



## **MINUTES**

**Quarterly Meeting of the Legal & Legislative Committee  
of the Board of Trustees of the  
State Universities Retirement System  
Friday, December 9, 2022, 1:06 p.m.  
State Universities Retirement System  
Via remote access only due to ongoing COVID-19 concerns**

The meeting on December 9, 2022, was conducted via video conference pursuant to the Governor's COVID-19 Executive Order dated November 10, 2022, and subsection (e) of Section 7 of the Illinois Open Meetings Act. Chair John Atkinson of the SURS Board of Trustees determined that a full, in-person meeting was not practical nor prudent due to the ongoing COVID-19 disaster concerns.

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

Others present: Ms. Suzanne Mayer, Executive Director; Mr. Douglas Wesley, Chief Investment Officer (CIO); Ms. Ellen Hung, Deputy CIO; Ms. Jackie Hohn, Chief Internal Auditor; Ms. Tara Myers, Chief Financial Officer; Ms. Nichole Hemming, Chief Human Resources Officer; Ms. Jackie Hohn, Chief Internal Auditor; Mr. Jefferey Saiger, Chief Technology Officer; Ms. Tracy Bennett, Compliance Analyst; Ms. Bianca Green, General Counsel; Ms. Kristen Houch, Director of Legislative and Stakeholder Relations; Ms. Alicia Route, Legislative Analyst; Mr. Albert Lee, Associate General Counsel; Ms. Heather Kimmons, Associate General Counsel; Ms. Anna Dempsey, Investment Counsel; Ms. Kelly Carson, Ms. Chelsea McCarty and Ms. Annette Ackerman, Executive Assistants; and Mr. Michael Calabrese of Foley.

Legal & Legislative Committee roll call attendance was taken. Trustee Atkinson, present; Trustee Bodnaruk, present; Trustee Giertz, present; Trustee Lyons, absent; and Trustee Rock, present.

## **APPROVAL OF MINUTES**

Trustee Bodnaruk presented the minutes from the Legal & Legislative Committee meeting of September 15, 2022.

Trustee Giertz made the following motion:

- That the minutes from the September 15, 2022, Legal & Legislative Committee meeting be approved as presented.

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

Trustee Atkinson                      -        aye

Trustee Bodnaruk	-	aye
Trustee Giertz	-	aye
Trustee Lyons	-	absent
Trustee Rock	-	aye

### **CHAIRPERSON’S REPORT**

Trustee Rock did not have a formal chairperson’s report.

### **LEGISLATIVE UPDATE**

Ms. Houch provided the legislative update, which included a recap of the veto session and an explanation of the pending bills that would impact SURS. She also provided an anticipated session outlook for 2023. Ms. Alicia Route reviewed the 2023 spring session calendars with the committee.

A copy of the report titled “102<sup>nd</sup> General Assembly – Veto Session 2<sup>nd</sup> Year – Bill Actions since 4/9/2022” is incorporated as part of these minutes as [Exhibit 1](#). A copy of the “Illinois Senate 2023 Spring calendar” is included as [Exhibit 2](#) and “Illinois House 2023 Session calendar” is included as [Exhibit 3](#)

### **LEGISLATIVE PLATFORM**

Ms. Houch presented the legislative principles and changes as discussed at the September board meeting.

Trustee Giertz made the following motion:

- That based on the recommendation of SURS staff, the SURS Legislative Principles be accepted as presented.

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

Trustee Atkinson	-	aye
Trustee Bodnaruk	-	aye
Trustee Giertz	-	aye
Trustee Lyons	-	aye
Trustee Rock	-	aye

A copy of the proposal titled “Legislative Principles” is incorporated as part of these minutes as [Exhibit 4](#).

### **APPROVAL OF JANUARY 2023 REGULATORY AGENDA**

Ms. Bianca Green presented the proposed January 2023 Regulatory Agenda. She noted that twice each year, in January and July, a regulatory agenda must be filed with the Illinois Secretary of State’s Office in Springfield, IL. Ms. Green explained that there were no new proposed changes as compared

to the July 2023 regulatory agenda previously filed. She also answered questions raised by the trustees.

Trustee Atkinson made the following motion:

- That the proposed January 2023 Regulatory Agenda be approved as presented and be filled in substantially the same format.

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

Trustee Atkinson	-	aye
Trustee Bodnaruk	-	aye
Trustee Giertz	-	aye
Trustee Lyons	-	aye
Trustee Rock	-	aye

A copy of the report titled “January 2023 Proposed Regulatory Agenda” is incorporated as part of these minutes as [Exhibit 5](#).

## **RULEMAKING AND COMPLIANCE UPDATE**

### **Status of Pending Rules**

Mr. Lee provided an informational update on the status of the proposed rulemakings. These are housekeeping rules that include technical changes to the Group Trust Provisions, technical changes to the Excess Benefit Arrangement Rule, updates and changes to the Overpayment Recovery Rules, and changes to the Administrative Staff Determination and Rules Appeal. These are still pending first notice filing procedures. SURS staff is working with the secretary of state staff members to advance these proposed JCAR rulemaking changes.

A copy of the memo to the Legal and Legislative Committee, “Rulemaking Update” is incorporated as part of these minutes as [Exhibit 6](#).

### **Compliance Stop Light Report**

Ms. Green reviewed and discussed the current compliance stop light report which generally reflects SURS’ compliance with its reporting requirements. She noted that certain trustees still need to complete certain mandatory training requirements.

