

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 Sections 22B-115 and 22B-116 as follows:

6 (40 ILCS 5/22B-115)

7 Sec. 22B-115. Board of Trustees of the Fund.

8 (a) No later than one month after the effective date of
9 this amendatory Act of the 101st General Assembly or as soon
10 thereafter as may be practicable, the Governor shall appoint,
11 by and with the advice and consent of the Senate, a transition
12 board of trustees consisting of 9 members as follows:

13 (1) three members representing municipalities who are
14 mayors, presidents, chief executive officers, chief
15 financial officers, or other officers, executives, or
16 department heads of municipalities and appointed from
17 among candidates recommended by the Illinois Municipal
18 League;

19 (2) three members representing participants and who
20 are participants, 2 of whom shall be appointed from among
21 candidates recommended by a statewide fraternal
22 organization representing more than 20,000 active and
23 retired police officers in the State of Illinois, and one

1 of whom shall be appointed from among candidates
2 recommended by a benevolent association representing sworn
3 police officers in the State of Illinois;

4 (3) two members representing beneficiaries and who are
5 beneficiaries, one of whom shall be appointed from among
6 candidates recommended by a statewide fraternal
7 organization representing more than 20,000 active and
8 retired police officers in the State of Illinois, and one
9 of whom shall be appointed from among candidates
10 recommended by a benevolent association representing sworn
11 police officers in the State of Illinois; and

12 (4) one member who is a representative of the Illinois
13 Municipal League.

14 The transition board members shall serve until the initial
15 permanent board members are elected and qualified.

16 The transition board of trustees shall select the
17 chairperson of the transition board of trustees from among the
18 trustees for the duration of the transition board's tenure.

19 (b) The permanent board of trustees shall consist of 9
20 members as follows:

21 (1) Three members who are mayors, presidents, chief
22 executive officers, chief financial officers, or other
23 officers, executives, or department heads of
24 municipalities that have participating pension funds and
25 are elected by the mayors and presidents of municipalities
26 that have participating pension funds.

1 (2) Three members who are participants of
2 participating pension funds and are elected by the
3 participants of participating pension funds.

4 (3) Two members who are beneficiaries of participating
5 pension funds and are elected by the beneficiaries of
6 participating pension funds.

7 (4) One member recommended by the Illinois Municipal
8 League who shall be appointed by the Governor with the
9 advice and consent of the Senate.

10 The permanent board of trustees shall select the
11 chairperson of the permanent board of trustees from among the
12 trustees for a term of 2 years. The holder of the office of
13 chairperson shall alternate between a person elected or
14 appointed under item (1) or (4) of this subsection (b) and a
15 person elected under item (2) or (3) of this subsection (b).

16 (c) Each trustee shall qualify by taking an oath of office
17 before the Secretary of State or the legal counsel of the fund
18 stating that he or she will diligently and honestly administer
19 the affairs of the board and will not violate or knowingly
20 permit the violation of any provision of this Article.

21 (d) Trustees shall receive no salary for service on the
22 board but shall be reimbursed for travel expenses incurred
23 while on business for the board according to Article 1 of this
24 Code and rules adopted by the board ~~the standards in effect for~~
25 ~~members of the Commission on Government Forecasting and~~
26 ~~Accountability.~~

1 A municipality employing a police officer who is an
2 elected or appointed trustee of the board must allow
3 reasonable time off with compensation for the police officer
4 to conduct official business related to his or her position on
5 the board, including time for travel. The board shall notify
6 the municipality in advance of the dates, times, and locations
7 of this official business. The Fund shall timely reimburse the
8 municipality for the reasonable costs incurred that are due to
9 the police officer's absence.

10 (e) No trustee shall have any interest in any brokerage
11 fee, commission, or other profit or gain arising out of any
12 investment directed by the board. This subsection does not
13 preclude ownership by any member of any minority interest in
14 any common stock or any corporate obligation in which an
15 investment is directed by the board.

16 (f) Notwithstanding any provision or interpretation of law
17 to the contrary, any member of the transition board may also be
18 elected or appointed as a member of the permanent board.

