defined contribution plan for up to 5% of Tier I employees by July 1, 2018. Provides that, if necessary, the FY 2019 State contribution must be recertified based on the changes in the legislation.		Senate Re-Referred to Assignments Committee on 8/4/17; Passed the House 61-41-0 on 6/28/17
HB 4055	Rep. Batinick	Pension Reform	Creates an optional hybrid plan for new members. Allows new members to elect to participate in Tier II. Creates an accelerated pension benefit payment option between January 1, 2018 and July 1, 2018. Creates a voluntary defined contribution plan for up to 5% of Tier I employees. Requires the State contribution to be based on total payroll (including payroll that is not pensionable). Phases-in changes in actuarial and investment assumptions over a 5-year period. Requires the FY 2018 State contribution to be recertified based on the changes in the legislation. Requires employers to pay the current value of the projected amount of benefits attributable to earnings increases in collective bargaining agreements and contracts entered into, amended, or renewed after the effective date of the legislation that are above the earnings under preceding contracts and collective bargaining agreements.	\$250 million worth of bonds for buyout	House Referred to Rules Committee on 5/25/17

100th General Assembly					
Bill Number	Sponsor	Short Title	Short Summary	Notes	Status
NOTE: Statuses Last Updated 2/26/18 at 9:30 AM					
HB 4057	Rep. Ives	Pension Reform	Creates a Tier III Defined Contribution Plan for new members on or after July 1, 2018 and for Tier I and Tier II members who elect to participate in the Tier III Defined Contribution Plan. Requires the Tier III Defined Contribution Plan to use the framework of the existing Self-Managed Plan. Creates an accelerated pension benefit payment option between January 1, 2018 and July 1, 2018. Requires employers to pay the current value of the projected amount of benefits attributable to earnings increases in collective bargaining agreements and contracts entered into, amended, or renewed after the effective date of the legislation that are above the earnings under preceding contracts and collective bargaining agreements. For individuals who first become participants on and after the effective date of the legislation, prohibits payments for unused sick and vacation time from counting towards the final rate of earnings and prohibits service credit for unused sick leave. Allows employees to opt-out of participation in SURS.	\$250 million worth of bonds for buyout; Similar to the Tier III DC Plan in SA #2 to SB 1012 (Sen. Righter)	House Referred to Rules Committee on 5/29/17
HB 4060	Rep. Skillicorn	Pension Reform	Creates a Tier III Defined Contribution Plan for new members on or after July 1, 2018 and for Tier I and Tier II members who elect to participate in the Tier III Defined Contribution Plan. Requires the Tier III Defined Contribution Plan to use the framework of the existing Self-Managed Plan. Creates an accelerated pension benefit payment option for up to 10% of eligible SURS members each year.	\$250 million worth of bonds for buyout	House Referred to Rules Committee on 6/21/17
HB 4064	Rep. Durkin	Pension Reform	Requires Tier I employees to choose between: (1) accepting a reduced and delayed COLA; or (2) keeping the Tier I COLA. Tier I employees who choose to accept the reduced and delayed COLA will have future earnings increases count towards their pensions, pay reduced employee contributions moving forward, and receive a payment equal to 10% of their employee contributions prior to the date of the election. Tier I employees who choose to keep the Tier I COLA will not have future earnings increases count towards their pensions. Requires the FY 2019 State contribution to be recertified based on the changes in the legislation.		House Referred to Rules Committee on 6/21/17
HB 4065	Rep. Durkin	Pension Reform	Creates an optional hybrid plan for new members. Allows new members to elect to participate in Tier II. Creates an accelerated pension benefit payment option for vested inactives between January 1, 2018 and July 1, 2018. Creates a voluntary defined contribution plan for up to 5% of eligible Tier I employees. Requires the State contribution to be based on total payroll (including payroll that is not pensionable), but excluding payroll attributable to individuals in the voluntary defined contribution plan. Phases-in changes in actuarial and investment assumptions over a 5-year period (including changes that first applied in FY 2014, FY 2015, FY 2016, and FY 2017). Requires the FY 2018 State contribution to be recertified based on the changes in the legislation. Beginning in FY 2019, requires employers to pay: (1) the employer normal cost of the defined benefit portion of the optional hybrid plan or the defined benefit plan (as applicable), plus 2% (for optional hybrid plan employees and employees who elect to participate in Tier 2); plus (2) the amount to amortize any unfunded liability attributable to the employer's account (for the defined benefits of optional hybrid plan employees and employees who elect to participate in Tier 2); plus (3) the total amount of earnings in excess of \$140,000 for each employee multiplied by the level percentage of payroll for SURS to become 90% funded by FY 2045. Requires employers to pay the present value of any benefit increases attributable to earnings increases above CPI-U during the final rate of earnings period.		House Referred to Rules Committee on 6/21/17

