

## **Resolution Regarding Consolidation of Pension Funds**

**WHEREAS**, the Governor has appointed a task force to examine issues related to the possible consolidation of Illinois Pension Code Article 3 and Article 4 “Downstate” police and fire pension funds, and

**WHEREAS**, a report from the task force has been completed and presented on October 10 2019, and

**WHEREAS**, the possible consolidation of the \$14 billion in assets and 35,000 active and retired participants is a complex financial, economic and operational undertaking, and such an undertaking should not proceed without proper and comprehensive analysis and review by all stakeholders, most notably the asset owners and representatives of the participating members, and

**WHEREAS**, this will cause confusion, will be difficult to implement and has not established cost saving,

**WHEREAS**, the framework necessary to create two consolidated funds with independent trusts, separate from the State Treasury, such that no assets or liabilities are shifted from one plan to another has not been created, tested or planned; the practical aspects of consolidating roughly 650 suburban and downstate police and fire funds has not been set-up, promulgated or explained such that compliance by individual pension funds can be guaranteed;

**WHEREAS**, the Task Force admittedly states that challenges beyond the performance of investments returns “requires further discussion with those who would be affected by such a change,” and that “it is the recommendation of the Task Force that it should continue to review the advantages and challenges of consolidating benefit administration,” the Task Force cannot conclude their recommendations have been fully vetted as “further discussions” and “continued review” are required for the administration of benefits. (See Task Force page 4, para. 5).

**WHEREAS**, any break in the benefits being received by beneficiaries and participants of the downstate and suburban police and fire pensions funds would be tantamount to a breach of a contractual relationship if guaranteed pension benefits are diminished or impaired due to hasty administration or misfeasance in regards to the administration of vested benefits, and therefore unconstitutional under Article XIII, Section 5., of the Illinois Constitution.

**THEREFORE, BE IT RESOLVED** that the Board of Trustees of the \_\_\_\_\_ Pension Fund hereby requests that the Illinois General Assembly not adopt enabling consolidation legislation during the 2019 Veto Session and that any consideration of such a major undertaking be held over until the 2020 Regular Legislative Session, and not adopted until an agreed implemented system has been developed.

**ADOPTED** by the Trustees of the \_\_\_\_\_ Pension Fund to be presented to the local Illinois House of Representative(s) and Illinois State Senator(s) and to the Illinois Public Pension Advisory Committee. Date of Adoption: \_\_\_\_\_

ATTESTATION:

Signature \_\_\_\_\_, President \_\_\_\_\_

Printed Name: \_\_\_\_\_

Signature \_\_\_\_\_, Secretary \_\_\_\_\_

Printed Name: \_\_\_\_\_