

1 AN ACT concerning local government.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The Illinois Municipal Code is amended by
5 adding Section 10-4-1.5 as follows:

6 (65 ILCS 5/10-4-1.5 new)

7 Sec. 10-4-1.5. Other postemployment benefit trusts.

8 (a) As used in this Section, "OPEB trust" means an other
9 postemployment benefit trust established by a municipality for
10 the purpose of providing for the funding and payment of health
11 and other fringe benefits for retired or terminated employees
12 of the municipality or employees of the municipality with
13 disabilities or for their dependents and beneficiaries.

14 (b) If the moneys in the general fund of a municipality
15 exceed the municipality's operating expenses for the
16 immediately preceding calendar year, then the municipality may
17 establish an OPEB trust or deposit moneys into an existing
18 OPEB trust.

19 (c) Trusts created by a municipality under this Section
20 are in addition to pension benefits provided by the
21 municipality for its employees under the Illinois Pension
22 Code.

23 (d) The OPEB trusts may employ such personnel and enter

1 into investment, advisory, or professional services or similar
2 contracts as deemed appropriate by the corporate authorities
3 of the municipality and recommended by the Treasurer of the
4 municipality.

5 (e) The OPEB trusts may be established in a manner so as to
6 be exempt from taxation under the provisions of applicable
7 federal and State tax laws.

8 (f) The trustee of the OPEB trusts shall be the
9 municipality. The treasurer of the municipality and the
10 trustee shall be indemnified by the municipality to the
11 fullest extent permitted by law for their actions taken with
12 respect to the OPEB trust.

13 (g) The assets of an OPEB trust shall be managed by the
14 treasurer of the municipality in any manner, subject only to
15 the prudent investor standard and any requirements of
16 applicable federal law. The limitations of any other statute
17 affecting the investment of municipal funds shall not apply to
18 OPEB trusts. The trustee shall adopt an investment policy
19 consistent with the standards articulated in Section 2.5 of
20 the Public Funds Investment Act. The investment policy shall
21 also provide for the availability of training. Funds of the
22 OPEB trusts may be used to pay for costs of administering the
23 OPEB trusts and for the benefits for which the trusts have been
24 established in accordance with the terms of the OPEB trust
25 documents.