A copy of the report titled “November 2022 Spotlight Report” is incorporated as part of these minutes as [Exhibit 7](#).

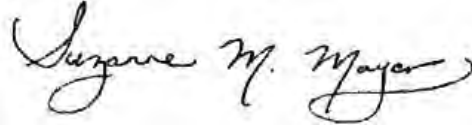
## **PUBLIC COMMENT**

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

There was no further business brought before the committee and Trustee Atkinson moved that the meeting be adjourned. The motion was seconded by Trustee Bodnaruk and the motion passed via the following roll call vote:

Trustee Atkinson	-	aye
Trustee Bodnaruk	-	aye
Trustee Giertz	-	aye
Trustee Lyons	-	aye
Trustee Rock	-	aye

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Suzanne M. Mayer". The signature is fluid and cursive, with the first name "Suzanne" being the most prominent.

Ms. Suzanne M. Mayer  
Executive Director and Secretary, Board of Trustees

SMM:aa



1901 Fox Drive, Champaign, IL 61820-7333  
 800-275-7877 • 217-378-8800 • (Fax) 217-378-9800  
[www.surs.org](http://www.surs.org)

**Legislative Report: Statutes Last Updated 12/1/22**

**Contact: Office of Legislative Affairs**

*Please note: SURS does not endorse specific pension reform legislation. Our goal is to update and educate SURS members concerning legislation that may affect their retirement benefits.*

**102ND GENERAL ASSEMBLY - VETO SESSION - 2ND YEAR - BILL ACTIONS SINCE 4/9/22**

Bill Number	Sponsor(s)	Short Title	Short Summary	Notes	Status
<a href="#">HB 1293 (ENGR)</a>	Rep. LaPointe (Sen. Harmon)	Russia Divestment	Urges all pension funds and retirement systems under the Illinois Pension Code to divest holdings in companies located in Russia or Belarus that are on the list of restricted companies developed by the Illinois Investment Policy Board. Generally prohibits the state-funded retirement systems from investing in: companies located in Russia or Belarus; companies that are subject to Russian Harmful Foreign Activities Sanctions; Russian or Belarusian sovereign debt; Russian or Belarusian government-backed securities; any investment instrument issued by an entity located in Russia or Belarus; any investment instrument issued by a company subject to Russian Harmful Foreign Activities Sanctions; and any bank located in Russia or Belarus.		Passed Both Houses on 11/30/22 (House: 109-0-0; Senate: 50-0-0)
<a href="#">SA #2 to HB 4285</a>	Rep. Stuart (Sen. Castro)	Procurement Omnibus	Amends the Business Enterprise for Minorities, Women, and Persons with Disabilities Act to define a "business" as a business with annual gross sales of less than \$150 million (currently, \$75 million). Establishes that firms with gross sales in excess of this cap that are granted certification by the Business Enterprise Council are granted certification for the life of the contract, including available renewals. Amends the Criminal Code of 2012 to expand the exemption for change orders. Makes other changes.		House Placed on Calendar Order of Concurrence on 11/30/22; Passed the Senate (56-0-1) on 11/30/22
<a href="#">HB 5752</a>	Rep. Nichols	BEP - Arab	Amends the Business Enterprise for Minorities, Women, and Persons with Disabilities Act to include Arab under the definition of "minority person." Defines "Arab" as a person having origins in any of the original peoples of Saudi Arabia, United Arab Emirates, Iraq, Bahrain, Jordan, Comoros, Kuwait, Lebanon, Libya, Mauritania, Morocco, Djibouti, Somalia, Palestine, Oman, Syria, Yemen, Qatar, Sudan, Tunisia, Egypt, or Algeria. Makes other changes.		House Referred to Rules Committee on 11/16/22



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**102ND GENERAL ASSEMBLY - VETO SESSION - 2ND YEAR - BILL ACTIONS SINCE 4/9/22**

Bill Number	Sponsor(s)	Short Title	Short Summary	Notes	Status
<a href="#">HB 5831</a>	Rep. Marron	Retiree Health Insurance - Require Two Providers	Requires at least two contracts to be procured to provide retiree health insurance benefits under SEGIP and TRIP. Requires CMS to procure additional contracts so that there are at least two contracts to provide retiree health insurance benefits under SEGIP and TRIP.		House Referred to Rules Committee on 11/16/22
<a href="#">HB 5851</a>	Rep. Halpin	Pension Stabilization Funding	Establishes that, beginning in Fiscal Year 2024, for each fiscal year when spending from general funds does not exceed 99% of general funds revenues and the Budget Stabilization Fund is equal to 7.5% of general funds revenues, the Comptroller must transfer 1% of estimated general funds revenues from the General Revenue Fund into the Pension Stabilization Fund. Establishes that, beginning in Fiscal Year 2024, for each fiscal year when spending from general funds does not exceed 98% of general funds revenues and the Budget Stabilization Fund is equal to 7.5% of general funds revenues, the Comptroller must transfer 2% of estimated general funds revenues from the General Revenue Fund into the Pension Stabilization Fund. (Moneys in the Pension Stabilization Fund must be used to reduce the unfunded actuarially accrued liabilities of the state-funded retirement systems.)	Similar to HB 4118 (Rep. Halpin) and SB 4230 (Sen. D. Turner)	House Referred to Rules Committee on 11/29/22
<a href="#">HR 979</a>	Rep. Marron	General Assembly Hearing on Retiree Health Insurance Provider Issues	Resolves that the Illinois House of Representatives urges the Speaker of the House to schedule a House State Government Administration Committee hearing or House Personnel and Pensions Committee hearing during the November 2022 Veto Session to hear testimony from CMS on retiree health insurance provider changes and that members of the public representing State retirees be invited to provide testimony on what the changes will mean for them and their families.		House Referred to Rules Committee on 11/15/22



