



MINUTES

**Meeting of the Board of Trustees of the
State Universities Retirement System
Thursday, April 22, 2021, 1:15 p.m.
State Universities Retirement System**

Via remote access only due to COVID-19 statewide restrictions

The meeting of the Board of Trustees of the State Universities Retirement System convened on April 22, 2021, at 1:15 p.m. via zoom (video conference) based on the Executive Order allowing the Open Meetings Act to allow public meetings to be conducted via phone or video conference.

The following trustees were present: Mr. John Atkinson, chair; Mr. Richard Figueroa; Ms. Jamie-Clare Flaherty; Mr. Scott Hendrie; Dr. Fred Giertz; Dr. Steven Rock; Mr. Collin Van Meter; Mr. Antonio Vasquez; and Mr. Mitch Vogel.

Others present: Suzanne Mayer, Interim Executive Director and Interim Secretary; Ms. Bianca Green, General Counsel; Mr. Doug Wesley, Chief Investment Officer (CIO); Ms. Ellen Hung, Deputy CIO; Ms. Tara Myers, Chief Financial Officer; Ms. Kelly Valle, Investment Analyst, Ms. Tracy Bennett, Compliance Analyst; Mr. Albert Lee, Associate General Counsel; Ms. Heather Kimmons, Associate General Counsel; Ms. Anna Dempsey, Investment Counsel; Ms. Brenda Dunn, Chief Human Resources Officer; Ms. Kristen Houch, Director of Legislative and Stakeholder Relations; Ms. Kelly Carson, Ms. Chelsea McCarty and Ms. Annette Ackerman, Executive Assistants; Mr. John Neis, SURS Intern; and Mr. Michael Calabrese of Foley.

Board of trustees roll call attendance was taken. Trustee Ammons, absent; Trustee Atkinson, present; Trustee Figueroa, present; Trustee Flaherty, present; Trustee Giertz, present; Trustee Hendrie, present; Trustee Lyons, absent; Trustee Rock, present; Trustee Van Meter, present; Trustee Vasquez, present; and Trustee Vogel, present.

Trustee Lyons joined the meeting at 2:07 p.m.

APPROVAL OF MINUTES

Trustee Atkinson presented the minutes from the board of trustee meetings of March 12, 2021.

Trustee Vasquez made the following motion:

- That the minutes from the March 12, 2021 SURS Board of Trustees meeting be approved as presented.

Trustee Rock seconded the motion which passed via the following roll call vote:

Trustee Ammons	-	absent
Trustee Atkinson	-	aye
Trustee Figueroa	-	aye
Trustee Flaherty	-	aye
Trustee Giertz	-	aye
Trustee Hendrie	-	aye
Trustee Lyons	-	absent
Trustee Rock	-	aye
Trustee Van Meter	-	aye
Trustee Vasquez	-	aye
Trustee Vogel	-	aye

APPROVAL OF CLOSED MINUTES

Trustee Atkinson presented the minutes from the board of trustee meeting of March 12, 2021.

Trustee Giertz made the following motion:

- That the minutes from the closed session minutes from the March 12, 2021 SURS Board of Trustees meeting be approved as presented and remain closed.

Trustee Hendrie seconded the motion that passed via the following roll call vote:

Trustee Ammons	-	absent
Trustee Atkinson	-	aye
Trustee Figueroa	-	aye
Trustee Flaherty	-	aye
Trustee Giertz	-	aye
Trustee Hendrie	-	aye
Trustee Lyons	-	absent
Trustee Rock	-	aye
Trustee Van Meter	-	aye
Trustee Vasquez	-	aye
Trustee Vogel	-	aye

CHAIRPERSON’S REPORT

Trustee Atkinson recognized the work of the SURS staff and Ms. Suzanne Mayer during this transitional period. He discussed two Requests For Proposals in progress; the RFP for an Executive Compensation Study and the RFP to identify an Executive Search firm to assist with the search for a permanent executive director. Trustee Atkinson mentioned that a draft copy of the ten-year Illinois higher education strategic plan will be posted on the Illinois Board of Higher Education website soon and will be open for public comment.

