

- Beginning on the consolidation date of January 1, 2021, the IMRF would invest in accordance with the prudent person investment rule.
- Once the IMRF Board of Trustees take over on the consolidation date, any rules established by the Transition Board would be the initial rules governing the Fund.
 - IMRF's Board of Trustees may make changes or new rules as they see fit.

Transition Boards:

- Effective immediately, the Transition Boards operate as the Board of Trustees of the Illinois Municipal Retirement Fund until January 1, 2021.
 - Abolished 60 days after the Board of Trustees of the IMRF assumes its duties.
- Two 11-Member Boards: One Transition Board for each pension system, composed of the following:
 - The Director of the Department of Insurance (or their designee).
 - 3 Governor-appointed members:
 - 2 with experience in Illinois' public employee pension funds;
 - 1 with experience in actuarial services for an Illinois public pension fund.
 - 1 active participant and 1 retired participant recommended by the President of the largest Firefighter/Police labor organizations and selected by the Governor.
 - 2 members who are mayors or chief elected officers from municipalities with Article 3 or Article 4 pension funds, recommended by the Executive Directors of the organizations representing the largest number of municipalities in the state, selected by the Governor.
 - 1 member familiar with IMRF's administration, appointed by IMRF's Executive Director.
 - 1 member familiar with the Illinois State Board of Investment authority and practices, appointed by the Executive Director of ISBI.
 - 1 member with experience auditing Illinois' public pension funds, appointed by the Auditor General.
- The Transition Board operates with all the same powers as the Board of Trustees.
 - Board members are empowered to hire and negotiate contracts for staff, investments, transfer assets and liabilities, acquire property, and adopt the rules and procedures by which the Fund will operate.
- Transition Board establishes appropriate systems for the Fund to follow:
 - Establishes long-term investments of assets not necessary for short-term benefit payouts.
 - Establishes system of accounting for assets and liabilities. As enumerated, IMRF's Board of Trustees would work closely with the Transition Board.
 - Establishes system for determining, administering, receiving, and enforcing required contributions to the Fund.
 - Ensures the uninterrupted payment and administration of benefits, as well as adopting any rules or procedures necessary for the efficient consolidation of the

existing Article 3 and Article 4 pension funds and the administration of the Illinois Municipal Retirement Fund's pension system.

- Each Transition Board establishes rules for their respective Articles.

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