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**Legislative Report: Statuses Last Updated 12/1/22**

**Contact: Office of Legislative Affairs**

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**102ND GENERAL ASSEMBLY - VETO SESSION - 2ND YEAR - BILL ACTIONS SINCE 4/9/22**

Bill Number	Sponsor(s)	Short Title	Short Summary	Notes	Status
<a href="#">SB 4230</a>	Sen. D. Turner	Pension Stabilization Funding	Establishes that, beginning on June 30, 2023 and for each June 30 thereafter, if the amount of the backlog of bills reported by the Comptroller is less than \$3 billion, then \$200 million must be transferred from the General Revenue Fund to the Pension Stabilization Fund in equal monthly installments. (Moneys in the Pension Stabilization Fund must be used to reduce the unfunded actuarially accrued liabilities of the state-funded retirement systems.)	Identical to HB 4118 (Rep. Halpin)	Senate Referred to Assignments Committee on 11/14/22
<a href="#">SB 4236</a>	Sen. Rose	Medicare-Primary Opt-Out Voucher	Requires CMS to establish a program of financial incentives to encourage Medicare-primary members to elect not to participate in the group health benefits program for Medicare-primary members and their Medicare-primary dependents. Requires the program of financial incentives to include a voucher, issued monthly, equal to the amount the State would have contributed toward that member's monthly premium. Requires the voucher to be used by the Medicare-primary member to pay the monthly premium cost of a Medicare Advantage plan of his or her choosing. Establishes that any amount of premium cost in excess of the amount of the voucher is the Medicare-primary member's responsibility.		Senate Referred to Assignments Committee on 11/14/22
<a href="#">SJR 61</a>	Sen. Fine	Urge Repeal of GPO/WEP	Urges U.S. Congress to enact legislation repealing the Government Pension Offset and Windfall Elimination Provisions from the Social Security Act and urges President Biden to sign that legislation into law. (The Government Pension Offset and Windfall Elimination Provisions reduce Social Security benefits to account for pension benefits received from non-coordinated plans.)		Senate Referred to Assignments Committee on 11/14/22

# 2023

ILLINOIS SENATE CALENDAR  
103<sup>RD</sup> GENERAL ASSEMBLY  
SENATE PRESIDENT DON HARMON



## JANUARY

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
<b>1</b> NEW YEAR'S DAY	<b>2</b> STATE HOLIDAY	<b>3</b>	<b>4</b> SESSION 102 <sup>ND</sup> GENERAL ASSEMBLY	<b>5</b> SESSION 102 <sup>ND</sup> GENERAL ASSEMBLY	<b>6</b> SESSION 102 <sup>ND</sup> GENERAL ASSEMBLY	<b>7</b> SESSION 102 <sup>ND</sup> GENERAL ASSEMBLY
<b>8</b>	<b>9</b>	<b>10</b> SESSION 102 <sup>ND</sup> GENERAL ASSEMBLY	<b>11</b> SESSION INAUGURATION 103 <sup>RD</sup> GENERAL ASSEMBLY	<b>12</b> SESSION	<b>13</b>	<b>14</b>
<b>15</b>	<b>16</b> MARTIN LUTHER KING JR. DAY STATE HOLIDAY	<b>17</b>	<b>18</b>	<b>19</b>	<b>20</b>	<b>21</b>
<b>22</b>	<b>23</b>	<b>24</b> SESSION	<b>25</b> SESSION	<b>26</b> SESSION	<b>27</b> DEADLINE <i>Senate LRB Requests</i>	<b>28</b>
<b>29</b>	<b>30</b>	<b>31</b>				

### IMPORTANT DATES

**January 11** - Inauguration of the 103rd General Assembly

**January 27** - DEADLINE - Senate LRB Requests



# 2023

ILLINOIS SENATE CALENDAR  
103<sup>RD</sup> GENERAL ASSEMBLY  
SENATE PRESIDENT DON HARMON



## FEBRUARY

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
			1	2	3	4
5	6	7 SESSION	8 SESSION	9 SESSION	10 <b>DEADLINE</b> <i>Introduction of Substantive Senate Bills</i>	11
12	13 LINCOLN'S BIRTHDAY STATE HOLIDAY	14 SESSION VALENTINE'S DAY	15 SESSION GOVERNOR'S STATE OF THE STATE / BUDGET ADDRESS	16 SESSION	17	18
19	20 PRESIDENT'S DAY STATE HOLIDAY	21 SESSION	22 SESSION ASH WEDNESDAY	23 SESSION	24	25
26	27	28 CONSOLIDATED PRIMARY ELECTION				