100th General Assembly					
Bill Number	Sponsor	Short Title	Short Summary	Notes	Status
NOTE: Statuses Last Updated 2/26/18 at 9:30 AM					
HB 4371	Rep. Martwick	State Serial Long Term Pension Obligation Bonds	Provides for the issuance of \$107.42 billion of State Serial Long Term Pension Obligation Bonds to make payments to the State pension systems on a pro-rated basis in an amount sufficient to bring the actuarially accrued unfunded liability of each individual fund to a 90% level. Requires the State Employees' Retirement System, State Universities Retirement System, and Teachers' Retirement System to each establish a designated investment fund for 36% of the bond proceeds received from any issuance of State Serial Long Term Pension Obligation Bonds for the purpose of taking advantage of interest arbitrage from the bond proceeds and for making debt service contributions related to the bonds. Creates a continuing appropriation for the payment of principal and interest due on State Serial Long Term Pension Obligation Bonds.		House Referred to Rules Committee on 1/30/18
HB 4411	Rep. Ammons	No Lobbyists for Multiple Pension Systems	Prohibits the State Employees' Retirement System, State Universities Retirement System, Teachers' Retirement System, Chicago Teachers' Pension Fund, and Illinois State Board of Investment from entering into a contract for lobbying services with a lobbyist who represents one of the other aforementioned retirement systems or investment boards.		House Referred to Rules Committee on 1/31/18
HB 4412	Rep. Ammons	SURS Senior Administrative Staff Composition	Requires the SURS Board of Trustees to make its best efforts to ensure that the racial and ethnic makeup of the System's senior administrative staff represents the racial and ethnic makeup of the System's membership. Defines senior administrative staff as including, but not limited to, the Executive Director, Chief Investment Officer, General Counsel and Freedom of Information Officer, Chief Financial Officer, Director of Member Services, Director of Outreach, Director of Human Resources, Director of Internal Audit, Director of Operations, and Director of Application Development and Research.		House Referred to Rules Committee on 1/31/18
HB 4413	Rep. Ammons	Public Broadcast of Pension System Board Meetings	Requires any open meeting of the board of trustees of a retirement system or pension fund or any committee established by a retirement system or pension fund to be broadcast to the public and maintained in real-time on the retirement system or pension fund's website using a high-speed Internet connection.		House Referred to Rules Committee on 1/31/18
HB 4414	Rep. Ammons	Pension System Executive Director and CIO Senate Confirmation	Requires appointments to the position of executive director or chief investment officer to be made with the advice and consent of the Senate.		House Referred to Rules Committee on 1/31/18
HB 4684	Rep. Martwick	SURS Comptroller Intercept	Enhances SURS' ability to obtain delinquent employer payments that are owed under the law by intercepting them through the State Comptroller and/or the county treasurer for the county in which the employer is located.	Identical to SB 2954 (Sen. Aquino)	House Assigned to Personnel and Pensions Committee on 2/14/18

100th General Assembly					
Bill Number	Sponsor	Short Title	Short Summary	Notes	Status
NOTE: Statuses Last Updated 2/26/18 at 9:30 AM					
HB 4839	Rep. Ives	Pension Reform	Creates a Tier III Defined Contribution Plan for new members on or after July 1, 2019 and for Tier I and Tier II members who elect to participate in the Tier III Defined Contribution Plan. Requires the Tier III Defined Contribution Plan to use the framework of the existing Self-Managed Plan. Creates an accelerated pension benefit payment option between January 1, 2019 and July 1, 2019. Requires employers to pay the current value of the projected amount of benefits attributable to earnings increases in collective bargaining agreements and contracts entered into, amended, or renewed after the effective date of the legislation that are above the earnings under preceding contracts and collective bargaining agreements. For individuals who first become participants on and after the effective date of the legislation, prohibits payments for unused sick and vacation time from counting towards the final rate of earnings and prohibits service credit for unused sick leave. Allows employees to opt-out of participation in SURS. Repeals provisions under Public Act 100-0023 related to the Optional Hybrid Plan.	\$250 million worth of bonds for buyout; Similar to HB 4057	House Referred to Rules Committee on 2/14/18
HB 5013	Rep. Spain	Downstate Police and Firefighters Investment Consolidation	Increases the amount of the annual compliance fee paid by public pension funds and retirement systems (except for Downstate Police and Firefighters Pension Funds) to the Department of Insurance from \$8,000 to \$16,000. (Increases the amount of the annual compliance for For Downstate Police and Firefighters Pension Funds from 2 basis points to 4 basis points of the total assets of the pension fund, but not more than \$16,000.) Extends laws governing penalties for non-compliance with the Illinois Pension Code to apply to any pension fund (currently, such laws only apply to any governmental unit) that is subject to any law establishing a pension fund or retirement system for the benefit of employees of the governmental unit.		House Referred to Rules Committee on 2/14/18
HB 5114	Rep. Hays	SURS Tier 2 Police Officer and Firefighter Retirement Age	Provides that a Tier 2 member who has at least 20 years of service in SURS as a police officer or firefighter can retire at age 60 under the alternative formula for police officers and firefighters.		House Referred to Rules Committee on 2/16/18
HB 5138	Rep. Martwick	Governor's Salary Rule Full-Time Equivalent Elimination	Eliminates the requirement that the Governor's salary rule applies to a participant's earnings as determined on a full-time equivalent basis		House Referred to Rules Committee on 2/16/18
HB 5404	Rep. Durkin	FY 2019 Governor Introduced Budget	Apropriates \$1,554,498,000 for the annual required State contribution to SURS for Fiscal Year 2019. Of this amount, \$1,414,498,000 is appropriated from the General Revenue Fund, and \$140,000,000 is appropriated from the State Pensions Fund. The certified Fiscal Year 2019 State contribution is SURS is \$1,655,154,000. Appropriates \$0 from the Education Assistance Fund for the State contribution to the College Insurance Program ("CIP") for Fiscal Year 2019. The certified Fiscal Year 2019 State contribution to CIP is \$4,390,811.	Identical to SB 3382 (Sen. Brady)	House Referred to Rules Committee on 2/16/18