INTERIM EXECUTIVE DIRECTOR REPORT

Ms. Suzanne Mayer reported that action taken during the previous board meeting that approved the hiring of consultant resources to assist with the pension system project is already making a difference. Ms. Mayer reminded trustees that the Statements of Economic Interest are due by May 3, 2021. Ms. Mayer discussed the positive impact Senate Bill 2103 would have on new members. The bill would require automatic enrollment of new hires into the SURS 457(b) plan.

DISCUSSION OF POSITION ON SENATE BILL 2103

Ms. Kristen Houch presented Senate Bill 2103. Senate Bill 2103 would establish a default of enrollment into the SURS 457(b) Deferred Compensation plan for all employees who become participants in the system beginning on or after July 1, 2022.

Ms. Houch reviewed the benefits of the supplemental Deferred Compensation Plan (DCP). The DCP was designed to provide low cost, efficient investment options that are reviewed and approved by the system. Senate Bill 2103 will allow SURS Tier II members to save more of their own money for a secure retirement at no cost to the state. Senate Bill 2103 makes supplemental retirement savings easier for members by allowing auto-enrollment with the option to opt out at any time. Tier I members will have an opt-in option. The DCP consists of employee contributions and optional employer contributions but there is no state contribution into the plan.

Copies of the reports titled “SB 2103 as Introduced,” “Senate Amendment #3 to SB 2103,” “Draft One-Pager for SB 2103,” and “SURS’ Legislative Platform” are incorporated as part of these minutes as [Exhibit 1](#), [Exhibit 2](#), [Exhibit 3](#), and [Exhibit 4](#).

Trustee Vogel made the following motion:

- That the SURS Board of Trustees authorized staff to support SB 2103 or any comparable legislation that establishes the SURS DCP as the default plan for the supplemental retirement savings of SURS members.

Trustee Rock seconded the motion which passed via the following roll call vote.

Trustee Ammons	-	absent
Trustee Atkinson	-	aye
Trustee Figueroa	-	aye
Trustee Flaherty	-	aye
Trustee Giertz	-	aye
Trustee Hendrie	-	aye
Trustee Lyons	-	absent
Trustee Rock	-	aye
Trustee Van Meter	-	aye
Trustee Vasquez	-	aye

Trustee Vogel - aye

**REPORT OF ACTION ITEMS APPROVED DURING THE INVESTMENT
COMMITTEE MEETING**

Trustee Vasquez reported on the specific action items the Investment Committee took during the April 22, 2021 Investment Committee Meeting.

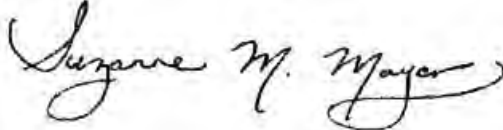
PUBLIC COMMENT

There were no public comments presented to the Board of Trustees.

There was no further business brought before the Committee and Trustee Vasquez moved that the meeting be adjourned. The motion was seconded by Trustee Van Meter and carried with all trustees present voting in favor.

Trustee Ammons	-	absent
Trustee Atkinson	-	aye
Trustee Figueroa	-	aye
Trustee Flaherty	-	aye
Trustee Giertz	-	aye
Trustee Hendrie	-	aye
Trustee Lyons	-	aye
Trustee Rock	-	aye
Trustee Van Meter	-	aye
Trustee Vasquez	-	aye
Trustee Vogel	-	aye

Respectfully submitted,



Ms. Suzanne Mayer
Interim Secretary, Board of Trustees

SMM/aa

SB2103**102ND GENERAL ASSEMBLY****State of Illinois****2021 and 2022****SB2103**

Introduced 2/26/2021, by Sen. Robert F. Martwick

SYNOPSIS AS INTRODUCED:

See Index

Amends the Illinois Pension Code. In the State Universities Article, provides that the optional defined contribution plan shall provide for one or more automatic contribution arrangements, at least one of which shall be an eligible automatic contribution arrangement that permits a withdrawal of default elective contributions in accordance with a specified provision of the Internal Revenue Code of 1986. In the Illinois Municipal Retirement Fund (IMRF) Article, provides that the amount of the separation benefit shall include interest credited to the end of the preceding calendar year for contributions made under provisions authorizing employees to make additional contributions for retirement annuity purposes. Provides that employees who first participate in the Fund on or after 6 months after the effective date of the amendatory Act shall automatically contribute 3% of each payment of earnings as additional contributions for retirement annuity purposes. Provides that employees may change such contributions to an amount not to exceed 10% of each payment of earnings at any time. Provides that the Board may limit the number of withdrawals of those additional contributions to an amount not less than once per calendar year and may charge an administrative fee. In the Deferred Compensation Article, provides for automatic enrollment of any employee who is a member under the State Employee, Downstate Teacher, or Chicago Teacher Article, regardless of when the employee first became a member under that Article. Amends the State Mandates Act to require implementation without reimbursement. Effective immediately, except that the changes to the IMRF and Deferred Compensation Articles of the Illinois Pension Code and to the State Mandates Act take effect January 1, 2022.

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FISCAL NOTE ACT
MAY APPLY

PENSION IMPACT
NOTE ACT MAY
APPLY

STATE MANDATES
ACT MAY REQUIRE
REIMBURSEMENT

A BILL FOR

SB2103

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1 AN ACT concerning public employee benefits.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The Illinois Pension Code is amended by
5 changing Section 15-202 as follows:

6 (40 ILCS 5/15-202)

7 Sec. 15-202. Optional defined contribution plan benefit.
8 As soon as practicable after the effective date of this
9 amendatory Act of the 100th General Assembly, the System shall
10 offer a defined contribution plan benefit to active members of
11 the System. The defined contribution plan benefit shall be an
12 optional benefit to any member who chooses to participate. As
13 soon as practicable after the effective date of this
14 amendatory Act of the 102nd General Assembly, the defined
15 contribution plan shall provide for one or more automatic
16 contribution arrangements, at least one of which shall be an
17 eligible automatic contribution arrangement that permits a
18 withdrawal of default elective contributions in accordance
19 with Section 414(w) of the Internal Revenue Code of 1986, as
20 amended, and United States Department of Treasury regulations
21 promulgated thereunder. The defined contribution plan benefit
22 shall collect optional employee and optional employer
23 contributions into an account and shall offer investment

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1 options to the participant. The plan benefit under this
2 Section shall be operated in full compliance with any
3 applicable State and federal laws, and the System shall
4 utilize generally accepted practices in creating and
5 maintaining the plan benefit for the best interest of the
6 participants. The System may use funds from the employee and
7 employer contributions to defray any and all costs of creating
8 and maintaining the plan benefit. The System shall produce an
9 annual report on the participation in the plan benefit and
10 shall make the report public.

11 (Source: P.A. 100-769, eff. 8-10-18.)

12 Section 10. The Illinois Pension Code is amended by
13 changing Sections 7-168, 7-173, and 24-105.2 as follows:

14 (40 ILCS 5/7-168) (from Ch. 108 1/2, par. 7-168)

15 Sec. 7-168. Separation benefits - Amount. The amount of
16 the separation benefits shall be the sum of the employee's
17 accumulated normal, survivor and additional contributions,
18 plus interest credited to the end of the preceding calendar
19 year for contributions made under paragraph (2) of subsection
20 (a) of Section 7-173, to the extent permitted by the federal
21 Internal Revenue Code of 1986, as now or hereafter amended.

22 (Source: P.A. 87-740.)

23 (40 ILCS 5/7-173) (from Ch. 108 1/2, par. 7-173)

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1 Sec. 7-173. Contributions by employees.