### IMPORTANT DATES

**February 10** - DEADLINE - Introduction of Substantive Senate Bills

**February 15** - Governor's State of the State / Budget Address

**February 28** - Consolidated Primary Election

# 2023

ILLINOIS SENATE CALENDAR  
103<sup>RD</sup> GENERAL ASSEMBLY  
SENATE PRESIDENT DON HARMON



## MARCH

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
			1	2	3	4
5	6	7 SESSION	8 SESSION	9 SESSION	10 SESSION DEADLINE Substantive Senate Bills Out of Committee	11
12 DAYLIGHT SAVING BEGINS	13	14	15	16	17 ST. PATRICK'S DAY	18
19	20	21 SESSION	22 SESSION RAMADAN BEGINS	23 SESSION	24 SESSION	25
26	27	28 SESSION	29 SESSION	30 SESSION	31 SESSION DEADLINE Third Reading Substantive Senate Bills	

### IMPORTANT DATES

**March 10** - DEADLINE - Substantive Senate Bills Out of Committee

**March 31** - DEADLINE - Third Reading Substantive Senate Bills

# 2023

ILLINOIS SENATE CALENDAR  
103<sup>RD</sup> GENERAL ASSEMBLY  
SENATE PRESIDENT DON HARMON



## APRIL

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
						1
2 PALM SUNDAY	3	4	5 PASSOVER BEGINS	6	7 GOOD FRIDAY	8
9 EASTER SUNDAY	10	11	12	13 PASSOVER ENDS	14	15
16	17	18 SESSION	19 SESSION	20 SESSION	21 RAMADAN ENDS EID AL-FITR	22 EID AL-FITR
23 30	24	25 SESSION	26 SESSION ADMINISTRATIVE PROFESSIONALS DAY	27 SESSION	28 SESSION DEADLINE House Bills Out of Committee	29

### IMPORTANT DATES

April 28 - DEADLINE - House Bills Out of Committee

# 2023

ILLINOIS SENATE CALENDAR  
103<sup>RD</sup> GENERAL ASSEMBLY  
SENATE PRESIDENT DON HARMON



## MAY

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
	<b>1</b>	<b>2</b> SESSION	<b>3</b> SESSION	<b>4</b> SESSION	<b>5</b> SESSION CINCO DE MAYO	<b>6</b> SESSION
<b>7</b> SESSION	<b>8</b> SESSION	<b>9</b> SESSION	<b>10</b> SESSION	<b>11</b> SESSION DEADLINE Third Reading Substantive House Bills	<b>12</b>	<b>13</b>
<b>14</b> MOTHER'S DAY	<b>15</b> PM SESSION	<b>16</b> SESSION	<b>17</b> SESSION	<b>18</b> SESSION	<b>19</b> SESSION ADJOURNMENT	<b>20</b>
<b>21</b>	<b>22</b>	<b>23</b>	<b>24</b>	<b>25</b>	<b>26</b>	<b>27</b>
<b>28</b>	<b>29</b> MEMORIAL DAY STATE HOLIDAY	<b>30</b>	<b>31</b>			

### IMPORTANT DATES

**May 11** - DEADLINE - Third Reading Substantive House Bills

**May 19** - Adjournment



ILLINOIS HOUSE OF REPRESENTATIVES  
103rd General Assembly ~ Emanuel "Chris" Welch, Speaker

January 2023

**IMPORTANT DATES**

2—New Year's Day State Holiday

16—Martin Luther King Jr. Day State Holiday

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
1 <i>New Year's Day</i>	2 <b>STATE HOLIDAY</b>	3	4 <a href="#">SESSION</a>	5 <a href="#">SESSION</a>	6 <a href="#">SESSION</a>	7 <a href="#">SESSION</a>
8	9 Executive Branch Inauguration	10 <a href="#">SESSION</a>	11 103rd General Assembly Inauguration	12 <a href="#">SESSION</a>	13	14
15	16 <i>Martin Luther King Jr. Day</i> <b>STATE HOLIDAY</b>	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31 <a href="#">SESSION</a>				

February 2023

**IMPORTANT DATES**

3—House Deadline LRB Requests

13—Lincoln's Birthday State Holiday

17—House Deadline Intro. Of House Bills

20—President's Day State Holiday

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
			1 <a href="#">SESSION</a>	2 <a href="#">SESSION</a>	3 HOUSE DEADLINE LRB—Requests	4
5	6	7 <a href="#">SESSION</a>	8 <a href="#">SESSION</a>	9 <a href="#">SESSION</a>	10	11
12	13 <i>Lincoln's Birthday</i> <b>STATE HOLIDAY</b>	14 <a href="#">SESSION</a> <i>Valentine's Day</i>	15 <a href="#">SESSION</a> <i>Gov. Budget Address &amp; State of the State</i>	16 <a href="#">SESSION</a>	17 DEADLINE Intro. of House Bills	18
19	20 <i>Presidents' Day</i> <b>STATE HOLIDAY</b>	21 <a href="#">SESSION</a>	22 <a href="#">SESSION</a>	23 <a href="#">SESSION</a>	24 <a href="#">SESSION</a>	25
26	27	28 <a href="#">SESSION</a>				