100th General Assembly					
Bill Number	Sponsor	Short Title	Short Summary	Notes	Status
NOTE: Statuses Last Updated 2/26/18 at 9:30 AM					
HB 5472	Rep. Martwick	Accelerated Pension Benefit Payment Option	Creates an accelerated pension benefit payment option for retirement-eligible Tier 1 members. Gives each eligible person the opportunity to accept the Tier 2 automatic annual increase in retirement in exchange for an accelerated pension benefit payment equal to 70% of the difference of the present value of the automatic annual increases on the Tier 1 member's retirement annuity under the Tier 1 formula and the present value of the automatic annual increases on the Tier 1 member's retirement annuity under the Tier 2 formula.	No Bonds Provided for Buyout	House Referred to Rules Committee on 2/16/18
HB 5674	Rep. Wehrli	State-Funded Retirement Systems Annuitant Database	Requires each State-funded retirement system, by July 1, 2019, to establish and post on its website a searchable database of the names of all persons receiving an annuity from the System and the amount of the annuity paid by the System to that person each month. Requires each database to be updated on a monthly basis.		House Referred to Rules Committee on 2/16/18
HJRCA 18	Rep. Sosnowski	Repeal Pension Rights	Repeals Article 13, Section 5 of the Illinois Constitution (commonly referred to as the Pension Protection Clause). Article 13, Section 5 of the Illinois Constitution states: "Membership in any pension or retirement system of the State, any unit of local government or school district, or any agency or instrumentality thereof, shall be an enforceable contractual relationship, the benefits of which shall not be diminished or impaired."		House Referred to Rules Committee on 1/27/17
SR 113	Sen. T. Cullerton	Oppose Tax on Retirement Income	Resolves that the Illinois Senate believes that the Illinois Income Tax Act should not be amended to permit taxing retirement income.		Senate Re-Referred to Assignments Committee on 8/4/17
SR 545	Sen. Rezin	Oppose Pension Cost Shift to Local Employers	Resolves that the Illinois Senate believes that an educational pension cost shift is financially wrong and would only serve to shift pension burdens from the state to the status of an unfunded mandate.		Senate Referred to Assignments Committee on 5/26/17
SR 1413	Sen. T. Cullerton	Oppose Pension Cost Shift to Local Employers	Resolves that the Illinois Senate believes that an educational pension cost shift is financially wrong and would only serve to shift pension burdens from the State to the status of an unfunded mandate.		Senate Assigned to Education Committee on 2/21/18
SA #1 to SR 1413	Sen. T. Cullerton	Oppose Pension Cost Shift to Local Employers	Resolves that the Illinois Senate urges the General Assembly not to impose an educational pension cost shift as it would only serve to shift pension burdens from the State to the status of an unfunded mandate.		Senate Referred to Assignments Committee on 2/23/18

100th General Assembly					
Bill Number	Sponsor	Short Title	Short Summary	Notes	Status
NOTE: Statutes Last Updated 2/26/18 at 9:30 AM					
HR 27	Rep. McSweeney	Oppose Pension Cost Shift to Local Employers	Resolves that the Illinois House of Representatives believes that an educational pension cost shift is financially wrong and would only serve to shift pension burdens from the state to the status of an unfunded mandate.		House Re-Referred to Rules Committee on 9/28/17
HR 29	Rep. McSweeney	Oppose Tax on Retirement Income	Resolves that the Illinois House of Representatives believes that the Illinois Income Tax Act should not be amended to permit taxing retirement income.		House Re-Referred to Rules Committee on 9/28/17
HR 38	Rep. Skillicorn	Oppose Pension Cost Shift to Local Employers	Resolves that the normal cost of pensions for Illinois educators is the responsibility of the state and the General Assembly should not use the current budget crisis as a reason to shift its financial responsibility for state pension costs to local taxpayers.		House Re-Referred to Rules Committee on 9/28/17
HR 76	Rep. Flowers	Urge Repeal of Federal Offsets	Resolves that the Illinois House of Representatives urges the U.S. Congress to introduce and pass legislation that eliminates both the Government Pension Offset and the Windfall Elimination Provision.		Resolution Adopted on 6/22/17
HR 542	Rep. Flowers	Urge Solution to Windfall Elimination Problems	Resolves that the Illinois House of Representatives urges President Trump and the United States Congress to continue to work to find a solution to the problems created by the Windfall Elimination Provision.		House Re-Referred to Rules Committee on 12/15/17
HJR 106	Rep. McSweeney	Oppose Tax on Retirement Income	Resolves that the House of Representatives and Senate of the State of Illinois believe that the Illinois Income Tax Act should not be amended to permit taxing retirement income.		House Referred to Rules Committee on 2/14/18

Spring Session 2018

Recent Public Acts

House Bill 2371 – State Employee Cybersecurity Training

Sponsors – Representative Emanuel Chris Welch and Senator Mattie Hunter

HB 2371 amends the Data Security on State Computers Act. It requires every employee to annually undergo training by the Department of Innovation and Technology concerning cybersecurity. The Department may, in its discretion, make the training an online course. The training must include, but need not be limited to, detecting phishing scams, preventing spyware infections and identity theft, and preventing and responding to data breaches. The Department may adopt rules to implement these requirements.

