

**Bylined Article for Illinois Government Finance Officers Association
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**ARTICLE 3 PENSION PLAN ASSET TRANSFERS TO
THE ILLINOIS POLICE OFFICER'S PENSION INVESTMENT FUND ARE UNDERWAY**

By Richard White

As many of the members of the Illinois Government Finance Officers Association know, the Illinois Police Officer's Pension Investment Fund (IPOPIF) is in the midst of having assets transferred from the local Article 3 pension plans to the IPOPIF consolidated fund established by the Illinois General Assembly. Unfortunately, the process is not without its challenges. Chief among them is the current lawsuit in Kane County questioning the constitutionality of the Illinois Pension Consolidation Act of 2019, which established the IPOPIF and the Illinois Firefighters Pension Investment Fund (IFPIF) to allow for the pooling of assets into two larger investment fund to reduce costs through better negotiating power.

The legal limbo brought about by the case has resulted in some Article 3 pensions plans choosing to not transfer funds as mandated by the Act until the case is resolved. In all likelihood, no matter which side wins at the local level, the case will ultimately be heard by the Illinois Supreme Court. In January, the IPOPIF and the IFPIF stipulated to a court order that they would not report non-compliant local funds to the Illinois Department of Insurance, which has oversight of the funds, before June 30, 2022, the current deadline for the transfer of funds.

Bills were introduced in the Illinois Senate and Illinois House which would extend the transfer of assets deadline by one year. The House and Senate adjourned on April 8, 2022 without acting on these bills.

As all entities involved await the outcome of the legal case and General Assembly action, IPOPIF staff has been diligently working with the Article 3 pension plans who are choosing to adhere to the state mandate and are transferring funds. To date, 32 plans have transferred assets totaling more than \$660 million to the IPOPIF consolidated fund. That amount is more than any of the largest Article 3 pension plans holds singularly. There are an additional 16 funds currently going through the detailed process to transfer funds on May 2, 2022. If the funds of all of these transfer, the assets in the IPOPIF consolidated fund will be in excess of \$1 billion.

The IPOPIF set up a detailed process for Article 3 pension plans to complete the transfer of assets and has communicated the steps that need to be taken several times. These steps are:

1. Adopt the [Resolution Appointing Authorized Agents \(Exhibit A\)](#).
2. Email an executed copy of the resolution and the Secretary's Certificate, to the IPOPIF at info@ipopif.org.

3. Authorized agents send a form of notice ([Exhibit B](#)) to all custodians and other entities with fiduciary control of any portion of the fund's assets.
4. Ensure custodian and investment service providers respond to requests from IPOPIF custodian, State Street, for asset holding files and adhere to asset transfer instructions.
5. IPOPIF must be in receipt of [Exhibit A](#) and have recent investment holding information for asset transfer to occur.
6. IPOPIF sends Delivery Letter, Certified Investment Asset List (CIAL) and Letter of Direction (LOD) to fund.
7. Authorized signer is required to sign the LOD and deliver to the fund's custodian(s).
8. Upon receipt of the CIAL, fund may not purchase or sell any assets included on the list.
9. Take all reasonable steps to assist IPOPIF in converting non-transferable assets to transferrable assets.
10. The IPOPIF shall promptly and prudently transfer all such pension fund assets on the transfer date.
11. On transfer date, statutory and fiduciary responsibility fund assets on the CIAL shift to IPOPIF.
12. IPOPIF delivers a receipt confirming the transfer to the Article 3 fund within 30 days of transfer.

The IPOPIF also has established a [cash management](#) process. Article 3 funds should submit an [Account Access](#) form which allows local plans to access their funds to contribute or withdraw cash to pay benefits and cover salaries and overhead, etc., via a portal with our custodian, State Street Bank and Trust.

I hope that my updates are helpful to the IGFOA membership, but please know that all communications documents associated with the transfer of assets are available on the IPOPIF [website](#) including [Frequently Asked Questions](#) and a [library of communications](#) related to the asset transition.

If you would like to speak with me or a member of the IPOPIF team, feel free to call us at 331-472-1080 or email me at rwhite@ipopif.org.

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