



## 103RD GENERAL ASSEMBLY

### State of Illinois

2023 and 2024

SB2101

Introduced 2/9/2023, by Sen. Robert F. Martwick

#### SYNOPSIS AS INTRODUCED:

40 ILCS 5/22C-115  
40 ILCS 5/22C-116  
40 ILCS 5/22C-119  
40 ILCS 5/22C-123

Amends the Firefighters' Pension Investment Fund Article of the Illinois Pension Code. Provides that a trustee shall qualify by taking an oath of office before the Secretary of State or the Board's appointed legal counsel (instead of only the Secretary of State). In a provision concerning reimbursement for travel expenses for trustees, removes a reference to the standards in effect for members of the Commission on Government Forecasting and Accountability. In a provision concerning voting for trustees by participants and beneficiaries, removes language requiring the ballot envelope to have a certificate stating that the person voting the ballot is entitled to vote. Provides that a trustee appointed to fill the vacancy of an elected trustee shall serve until a successor is elected. Removes language providing that for a vacancy of an elected trustee occurring with an unexpired term of 6 months or more, an election shall be conducted for the vacancy. Makes a conforming change. Provides that special elections to fill the remainder of an unexpired term vacated by an elected trustee shall be held concurrently with and in the same manner as the next regular election for an elected trustee position. Provides that a copy of the rules adopted by the Fund shall be posted on the Fund's website (instead of filed with the Secretary of State and the Department of Insurance). Makes changes concerning indemnification of the Fund, the board, and the officers and employees of the Fund. Makes other changes.

LRB103 30747 RPS 57226 b

A BILL FOR

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 22C-115, 22C-116, 22C-119, and 22C-123 as  
6 follows:

7 (40 ILCS 5/22C-115)

8 Sec. 22C-115. Board of Trustees of the Fund.

9 (a) No later than February 1, 2020 (one month after the  
10 effective date of Public Act 101-610) or as soon thereafter as  
11 may be practicable, the Governor shall appoint, by and with  
12 the advice and consent of the Senate, a transition board of  
13 trustees consisting of 9 members as follows:

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

21 (2) three members representing participants who are  
22 participants and appointed from among candidates  
23 recommended by the statewide labor organization

1 representing firefighters employed by at least 85  
2 municipalities that is affiliated with the Illinois State  
3 Federation of Labor;

4 (3) one member representing beneficiaries who is a  
5 beneficiary and appointed from among the candidate or  
6 candidates recommended by the statewide labor organization  
7 representing firefighters employed by at least 85  
8 municipalities that is affiliated with the Illinois State  
9 Federation of Labor;

10 (4) one member recommended by the Illinois Municipal  
11 League; and

12 (5) one member who is a participant recommended by the  
13 statewide labor organization representing firefighters  
14 employed by at least 85 municipalities and that is  
15 affiliated with the Illinois State Federation of Labor.

16 The transition board members shall serve until the initial  
17 permanent board members are elected and qualified.

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

21 (b) The permanent board of trustees shall consist of 9  
22 members comprised as follows:

23 (1) Three members who are mayors, presidents, chief  
24 executive officers, chief financial officers, or other  
25 officers, executives, or department heads of  
26 municipalities or fire protection districts that have

1 participating pension funds and are elected by the mayors  
2 and presidents of municipalities or fire protection  
3 districts that have participating pension funds.

4 (2) Three members who are participants of  
5 participating pension funds and elected by the  
6 participants of participating pension funds.

7 (3) One member who is a beneficiary of a participating  
8 pension fund and is elected by the beneficiaries of  
9 participating pension funds.

10 (4) One member recommended by the Illinois Municipal  
11 League who shall be appointed by the Governor with the  
12 advice and consent of the Senate.

13 (5) One member recommended by the statewide labor  
14 organization representing firefighters employed by at  
15 least 85 municipalities and that is affiliated with the  
16 Illinois State Federation of Labor who shall be appointed  
17 by the Governor with the advice and consent of the Senate.

18 The permanent board of trustees shall select the  
19 chairperson of the permanent board of trustees from among the  
20 trustees for a term of 2 years. The holder of the office of  
21 chairperson shall alternate between a person elected or  
22 appointed under item (1) or (4) of this subsection (b) and a  
23 person elected or appointed under item (2), (3), or (5) of this  
24 subsection (b).

25 (c) Each trustee shall qualify by taking an oath of office  
26 before the Secretary of State or the Board's appointed legal

1 counsel stating that he or she will diligently and honestly  
2 administer the affairs of the board and will not violate or  
3 knowingly permit the violation of any provision of this  
4 Article.