March 2023

**IMPORTANT DATES**

10—Deadline Committee Substantive HB's

24—Deadline 3rd Reading HB's

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
			1 <a href="#">SESSION</a>	2 <a href="#">SESSION</a>	3	4
5 <i>Daylight Savings Time Begins</i>	6	7 <a href="#">SESSION</a>	8 <a href="#">SESSION</a>	9 <a href="#">SESSION</a>	10 <a href="#">SESSION</a>	11
12	13	14 <a href="#">SESSION</a>	15 <a href="#">SESSION</a>	16 <a href="#">SESSION</a>	17 DEADLINE -Committee Substantive HBs	18
19	20	21 <a href="#">SESSION</a>	22 <a href="#">SESSION</a>	23 <a href="#">SESSION</a>	24 <a href="#">SESSION</a>	25
26	27	28 <a href="#">SESSION</a>	29 <a href="#">SESSION</a>	30 <a href="#">SESSION</a>	31 DEADLINE 3rd Reading HBs	



ILLINOIS HOUSE OF REPRESENTATIVES  
103rd General Assembly ~ Emanuel “Chris” Welch, Speaker

April 2023

**IMPORTANT DATES**

28—SB’s Committee  
Deadline

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
						1
2 <i>Palm Sunday</i>	3 ←	4	5 <i>Spring Break</i> <i>Passover Begins</i>	6	7 <i>Good Friday</i>	8
9 <i>Easter Sunday</i>	10 ←	11	12 <i>Spring Break</i>	13	14 →	15
16	17	18 <u>SESSION</u>	19 <u>SESSION</u>	20 <u>SESSION</u>	21	22
23	24	25 <u>SESSION</u>	26 <u>SESSION</u>	27 <u>SESSION</u>	28 <u>SESSION</u>	29
30					DEADLINE Committee SBs	

May 2023

**IMPORTANT DATES**

12—House Deadline Third  
Reading Senate Bills

19—Adjournment

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
	1	2 <u>SESSION</u>	3 <u>SESSION</u>	4 <u>SESSION</u>	5	6
7	8 <u>SESSION</u>	9 <u>SESSION</u>	10 <u>SESSION</u>	11 <u>SESSION</u>	12 <u>SESSION</u> DEADLINE 3rd Reading SBs	13
14 <i>Mother’s Day</i>	15 <u>SESSION</u>	16 <u>SESSION</u>	17 <u>SESSION</u>	18 <u>SESSION</u>	19 <u>SESSION</u> ADJOURNMENT	20
11	22	23	24	25	26	27
28	29 <i>Memorial Day</i> STATE HOLIDAY	30	31			

## 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. Legislative proposals are subject to these legislative principles.

1. **Legislatively promised contributions should never be cut or delayed.** Decreased or delayed contributions impair the retirement security of SURS members.
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 be made in accordance with fiduciary duties.** Political or economic mandates can reduce the likelihood of success in optimizing investment return.
4. **The primary goal of SURS is to deliver promised benefits to SURS members.** SURS members rely on promised benefits for a financially secure retirement.
5. **Benefits and costs should be equitably allocated.** Changes should not unduly impact particular groups of members or retirees.
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.

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ILLINOIS REGISTER

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## STATE UNIVERSITIES RETIREMENT SYSTEM

## JANUARY 2023 REGULATORY AGENDA

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

Amend Section 1600.150 (Group Trust Provisions) to expressly include the Retirement Savings Plan disability benefit program as a participating trust in the Group Trust and to update the reference to the Self-Managed Plan to the Retirement Savings Plan.

Amend Section 1600.270 (Employer Contributions for Benefit Increases Resulting from Earnings Increases Exceeding 6%) to add exclusion concerning any earnings increase resulting from overload work performed in an academic year subsequent to an academic year in which the employer was unable to offer or allow to be conducted overload work due to an emergency declaration limiting such activities under 40 ILCS 5/15-155(h-5).

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

Amend Section 1600.430 (Excess Benefit Arrangement) to make changes to enhance compliance with the Internal Revenue Code.

Amend Section 1600.450 (Overpayment Recovery) to make changes conforming to Public Act 102-0746, effective 5/6/2022 that allows SURS to recover overpayments from payments made to estates, from the Illinois Treasurer's Office of Unclaimed Property and from any other legal means available. Rule changes will also address *de minimis* revisions to benefit calculations and deductions for overpayments of less than \$100.

Amend Section 1600.460 (Accelerated Pension Benefit Payment In Lieu of Any Pension Benefit) to reflect the extended deadline of June 30, 2026 as referenced in Public Act 102-718, effective May 5, 2022.



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 ILLINOIS REGISTER
 

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## STATE UNIVERSITIES RETIREMENT SYSTEM

## JANUARY 2023 REGULATORY AGENDA

Amend Section 1600.461 (Accelerated Pension Benefit Payment for a Reduction and Delay in AAI) to reflect the extended deadline of June 30, 2026 as referenced Public Act 102-718, effective May 5, 2022.

Amend Sections 1600.500 (Administrative Staff Determinations and Rules for Appeal - Nature and Requirements of Formal Hearings) and 1600.510 (Employer-Related Determinations and Rules for Appeal) to consolidate the appeals process for member claims and employer appeals under the Claims Panel, and to provide specific language regarding grounds for disqualification of any member of the Claims Panel, and to clarify that employee-to-employee communications to inquire about bias or conflicts of interest are not *ex parte* communications.

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

Promulgate rules to provide specific definitions and procedures to implement 40 ILCS 5/15-168 (concerning information requests necessary for the proper administration of the System and suspensions for non-compliance by members and penalties for non-compliance by employers).

Promulgate rules to clarify SURS' benefit forfeiture procedures and refund calculation methods arising from work-related felonies under Section 15-187 of the Illinois Pension Code (40 ILCS 5/15-187).

