



MINUTES

**Meeting of the Legal & Legislative Committee of
the Board of Trustees of the
State Universities Retirement System
Friday, June 10, 2016, 12:15 p.m.
Northern Trust
50 S. LaSalle
Global Conference Center – 1st Floor
Chicago, IL**

The following trustees were present: Mr. Tom Cross, Chair; Mr. Aaron Ammons, Mr. Dennis Cullen, Dr. John Engstrom, Dr. Fred Giertz, Mr. Paul R.T. Johnson Jr., Mr. Craig McCrohon, Dr. Steven Rock, and Mr. Antonio Vasquez

Others present: Mr. W. Bryan Lewis, Executive Director; Mr. Andrew Matthews, Chief Operating Officer; Ms. Phyllis Walker, Chief Financial Officer; Ms. Brenda Dunn, Director of Human Resources; Ms. Bianca Green, General Counsel; Ms. Kristen Houch, Legislative Liaison; Ms. Allison Kushner, Compliance and Governance Officer; Ms. Monique Cullotta, Executive Assistant; Ms. Mary Pat Burns of Burke, Burns & Pinelli; Steve Zahn of Zahn Governmental Solutions; Mr. Michael Lieteau of Janet Jones Consulting; and Ms. Linda Brookhart of SUAA.

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

Per the motion approved at the Investment Committee meeting on June 9, 2016, trustees may be allowed to participate via conference call for all meetings on June 9, 2016, and June 10, 2016, pursuant to Section 7(c) of the Open Meetings Act.

APPROVAL OF MINUTES

Trustee Tom Cross presented the minutes from the Legal and Legislative Committee meeting of March 11, 2016, and Trustee Fred Giertz made the following motion:

- That the minutes from the March 11, 2016 Legal and Legislative Committee meeting be approved as presented.

Trustee Cross 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 UPDATE

Ms. Bianca Green provided an update on pending rules. Ms. Green reported that the pending rules with the Joint Committee on Administrative Rules (JCAR) that were in the Second Notice period were accepted and approved by JCAR with an effective date of June 3, 2016. These rules will be published in the June 17, 2016 issue of the Illinois Register provided enough space is available. More specifically, these new rules are as follows:

- 1600.202 – Return to Employment (amended)
- 1600.275 – Employer Contributions for Employing Affected Annuitant (new)
- 1600.510 – Employer Related Determinations and Rules for Appeal (new)
- 1600.203 – Independent Contractors (amended)
- 1600.270 – Employer Contributions 6% Appeal Process (amended)

Ms. Green then presented the draft of the proposed July 2016 Regulatory Agenda for approval as [Exhibit 1](#). The rules placed on the proposed regulatory agenda include the same items that appear on the January Regulatory Agenda plus the following new items: 1) to possibly amend Rule 1600.140(h)(6) to add new statutory language regarding the ability to make direct rollovers into Simple IRAs; 2) to possibly amend Rule 1600.605 to add clarifications for the administration of a posthumous QILDRO within a short period of time following the death of a member; and 3) to possibly amend Rule 1600.605 to reflect acceptance of written marital settlement agreements and corresponding divorce decrees as proof of statutory consent.

Trustee Giertz moved that:

- The July 2016 Regulatory Agenda be approved as presented.

Trustee Craig McCrohon seconded and the motion carried with all trustees present voting in favor.

LEGISLATIVE UPDATE, PENSION REFORM & LEGISLATIVE EVENT

Ms. Kristen Houch, Mr. Steve Zahn of Zahn Governmental Solutions, and Mr. Michael Lieteau of Janet Jones Consulting provided the legislative update. They discussed the following topics with the SURS Board of Trustees:

- Key accomplishments during the spring 2016 session (including the annual SURS/SUAA legislative outreach event, at which SURS was presented with one House resolution and two Senate certificates of recognition in honor of its 75th Anniversary);
- Legislation passed by the General Assembly that directly impacts SURS (House Bill 4259, House Bill 6021, House Bill 6030, Senate Bill 1059, and Senate Bill 2156);
- Legislation on concurrence in the House that directly impacts SURS (Senate Amendments #1 and #3 to House Bill 6292); and
- The status of the Fiscal Year 2016 and Fiscal Year 2017 budgets.

A complete summary of Ms. Houch's "Legislative Update for Regular Session 2016" is incorporated as a part of these minutes as [Exhibit 2](#).