2 (a) Each participating employee shall make contributions
3 to the fund as follows:

4 1. For retirement annuity purposes, normal
5 contributions of 3 3/4% of earnings.

6 2. Additional contributions of such percentages of
7 each payment of earnings, as shall be elected by the
8 employee for retirement annuity purposes, but not in
9 excess of 10%. The selected rate shall be applicable to
10 all earnings paid following receipt by the Board of
11 written notice of election to make such contributions.
12 Additional contributions at the selected rate shall be
13 made concurrently with normal contributions.

14 Employees who first participate in the Fund on or
15 after 6 months after the effective date of this amendatory
16 Act of the 102nd General Assembly shall automatically
17 contribute 3% of each payment of earnings as additional
18 contributions for retirement annuity purposes beginning
19 immediately upon enrollment in the Fund as a participating
20 employee. Employees may change such contributions to an
21 amount not to exceed 10% of each payment of earnings at any
22 time by written notice to the Board.

23 3. Survivor contributions, by each participating
24 employee, of 3/4% of each payment of earnings.

25 (b) (Blank).

26 (c) Contributions shall be deducted from each

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1 corresponding payment of earnings paid to each employee and
2 shall be remitted to the board by the participating
3 municipality or participating instrumentality making such
4 payment. The remittance, together with a report of the
5 earnings and contributions shall be made as directed by the
6 board. For township treasurers and employees of township
7 treasurers qualifying as employees hereunder, the
8 contributions herein required as deductions from salary shall
9 be withheld by the school township trustees from funds
10 available for the payment of the compensation of such
11 treasurers and employees as provided in the School Code and
12 remitted to the board.

13 (d) An employee who has made additional contributions
14 under paragraph (a)2 of this Section may upon retirement or at
15 any time prior thereto, elect to withdraw the total of such
16 additional contributions including interest credited thereon
17 to the end of the preceding calendar year, to the extent
18 permitted by the federal Internal Revenue Code of 1986, as now
19 or hereafter amended. The Board has the ability to limit the
20 number of such withdrawals permitted to an amount not less
21 than once per calendar year and to charge an administrative
22 fee to cover the costs of processing such withdrawals.

23 (e) Failure to make the deductions for employee
24 contributions provided in paragraph (c) of this Section shall
25 not relieve the employee from liability for such
26 contributions. The amount of such liability may be deducted,

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1 with interest charged under Section 7-209, from any annuities
2 or benefits payable hereunder to the employee or any other
3 person receiving an annuity or benefit by reason of such
4 employee's participation.

5 (f) A participating employee who has at least 40 years of
6 creditable service in the Fund may elect to cease making the
7 contributions required under this Section. The status of the
8 employee under this Article shall be unaffected by this
9 election, except that the employee shall not receive any
10 additional creditable service for the periods of employment
11 following the election. An election under this subsection
12 relieves the employer from making additional employer
13 contributions in relation to that employee.

14 (Source: P.A. 97-333, eff. 8-12-11; 97-933, eff. 8-10-12;
15 98-218, eff. 8-9-13.)

16 (40 ILCS 5/24-105.2)

17 Sec. 24-105.2. Automatic enrollment for certain members.
18 The Department of Central Management Services shall
19 automatically enroll in the State Employees Deferred
20 Compensation Plan any employee who, on or after July 1, 2020 (6
21 months after the effective date of Public Act 101-277) ~~this~~
22 ~~amendatory Act of the 101st General Assembly~~, first becomes a
23 member or participant of a retirement system created under
24 Article 2, 14, or 18 and shall automatically enroll in the
25 State Employees Deferred Compensation Plan any employee who is

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1 a member under a retirement system or pension fund created
2 under Article 14, 16, or 17, regardless of when the employee
3 first became a member under that Article. An employee
4 automatically enrolled under this Section shall have 3% of his
5 or her pre-tax gross compensation for each compensation period
6 deferred into his or her deferred compensation account.

