



Rep. Joseph M. Lyons

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1 AMENDMENT TO SENATE BILL 1613

2 AMENDMENT NO. \_\_\_\_\_. Amend Senate Bill 1613 by replacing  
3 everything after the enacting clause with the following:

4 "Section 5. The Illinois Pension Code is amended by  
5 changing Section 1-107 and by adding Sections 1-109.3 and  
6 1-113.18 as follows:

7 (40 ILCS 5/1-107) (from Ch. 108 1/2, par. 1-107)

8 Sec. 1-107. Indemnification of trustees, consultants and  
9 employees of retirement systems and pension funds.

10 (a) Every retirement system, pension fund, or other system  
11 or fund established under this Code, other than a retirement  
12 system established under Article 2, 14, 15, 16, or 18 of this  
13 Code or the investment board established under Article 22A of  
14 this Code, must indemnify and protect the trustees against all  
15 damage claims and suits, including defense thereof, when  
16 damages are sought for negligent or wrongful acts alleged to

1 have been committed in the scope of their powers and duties as  
2 trustees.

3 Every retirement system established under Article 2, 14,  
4 15, 16, or 18 of this Code may indemnify and protect the  
5 trustees against all damage claims and suits, including defense  
6 thereof, when damages are sought for negligent or wrongful acts  
7 alleged to have been committed in the scope of their powers and  
8 duties as trustees.

9 The investment board established under Article 22A of this  
10 Code may indemnify and protect its members against all damage  
11 claims and suits, including defense thereof, when damages are  
12 sought for negligent or wrongful acts alleged to have been  
13 committed in the scope of their powers and duties as members.

14 Notwithstanding any other provision of this subsection  
15 (a), trustees and board members shall not be indemnified for  
16 willful misconduct and gross negligence.

17 (b) Except as provided in subsection (a), every ~~Every~~  
18 retirement system, pension fund or other system or fund  
19 established under this Code may indemnify and protect the  
20 trustees, staff and consultants against all damage claims and  
21 suits, including defense thereof, when damages are sought for  
22 negligent or wrongful acts alleged to have been committed in  
23 the scope of employment or under the direction of the trustees.  
24 However, the trustees, staff and consultants shall not be  
25 indemnified for willful ~~wilful~~ misconduct and gross  
26 negligence. Each board is authorized to insure against loss or

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

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

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~~  
24 trustee takes office ~~is elected or appointed~~ under an Article 3  
25 or 4 pension fund. The elected and appointed trustees of an

1 Article 3 or 4 pension fund who are police officers (as defined  
2 in Section 3-106 of this Code) or firefighters (as defined in  
3 Section 4-106 of this Code) or are employed by the municipality  
4 shall be permitted time away from their duties to attend such  
5 training without reduction of accrued leave or benefit time.  
6 Active or appointed trustees serving on the effective date of  
7 this amendatory Act of the 96th General Assembly shall not be  
8 required to attend the training required under this subsection  
9 (a).

10 (b) Upon completion of, and in ~~In~~ addition to, the initial  
11 trustee certification training required under subsection (a),  
12 all elected and appointed trustees under Article 3 and 4 of  
13 this Code, ~~including trustees serving on the effective date of~~  
14 ~~this amendatory Act of the 96th General Assembly,~~ shall also  
15 complete at least an additional ~~participate in a minimum of~~ 16  
16 hours of continuing trustee education during (i) the 2 years  
17 following the date by which the training required under  
18 subsection (a) must be completed and (ii) every 2 years  
19 thereafter ~~each year after the first year that the trustee is~~  
20 ~~elected or appointed.~~ Ethics training completed under Section  
21 1-113.18 may be applied toward the hours required under this  
22 subsection (b).

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

25 (d) Any board member who does not timely complete the  
26 training required under this Section is not eligible to serve

1 on the board of trustees of an Article 3 or 4 pension fund,  
2 unless the board member completes the missed training within 6  
3 months after the date the member failed to complete the  
4 required training. In the event of a board member's failure to  
5 complete the required training, a successor shall be appointed  
6 or elected, as applicable, for the unexpired term. A successor  
7 who is elected under such circumstances must be elected at a  
8 special election called by the board and conducted in the same  
9 manner as a regular election under Article 3 or 4, as  
10 applicable.

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

12 (40 ILCS 5/1-113.18)

13 Sec. 1-113.18. Ethics training. All board members of a  
14 retirement system, pension fund, or investment board created  
15 under this Code must attend ethics training of at least 8 hours  
16 every 2 years ~~per year~~. The training required under this  
17 Section shall include training on ethics, fiduciary duty, and  
18 investment issues and any other curriculum that the board of  
19 the retirement system, pension fund, or investment board  
20 establishes as being important for the administration of the  
21 retirement system, pension fund, or investment board. The  
22 Supreme Court of Illinois shall be responsible for ethics  
23 training and curriculum for judges designated by the Court to  
24 serve as members of a retirement system, pension fund, or  
25 investment board. Each board shall annually certify its

1 members' compliance with this Section and submit an annual  
2 certification to the Division of Insurance of the Department of  
3 Financial and Professional Regulation. Judges shall annually  
4 certify compliance with the ethics training requirement and  
5 shall submit an annual certification to the Chief Justice of  
6 the Supreme Court of Illinois. Ethics training completed under  
7 this Section may be applied toward the continuing education  
8 requirement in subsection (b) of Section 1-109.3.

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

10 Section 90. The State Mandates Act is amended by adding  
11 Section 8.35 as follows:

12 (30 ILCS 805/8.35 new)

13 Sec. 8.35. Exempt mandate. Notwithstanding Sections 6 and 8  
14 of this Act, no reimbursement by the State is required for the  
15 implementation of any mandate created by this amendatory Act of  
16 the 97th General Assembly.

17 Section 99. Effective date. This Act takes effect upon  
18 becoming law."