

ILLINOIS POLICE OFFICERS' PENSION INVESTMENT FUND

POLICY AND PROCEDURE

POLICY NUMBER: PP-2020-08
SUBJECT: LEGISLATIVE POLICY
EFFECTIVE DATE: SEPTEMBER 11, 2020
AMENDED: FEBRUARY 26, 2021
AMENDED: APRIL 23, 2021
AMENDED: OCTOBER 13, 2023

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A. INTRODUCTION

1. The purpose of the legislative policy is to provide the Illinois Police Officers' Pension Investment Fund (IPOPIF) with a broad framework, which it can utilize as a basis for action. The Board of Trustees (Board) is charged with the responsibility of administering the IPOPIF in a manner to ensure that all of the transferor pension funds are treated equitably and that the investments of the pension fund assets are managed in a prudent manner. Legislation affecting the IPOPIF must be closely monitored to determine the potential impact on the IPOPIF and whether action is necessary.

B. POLICY OBJECTIVES

1. The objectives of the Legislative Policy are to:
 - i. Establish a procedure by which the Board of Trustees can adopt an official IPOPIF position on proposed legislation.
 - ii. Sponsor and/or identify and approve future legislative action in light of the needs of the IPOPIF.
 - iii. Identify the optimal sources to promote IPOPIF's official legislative positions.
 - iv. Facilitate the timely communication of proposed and enacted legislative changes to the Board and staff.
 - v. Provide guidance in communicating IPOPIF's official legislative positions to third parties.

C. ROLES AND RESPONSIBILITIES

1. The Board of Trustees will be responsible for:
 - i. Adopting an official IPOPIF legislative agenda and positions on pertinent legislative proposals affecting the Fund.
 - ii. Monitoring the actions of and receiving recommendations from the Legislative Committee.
 - iii. Adopting proposed legislation and approving IPOPIF sponsorship of the legislation.
2. The Legislative Committee will be responsible for:
 - i. Identifying the ongoing needs of IPOPIF for a legislative agenda and future legislative proposals.
 - ii. Analyzing legislative proposals suggested by IPOPIF's Board members, staff, or interested third parties, and determining appropriate action to be undertaken.
 - iii. Making recommendations to the Board of Trustees on proposed legislative matters and communication regarding legislative proposals or matters.
 - iv. Being the primary point of contact, directing, monitoring the activity of the Governmental Liaison when working on IPOPIF matters.
 - v. Receiving the reports from the Governmental Liaison.
3. The Governmental Liaison would be responsible for:
 - i. Prepare comprehensive and timely communication with the Executive Director, Fund Legal Counsel and the IPOPIF Legislative Committee.
 - ii. Prepare correspondence and public communications to support the IPOPIF legislative agenda in a timely and effective manner.
 - iii. Advise and assist IPOPIF in dealing with the array of rules and regulations in the State of Illinois, the Illinois Pension Code, related statutes, and Article 3 funds.

- iv. Attend and appear, as necessary, at state and local legislative meetings.
 - v. Make contacts, as necessary, to establish identity as the IPOPIF liaison with respect to legislative issues before the General Assembly.
 - vi. At the direction of the Board of Trustees, coordinate visits to Springfield when the General Assembly is in session for Board members and/or Fund staff.
 - vii. Provide notice of all legislation prepared and/or adopted affecting the IPOPIF, as well as Article 3 police pension funds, and provide guidance to the Executive Director, Legal Counsel and Board of Trustees regarding the same.
 - viii. Review action on legislation during the spring and fall veto session and report on any matters that may impact IPOPIF.
 - ix. Be a resource for discussions on federal and state legislative and regulatory information.
 - x. Make presentations at educational programs and provide educational materials and programs.
 - xi. Monitor legislation introduced to determine potential impact on IPOPIF and Article 3 police pension fund participants, beneficiaries, and municipalities.
 - xii. Develop relationships and be able to communicate with other legislative or governmental liaisons; share information on police pension benefits, pension funding, pension investing and like matters.
 - xiii. Appearing and/or testifying at the direction and request of the IPOPIF, at hearings to promote the Board's interests with respect to legislation and/or proceedings proposed or pending legislative, administrative, and/or executive governmental bodies.
4. IPOPIF Administrative and Legal Staff would be responsible for:
- i. Reporting the impact of, and as required, suggesting procedures to implement, all chaptered legislation to the Board and staff.
 - ii. Communicating with organizations, active participants and beneficiaries, participating police pension funds, and municipalities, as applicable, to inform them of legislative changes affecting IPOPIF.
 - iii. Drafting proposed legislation based upon proposals received from Board members and staff and presenting the draft legislation to the Legislative Committee.

D. POLICY GUIDELINES

1. The following legislative principles will guide the Board when considering its position on proposed legislation:
 - i. Support legislative proposals that clarify the statutory interpretation of the Illinois Pension Code provisions related to the mandatory consolidation of the investment assets of the participating police pension funds.
 - ii. Support legislative proposals that ensure all of the transferor police pension funds are treated equitably.
 - iii. Support legislative proposals that strengthen and promote the governance, the administrative and operational efficiency of IPOPIF.
 - iv. Support legislative proposals that strengthen the financial condition of the transferor police pension funds.
 - v. Oppose legislative proposals that compromise or interfere with IPOPIF's duty to manage the investment trust fund and to deliver investment returns to the participating police pension funds in a prudent manner.
 - vi. Oppose legislative proposals that create the potential for increased unfunded actuarial liability without appropriate funding provisions.

E. LEGISLATIVE COMMITTEE

1. As provided for in the IPOPIF Bylaws, the Board of Trustees may create the Legislative Committee and shall appoint Trustees to serve on the Legislative Committee.
2. The Legislative Committee will have at least three Trustee members with at least one (1) member appointed from the active or beneficiary Trustees, at least one (1) member appointed from the municipal Trustees, and at least one (1) Trustee appointed by the Chairperson. The Board of Trustee Chairperson shall designate one of the Committee members to serve as Chairperson.
3. Each member of the Legislative Committee shall continue to serve until the next Annual Meeting and may be reappointed to additional terms.
4. The Legislative Committee shall meet at least quarterly and may hold additional meetings, as necessary.

F. POLICY REVIEW

1. The Policy is subject to change in the exercise of the Board’s judgement.
2. The Board of Trustees will review this policy at least every two (2) years to ensure that it remains relevant and appropriate and consistent with state and federal laws and regulations.
3. In the event of legislative changes to the pertinent sections addressed in this policy, the Board will review the policy as appropriate.
4. This policy was adopted by the Board on September 11, 2020.
5. This policy was amended by the Board on February 26, 2021, to remove “Transition Board of Trustees” and add “Board of Trustees”.
6. This policy was amended by the Board on April 23, 2021.
 - i. Section B (a) ii, iii (added language)
 - ii. Section C (a) iii (added language)
 - iii. Section C (b) iii (added language)
 - iv. Section C (c) xiii (added language)
 - v. Section C (d) iii, iv and vi (added language)
7. This policy was amended and adopted by the Board of Trustees on October 13, 2023.

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