5 (d) Trustees shall receive no salary for service on the  
6 board but shall be reimbursed for travel expenses incurred  
7 while on business for the board ~~according to the standards in~~  
8 ~~effect for members of the Commission on Government Forecasting~~  
9 ~~and Accountability.~~

10 A municipality or fire protection district employing a  
11 firefighter who is an elected or appointed trustee of the  
12 board must allow reasonable time off with compensation for the  
13 firefighter to conduct official business related to his or her  
14 position on the board, including time for travel. The board  
15 shall notify the municipality or fire protection district in  
16 advance of the dates, times, and locations of this official  
17 business. The Fund shall timely reimburse the municipality or  
18 fire protection district for the reasonable costs incurred  
19 that are due to the firefighter's absence.

20 (e) No trustee shall have any interest in any brokerage  
21 fee, commission, or other profit or gain arising out of any  
22 investment directed by the board. This subsection does not  
23 preclude ownership by any member of any minority interest in  
24 any common stock or any corporate obligation in which an  
25 investment is directed by the board.

26 (f) Notwithstanding any provision or interpretation of law

1 to the contrary, any member of the transition board may also be  
2 elected or appointed as a member of the permanent board.

3 Notwithstanding any provision or interpretation of law to  
4 the contrary, any trustee of a fund established under Article  
5 4 of this Code may also be appointed as a member of the  
6 transition board or elected or appointed as a member of the  
7 permanent board.

8 The restriction in Section 3.1 of the Lobbyist  
9 Registration Act shall not apply to a member of the transition  
10 board appointed pursuant to items (4) or (5) of subsection (a)  
11 or to a member of the permanent board appointed pursuant to  
12 items (4) or (5) of subsection (b).

13 (Source: P.A. 101-610, eff. 1-1-20; 102-558, eff. 8-20-21.)

14 (40 ILCS 5/22C-116)

15 Sec. 22C-116. Conduct and administration of elections;  
16 terms of office.

17 (a) For the election of the permanent trustees, the  
18 transition board shall administer the initial elections and  
19 the permanent board shall administer all subsequent elections.  
20 Each board shall develop and implement such procedures as it  
21 determines to be appropriate for the conduct of such  
22 elections. For the purposes of obtaining information necessary  
23 to conduct elections under this Section, participating pension  
24 funds shall cooperate with the Fund.

25 (b) All nominations for election shall be by petition.

1 Each petition for a trustee shall be executed as follows:

2 (1) for trustees to be elected by the mayors and  
3 presidents of municipalities or fire protection districts  
4 that have participating pension funds, by at least 20 such  
5 mayors and presidents; except that this item (1) shall  
6 apply only with respect to participating pension funds;

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

9 (3) for trustees to be elected by beneficiaries, by at  
10 least 100 beneficiaries.

11 (c) A separate ballot shall be used for each class of  
12 trustee. The board shall prepare and send ballots and ballot  
13 envelopes to ~~the participants and beneficiaries~~ eligible  
14 voters to vote in accordance with rules adopted by the board.  
15 The ballots shall contain the names of all candidates in  
16 alphabetical order. ~~The ballot envelope shall have on the~~  
17 ~~outside a form of certificate stating that the person voting~~  
18 ~~the ballot is a participant or beneficiary entitled to vote.~~

19 Eligible voters ~~Participants and beneficiaries~~, upon  
20 receipt of the ballot, shall vote the ballot and place it in  
21 the ballot envelope, seal the envelope, ~~execute the~~  
22 ~~certificate thereon~~, and return the ballot to the Fund.

23 The board shall set a final date for ballot return, and  
24 ballots received prior to that date in a ballot envelope ~~with a~~  
25 ~~properly executed certificate and properly voted~~ shall be  
26 valid ballots.

1           The board shall set a day for counting the ballots and name  
2 judges and clerks of election to conduct the count of ballots  
3 and shall make any rules necessary for the conduct of the  
4 count.

5           The candidate or candidates receiving the highest number  
6 of votes for each class of trustee shall be elected. In the  
7 case of a tie vote, the winner shall be determined in  
8 accordance with procedures developed by the Department of  
9 Insurance.

10          In lieu of conducting elections via mail balloting as  
11 described in this Section, the board may instead adopt rules  
12 to provide for elections to be carried out solely via Internet  
13 balloting or phone balloting. Nothing in this Section  
14 prohibits the Fund from contracting with a third party to  
15 administer the election in accordance with this Section.

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

17           (1) Each person authorized to vote for an elected  
18 trustee may cast one vote for each related position for  
19 which such person is entitled to vote and may cast such  
20 vote for any candidate or candidates on the ballot for  
21 such trustee position.

22           (2) If only one candidate for each position is  
23 properly nominated in petitions received, that candidate  
24 shall be deemed the winner and no election under this  
25 Section shall be required.

26           (3) The results shall be entered in the minutes of the



1 first meeting of the board following the tally of votes.

2 (e) The initial election for permanent trustees shall be  
3 held and the permanent board shall be seated no later than 12  
4 months after the effective date of this amendatory Act of the  
5 101st General Assembly. Each subsequent election shall be held  
6 no later than 30 days prior to the end of the term of the  
7 incumbent trustees.

