

**SB0296**



**102ND GENERAL ASSEMBLY**

**State of Illinois**

**2021 and 2022**

**SB0296**

Introduced 2/19/2021, by Sen. Karina Villa

**SYNOPSIS AS INTRODUCED:**

40 ILCS 5/1-107

from Ch. 108 1/2, par. 1-107

30 ILCS 805/8.45 new

Amends the General Provisions Article of the Illinois Pension Code. Provides that every retirement system, pension fund, or other system or fund established under the Code shall (instead of may) indemnify and protect the trustees and staff (instead of the trustees, staff, and consultants) against all damage claims and suits, including the defense thereof, when damages are sought for negligent or wrongful acts alleged to have been committed in the scope of employment or under the direction of the trustees. Amends the State Mandates Act to require implementation without reimbursement by the State.

LRB102 11536 RPS 16870 b

FISCAL NOTE ACT  
MAY APPLY

PENSION IMPACT  
NOTE ACT MAY  
APPLY

STATE MANDATES  
ACT MAY REQUIRE  
REIMBURSEMENT

**A BILL FOR**

1 AN ACT concerning public employee benefits.

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

4 Section 5. The Illinois Pension Code is amended by  
5 changing Section 1-107 as follows:

6 (40 ILCS 5/1-107) (from Ch. 108 1/2, par. 1-107)

7 Sec. 1-107. Indemnification of trustees, consultants and  
8 employees of retirement systems and pension funds. Every  
9 retirement system, pension fund or other system or fund  
10 established under this Code shall ~~may~~ indemnify and protect  
11 the trustees and ~~7~~ staff ~~and consultants~~ against all damage  
12 claims and suits, including the defense thereof, when damages  
13 are sought for negligent or wrongful acts alleged to have been  
14 committed in the scope of employment or under the direction of  
15 the trustees. Every retirement system, pension fund, or other  
16 system or fund established under this Code may indemnify and  
17 protect consultants against all damage claims and suits,  
18 including the defense thereof, when damages are sought for  
19 negligent or wrongful acts alleged to have been committed in  
20 the scope of employment or under the direction of the  
21 trustees. However, the trustees, staff and consultants shall  
22 not be indemnified for wilful misconduct and gross negligence.  
23 Each board is authorized to insure against loss or liability

1 of the trustees, staff and consultants which may result from  
2 these damage claims. This insurance shall be carried in a  
3 company which is licensed to write such coverage in this  
4 State.

5 (Source: P.A. 80-1364.)

6 Section 90. The State Mandates Act is amended by adding  
7 Section 8.45 as follows:

8 (30 ILCS 805/8.45 new)

9 Sec. 8.45. Exempt mandate. Notwithstanding Sections 6 and  
10 8 of this Act, no reimbursement by the State is required for  
11 the implementation of any mandate created by this amendatory  
12 Act of the 102nd General Assembly.