HB 2371 provides that the term “employee” has the meaning ascribed to it in Section 1-5 of the State Officials and Employees Ethics Act, but does not include an employee of the legislative branch, the judicial branch, a public university of the State, or a constitutional officer other than the Governor. Section 1-5 of the State Officials and Employees Ethics Act defines an “employee” as (1) any person employed full-time, part-time, or pursuant to a contract and whose employment duties are subject to the direction and control of an employer with regard to the material details of how the work is to be performed or (2) any appointed or elected commissioner, trustee, director, or board member of a board of a State agency, including any retirement system or investment board subject to the Illinois Pension Code, or (3) any other appointee.

HB 2371 takes effect on January 1, 2018.

Status: Governor Rauner signed into law on August 8, 2017 as Public Act 100-0040 (House 107-0-0; Senate 54-0-0).

Senate Bills Introduced

Senate Bill 2954 – SURS Comptroller Intercept

Sponsors – Senator Omar Aquino

SB 2954 amends the State Universities Retirement System’s Article of the Illinois Pension Code. It enhances SURS’ ability to obtain delinquent employer payments that are owed

under the law by intercepting them through the State Comptroller and/or the county treasurer for the county in which the employer is located.

Under current law, SURS has the ability to obtain delinquent employer payments through the State Comptroller under the return to work law for affected annuitants (Section 15-139.5) and under legal requirements that employers provide information necessary for the administration of the System and employer audits (Sections 15-168 and 15-168.2). SB 2954 permits SURS to obtain delinquent employer payments under these laws from the county treasurer for the county in which the employer is located. SB 2954 also permits SURS to obtain delinquent employer payments through the State Comptroller and/or the county treasurer for amounts owed under other employer contribution laws, such as those pertaining to the 6% Rule (Section 15-155(g)), the Governor's Salary Rule (Section 15-155(j-5)), employer normal cost contributions from certain employers (Section 15-155(b)), employee contributions that are "picked-up" by the employer (Sections 15-181 and 15-157.1), and employer contributions under the Self-Managed Plan (Section 15-158.2).

SB 2954 takes effect immediately upon becoming law.

SB 2954 is identical to HB 4684 of the 100th General Assembly.

Status: Senate Assigned to Licensed Activities and Pensions Committee on February 21, 2018.

Senate Bill 3046 – College Insurance Program – Opt-Out

Sponsors – Senator Andy Manar

SB 3046 amends the State Employees Group Insurance Act of 1971. It authorizes eligible benefit recipients and dependent beneficiaries to elect not to participate in the Teachers' Retiree Health Insurance Program and the College Insurance Program, as applicable. To be eligible for the election not to participate under SB 3046, the benefit recipient or dependent beneficiary must be or have been enrolled in the applicable program of retiree health insurance benefits before the effective date of the legislation.

For benefit recipients and dependent beneficiaries of CIP, SB 3046 requires the election not to participate to be made during the community college benefit recipient's annual open enrollment period. Community college benefit recipients must furnish proof of health benefit coverage, either comprehensive major medical coverage or comprehensive managed care plan, from a source other than the Department of Central Management Services in order to elect not to participate in CIP. If a community college benefit recipient or a community college dependent beneficiary has elected not to participate in CIP at any time, the community college benefit recipient and the community college dependent beneficiary may re-enroll in CIP during any annual open enrollment period, without

evidence of insurability. Community college benefit recipients who elect not to participate in CIP must be furnished with a written explanation of the requirements and limitations for the election not to participate in CIP and for re-enrolling in CIP.

Currently, a community college benefit recipient or a community college dependent beneficiary can opt-out of CIP at any time. Once a community college benefit recipient or a community college dependent beneficiary elects not to participate in CIP, he or she cannot re-enroll in CIP, unless: (1) he or she experiences involuntary termination of his or her health insurance coverage; or (2) he or she turns 65 years of age.

SB 3046 takes effect immediately upon becoming law.

Status: Senate Assigned to State Government Committee on February 21, 2018.

Senate Bill 3073 – Accelerated Pension Benefit Payment Option

Sponsor – Paul Schimpf

SB 3073 amends the State Employees Retirement System, State Universities Retirement System, and Teachers Retirement System articles of the Illinois Pension Code.

SB 3073 creates an accelerated pension benefit payment option for the first 10% of eligible SURS members each year. An eligible SURS member is a person who has terminated service; has accrued the necessary service credit for retirement; has not received a retirement annuity from SURS; does not have a QILDRO in effect against him or her under SURS; and is not a participant in the Self-Managed Plan. By January 1, 2019, and annually thereafter, SURS must calculate the net present value of pension benefits for each eligible person. SURS must offer each eligible person the opportunity to irrevocably elect to receive an accelerated pension benefit payment equal to 70 percent of the net present value of his or her pension benefits in lieu of receiving any pension benefit from SURS. The accelerated pension benefit payment must be rolled into another retirement plan or account qualified under the Internal Revenue Code of 1986, as amended. Upon receipt of an accelerated pension benefit payment, credits and creditable service under SURS are terminated. If the member subsequently returns to active service under SURS, then any subsequent pension benefits are based on the credits and creditable service accrued after the return to active service. The accelerated pension benefit payment cannot be repaid to SURS and previously terminated credits and creditable service cannot be reinstated under SURS. A SURS member who receives an accelerated pension benefit payment will still receive any applicable retiree health insurance benefits.