Amend Section 1600.710 (Petitions) to remove any reference to the required or permissive use of the last four digits of the social security numbers of SURS members on nominating petitions for contributing member candidates and annuitant candidates.

Amend Section 1600.745 (Candidate Informational Communications) to provide clarity for the options available to candidates for sending out SURS approved electronic and/or hard copy campaign communications to voters.

- 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

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ILLINOIS REGISTER

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STATE UNIVERSITIES RETIREMENT SYSTEM

JANUARY 2023 REGULATORY AGENDA

proposed rule in the *Illinois Register*. No public hearings are anticipated.

- D) Date agency anticipates First Notice: Summer 2023 through Winter 2024
- E) Effect on small businesses, small municipalities or not for profit corporations:  
None
- F) Agency contact person for information:
- Bianca T. Green, General Counsel  
State Universities Retirement System  
1901 Fox Drive  
Champaign, IL 61820
- (217) 378-8825  
Fax: (217) 378-9801  
[bgreen@surs.org](mailto:bgreen@surs.org)
- G) Related rulemakings and other pertinent information: Other Amendments may be necessary based on emergent issues.



## MEMORANDUM

**To: Legal & Legislative Committee**

**From: Albert J. Lee, Associate General Counsel**

**Date: November 28, 2022**

**Re: Rulemaking Update**

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The Board approved the filing of the following proposed rulemakings at the quarterly meetings in December 2021 and June 2022.

1. Technical changes to the Group Trust Provisions that update the name of the Retirement Savings Plan (formerly the “Self-Managed Plan”) and specifically include the SURS disability benefit fund as a participant trust (80 Ill. Adm. Code § 1600.150).
2. Technical changes to the Excess Benefit Arrangement Rule to enhance compliance with IRS Regulations (80 Ill. Adm. Code § 1600.430).
3. Updates and changes to Overpayment Recovery Rules to conform to public Act 102-746 (permitting recovery from estates) and provide more specific recovery methods involving the State Comptroller and/or State Treasurer (80 Ill. Adm. Code § 1600.450).
4. Changes to the Administrative Staff Determination and Rules for Appeal – Nature and Requirements of Formal Hearings and Employer-Related Determinations and Rules for Appeal to update references, clarify various processes, clarify grounds for disqualification, provide *ex parte* communication exceptions for inquiries concerning bias or conflict of interest, and consolidate the employer appeals process under the Claims Panel process (80 Ill. Adm. Code §§ 1600.500, 1600.510).

Legal staff have been working with the Illinois Secretary of State to have the proposed rulemakings published in the Illinois Register. The anticipated First Notice publication will be in December or January. After the proposed rulemakings are published, the public will be provided the opportunity to submit public comments on the rulemakings. During this period, the Board and staff must comply with the *ex parte* communication rules that require all communications from the public pertaining to the substance of the rulemakings to be forwarded to the SURS Ethics Officer so that they are made part of the record.

