

COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY

PENSION IMPACT NOTE

96th GENERAL ASSEMBLY

BILL NO: **SB 1454**

February 19, 2009

SPONSOR (S): Brady - Lauzen

SYSTEM(S): General Provisions

FISCAL IMPACT: SB 1454 will not have a fiscal impact on any pension system covered under the Illinois Pension Code.

SUBJECT MATTER: SB 1454 amends the Illinois Governmental Ethics Act. The legislation will require members serving on the boards of the 5 State-funded retirement systems to file statements of economic interest. SB 1454 amends the Illinois Pension Code by making changes with respect to consultants and fiduciaries and prohibits certain activities related the State retirement systems. The bill adds provisions concerning lobbying and conflicts of interest. The State Mandates Act is amended under this bill to require implementation without reimbursement. SB 1454 would be effective immediately.

FISCAL IMPACT: SB 1454 will not have a fiscal impact on any pension system covered under the Illinois Pension Code.

COMMENTS: The bill adds many ethical reforms to the Illinois Pension Code and the Illinois Governmental Ethics Act. Members of the board of any pension fund or retirement system established under the Illinois Pension Code, as well as, members of the Illinois State Board of investments are added to the list of persons required to file economic interest statements.

SB 1454 would prohibit a trustee, employee or spouse (of trustee or employees) can have any direct interest in the income, gains or profits of any investment made in behalf of any retirement system or pension fund. The bill creates a revolving door and anti lobbying provision, as well as, many other directives intended to strengthen the ethical environment in which trustees, employees and other stakeholders of the States' Retirement operate.

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