PUBLIC COMMENT

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

Since there was no further business before the committee, Trustee Giertz moved that the meeting be adjourned. The motion was seconded by Trustee Rock and carried with all trustees present voting in favor.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Mr. W. Bryan Lewis". The signature is written in a cursive style with a large initial "W" and a long, sweeping tail.

Mr. W. Bryan Lewis
Secretary, Board of Trustees

WBM:bg/kh

ILLINOIS REGISTER

STATE UNIVERSITIES RETIREMENT SYSTEM

JULY 2016 REGULATORY AGENDA

a) Part (Heading and Code Citations): Universities Retirement (80 Ill. Adm. Code 1600)1) Rulemaking:A) Description: The System anticipates rulemaking affecting the following:

Revise Section 1600.130 Procurement to modify existing procedures.

Revise Section 1600.205 Earnings Subject to Withholding and Crediting to address compensation paid under the Public Employee Disability Act (5 ILCS 345/) and unused sick leave paid at the time of termination of employment.

Revise Section 1600.300 Effective Beneficiary Designations to address electronic execution and submission of beneficiary designation forms.

Revise Section 1600.320 Disability Claims Procedure to clarify the treatment of vacation pay with respect to initial eligibility for benefit payments.

Revise Section 1600.420 Making Preliminary Estimated Payments to include procedures for holding payments when the member has not responded to informational requests, and to terminate the benefit after a period of non-compliance with the request.

Revise Section 1600.450 Overpayment Recovery to address *de minimis* revisions to benefit calculations and deductions for overpayments of less than \$100.

Promulgate rules to establish acceptable documentary evidence for demographic information such as birth dates and marital status.

Amend Section 1600.140(h)(6) to add SIMPLE IRAs to the list of “eligible retirement plans” to which SURS can make a direct rollover distribution, effective for distributions after December 18, 2015.

Clarify QILDRO rule 1600.605 “Requirements for a Valid Qualified Illinois Domestic Relations Order” and 1600.655 “Expiration of a QILDRO” to accommodate the administration of posthumous QILDRO’s submitted to SURS with reasonable timeframe after date of date.

ILLINOIS REGISTER

STATE UNIVERSITIES RETIREMENT SYSTEM

JULY 2016 REGULATORY AGENDA

Clarify QILDRO rule 1600.605 “Requirements for a Valid Qualified Illinois Domestic Relations Order” and 1600.635 “QILDROs Against Persons Who Became Members Prior to July 1, 1999” to accept an agreed upon divorce decree and marital property settlement in lieu of a Consent to Issuance of a QILDRO if a member refuses to sign consent.

- B) Statutory Authority: Article 15 of the Illinois Pension Code, 40 ILCS 5/15-177.
- C) Scheduled meeting/hearing dates: Written comments may be submitted during the 45-day public comment period following publication of the proposed rule in the *Illinois Register*. No public hearings are anticipated.
- D) Date agency anticipates First Notice: Fall 2016
- E) Effect on small businesses, small municipalities or not for profit corporations: None
- F) Agency contact person for information:

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- G) Related rulemakings and other pertinent information: Other Amendments may be necessary based on emergent issues.

Regular Session 2016

Bills Passed Both Chambers

House Bill 4259 – SURS Participation Limited to Public Employees

Sponsors – Representative Martin J. Moylan and Senator Jennifer Bertino-Tarrant

HB 4259 excludes individuals who begin employment with the following employers on or after the effective date from participation under SURS: certain associations of community college boards, the Association of Illinois Middle-Grade Schools, the Illinois Association of School Administrators, the Illinois Association for Supervision and Curriculum Development, the Illinois Principals Association, the Illinois Association of School Business Officials, the Illinois Special Olympics, and any entity not defined as an employer.

HB 4259 also gives the SURS Board of Trustees final determination as to whether a person is an employee covered under SURS.

HB 4259 makes similar changes to the Illinois Municipal Retirement Fund and the Teachers Retirement System.

Similar language is contained in Senate Bill 2156 of the 99th General Assembly.

Status: Passed Both Houses on 5/31/2016 (House Vote: 111-0-0; Senate Vote: 59-0-0).