19 Notwithstanding any provision or interpretation of law to
20 the contrary, any trustee of a fund established under Article
21 3 of this Code may also be appointed as a member of the
22 transition board or elected or appointed as a member of the
23 permanent board.

24 The restriction in Section 3.1 of the Lobbyist
25 Registration Act shall not apply to a member of the transition
26 board appointed pursuant to item (4) of subsection (a) or to a

1 member of the permanent board appointed pursuant to item (4)
2 of subsection (b).

3 (Source: P.A. 101-610, eff. 1-1-20.)

4 (40 ILCS 5/22B-116)

5 Sec. 22B-116. Conduct and administration of elections;
6 terms of office.

7 (a) For the election of the permanent trustees, the
8 transition board shall administer the initial elections and
9 the permanent board shall administer all subsequent elections.
10 Each board shall develop and implement such procedures as it
11 determines to be appropriate for the conduct of such
12 elections. For the purposes of obtaining information necessary
13 to conduct elections under this Section, participating pension
14 funds shall cooperate with the Fund.

15 (b) All nominations for election shall be by petition.
16 Each petition for a trustee shall be executed as follows:

17 (1) for trustees to be elected by the mayors and
18 presidents of municipalities that have participating
19 pension funds, by at least 20 such mayors and presidents;

20 (2) for trustees to be elected by participants, by at
21 least 400 participants; and

22 (3) for trustees to be elected by beneficiaries, by at
23 least 100 beneficiaries.

24 (c) A separate ballot shall be used for each class of
25 trustee. The board shall prepare and send ballots and ballot

1 envelopes to the participants and beneficiaries eligible to
2 vote in accordance with rules adopted by the board. The
3 ballots shall contain the names of all candidates in
4 alphabetical order. The ballot envelope shall have on the
5 outside a form of certificate stating that the person voting
6 the ballot is a participant or beneficiary entitled to vote.

7 Participants and beneficiaries, upon receipt of the
8 ballot, shall vote the ballot and place it in the ballot
9 envelope, seal the envelope, execute the certificate thereon,
10 and return the ballot to the Fund.

11 The board shall set a final date for ballot return, and
12 ballots received prior to that date in a ballot envelope with a
13 properly executed certificate and properly voted shall be
14 valid ballots.

15 The board shall set a day for counting the ballots and name
16 judges and clerks of election to conduct the count of ballots
17 and shall make any rules necessary for the conduct of the
18 count.

19 The candidate or candidates receiving the highest number
20 of votes for each class of trustee shall be elected. In the
21 case of a tie vote, the winner shall be determined in
22 accordance with procedures developed by the Department of
23 Insurance.

24 In lieu of conducting elections via mail balloting as
25 described in this Section, the board may instead adopt rules
26 to provide for elections to be carried out solely via Internet

1 balloting or phone balloting. Nothing in this Section
2 prohibits the Fund from contracting with a third party to
3 administer the election in accordance with this Section.

4 (d) At any election, voting shall be as follows:

5 (1) Each person authorized to vote for an elected
6 trustee may cast one vote for each related position for
7 which such person is entitled to vote and may cast such
8 vote for any candidate or candidates on the ballot for
9 such trustee position.

10 (2) If only one candidate for each position is
11 properly nominated in petitions received, that candidate
12 shall be deemed the winner and no election under this
13 Section shall be required.

14 (3) The results shall be entered in the minutes of the
15 first meeting of the board following the tally of votes.

16 (e) The initial election for permanent trustees shall be
17 held and the permanent board shall be seated no later than 12
18 months after the effective date of this amendatory Act of the
19 101st General Assembly. Each subsequent election shall be held
20 no later than 30 days prior to the end of the term of the
21 incumbent trustees.