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

12 (1) One trustee elected pursuant to item (1) of  
13 subsection (b) of Section 22C-115 shall serve for a term  
14 of 2 years and 2 trustees elected pursuant to item (1) of  
15 subsection (b) of Section 22C-115 shall serve for a term  
16 of 4 years;

17 (2) One trustee elected pursuant to item (2) of  
18 subsection (b) of Section 22C-115 shall serve for a term  
19 of 2 years and 2 trustees elected pursuant to item (2) of  
20 subsection (b) of Section 22C-115 shall serve for a term  
21 of 4 years; and

22 (3) The trustee elected pursuant to item (3) of  
23 subsection (b) of Section 22C-115 shall serve for a term  
24 of 2 years.

25 (g) The trustees appointed pursuant to items (4) and (5)  
26 of subsection (b) of Section 22C-115 shall each serve for a

1 term of 4 years commencing on the first business day of the  
2 first month after the election of the elected trustees.

3 (h) A member of the board who was elected pursuant to item  
4 (1) of subsection (b) of Section 22C-115 who ceases to serve as  
5 a mayor, president, chief executive officer, chief financial  
6 officer, or other officer, executive, or department head of a  
7 municipality or fire protection district that has a  
8 participating pension fund shall not be eligible to serve as a  
9 member of the board and his or her position shall be deemed  
10 vacant. A member of the board who was elected by the  
11 participants of participating pension funds who ceases to be a  
12 participant may serve the remainder of his or her elected  
13 term.

14 ~~For a vacancy of an elected trustee occurring with an~~  
15 ~~unexpired term of 6 months or more, an election shall be~~  
16 ~~conducted for the vacancy in accordance with Section 22C-115~~  
17 ~~and this Section.~~

18 For a vacancy of an elected trustee ~~occurring with an~~  
19 ~~unexpired term of less than 6 months~~, the vacancy shall be  
20 filled by appointment by the board ~~for the unexpired term~~ as  
21 follows: a vacancy of a member elected pursuant to item (1) of  
22 subsection (b) of Section 22C-115 shall be filled by a mayor,  
23 president, chief executive officer, chief financial officer,  
24 or other officer, executive, or department head of a  
25 municipality or fire protection district that has a  
26 participating pension fund; a vacancy of a member elected

1 pursuant to item (2) of subsection (b) of Section 22C-115  
2 shall be filled by a participant of a participating pension  
3 fund; and a vacancy of a member elected under item (3) of  
4 subsection (b) of Section 22C-115 shall be filled by a  
5 beneficiary of a participating pension fund. A trustee  
6 appointed to fill the vacancy of an elected trustee shall  
7 serve until a successor is elected. Special elections to fill  
8 the remainder of an unexpired term vacated by an elected  
9 trustee shall be held concurrently with and in the same manner  
10 as the next regular election for an elected trustee position.

11 Vacancies among the appointed trustees shall be filled for  
12 unexpired terms by appointment in like manner as for the  
13 original appointments.

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

15 (40 ILCS 5/22C-119)

16 Sec. 22C-119. Adoption of rules. The board shall adopt  
17 such rules (not inconsistent with this Code) as in its  
18 judgment are desirable to implement and properly administer  
19 this Article. Such rules shall specifically provide for the  
20 following: (1) the implementation of the transition process  
21 described in Section 22C-120; (2) the process by which the  
22 participating pension funds may request transfer of funds; (3)  
23 the process for the transfer in, receipt for, and investment  
24 of pension assets received by the Fund after the transition  
25 period from the participating pension funds; (4) the process

1 by which contributions from municipalities and fire protection  
2 districts for the benefit of the participating pension funds  
3 may, but are not required to, be directly transferred to the  
4 Fund; and (5) compensation and benefits for its employees. A  
5 copy of the rules adopted by the Fund shall be posted on the  
6 Fund's website ~~filed with the Secretary of State and the~~  
7 ~~Department of Insurance~~. The adoption and effectiveness of  
8 such rules shall not be subject to Article 5 of the Illinois  
9 Administrative Procedure Act.

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

11 (40 ILCS 5/22C-123)

12 Sec. 22C-123. Custodian. The pension fund assets  
13 transferred to or otherwise acquired by the Fund shall be  
14 placed in the custody of a custodian who shall provide  
15 adequate safe deposit facilities for those assets and hold all  
16 such securities, funds, and other assets subject to the order  
17 of the Fund.

18 Each custodian shall furnish a corporate surety bond of  
19 such amount as the board designates, which bond shall  
20 indemnify the Fund, the board, and the officers and employees  
21 of the Fund against any loss that may result from any action or  
22 failure to act by the custodian or any of the custodian's  
23 agents, or provide insurance coverages of such type and limits  
24 as the board designates. All charges incidental to the  
25 procuring and giving of any bond shall be paid by the board and

1 each bond shall be in the custody of the board.

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