



## 104TH GENERAL ASSEMBLY

### State of Illinois

2025 and 2026

SB4175

Introduced 3/10/2026, by Sen. Suzy Glowiak Hilton

#### SYNOPSIS AS INTRODUCED:

65 ILCS 5/10-4-1.5 new

Amends the Illinois Municipal Code. Provides that, if the moneys in the general fund of a municipality exceed the municipality's operating expenses for the immediately preceding calendar year, then the municipality may establish an OPEB trust or deposit moneys into an existing OPEB trust. Provides that the trusts are in addition to pension benefits provided by the municipality for its employees under the Illinois Pension Code. Provides that the trustee of the OPEB trusts shall be the municipality. Provides that the treasurer of the municipality and the trustee shall be indemnified by the municipality to the fullest extent permitted by law for their actions taken with respect to the OPEB trust. Provides that the assets of an OPEB trust shall be managed by the treasurer of the municipality in any manner, subject only to the prudent investor standard and any requirements of applicable federal law.

LRB104 21069 RTM 35135 b

1 AN ACT concerning local government.

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

4 Section 5. The Illinois Municipal Code is amended by  
5 adding Section 10-4-1.5 as follows:

6 (65 ILCS 5/10-4-1.5 new)

7 Sec. 10-4-1.5. Other postemployment benefit trusts.

8 (a) As used in this Section, "OPEB trust" means an other  
9 postemployment benefit trust established by a municipality for  
10 the purpose of providing for the funding and payment of health  
11 and other fringe benefits for retired or terminated employees  
12 of the municipality or employees of the municipality with  
13 disabilities or for their dependents and beneficiaries.

14 (b) If the moneys in the general fund of a municipality  
15 exceed the municipality's operating expenses for the  
16 immediately preceding calendar year, then the municipality may  
17 establish an OPEB trust or deposit moneys into an existing  
18 OPEB trust.

19 (c) Trusts created by a municipality under this Section  
20 are in addition to pension benefits provided by the  
21 municipality for its employees under the Illinois Pension  
22 Code.

23 (d) The OPEB trusts may employ such personnel and enter

1 into investment, advisory, or professional services or similar  
2 contracts as deemed appropriate by the corporate authorities  
3 of the municipality and recommended by the Treasurer of the  
4 municipality.

5 (e) The OPEB trusts may be established in a manner so as to  
6 be exempt from taxation under the provisions of applicable  
7 federal and State tax laws.

8 (f) The trustee of the OPEB trusts shall be the  
9 municipality. The treasurer of the municipality and the  
10 trustee shall be indemnified by the municipality to the  
11 fullest extent permitted by law for their actions taken with  
12 respect to the OPEB trust.

13 (g) The assets of an OPEB trust shall be managed by the  
14 treasurer of the municipality in any manner, subject only to  
15 the prudent investor standard and any requirements of  
16 applicable federal law. The limitations of any other statute  
17 affecting the investment of municipal funds shall not apply to  
18 OPEB trusts. The trustee shall adopt an investment policy  
19 consistent with the standards articulated in Section 2.5 of  
20 the Public Funds Investment Act. The investment policy shall  
21 also provide for the availability of training. Funds of the  
22 OPEB trusts may be used to pay for costs of administering the  
23 OPEB trusts and for the benefits for which the trusts have been  
24 established in accordance with the terms of the OPEB trust  
25 documents.