House Bill 6021 – Election to Restore Survivors Insurance Benefits

Sponsors – Representative Sam Yingling and Senator Daniel Biss

HB 6021 allows eligible SURS retirees to restore their survivors insurance benefits by making a one-time, irrevocable election to repay their survivors refund or additional annuity, along with interest compounded at the actuarially assumed rate of return (7.25%), to SURS. The compounded interest applies from the date of issuance of the refund to the SURS retiree, or the date of issuance of each additional annuity payment to the SURS retiree, until the date of repayment to SURS. Full repayment must be made to SURS by the earlier of: 24 months after the date of the election or the date of the retiree's death. Eligible retirees have one year, beginning five months after the effective date of the legislation, to irrevocably elect to restore their survivors insurance benefits.

Under HB 6021, an eligible SURS retiree must meet the following requirements:

- He or she retired before June 1, 2011 and received a refund or additional annuity equal to the amount of his or her survivors insurance contributions; and
- He or she is a party to a: (1) civil union or legal relationship that is recognized as a civil union or marriage on or after June 1, 2011; (2) marriage on or after February 26, 2014; or (3) marriage, civil union, or other legal relationship that was not recognized in Illinois as a civil union or marriage until June 1, 2011, a marriage until February 26, 2014, or both.

HB 6021 makes similar changes to the Illinois Municipal Retirement Fund and Teachers Retirement System.

Status: Passed Both Houses on 5/31/2016 (House Vote: 102-4-0; Senate Vote: 49-3-0).

House Bill 6030 – Deceased Annuitant Identification Process

Sponsors – Representative Deb Conroy and Senator Thomas Cullerton

HB 6030 requires each pension fund and retirement system under the Illinois Pension Code, except for downstate police and firefighters pension funds, to develop and implement, by June 30, 2017, a process to identify deceased annuitants.

Specifically, HB 6030 requires the pension fund or retirement system to check for deceased annuitants at least once per month and to use common methods to identify deceased persons, including:

- The use of a third party entity that specializes in identifying deceased persons;
- The use of data provided by the Social Security Administration;
- The use of data provided by the Illinois Department of Public Health’s Office of Vital Records; or
- The use of any other method commonly used by other states to identify deceased persons.

HB 6030 also amends the Vital Records Act to require any information contained in the State vital records to be made available, at no cost, to any pension fund or retirement system under the Illinois Pension Code for administrative purposes.

Status: Passed Both Houses on 5/31/2016 (House Vote: 118-0-0; Senate Vote: 54-0-0).

Senate Bill 1059 – SURS Self-Managed Plan Lump Sum Distribution Retirees Receive Health Insurance upon Returning to Work

Sponsors – Senator Chapin Rose and Representative Bill Mitchell

SB 1059 allows SURS members who elect a lump sum distribution of their vested account balances while retirement eligible under the Self-Managed Plan to receive state employee group health insurance benefits upon returning to work with a public employer covered under SURS.

Status: Passed Both Houses on 5/26/2016 (Senate Vote: 53-0-0; House Vote: 97-12-1)

Senate Bill 2156 – SURS Participation, Basic Compensation, and Earnings Limitations

Sponsors – Senator Bill Cunningham and Representative Kelly M. Burke

SB 2156 makes the following changes for employees:

- It excludes individuals who begin employment with the following employers on or after the effective date from participation under SURS: certain associations of community college boards, the Association of Illinois Middle-Grade Schools, the Illinois Association of School Administrators, the Illinois Association for Supervision and Curriculum Development, the Illinois Principals Association, the Illinois Association of School Business Officials, and the Illinois Special Olympics, and any entity not defined as any employer. It also requires the SURS Board of Trustees to promulgate rules to determine whether a person is an employee covered under SURS and gives the Board final determination as to whether a person is an employee covered under SURS.
- It excludes amounts for bonuses, housing allowances, vehicle allowances, social club dues, and athletic club dues from the calculation of pensions for employees who first become participants of SURS on and after the effective date of the legislation.
- It provides that if a participant, beneficiary, or annuitant fails to provide any information necessary for the calculation, payment, or finalization of a retirement, survivors, disability, or death benefit within 90 days of the System's request for such information, then the System may cease processing the benefit and may not pay any additional benefit payment until the requested information is provided.

SB 2156 makes the following changes for employers:

- It requires an employer to respond to a request from SURS for any information necessary for the proper administration of the System (including employment

contracts) within 90 calendar days and to respond to a request pursuant to an employer audit conducted by the System within 60 calendar days.