7 An employee shall have 30 days from the start date of
8 employment to elect to not participate in the deferred
9 compensation plan or to elect to increase or reduce the amount
10 of pre-tax gross compensation deferred. An employee shall be
11 automatically enrolled in the Plan beginning the first day of
12 the pay period following the employee's thirtieth day of
13 employment or the pay period following the effective date of
14 this amendatory Act of the 102nd General Assembly if the
15 employee is a member under Article 14, 16, or 17 on the
16 effective date of this amendatory Act of the 102nd General
17 Assembly. An employee who has been automatically enrolled in
18 the Plan may elect, within 90 days of enrollment, to withdraw
19 from the Plan and receive a refund of amounts deferred. An
20 employee making such an election shall forfeit all employer
21 matching contributions, if any, made prior to the election.
22 Any refunded amount shall be included in the employee's gross
23 income for the taxable year in which the refund is issued.

24 (Source: P.A. 101-277, eff. 1-1-20.)

25 Section 90. The State Mandates Act is amended by adding

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1 Section 8.45 as follows:

2 (30 ILCS 805/8.45 new)

3 Sec. 8.45. Exempt mandate. Notwithstanding Sections 6 and
4 8 of this Act, no reimbursement by the State is required for
5 the implementation of any mandate created by this amendatory
6 Act of the 102nd General Assembly.

7 Section 99. Effective date. This Act takes effect upon
8 becoming law, except that Sections 10 and 90 take effect
9 January 1, 2022.

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Statutes amended in order of appearance

3

40 ILCS 5/15-202

4

40 ILCS 5/7-168

from Ch. 108 1/2, par. 7-168

5

40 ILCS 5/7-173

from Ch. 108 1/2, par. 7-173

6

40 ILCS 5/24-105.2

7

30 ILCS 805/8.45 new

Sen. Robert F. Martwick

Filed: 4/16/2021

10200SB2103sam003

LRB102 12567 RPS 25367 a

1 AMENDMENT TO SENATE BILL 2103

2 AMENDMENT NO. _____. Amend Senate Bill 2103 by replacing
3 everything after the enacting clause with the following:

4 "Section 5. The Illinois Pension Code is amended by
5 changing Sections 15-202, 16-204, and 24-104 as follows:

6 (40 ILCS 5/15-202)

7 Sec. 15-202. Optional deferred compensation plan ~~defined~~
8 ~~contribution benefit.~~

9 (a) As soon as practicable after August 10, 2018 (the
10 effective date of Public Act 100-769) ~~this amendatory Act of~~
11 ~~the 100th General Assembly~~, the System shall offer a deferred
12 compensation plan that is eligible under Section 457(b) of the
13 Internal Revenue Code of 1986, as amended, defined
14 ~~contribution benefit~~ to participating employees ~~active members~~
15 of the System employed by employers described in Section
16 15-106 of this Code that qualify as eligible employers under

1 Section 457(e)(1)(A) of the Internal Revenue Code of 1986, as
2 amended. Such eligible employers shall adopt the plan with an
3 effective date no later than September 1, 2021. Participating
4 employees may voluntarily elect to make elective deferrals to
5 the eligible deferred compensation plan. Eligible employers
6 may make optional employer contributions to the plan on behalf
7 of participating employees, which contributions may be
8 maintained, increased, reduced, or eliminated at the
9 discretion of the employer from plan year to plan year. ~~The~~
10 ~~defined contribution benefit shall be an optional benefit to~~
11 ~~any member who chooses to participate.~~ The plan defined
12 ~~contribution benefit~~ shall collect voluntary ~~optional~~ employee
13 and optional employer contributions into an account for each
14 participant and shall offer investment options to the
15 participant. The plan ~~benefit~~ under this Section shall be
16 operated in full compliance with any applicable State and
17 federal laws, and the System shall utilize generally accepted
18 practices in creating and maintaining the plan ~~benefit~~ for the
19 best interest of the participants. The System may use funds
20 from the employee and employer contributions to defray any and
21 all costs of creating and maintaining the plan ~~benefit~~. The
22 System shall produce an annual report on the participation in
23 the plan ~~benefit~~ and shall make the report public.

