COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY

PENSION IMPACT NOTE

102ND GENERAL ASSEMBLY

BILL NO: SB 3653 January 28, 2022

SPONSOR (S): Martwick

SYSTEM(S): General Provisions

FISCAL IMPACT: SB 3653 has no discernable fiscal impact.

<u>SUBJECT MATTER</u>: SB 3653 amends the General Provisions Article of the Pension Code to prohibit employees of pension funds and investment boards from serving as a trustee of the pertinent pension fund/investment board within 12 months after termination of employment.

<u>COMMENT:</u> P.A. 102-0603, which took effect on January 1, 2022, provided a means by which a senior administrative staff position of a pension fund/investment board governed under the Pension Code could be filled by a board member on an interim basis. Several conditions must have been met for this to occur, amongst them that the board of the pension fund/investment board is conducting a public search for the new permanent replacement, and that a majority of the board votes to designate a specific board member to serve in the vacant administrative staff position. SB 3653 deals with employees of a pension fund/investment board who may wish to serve on the board of that entity; the bill prohibits such board service within 12 months after termination of employment.

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