# NOVEMBER COMPLIANCE REPORT (2022)

Report Owner: Compliance Officer		* indicates new requirement/change in requirement			EOQ= End of Quarter		EOM=End of Month	
Department	Report	Filed With	Frequency	Statute/Rule	Last Filed	Next Due	Status	Notes
Administration	Travel Exception Report	IHETCB	Quarterly	80 IL 2900.105	10/4/2022	1/15/2023		This is due by the 15th of the month after the Q ends.
Administration	Drivers License & Insurance Certification	U of I	Annual	625 ILCS 5/7-203 & JCAR 44 Sec 5040.500	6/30/2022	6/30/2023		
Administration	Certification of Board Training Requirement	DFPR-Public Pension/Insurance Div	Annual	40 ILCS 5/1/113.18	7/7/2022	6/30/2023		
Administration	Notice of Regularly Scheduled Board Meetings	SURS Lobby and SURS website	Annual	5 ILCS 120.202	Sep-21	Dec-22		
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	9/15/2022	12/31/2022		
Audit	Fiscal Year Audit Completion Report	Internal - Filed with the Executive Director	Annual	Fiscal Control & Auditing Act	8/31/2021	9/30/2023		
Audit	FCIAA Internal Control Certification	Auditor General	Annual	FCIAA	4/29/2022	5/1/2023		
Audit	Two Year Audit Plan	Internal/ ED approval/A & R Committee	Annual	30 ILCS 10/2003	6/27/2022	6/30/2023		
Audit	Submission of System Audit (due after FY end)	Governor - submitted by SURS and by the Auditor General	Annual	State Auditing Act and 30 ILCS 5/3-14 and 40 ILCS 5/15-174	FY21 - 5/19/2022	FY22		
Finance	GAAP	Comptroller	Annual (by 10/15)	PA 097-1055/ Financial Reporting Standards Board Act	Prelim filed 9/23/2022 - Final due when final numbers are done - final filed 10/24/2022	10/15/2023		
Finance	Public Accountability Report	Comptroller	Annual (by 11/15)	SAMS	12/15/2021	12/15/2022		
Finance	IRS Form 941-Employer Fed Tax Return Form	IRS	Quarterly	IRS CODE	10/12/2022	1/31/2023		
Finance	IRS Form 945 Annual Return of Withheld Federal Tax	IRS	Annual	IRS Code	1/31/2022	1/31/2023		
Finance	Cash Receipts and Disbursement Reports	Comptroller	Quarterly	SAMS	10/31/2022	1/31/2023		
Finance	Agency Fixed Asset Report	Comptroller	Quarterly	SAMS	10/14/2022	1/31/2023		
Finance	Accounts Receivable	Comptroller	Quarterly	SAMS	10/14/2022	1/31/2023		
Finance	Report on SMP Participation Rate	COGFA	Annual	40 ILCS 5/15-158.3	10/26/2022	11/15/2023		
Finance	Cert. of State Contribution and CIP	Governor, CMS, and Comptroller	Annual (final by 1/15)	40 ILCS 5/14A	12/14/2020	1/15/2023		
Finance	Department of Insurance Report	Pension Division of Illinois Dept. of Ins.	Annual	40 ILCS 5/1A-109	12/28/2021	12/31/2022		
Finance	IRS Form 1099R (FIRE)	IRS	Annual	IRS CODE	3/30/2022	4/30/2023		
Finance	IRS 1042: Withholding US income of Foreign Persons	IRS	Annual	IRS CODE	4/19/2022	3/15/2023		Extn. Received - filed in April
Finance	Report on Voluntary Deductions	Comptroller	Annual (by 3/31)	5 ILCS 340/8	1/14/2022	3/31/2023		
Finance	Comptroller Agency Invoice	Comptroller	Annual	PA 98-0228	9/21/2017	No longer required		By law, we file monthly Debt Transparency Reports instead.
Finance	Fee Imposition Report	to Comptroller who sends to Gen. Assembly by 9/1	Annual - to Comptroller by 7/31; Comptroller to GA by 9/1	15 ILCS 405/16.2	7/21/2022	7/31/2023		
Finance	5 year review of 90% funding target	COGFA	5 years	40 ICLS 1-103.3	10/27/2021	12/31/2026		The ED sends a letter to COGFA on this issue.
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	1/21/2022	1/31/2023		
Finance	Information to COGFA	COGFA	Ad Hoc/At will	40 ILCS 5/22-803	As needed	As needed		
Finance	Debt Transparency Report	Comptroller	Monthly (due on the 10th)	30 ILCS 105/9.08	11/1/2022	12/10/2022		
Finance/Mem Serv	Illinois Revised Unclaimed Property Act	Treasurer's Office	Annual report due 11/1	765 ILCS 1026/15-403	1/10/2022	11/1/2023		
Finance/Mem Serv	Fin. Stmt to Participants/ Serv. Cred Stmts	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	11/1/2022	12/10/2022		
Human Resources	Monthly Wage Report	IDES taxnet Online	Monthly (EXCEPT 1/4/7/10)	IDES PA 97-0689	11/4/2022	12/31/2022		
Human Resources	Form UI-3	IDES taxnet Online	Quarterly (1/31, 4/30, 7/31/10/31)	IDES PA 97-0689	10/6/2022	1/31/2023		
Human Resources	Report of Employee Served	State Universities Civil Service System	Quarterly (w/n 10 days EOQ)	Civil Service Rule 250.30	10/2/2022	1/10/2023		
Human Resources	Exempt Employees Report	State Universities Civil Service System	Quarterly	110 ILCS 70/36e	10/2/2022	1/31/2023		

