

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 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.

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

18 Every retirement system established under Article 2, 14,
19 15, 16, or 18 of this Code may indemnify and protect the
20 trustees against all damage claims and suits, including defense
21 thereof, when damages are sought for negligent or wrongful acts
22 alleged to have been committed in the scope of their powers and
23 duties as trustees.

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

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

9 (b) Except as provided in subsection (a), every ~~Every~~
10 retirement system, pension fund or other system or fund
11 established under this Code may indemnify and protect the
12 trustees, staff and consultants against all damage claims and
13 suits, including defense thereof, when damages are sought for
14 negligent or wrongful acts alleged to have been committed in
15 the scope of employment or under the direction of the trustees.
16 However, the trustees, staff and consultants shall not be
17 indemnified for willful ~~wilful~~ misconduct and gross
18 negligence. Each board is authorized to insure against loss or
19 liability of the trustees, staff and consultants which may
20 result from these damage claims. This insurance shall be
21 carried in a company which is licensed to write such coverage
22 in this State.

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

24 Section 90. The State Mandates Act is amended by adding
25 Section 8.35 as follows:

1 (30 ILCS 805/8.35 new)

2 Sec. 8.35. Exempt mandate. Notwithstanding Sections 6 and 8
3 of this Act, no reimbursement by the State is required for the
4 implementation of any mandate created by this amendatory Act of
5 the 97th General Assembly.

6 Section 99. Effective date. This Act takes effect upon
7 becoming law.