24 (b) The System shall automatically enroll in the eligible
25 deferred compensation plan any employee of an eligible
26 employer who first becomes a participating employee of the

1 System on or after July 1, 2022 under an eligible automatic
2 contribution arrangement that is subject to Section 414(w) of
3 the Internal Revenue Code of 1986, as amended, and the United
4 States Department of Treasury regulations promulgated
5 thereunder. An employee who is automatically enrolled under
6 this subsection (b) shall have 3% of his or her compensation,
7 as defined by the plan, for each pay period deferred on a
8 pre-tax basis into his or her account, subject to any
9 contribution limits applicable to the plan. The Board may
10 increase the default percentage of compensation deferred under
11 this subsection (b).

12 An employee shall have 30 days from the date on which the
13 System provides the notice required under Section 414(w) of
14 the Internal Revenue Code of 1986, as amended, to elect to not
15 participate in the eligible deferred compensation plan or to
16 elect to increase or reduce the initial amount of elective
17 deferrals made to the plan. In the absence of such affirmative
18 election, the employee shall be automatically enrolled in the
19 plan on the first day of the calendar month, or as soon as
20 administratively practicable thereafter, following the 30th
21 day from the date on which the System provides the required
22 notice. An employee who has been automatically enrolled in the
23 plan under this subsection (b) may elect, within 90 days of
24 enrollment, to withdraw from the plan and receive a refund of
25 amounts deferred, adjusted by applicable earnings and fees. An
26 employee making such an election shall forfeit all employer

1 matching contributions, if any, made with respect to such
2 refunded elective deferrals and such forfeited amounts shall
3 be used to defray plan expenses. Any refunded elective
4 deferrals shall be included in the employee's gross income for
5 the taxable year in which the refund is issued.

6 (c) The System may provide for one or more automatic
7 contribution arrangements, which shall comply with all
8 applicable Internal Revenue Service rules and regulations, in
9 conjunction with or in lieu of the eligible automatic
10 contribution arrangement under subsection (b), for
11 participating employees of eligible employers whose annual
12 earnings are limited by application of subsection (b) of
13 Section 15-111 of this Code. The amount of elective deferrals
14 made for the employee each pay period under an automatic
15 contribution arrangement shall equal the default percentage
16 specified by resolution of the Board multiplied by the
17 employee's compensation as defined by the plan, subject to any
18 contribution limits applicable to the plan, and shall be made
19 on a pre-tax basis. An employee subject to this subsection (c)
20 shall have 30 days from the date on which the System provides
21 written notice to the employee to elect to not participate in
22 the eligible deferred compensation plan or to elect to
23 increase or reduce the amount of initial elective deferrals
24 made to the plan. In the absence of such affirmative election,
25 the employee shall be automatically enrolled in the plan
26 beginning the first day of the calendar month, or as soon as

1 administratively practicable thereafter, following the 30th
2 day from the date on which the System provides the required
3 notice.

4 (d) The System may provide that the default percentage for
5 any employee automatically enrolled in the eligible deferred
6 compensation plan under subsection (b) or (c) be increased by
7 a specified percentage each plan year after the plan year in
8 which the employee is automatically enrolled in the plan. The
9 amount of automatic annual increases in any plan year shall
10 not exceed 1% of compensation as defined by the plan.

11 (e) The changes made to this Section by this amendatory
12 Act of the 102nd General Assembly are corrections of existing
13 law and are intended to be retroactive to the effective date of
14 Public Act 100-769, notwithstanding Section 1-103.1 of this
15 Code.

16 (Source: P.A. 100-769, eff. 8-10-18.)