# NOVEMBER COMPLIANCE REPORT (2022)

Human Resources	Occupational Ethnic and Gender Report	State Universities Civil Service System	Quarterly (w/n 10 days EOQ)	Civil Service Rule 250.3.1	10/2/2022	1/10/2023		
Human Resources	Agency Workforce Report	Secretary of State; Office of Governor	Annual	5 ILCS 410/20	12/27/2021	12/31/2022		
Human Resources	TA-2	Legislative Audit Commission	Bi-Annually	St. Fin. Act 30 ILCS 105/12-3	7/6/2022	1/31/2023		
Human Resources	I-9 Eligibility	Internal In File	Ad Hoc w/n 20 days of hire	Dept. Homeland Security	Time of Hire	As needed		
Information Technology	Data Breach Report - Personal Info Protection Act	Notice to resident "in the most expedient time possible and without unreasonable delay."	Ad Hoc	815 ILCS 530/10	Eff. 1/1/20	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	Sept posted 11/22/2022	Oct due 12/15/2022		These reports are often delayed - waiting for private equity information
Investments	Investments Information Report - Monthly	Online Surs.org	Monthly (by the 15th)	30 ILCS 237/10 PA 93-0499	11/14/2022	12/15/2022		
Investments	Report to Gov. on MWDB Firms/HR/Vendors	Governor	Annual by January 1	40 ILCS 5/1-109.1(8)	12/9/2021	1/1/2023		
Investments	Consultant Report on MWDB searches*	SURS Board of Trustees	Annual by January 1	40 ILCS 5/1-113.22	Both - 12/16/21	1/1/2023		These are filed in the same document with the item below. Both statutes, as written, are impossible to meet. Auditors have accepted 1/31 as the due date.
Investments	Consultant Report on Economic Opportunities*	SURS Board of Trustees	Annual by January 1	40 ILCS 5/1-113.23	Both - 12/16/21	1/1/2023		
Investments	Quinquennial Rep. US Owned Foreign Securities**	Federal Reserve Bank	Only upon request 5 years	22 USC Sec 3101	2022 (no report required)	Not due until 2027		*req. threshold for reporting not met for 2017. Next reporting year = 2027 and only if we meet the reporting threshold.
Investments	Restricted Companies Divestiture Reporting*	Illinois Investment Policy Board	Annual by April 1	40 ILCS 5/1-110.16(g)	3/24/2022	4/1/2023		
Investments	Illinois Finance Entity/High Risk Home Loan Act Cert.	DFPR-Public Pension/Insurance Div	Annual	40 ILCS 5/1-110.10	8/8/2022	9/30/2023		
Investments	Invest in Illinois - Report of Economic Opportunity Investments in Illinois	Governor and General Assembly	Annual by September 1	40 ILCS 5/1A-108.5(c)	8/31/2022	9/1/2023		
Investments	Annual SEC ADV's from Financial managers	SEC	Annual-120 days from FY end	US Investment Advisors Act of 1940	Ongoing	Ongoing		*not all managers are required to file by 4/1
Investments	Investment Manager Fee Disclosure to the Board (DB and DC Fees) and description of investment adviser and consultant contracts posted to SURS website	SURS.org website	Quarterly	40 ILCS 5/1-113.14(e)(f)	9/2/2022	12/31/2022		
Investments	Written Investment Policies	Illinois Department of Insurance	Ad Hoc - within 30 days after policy is amended	40 ILCS 5/1-113.6	As needed	As needed		
Investments	Investment Services Policy Exemptions, Forms and Contract Summaries	Illinois Procurement Policy Board	Ad Hoc	40 ILCS 5/1-113.14(b)	As needed	As needed		
Investments	Qualified FOF Mgmt. Services Contract Summaries	SURS.org website	Ongoing	40 ILCS 5/1-113.15(b)	As needed	As needed		
Investments	Annual Certification of Fiduciary Duty and Insurance	Internal on file	Annual	contract provision	9/1/2022	9/1/2023		
Investments	Investment Policy - Initial Filing and Updates	Illinois Department of Insurance	Ad Hoc	40 ILCS 5/1-113.17	9/28/2021	w/30 days of update		
Investments	Illinois Sustainable Investing Act - Inv. Policy New Requirements (eff. 1-1-2020)	Illinois Department of Insurance	Ad Hoc	30 ILCS 238/15 and 40 ILCS 5/1-113.17	1/31/2020	w/30 days of update		New statute requires inv. policy to include sustainability factors
Legal & Ethics	Anti-Discrimination and Harassment Training for Lobbyists	OEIG	Annual	25 ILCS 170/4.7	No longer required	No longer required		
Legal & Ethics	Ethics Training for Registered Lobbyists	Secretary of State	Annual	25 ILCS 170/4.5	No longer required	No longer required		SURS is no longer registered as a lobbyist. This item will be removed.
Legal & Ethics	Lobbying Expenditure Report (20th)	Secretary of State	Monthly	25 ILCS 170/6	No longer required	No longer required		

# NOVEMBER COMPLIANCE REPORT (2022)

Legal & Ethics	Lobbyist Registration Act Exemption Letter	Secretary of State	Annual	25 ILCS 170/3(a)(4 and 5) and 2 Ill. Admin. Code Sec. 560.210(e-f)	1/27/2021	No longer required		We sent this letter as a courtesy to inform that SURS is no longer a registered lobbyist.
Legal & Ethics	Lobbying Expenditure Report (5th)	Secretary of State	Monthly	25 ILCS 170/6	No longer required	No longer required		
Legal & Ethics	Statement of Economic Interests (Board and Execs)	Secretary of State	Annual	5 ILCS 420/4A-101	5/5/2022	5/1/2023		Due on 5/2 this year - we had one late filer.
Legal & Ethics	Annual Ethics Training for Trustees	Internal-Cert of Completion by ED to Division of Insurance of the Department of Financial and Professional Regulation	Annual (to be completed by 6/30)	5 ILCS 430/5-10	7/6/2021	6/30/2022		We have one trustee that still needs to complete.
Legal & Ethics	Ethics Training Plan/Ethics Training State Employees- Part 1- staff only online	SURS Internal Auditor - OEIG at end of year	Annual	5 ILCS 430/5-10	5/2/2022	6/30/2023		
Legal & Ethics	ARDC Registration	ARDC	Annual	128 Ill.2d 351, 538 NE 2d 1152	12/31/2021	12/31/2022		
Legal & Ethics	FOIA Officer Training & Annual Certification	IAG	Annual	5 ILCS 140/3.5	Dec-21	12/31/2022		
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	12/31/2021	12/31/2022		
Legal & Ethics	Annual Completed Ethics Training and Reporting- Staff and Board -online & paper format	OEIG	Annual	5 ILCS 430/5-10	12/31/2021	12/31/2022		
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	12/31/2021	12/31/2022		We have 2 trustees who need to complete - training was due by 6/30/2022. Same as above
Legal & Ethics	Sexual Harassment Training for Staff and Trustees	OEIG	Annual	5 ILCS 450/5-10.5	12/31/2021	12/31/2022		
Legal & Ethics	Anti-Discrimination and Harassment Training for Staff and Trustees	OEIG	Annual - & w/in 30 days of commencing elected or appointed position/office	5 ILCS 430/5-10.5	12/31/2021	12/31/2022		Same as above
Legal & Ethics	Fraud	SURS Board of Trustees and/or Appropriate State's Attorney	As needed	40 ILCS 5/1-135 and 40 ILCS 5/15-186	6/3/2022	As needed		