Beginning on the 91st calendar day after the System's request for information necessary for the proper administration of the System, or the 61st calendar day if the request is pursuant to an employer audit, it allows the System to assess a penalty of \$250 per calendar day until the System receives the information, with a maximum penalty of \$25,000. Should the employer fail to make the required payment within the earlier of one calendar year after receipt of the information by the System or one calendar year of the employer reaching the maximum penalty of \$25,000, the legislation allows the System to seek payment from the Comptroller through State funds payable to the employer.

- It requires employers under SURS to certify with each payroll submission that the information is correct and complies with all applicable State and federal laws.

SB 2156 also makes the following changes related to furloughs and voluntary pay reductions experienced by public higher education employees:

- It allows a SURS participant to establish service and earnings credit for periods of furlough, beginning on or after July 1, 2015 and ending on or before June 30, 2017. The participant must pay the required employee and employer contributions, in addition to compounded interest at the actuarially assumed rate of return (7.25%), to establish the service and earnings credit. The compounded interest applies from the date of furlough until the date of payment. Application to the System must be made before December 31, 2018.
- It allows a SURS participant to establish earnings credit for periods of a voluntary pay reduction taken in lieu of furlough, beginning on or after July 1, 2015 and ending on or before June 30, 2017. The participant must pay the required employee and employer contributions, in addition to compounded interest at the actuarially assumed rate of return (7.25%), to establish the earnings. The compounded interest applies from the date of the voluntary pay reduction until the date of payment. Application to the System must be made before December 31, 2018.
- It requires SURS to include earnings that would have been paid to a participant had he or she not taken a period of furlough or a voluntary pay reduction in lieu of furlough beginning on or after July 1, 2015 and ending on or before June 30, 2017 for the purposes of determining whether the employer must pay the present value of earnings increases above 6% during the final rate of earnings period to SURS.

Finally, SB 2156 codifies the default investment fund under the Self-Managed Plan.

Status: Passed Both Houses on 5/31/2016 (Senate: 57-0-0; House 110-0-1).

Bills on Concurrence

House Bill 6292 – Alternative Investment Fund Transparency

Sponsors – Representative Elaine Nekritz and Senator Daniel Biss

As it passed the Senate, HB 6292 requires the disclosure of specific provisions of contracts and fees for new agreements entered into by a public retirement system, pension fund, or investment board after February 1, 2019 with an alternative investment fund. An alternative investment fund is defined as a private equity fund, hedge fund, or absolute return fund.

It creates the Investment Transparency Task Force to study, identify best available practices, and make recommendations 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. The Task Force must report its findings and recommendations to the General Assembly and the public retirement systems, pension funds, and investment boards by January 15, 2018.

If a public retirement system, pension fund, 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 retirement system, pension fund, 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 retirement system, pension fund, or investment board fails to adopt and implement the recommendations of the Task Force, then the following provisions of the legislation take effect:

- Public retirement systems, pension funds, and investment boards must disclose the following information within 90 days after entering into a new agreement to invest in an alternative investment fund after February 1, 2019: (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. These disclosures must be filed with the Public Pension Division of the Illinois Department of Insurance, the Illinois Secretary of State, and posted and maintained on the website of the pension fund, retirement system, or investment board. They are also subject to disclosure under the Illinois Freedom of Information Act.

- Public retirement systems, pension funds, and investment boards must require their alternative investment fund external managers and general partners to disclose the following information annually for each alternative investment fund for new agreements entered into after February 1, 2019:

(1) The fees and expenses paid directly by the pension fund, retirement system, or investment board to the alternative investment fund or to the alternative investment fund external manager or general partner;

(2) The pension fund, retirement system, or investment board's share of all other fees and expenses, including carried interest, that are paid or allocated from the alternative investment fund to the external manager or general partners or that are deducted from payments owed from the external manager or general partners to the alternative investment fund;

(3) The amount of all management fee waivers made by the alternative investment fund external managers or general partners; and

(4) The total amount of portfolio holding fees incurred by each portfolio holding of the alternative investment fund as payment to any person who is a member of the external manager group.

These disclosures must be filed with the Public Pension Division of the Illinois Department of Insurance and posted and maintained on the public retirement system, pension fund, or investment board's website. An alternative fund external manager or general partner may comply with these disclosures by providing a public retirement system, pension fund, or investment board with a completed reporting template developed by the Institutional Limited Partners Association for the relevant category of investment for the year covered in the completed template.