17 (40 ILCS 5/16-204)

18 Sec. 16-204. Optional defined contribution benefit. As
19 soon as practicable after the effective date of this
20 amendatory Act of the 100th General Assembly, the System shall
21 offer a defined contribution benefit to active members of the
22 System. The defined contribution benefit shall be an optional
23 benefit to any member who chooses to participate. The defined
24 contribution benefit shall collect optional employee and
25 optional employer contributions into an account and shall

1 offer investment options to the participant. The benefit under
2 this Section shall be operated in full compliance with any
3 applicable State and federal laws, and the System shall
4 utilize generally accepted practices in creating and
5 maintaining the benefit for the best interest of the
6 participants. The System may use funds from the employee and
7 employer contributions to defray any and all costs of creating
8 and maintaining the benefit. In addition, the System may use
9 funds provided under Section 16-158 of this Code to defray any
10 and all costs of creating and maintaining the benefit and then
11 shall reimburse those costs from funds received from the
12 employee and employer contributions under this Section. All
13 employers must comply with the reporting and administrative
14 functions established by the System and are required to
15 implement the benefits established under this Section. The
16 System shall produce an annual report on the participation in
17 the benefit and shall make the report public.

18 As soon as is practicable on or after January 1, 2022, the
19 System shall automatically enroll any employee who first
20 becomes an active member or participant in the System. A
21 member automatically enrolled under this Section shall have 3%
22 of his or her pre-tax gross compensation for each compensation
23 period deferred into his or her deferred compensation account,
24 unless the member otherwise instructs the System on forms
25 approved by the System. A member may elect, in a manner
26 provided for by the System, to not participate in the defined

1 contribution benefit or to increase or reduce the amount of
2 pre-tax gross compensation contributed, consistent with State
3 or federal law. A member shall be automatically enrolled in
4 the benefit beginning the first day of the pay period
5 following the member's 30th day of employment. A member who
6 has been automatically enrolled in the benefit may elect,
7 within 90 days of enrollment, to withdraw from the benefit and
8 receive a refund of amounts deferred, plus or minus any
9 applicable earnings, investment fees, and administrative fees.
10 Any refunded amount shall be included in the member's gross
11 income for the taxable year in which the refund is issued.

12 On or after January 1, 2023, the System may elect to
13 increase the automatic annual contributions under this
14 Section. The increase in the rate of contribution, however,
15 shall not exceed 2% of a member's pre-tax gross compensation
16 per year, and at no time shall any total contribution exceed
17 any contribution limits established by State or federal law.

18 (Source: P.A. 100-769, eff. 8-10-18.)

19 (40 ILCS 5/24-104) (from Ch. 108 1/2, par. 24-104)

20 Sec. 24-104. The Illinois State Board of Investment
21 created under Article 22A of this Act shall develop and
22 establish a deferred compensation plan for employees of the
23 State which shall be known as the State Employees Deferred
24 Compensation Plan. The Plan shall provide for the Board to
25 review proposed investment offerings and shall require that

1 only investments determined to be acceptable by the Board may
2 be used for investing compensation deferred.

3 The Plan shall include appropriate provisions pertaining
4 to its day to day operation providing for methods of electing
5 to defer income, methods of changing the amount of income to be
6 deferred, methods of selecting from among investment options
7 available under the plan and such other provisions as may be
8 appropriate.

9 The Plan shall provide for the preparation, and
10 distribution from time to time to all eligible State
11 employees, of pamphlets describing the Plan and outlining the
12 options and opportunities available to State employees under
13 the Plan. Such pamphlets, however, shall not be distributed to
14 employees who are covered under Articles 7, 15, or 16 of this
15 Code.

16 The Plan established under this Section shall not be
17 implemented or amended until the Board is satisfied that
18 compensation deferred under the Plan is not subject to income
19 tax for the year in which it is earned and that the taxation of
20 such compensation will be deferred until the time of its
21 distribution to the employee.

22 The Board shall also review and oversee the administration
23 of the Plan.

24 (Source: P.A. 81-671.)