SB 3073 takes effect immediately upon becoming law.

Status: Senate Assigned to Licensed Activities and Pensions Committee on February 21, 2018.

Senate Bill 3545 – No Investments in Major Opioid Manufacturers
Sponsors – Senator Andy Manar

SB 3545 amends the General Provisions article of the Illinois Pension Code.

SB 3545 prohibits the State-funded retirement systems from investing in major opioid manufacturers. By July 1, 2019, the Illinois Investment Policy Board must make its best efforts to identify all major opioid manufacturers and include those companies in the list of restricted companies distributed to each retirement system for this purpose.

SB 3545 takes effect in accordance with the Effective Date of Laws Act.

Status: Senate Referred to Assignments Committee on February 16, 2018.

House Bills Introduced

House Bill 4371 – State Serial Long Term Pension Obligation Bonds
Sponsors – Representative Robert Martwick

HB 4371 amends the General Obligation Bond Act to authorize the issuance of \$107.42 billion of State Serial Long Term Pension Obligation Bonds. The proceeds of the bonds must be deposited directly into the State Serial Long Term Pension Obligation Bond Fund. Moneys in the Fund can only be used to make payments to the State pension systems on a pro-rated basis in an amount sufficient to bring the actuarially accrued unfunded liability of each individual fund to a 90% level.

HB 4371 requires the State Employees' Retirement System, State Universities Retirement System, and Teachers' Retirement System to each establish a designated investment fund for 36% of the bond proceeds received from any issuance of State Serial Long Term Pension Obligation Bonds. Each designated investment fund must be used solely for the purpose of taking advantage of interest arbitrage from the bond proceeds and for making debt service contributions related to the bonds.

HB 4371 authorizes the State Serial Long Term Pension Obligation Bonds to be issued and sold from time to time, in one or more series, in such amounts and at such prices as may be directed by the Governor, upon recommendation by the Director of the Governor's Office of Management and Budget. The term of such bonds cannot exceed 30 years.

HB 4371 also amends the State Pension Funds Continuing Appropriation Act to provide a continuing appropriation of all amounts necessary for the payment of principal and interest due on State Serial Long Term Pension Obligation Bonds.

HB 4371 takes effect immediately upon becoming law.

Status: House Referred to Rules Committee on January 30, 2018.

House Bill 4411 – No Lobbyists for Multiple Pension Systems

Sponsors – Representative Carol Ammons

HB 4411 amends the General Provisions Article of the Illinois Pension Code. It prohibits the State Employees' Retirement System, State Universities Retirement System, Teachers' Retirement System, Chicago Teachers' Pension Fund, and Illinois State Board of Investment from entering into a contract for lobbying services with a lobbyist who represents one of the other aforementioned retirement systems or investment boards.

HB 4411 takes effect immediately upon becoming law.

Status: House Referred to Rules Committee on January 31, 2018.

House Bill 4412 – SURS Senior Administrative Staff Composition

Sponsors – Representative Carol Ammons

HB 4412 amends the SURS Article of the Illinois Pension Code. It requires the SURS Board of Trustees to make its best efforts to ensure that the racial and ethnic makeup of the System's senior administrative staff represents the racial and ethnic makeup of the System's membership. It defines senior administrative staff as including, but not limited to, the Executive Director, Chief Investment Officer, General Counsel and Freedom of Information Officer, Chief Financial Officer, Director of Member Services, Director of Outreach, Director of Human Resources, Director of Internal Audit, Director of Operations, and Director of Application Development and Research.

HB 4412 takes effect immediately upon becoming law.

Status: House Referred to Rules Committee on January 31, 2018.

House Bill 4413 – Public Broadcast of Pension System Board Meetings

Sponsors – Representative Carol Ammons

HB 4413 amends the General Provisions Article of the Illinois Pension Code. It requires any open meeting of the board of trustees of a retirement system or pension fund or any committee established by a retirement system or pension fund to be broadcast to the public and maintained in real-time on the retirement system or pension fund's website using a high-speed Internet connection.

HB 4413 takes effect immediately upon becoming law.

Status: House Referred to Rules Committee on January 31, 2018.

**[House Bill 4414](#) – Pension System Executive Director and CIO Senate Confirmation
Sponsors – Representative Carol Ammons**

HB 4414 amends the State Employees' Retirement System, State Universities Retirement System, Teachers' Retirement System, and Chicago Teachers' Pension Fund articles of the Illinois Pension Code. It requires appointments to the position of executive director or chief investment officer to be made with the advice and consent of the Senate. For the Chicago Teachers' Pension Fund, the position of chief legal officer must also be made with the advice and consent of the Senate.

HB 4414 takes effect immediately upon becoming law.

Status: House Referred to Rules Committee on January 31, 2018.

**[House Bill 4684](#) – SURS Comptroller Intercept
Sponsors – Representative Robert Martwick**

HB 4684 amends the State Universities Retirement System's Article of the Illinois Pension Code. It enhances SURS' ability to obtain delinquent employer payments that are owed under the law by intercepting them through the State Comptroller and/or the county treasurer for the county in which the employer is located.

