



98TH GENERAL ASSEMBLY

State of Illinois

2013 and 2014

HB4742

by Rep. Donald L. Moffitt

SYNOPSIS AS INTRODUCED:

40 ILCS 5/1-109.3
40 ILCS 5/1-113.18

Amends the General Provisions Article of the Illinois Pension Code. Requires the trustees of downstate police and firefighter pension funds to complete the 32-hour initial ethics training in 2 years (rather than 1 year) and the 16-hour continuing ethics training every 2 years thereafter (rather than every year thereafter). Requires 8 hours of the 32-hour initial ethics training to be completed in the first year and to include training in trustee ethics and fiduciary duties and liabilities. After completion of the initial ethics training, requires 4 hours of continuing training in trustee ethics and fiduciary duties and liabilities each year. Requires specified portions of the continuing ethics training to be done in a classroom or comparable online setting. Authorizes the balance of the continuing ethics training to be earned through participation in board hearings or training opportunities associated with other organizations or employment that are applicable to the duties of a pension fund trustee. Authorizes the training required of trustees of downstate police and firefighter pension funds to be applied toward the 8-hour continuing ethics training requirement that applies to all trustees of pension and retirement systems in the State.

LRB098 16364 RPM 51427 b

FISCAL NOTE ACT
MAY APPLY

PENSION IMPACT
NOTE ACT MAY
APPLY

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 changing
5 Sections 1-109.3 and 1-113.18 as follows:

6 (40 ILCS 5/1-109.3)

7 Sec. 1-109.3. Training requirement for pension trustees.

8 (a) All elected and appointed trustees under Article 3 and
9 4 of this Code must participate in a mandatory trustee
10 certification training seminar that consists of at least 32
11 hours of initial trustee certification at a training facility
12 that is accredited and affiliated with a State of Illinois
13 certified college or university. This training must include
14 without limitation all of the following:

15 (1) Duties and liabilities of a fiduciary under Article
16 1 of the Illinois Pension Code.

17 (2) Adjudication of pension claims.

18 (3) Basic accounting and actuarial training.

19 (4) Trustee ethics.

20 (5) The Illinois Open Meetings Act.

21 (6) The Illinois Freedom of Information Act.

22 The training required under this subsection (a) must be
23 completed within the first 2 years after the ~~year that a~~

1 trustee takes office ~~is elected or appointed~~ under an Article 3
2 or 4 pension fund. At least 8 hours of training during the
3 first year of training must cover trustee ethics and the
4 fiduciary duties and liabilities of pension trustees. The
5 elected and appointed trustees of an Article 3 or 4 pension
6 fund who are police officers (as defined in Section 3-106 of
7 this Code) or firefighters (as defined in Section 4-106 of this
8 Code) or are employed by the municipality shall be permitted
9 time away from their duties to attend such training without
10 reduction of accrued leave or benefit time. Active or appointed
11 trustees serving on August 13, 2009 (the effective date of
12 Public Act 96-429) ~~this amendatory Act of the 96th General~~
13 ~~Assembly~~ shall not be required to attend the training required
14 under this subsection (a).

15 (b) Upon completion of, and in ~~in~~ addition to, the initial
16 trustee certification training required under subsection (a),
17 all elected and appointed trustees under Article 3 and 4 of
18 this Code, including trustees serving on August 13, 2009 (the
19 effective date of Public Act 96-429) ~~this amendatory Act of the~~
20 ~~96th General Assembly~~, shall also complete at least an
21 additional ~~participate in a minimum of~~ 16 hours of continuing
22 trustee education during (i) the 2 years following the date by
23 which the training required under subsection (a) must be
24 completed and (ii) every 2 years thereafter. At least 4 hours
25 of training during each of those years shall be devoted to
26 trustee ethics and the fiduciary duties and liabilities of

1 pension trustees. At least 8 hours of the biennial training
2 required under this subsection (b) must be in the form of a
3 live lecture or classroom training forum or, if taken online,
4 must be in an interactive form with ascertainable verification
5 of participation and learning by the trustee in the online
6 training program. The balance of biennial trustee training
7 required under this subsection (b) may take the form of
8 participation in other training opportunities incident to the
9 functioning of the pension board, such as participation in
10 board hearings on the award of disability or other benefits or
11 training opportunities associated with other organizations or
12 employment that are applicable to the duties of a pension fund
13 trustee each year after the first year that the trustee is
14 elected or appointed.

15 (c) The training required under this Section shall be paid
16 for by the pension fund.

17 (d) Any board member who does not timely complete the
18 training required under this Section is not eligible to serve
19 on the board of trustees of an Article 3 or 4 pension fund,
20 unless the board member completes the missed training within 6
21 months after the date the member failed to complete the
22 required training. In the event of a board member's failure to
23 complete the required training, a successor shall be appointed
24 or elected, as applicable, for the unexpired term. A successor
25 who is elected under such circumstances must be elected at a
26 special election called by the board and conducted in the same

1 manner as a regular election under Article 3 or 4, as
2 applicable.

3 (Source: P.A. 96-429, eff. 8-13-09.)

4 (40 ILCS 5/1-113.18)

5 Sec. 1-113.18. Ethics training. All board members of a
6 retirement system, pension fund, or investment board created
7 under this Code must attend ethics training of at least 8 hours
8 per year. The training required under this Section shall
9 include training on ethics, fiduciary duty, and investment
10 issues and any other curriculum that the board of the
11 retirement system, pension fund, or investment board
12 establishes as being important for the administration of the
13 retirement system, pension fund, or investment board. The
14 Supreme Court of Illinois shall be responsible for ethics
15 training and curriculum for judges designated by the Court to
16 serve as members of a retirement system, pension fund, or
17 investment board. Each board shall annually certify its
18 members' compliance with this Section and submit an annual
19 certification to the Division of Insurance of the Department of
20 Financial and Professional Regulation. Judges shall annually
21 certify compliance with the ethics training requirement and
22 shall submit an annual certification to the Chief Justice of
23 the Supreme Court of Illinois. Fulfillment of the requirements
24 of Section 1-109.3 by elected and appointed trustees under
25 Articles 3 and 4 of this Code constitutes compliance with the

1 requirements of this Section.

2 (Source: P.A. 96-6, eff. 4-3-09.)