25 Section 90. The State Mandates Act is amended by adding

1 Section 8.45 as follows:

2 (30 ILCS 805/8.45 new)

3 Sec. 8.45. Exempt mandate. Notwithstanding Sections 6 and
4 8 of this Act, no reimbursement by the State is required for
5 the implementation of any mandate created by this amendatory
6 Act of the 102nd General Assembly.

7 Section 99. Effective date. This Act takes effect upon
8 becoming law.".



SUPPORT SB 2103 (Sen. Martwick)

Default Enrollment into SURS Deferred Compensation Plan (DCP)

- **Public Act 100-769 created a supplemental defined contribution plan for SURS members.** SURS designed the DCP specifically for SURS members, providing low-cost, efficient investment options that are reviewed and approved by SURS. The SURS DCP adheres to the rigorous fiduciary standards for transparency, ethics, and accountability under the Illinois Pension Code.
- **SURS is nationally recognized as a leading retirement administrator.** SURS recently received an Eddy Award from *Pensions and Investments* for its communications related to defined contribution plans and is one of two finalists for the Public Defined Contribution Plan Sponsor of the Year Award. SURS manages over \$25 billion in assets and administers benefits for over 240,000 employees, retirees, and beneficiaries.
- **SB 2103 ensures that SURS members can save more of their own money for a secure retirement at no cost to the State.** Studies show that many people fail to save adequately for retirement. SB 2103 makes retirement savings easy for SURS members by defaulting them into the SURS DCP; members may opt-out at any time. The SURS DCP consists of employee contributions and optional employer contributions; there is no State contribution.
- **SB 2103 helps Tier 2 members prepare for retirement.** Tier 2 members have a retirement benefit program that is less substantial than members in Tier 1. The SURS DCP has been carefully designed to provide lifetime monthly income in retirement that can fill the gap and supplement the monthly income received from SURS.
- **SB 2103 does not limit members' ability to utilize other retirement savings plans.** SURS members who wish to actively manage their retirement savings may participate in other retirement savings plans. SURS works closely with providers to monitor employee contribution limits across plans.

LEGISLATIVE PLATFORM

LEGISLATIVE PRINCIPLES

These principles are established by the State Universities Retirement System (SURS) Board of Trustees to provide a framework for the consistent evaluation of legislative proposals by staff. The Board's position on proposed legislation will be determined on a case-by-case basis using these principles as a guide. Legislative Proposals are subject to these Legislative Principles. Some principles may not apply to the SURS defined contribution Self-Managed Plan.

1. **Legislatively promised contributions should never be cut or delayed.** Decreased or delayed contributions impair the retirement security of SURS members throughout Illinois.
2. **Current and proposed benefits should be paid for as they accrue.** Proposals must provide an actuarially sufficient funding mechanism. Costs should not be shifted to future generations of taxpayers or system members.
3. **SURS investments should not be constrained by legislative restrictions, mandates or directives other than the trustees' fiduciary duties.** Political or economic mandates can reduce the likelihood of success in optimizing investment return.
4. **The primary goal of SURS is to provide financial security for SURS members in retirement.** Basic financial protection should be provided for system members beyond their normal working years.
5. **Benefits and costs should be equitably allocated.** Proposals should not discriminate against certain groups of members or retirees, expend system assets inequitably, or distribute increased costs disproportionately.
6. **The financial and operational integrity of SURS must be preserved.** Trustee ability to exercise fiduciary duties solely on behalf of members and beneficiaries of SURS without interference should be advanced.
7. **Legislatively promised benefits should not be reduced.** Proposals should not diminish benefits for annuitants and current participants.

LEGISLATIVE PROPOSALS

The SURS Board of Trustees intends to have introduced and to support passage of the following legislative proposals.

1. A bill providing full funding at SURS certified levels.
2. A bill containing technical corrections to Article 15 of the Illinois Pension code (the "SURS" article).