Under current law, SURS has the ability to obtain delinquent employer payments through the State Comptroller under the return to work law for affected annuitants (Section 15-139.5) and under legal requirements that employers provide information necessary for the administration of the System and employer audits (Sections 15-168 and 15-168.2). HB 4684 permits SURS to obtain delinquent employer payments under these laws from the county treasurer of the county in which the employer is located. HB 4684 also permits SURS to obtain delinquent employer payments through the State Comptroller and/or the county treasurer for amounts owed under other employer contribution laws, such as those pertaining to the 6% Rule (Section 15-155(g)), the Governor's Salary Rule (Section 15-

155(j-5)), employer normal cost contributions from certain employers (Section 15-155(b)), employee contributions that are “picked-up” by the employer (Sections 15-181 and 15-157.1), and employer contributions under the Self-Managed Plan (Section 15-158.2).

HB 4684 takes effect immediately upon becoming law.

HB 4684 is identical to SB 2954 of the 100th General Assembly.

Status: House Assigned to Personnel and Pensions Committee on February 14, 2018.

House Bill 4839 – Pension Reform

Sponsor – Representative Jeanne M. Ives

HB 4839 amends the General Provisions, General Assembly Retirement System, Illinois Municipal Retirement Fund, State Employees Retirement System, State Universities Retirement System, Teachers Retirement System, Judges Retirement System, and Reciprocal Retirement System articles of the Illinois Pension Code.

Restrictions on Pensionable Earnings and Service Credit

HB 4839 prohibits payments for unused sick or vacation time from counting towards the final rate of earnings of individuals who first become participants in SURS on or after the effective date of the legislation. HB 4839 also prohibits individuals who first become participants in SURS on or after the effective date of the legislation from receiving service credit for unused sick leave.

Employee Non-Participation in SURS

HB 4839 establishes that a person is not required to participate in SURS. An active employee may terminate his or her participation in SURS (including active participation in the Tier III Plan, if applicable) by notifying SURS in writing. An active employee terminating participation in SURS is entitled to a refund of his or her contributions (other than contributions to the Self-Managed Plan or the Tier III Plan) minus the benefits received prior to the termination of participation.

Tier III Defined Contribution Plan

HB 4839 requires SURS to prepare and implement a Tier III defined contribution plan by July 1, 2019. SURS must utilize the framework of the Self-Managed Plan and must endeavor to adapt the benefits and structure of the Self-Managed Plan to the Tier III plan. Tier I participants and Tier II participants may make a voluntary, irrevocable election to stop accruing benefits in the defined benefit plan and start accruing benefits for future service in the Tier III defined contribution plan. Additionally, all persons who first become

participants in SURS on or after July 1, 2019 must participate in the Tier III defined contribution plan. Participants in the Tier III defined contribution plan will receive any applicable retiree health insurance benefits.

A Tier I or Tier II member who elects to participate in the Tier III defined contribution plan may irrevocably elect to terminate all participation in the defined benefit plan. Upon such election, SURS must transfer an amount equal to the amount of the contribution refund that the member would be eligible to receive, including interest at the effective rate for the respective years, to the member's individual account in the defined contribution plan.

Participant contributions to the Tier III defined contribution plan are at the rate of 8 percent of earnings. State contributions to the Tier III defined contribution plan are at the rate of 7.6 percent of earnings (minus an amount to cover the cost of any defined disability benefits offered under the defined contribution plan). Tier III participants must have one year of service credit in the defined contribution plan to vest in state contributions. Failure to vest results in the forfeiture of State contributions and any earnings thereon.

The Tier III defined contribution plan must offer a variety of options for investments, including investments handled by SURS as well as private sector investment options; provide a variety of options for payouts to inactive participants and their survivors; and, to the extent authorized under federal law and as authorized by SURS, allow former participants to transfer or roll over employee and vested state contributions, and the earnings thereon, from the Tier III defined contribution plan into other qualified retirement plans.

Accelerated Pension Benefit Payment Option

HB 4839 creates an accelerated pension benefit payment option. Eligible SURS members may elect the accelerated pension benefit payment option between January 1, 2019 and July 1, 2019. An eligible SURS member is a person who has terminated service; has accrued the necessary service credit for retirement; has not received a retirement annuity from SURS; does not have a QILDRO in effect against him or her under SURS; and is not a participant in the Self-Managed Plan. By January 1, 2019, SURS must calculate the net present value of pension benefits for each eligible person. SURS must offer each eligible person the opportunity to irrevocably elect to receive an accelerated pension benefit payment equal to 70 percent of the net present value of his or her pension benefits in lieu of receiving any pension benefit from SURS. The accelerated pension benefit payment must be rolled into another retirement plan or account qualified under the Internal Revenue Code of 1986, as amended. Upon receipt of an accelerated pension benefit payment, credits and creditable service under SURS are terminated. If the member subsequently returns to active service under SURS, then any subsequent pension benefits are based on the credits and creditable service accrued after the return to active service. The accelerated pension benefit payment cannot be repaid to SURS and previously terminated credits and creditable service cannot be reinstated under SURS. A SURS member who receives an accelerated pension benefit payment will still receive any applicable retiree health insurance benefits.