As it originally passed the House, HB 6292 makes changes to the Cook County Pension Fund Article of the Illinois Pension Code.

Status: Passed the Senate on a vote of 32-16-1 on 5/27/2016; House Placed on Calendar Order of Concurrence with Senate Amendments #1 and #3 on 5/29/2016.

Bills Passed the First Chamber

House Bill 3408 – SURS Basic Compensation and Earnings Limitations

Sponsors – Representative Stephanie A. Kifowit and Senator Bill Cunningham

As it passed the House, HB 3408 prohibits housing allowances, vehicle allowances, and club membership dues from counting in the calculation of pensions for individuals who first become participants of SURS on and after the effective date of the legislation.

Similar language is contained in Senate Bill 2156 of the 99th General Assembly.

Status: Passed the House on a vote of 112-0-0 on 4/21/2016; Senate Re-Referred to Senate Assignments Committee on 5/13/2016.

House Bill 4532 – Default Investment Fund under the SURS Self-Managed Plan

Sponsors – Representative Carol Sente and Senator Daniel Biss

As it passed the House, HB 4532 codifies the default investment fund under the SURS Self-Managed Plan.

SURS has utilized a default investment fund since enactment of the Self-Managed Plan in 1998. The current default investment fund selected by the SURS Board of Trustees is an age-appropriate, target-date retirement fund. If a SURS member fails to direct the investment of his or her employee and employer contributions upon deciding to participate in the Self-Managed Plan, then SURS invests these amounts in a default investment fund on behalf of the SURS member. The SURS member can transfer his or her account balances out of a default investment fund at any time.

HB 4532 does not impact the pension benefits of SURS members.

HB 4532 is similar to Senate Bill 2362 of the 99th General Assembly, as it passed the Senate. Identical language is also contained in Senate Bill 2156 of the 99th General Assembly.

Status: Passed the House on a vote of 115-0-0 on 4/20/2016; Senate Placed on Calendar Order of 3rd Reading on 5/31/2016.

Senate Bill 2362 – Default Investment Fund under the SURS Self-Managed Plan

Sponsors – Senator Daniel Biss and Representative Elaine Nekritz

As it passed the Senate, SB 2362 codifies the default investment fund under the SURS Self-Managed Plan.

SURS has utilized a default investment fund since enactment of the Self-Managed Plan in 1998. The current default investment fund selected by the SURS Board of Trustees is an age-appropriate, target-date retirement fund. If a SURS member fails to direct the investment of his or her employee and employer contributions upon deciding to participate in the Self-Managed Plan, then SURS invests these amounts in a default investment fund on behalf of the SURS member. The SURS member can transfer his or her account balances out of a default investment fund at any time.

SB 2362 does not impact the pension benefits of SURS members.

SB 2362 also makes changes to the Illinois Municipal Retirement Fund, State Employees Retirement System, and Judges Retirement System.

SB 2362 is similar to House Bill 4532 of the 99th General Assembly, as it passed the House. Identical changes to SURS are also included in Senate Bill 2156 of the 99th General Assembly.

Status: Passed the Senate on a vote of 57-0-0 on 4/19/2016; House Referred to House Rules Committee on 4/20/2016.

Bills on 3rd Reading in the First Chamber

Senate Bill 1049 – Survivors Felony Forfeiture

Sponsor – Senator Pamela J. Althoff

As it relates to SURS, Senate Amendment #2 to SB 1049 prohibits an individual from receiving a benefit under the SURS article of the Illinois Pension Code if he or she is convicted of a felony related to, arising out of, or in connection with a person's service as an employee from which the benefit derives. Senate Amendment #2 makes similar changes to other retirement systems and pension funds under the Illinois Pension Code.

Senate Amendment #2 has not been adopted.

As introduced, SB 1049 makes a technical change to the State Employees Group Health Insurance Act of 1971.

Status: Senate Placed on Calendar Order of 3rd Reading on 4/13/2016.

Senate Bill 2717 – Pension Reform Act of 2016

Sponsor – Senator Christine Radogno

Senate Amendment #1 to SB 2717 creates the Pension Reform Act of 2016. The text of the Act has not been introduced.

Senate Amendment #1 has not been adopted.

As introduced, SB 2717 makes a technical change in the Downstate Police Pension Fund Article of the Illinois Pension Code.

Status: Senate Placed on Calendar Order of 3rd Reading on 4/6/2016.