22 (f) The elected trustees shall each serve for terms of 4
23 years commencing on the first business day of the first month
24 after election; except that the terms of office of the
25 initially elected trustees shall be as follows:

26 (1) one trustee elected pursuant to item (1) of

1 subsection (b) of Section 22B-115 shall serve for a term
2 of 2 years and 2 trustees elected pursuant to item (1) of
3 subsection (b) of Section 22B-115 shall serve for a term
4 of 4 years;

5 (2) two trustees elected pursuant to item (2) of
6 subsection (b) of Section 22B-115 shall serve for a term
7 of 2 years and one trustee elected pursuant to item (2) of
8 subsection (b) of Section 22B-115 shall serve for a term
9 of 4 years; and

10 (3) one trustee elected pursuant to item (3) of
11 subsection (b) of Section 22B-115 shall serve for a term
12 of 2 years and one trustee elected pursuant to item (3) of
13 subsection (b) of Section 22B-115 shall serve for a term
14 of 4 years.

15 (g) The trustee appointed pursuant to item (4) of
16 subsection (b) of Section 22B-115 shall serve for a term of 2
17 years commencing on the first business day of the first month
18 after the election of the elected trustees.

19 (h) A member of the board who was elected pursuant to item
20 (1) of subsection (b) of Section 22B-115 who ceases to serve as
21 a mayor, president, chief executive officer, chief financial
22 officer, or other officer, executive, or department head of a
23 municipality that has a participating pension fund shall not
24 be eligible to serve as a member of the board and his or her
25 position shall be deemed vacant. A member of the board who was
26 elected by the participants of participating pension funds who

1 ceases to be a participant may serve the remainder of his or
2 her elected term.

3 For a vacancy of a trustee under item (1) of subsection (b)
4 of Section 22B-115, the vacancy shall be filled by appointment
5 by the board for the unexpired term from a list of candidates
6 recommended by the trustees under item (1) of subsection (b)
7 of Section 22B-115. The list of candidates shall be compiled
8 and presented to the board by the executive director of the
9 Fund.

10 For a vacancy of a trustee under item (2) of subsection (b)
11 of Section 22B-115, the vacancy shall be filled by appointment
12 by the board for the unexpired term from a list of candidates
13 recommended by the trustees under item (2) of subsection (b)
14 of Section 22B-115. The list of candidates shall be compiled
15 and presented to the board by the executive director of the
16 Fund.

17 For a vacancy of a trustee under item (3) of subsection (b)
18 of Section 22B-115, the vacancy shall be filled by appointment
19 by the board for the unexpired term from a list of candidates
20 recommended by the trustees under item (3) of subsection (b)
21 of Section 22B-115. The list of candidates shall be compiled
22 and presented to the board by the executive director of the
23 Fund.

24 A trustee appointed to fill the vacancy of an elected
25 trustee shall serve until a successor is elected. Special
26 elections to fill the remainder of an unexpired term vacated

1 by an elected trustee shall be held concurrently with and in
2 the same manner as the next regular election for an elected
3 trustee position.

4 ~~For a vacancy of an elected trustee occurring with an~~
5 ~~unexpired term of 6 months or more, an election shall be~~
6 ~~conducted for the vacancy in accordance with Section 22B 115~~
7 ~~and this Section.~~

8 ~~For a vacancy of an elected trustee occurring with an~~
9 ~~unexpired term of less than 6 months, the vacancy shall be~~
10 ~~filled by appointment by the board for the unexpired term as~~
11 ~~follows: a vacancy of a member elected pursuant to item (1) of~~
12 ~~subsection (b) of Section 22B 115 shall be filled by a mayor,~~
13 ~~president, chief executive officer, chief financial officer,~~
14 ~~or other officer, executive, or department head of a~~
15 ~~municipality that has a participating pension fund; a vacancy~~
16 ~~of a member elected pursuant to item (2) of subsection (b) of~~
17 ~~Section 22B 115 shall be filled by a participant of a~~
18 ~~participating pension fund; and a vacancy of a member elected~~
19 ~~under item (3) of subsection (b) of Section 22B 115 shall be~~
20 ~~filled by a beneficiary of a participating pension fund.~~

21 Vacancies among the appointed trustees shall be filled for
22 unexpired terms by appointment in like manner as for the
23 original appointments.

24 (Source: P.A. 101-610, eff. 1-1-20.)

25 Section 99. Effective date. This Act takes effect upon
26 becoming law.