Employer Funding Changes

HB 4839 ends the requirement that the employer pay the present value of the increase in benefits resulting from earnings increases above 6% during the final rate of earnings period to SURS. Instead, HB 4839 provides that, beginning in fiscal year 2020, if a contract or collective bargaining agreement entered into, amended, or renewed on or after the effective date of the legislation provides for earnings to exceed the salaries provided under the preceding contract or collective bargaining agreement, then the employer must pay the current value of the projected amount of the resulting increase in benefits, reflecting whether the participants are Tier 1 or Tier 2 members, to SURS.

Repeal of Public Act 100-0023

HB 4839 repeals many of the provisions of Public Act 100-0023, which created the Optional Hybrid Plan. It does not repeal the provisions that became effective on July 6, 2017, which were: the Governor's salary rule, the smoothing of the costs of any changes in actuarial assumptions, and the recertification of the FY 2018 State contribution.

Effective Date

HB 4839 takes effect immediately upon becoming law.

Status: House Referred to Rules Committee on February 14, 2018.

House Bill 5013 – Downstate Police and Firefighters Investment Consolidation **Sponsors – Representative Ryan Spain**

HB 5013 amends the General Provisions, Regulation of Public Pension Fund, Downstate Policemen's Pension Fund, and Downstate Firefighters' Pension Fund articles of the Illinois Pension Code. It also adds two new articles to the Illinois Pension Code: the Downstate Police Pension Investment Board article and the Downstate Firefighter Pension Investment Board article.

HB 5013 increases the amount of the annual compliance fee paid by public pension funds and retirement systems (except for Downstate Police and Firefighters Pension Funds) to the Department of Insurance from \$8,000 to \$16,000. (For Downstate Police and Firefighters Pension Funds, the amount of the annual compliance fee is increased from 2 basis points to 4 basis points of the total assets of the pension fund, but not more than \$16,000).

HB 5013 also extends laws governing penalties for non-compliance with the Illinois Pension Code to apply to any pension fund (currently, such laws only apply to any governmental unit) that is subject to any law establishing a pension fund or retirement

system for the benefit of employees of the governmental unit. Specifically, HB 5013 provides that whenever the Public Pension Division of the Illinois Department of Insurance determines that the governing body or any elected or appointed official or official of a governmental unit has failed to comply with any provision of the Illinois Pension Code, then the Director of the Illinois Department of Insurance must notify the governing body, officer, or official of the specific provisions of the law with which the person has failed to comply. Upon receiving such notice, the person must take immediate steps to comply with the provisions of law specified in the notice. If the person fails to comply within a reasonable time after receiving the notice, then the Director may hold a hearing at which the person may show cause for noncompliance with the law. If upon hearing the Director determines that good and sufficient cause for noncompliance has not been shown, the Director may order the person to submit evidence of compliance within a specified period of not less than 30 days. If evidence of compliance has not been submitted to the Director within the period of time prescribed in the order and no administrative appeal from the order has been initiated, then the Director may assess a civil penalty of up to \$2,000 against the governing body, officer, or official for each noncompliance with an order of the Director. If a penalty is not paid within 30 days of the date of assessment, then the Director must report the act of noncompliance to the Illinois Attorney General, who is responsible for ensuring application is made to the circuit court of the county in which the governmental unit is located for enforcement of the penalty or for such additional relief as may be required.

HB 5013 takes effect immediately upon becoming law.

Status: House Referred to Rules Committee on February 14, 2018.

**[House Bill 5114 – SURS Tier 2 Police Officer and Firefighter Retirement Age](#)
Sponsors – Representative Chad Hays**

HB 5114 amends the Downstate Policemen's Pension Fund and State Universities Retirement System articles of the Illinois Pension Code.

As it relates to SURS, HB 5114 establishes that a Tier 2 member who has at least 20 years of service in SURS as a police officer or firefighter can retire at age 60 under the alternative formula for police officers and firefighters. Under current law, a Tier 2 member can only retire under the alternative formula for police officers and firefighters with 20 years of service credit at age 67 or at age 62 (with a reduction in the amount of his or her retirement annuity equal to 0.5% for each full month that his or her age is under 67).

HB 5114 takes effect immediately upon becoming law.

Status: House Referred to Rules Committee on February 16, 2018.

House Bill 5138 – Governor’s Salary Rule Full-Time Equivalent Elimination

Sponsors – Representative Robert Martwick

HB 5138 amends the State Universities Retirement System and Teachers Retirement System articles of the Illinois Pension Code.

HB 5138 eliminates the requirement that the Governor’s salary rule applies to a participant’s earnings as determined on a full-time equivalent basis. Under current law, if a participant’s earnings, as determined on a full-time equivalent basis, exceed the amount of salary set for the Governor, then the participant’s employer must pay the employer normal cost on the portion of the participant’s earnings in excess of the Governor’s salary to SURS or TRS (as applicable). HB 5138 provides that only the pensionable earnings received by the participant can be used when determining whether a participant’s earnings exceed the amount of salary set for the Governor.

HB 5138 takes effect immediately upon becoming law.

Status: House Referred to Rules Committee on February 16, 2018.

House Bill 5472 – Accelerated Pension Benefit Payment Option

Sponsors – Representative Robert Martwick

HB 5472 amends the State Employees Retirement System, State Universities Retirement System, and Teachers Retirement System articles of the Illinois Pension Code.

