

# COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY

## PENSION IMPACT NOTE

### 100TH GENERAL ASSEMBLY

BILL NO: **SB 3545**

March 9, 2018

SPONSOR (S): Manar

SYSTEM(S): General Provisions.

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**FISCAL IMPACT:** There is no immediately discernable fiscal impact associated with SB 3545. The amount of assets that could potentially be divested as a result of this legislation is not yet known. An updated note will be distributed when this information becomes available.

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**SUBJECT MATTER:** SB 3545 amends the Illinois Pension Code by including “major opioid manufacturers” in the list of restricted companies.

**COMMENTS:** The General Provisions Article of the Illinois Pension Code sets forth specific “prohibited transactions” that Illinois public retirement systems may not engage in. Examples of the “prohibited transactions” listed in the General Provisions Article are set forth below:

- 1) Companies that boycott Israel;
- 2) Iran-restricted companies;
- 3) Sudan-restricted companies; and
- 4) Expatriated entities, foreign incorporated entities treated as inverted domestic corporations. (“Expatriated entities” are defined in Section 1-15.120 of the Illinois Procurement Code.)

The Illinois Investment Policy Board was created pursuant to P.A. 99-0128. The Board is charged with ensuring investment of public money does not occur in entities that are prohibited from investment by Illinois Law. Under SB 3545, by July 1, 2019, the Board shall make its best effort to identify all major opioid manufacturers and add those companies to the list of restricted companies in which Illinois public pension funds may not invest.

JB:bj

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