Senate Bill 3140 – Retirement Systems and Pension Funds Respond to COGFA Requests

Sponsor – Senator Wm. Sam McCann

SB 3140 requires retirement systems, pension funds, and investment boards under the Illinois Pension Code to respond to a request from the Commission on Government Forecasting and Accountability (“COGFA”) within 10 business days, unless COGFA agrees to provide additional time for the response.

Status: Senate Placed on Calendar Order of 3rd Reading on 4/14/2016.

Senate Bill 3340 – Accountability of Trustees – Suspension and Termination

Sponsor – Senator Napoleon Harris, III

Senate Amendment #1 to SB 3340 suspends a trustee of a pension fund, retirement system, or investment board under the Illinois Pension Code upon the trustee’s being charged by information or indictment with a felony offense arising out of or related to his or her position as a trustee. A suspended trustee may attend and participate in board meetings (with the exception of meetings relating to decisions or policies specific to that trustee). However, a suspended trustee is prohibited from voting on any matter, counting towards a quorum, or receiving compensation for attendance or expenses.

The suspension of such trustee is lifted upon: (1) dismissal of the charge; (2) acquittal; or (3) a determination after a hearing by the majority of the remaining voting members of the

applicable board of trustees or by a court or a judicial officer that the charge does not arise out of or relate to the trustee's position.

The suspension of a trustee becomes termination upon: (1) conviction of the charge; (2) loss of employment or professional qualification based on the charge, if the employment or professional qualification is required for the trustee to serve on the board; or (3) expiration of the trustee's term of office. A terminated trustee is prohibited from serving on any other board of trustees created under the Illinois Pension Code.

Senate Amendment #1 has not been adopted.

As introduced, SB 3340 makes a technical change in the State Employees Retirement System Article of the Illinois Pension Code.

Status: Senate Placed on Calendar Order of 3rd Reading on 4/14/2016.

Resolutions

House Resolution 752 - House Hearings on a Lump Sum Exchange Option

Sponsor - Representative Mark Batinick

HR 752 urges the Speaker of the Illinois House of Representatives and the Chairperson of the House Personnel and Pensions Committee to hold a series of hearings on how the State could potentially approach a lump sum exchange option and resolves that the Committee invite interested parties and stakeholders to these hearings to better understand the implications of such a proposal.

Status: House Assigned to House Personnel and Pensions Committee on 2/4/2016.

House Resolution 1100/House Joint Resolution 137 - SURS 75th Anniversary

Sponsor - Representative Carol Ammons

HR 1100/HJR 137 congratulates the State Universities Retirement System on its 75th Anniversary.

Status: Adopted in the House on 4/4/2016.

Appropriations

As of this writing, the General Assembly has not passed legislation containing appropriations for the State-funded retirement systems. Additionally, the General Assembly has not passed legislation using a portion of money in the State Pensions Fund as part of the annual required State contribution to SURS (a common practice in recent years).

As a reminder, in the absence of an enacted budget for FY 2016, SURS has submitted monthly vouchers for payment of the certified State contribution for FY 2016 (\$1,601,480,000) from the General Revenue Fund and the State Pensions Fund under the authority of the State Pension Funds Continuing Appropriation Act. (Public Act 99-0008 authorized the State to use \$190 million from the State Pensions Fund as part of the annual required State contribution to SURS for FY 2016.)

Should an appropriation (or appropriations) to SURS fail to become law by July 1, 2016, and should the relevant sections of the State Finance Act and the Uniform Disposition of Unclaimed Property Act remain unchanged, SURS will continue the practice of submitting monthly vouchers for payment of the certified State contribution for FY 2017 (\$1,671,426,000) from the General Revenue Fund under the authority of the State Pension Funds Continuing Appropriation Act.

Additionally, in the absence of an enacted budget for FY 2016, SURS relied on the authority of the State Pension Funds Continuing Appropriation Act to make the transfer of \$4,624,625 from the General Revenue Fund to the Community College Health Insurance Security Fund to fund the College Insurance Program for FY 2016.

Should an appropriation to SURS for deposit into the Community College Health Insurance Security Fund (used to fund the College Insurance Program) fail to become law by July 1, 2016, SURS will submit a voucher for the transfer of the certified amount for FY 2017 (\$4,309,111) from the General Revenue Fund to the Community College Health Insurance Security Fund under the authority of the State Pension Funds Continuing Appropriation Act.