HB 5472 creates an accelerated pension benefit payment option for retirement-eligible Tier 1 members. Specifically, an eligible SURS member must: be a Tier 1 member (i.e., a person who first became a participant in SURS or a certain reciprocal retirement system before January 1, 2011); have submitted an application for a retirement annuity under SURS; meet the age and service credit requirements for retirement under SURS; not have received any retirement annuity from SURS; not be a participant in the Self-Managed Plan; and not have a QILDRO in effect against him or her under SURS. As soon as practical on or after the effective date of the legislation, SURS must calculate an accelerated pension benefit payment amount for each eligible person and offer him or her the opportunity to accept the Tier 2 automatic annual increase in retirement (the lesser of 3% or ½ of the percentage increase in CPI-U, simple interest, beginning on the January 1 occurring or after the later of age 67 or the first anniversary of retirement) in exchange for an accelerated pension benefit payment. The accelerated pension benefit payment is a lump sum payment equal to 70% of the difference of the present value of the automatic annual increases on the Tier 1 member’s retirement annuity under the Tier 1 formula (i.e., 3% compounded annually, applied beginning on the January 1 occurring after retirement) and the present

value of the automatic annual increases on the Tier 1 member's retirement annuity under the Tier 2 formula (i.e., the lesser of 3% or ½ of the percentage increase in CPI-U, non-compounded, applied beginning on the January 1 occurring on or after the later of age 67 or the first anniversary of retirement). The accelerated pension benefit payment must be rolled into another retirement plan or account qualified under the Internal Revenue Code of 1986, as amended. If a Tier 1 member who has received an accelerated pension benefit payment subsequently returns to active service under SURS, then the calculation of any future automatic annual increase in retirement annuity must be calculated under the Tier 2 formula (i.e., the lesser of 3% or ½ of the percentage increase in CPI-U, non-compounded, applied beginning on the January 1 occurring on or after the later of age 67 or the first anniversary of retirement). The accelerated pension benefit payment cannot be repaid to SURS.

HB 5472 takes effect immediately upon becoming law.

Status: House Referred to Rules Committee on February 16, 2018.

House Bill 5674 – State-Funded Retirement Systems Annuitant Database
Sponsors – Representative Grant Wehrli

HB 5674 amends the General Assembly Retirement System, State Employees Retirement System, State Universities Retirement System, Teachers Retirement System, and Judges Retirement System articles of the Illinois Pension Code.

HB 5674 requires each State-funded retirement system, by July 1, 2019, to establish and post on its website a searchable database of the names of all persons receiving an annuity from the System and the amount of the annuity paid by the System to that person each month. Each System's database must be updated on a monthly basis. No database can include the name of an annuitant under the age of 18 nor any identifying information other than the annuitant's name and the amount of the annuity paid to him or her each month.

HB 5674 takes effect immediately upon becoming law.

Status: House Referred to Rules Committee on February 16, 2018.

Appropriations Bills Introduced

Senate Bill 3382 – Governor's Introduced FY 2019 Budget
Sponsors – Senator William E. Brady

SB 3382 appropriates \$1,554,498,000 for the annual required State contribution to SURS for Fiscal Year 2019. Of this amount, \$1,414,498,000 is appropriated from the General Revenue Fund, and \$140,000,000 is appropriated from the State Pensions Fund. The certified Fiscal Year 2019 State contribution to SURS is \$1,655,154,000.

SB 3382 also appropriates \$0 from the Education Assistance Fund for the State contribution to the College Insurance Program (“CIP”) for Fiscal Year 2019. The certified Fiscal Year 2019 State contribution to CIP is \$4,390,811.

SB 3382 is identical to House Bill 5404 of the 100th General Assembly.

SB 3382 takes effect on July 1, 2018.

Status: Senate Referred to Assignments Committee on February 16, 2018.

House Bill 5404 – Governor’s Introduced FY 2019 Budget

Sponsors – Representative Jim Durkin

HB 5404 appropriates \$1,554,498,000 for the annual required State contribution to SURS for Fiscal Year 2019. Of this amount, \$1,414,498,000 is appropriated from the General Revenue Fund, and \$140,000,000 is appropriated from the State Pensions Fund. The certified Fiscal Year 2019 State contribution to SURS is \$1,655,154,000.

HB 5404 also appropriates \$0 from the Education Assistance Fund for the State contribution to the College Insurance Program (“CIP”) for Fiscal Year 2019. The certified Fiscal Year 2019 State contribution to CIP is \$4,390,811.

HB 5404 is identical to Senate Bill 3382 of the 100th General Assembly.

HB 5404 takes effect on July 1, 2018.

Status: House Referred to Rules Committee on February 16, 2018.

Resolutions Introduced

Senate Resolution 1413 – Oppose Pension Cost Shift to Local Employers

Sponsors – Senator Thomas Cullerton

Senate Amendment #1 to SR 1413 resolves that the Illinois Senate urges the General Assembly not to impose an educational pension cost shift as it would only serve to shift pension burdens from the State to the status of an unfunded mandate.

SR 1413 resolves that the Illinois Senate believes that an educational pension cost shift is financially wrong and would only serve to shift pension burdens from the State to the status of an unfunded mandate.

Status: Senate Assigned to Education Committee on February 21, 2018.

House Joint Resolution 106 - Oppose Tax on Retirement Income

Sponsors - Representative David McSweeney

HR 106 resolves that the House of Representatives and Senate of the State of Illinois believe that the Illinois Income Tax Act should not be amended to permit taxing retirement income.

Status: Referred to House Rules Committee on February 14, 2018.