



Commission on Government Forecasting and Accountability

PENSION IMPACT NOTE *103RD General Assembly*

BILL NO: **SB 2101**

February 15, 2023

SPONSOR (S): Martwick

SYSTEM: Firefighters' Pension Investment Fund (Article 22C)

FISCAL IMPACT

SB 2101 will have no fiscal impact as the bill does not change the number of Trustees on the Board of Trustees for the Firefighter's Pension Investment Fund, but how interim positions are resolved, how special elections run, and how trustees take the oath of office. The other technical changes enumerated below will also have no fiscal impact.

SUBJECT MATTER: SB 2101 amends the Firefighters' Pension Investment Fund Article of the Pension Code. The bill makes a number of technical changes regarding travel reimbursement, fulfillment of board vacancies, procedures for trustee oaths of office, public notice of rules, among other changes. All are detailed below in the comment section.

COMMENT: SB 2101 amends the Firefighters Pension Investment Article of the Pension Code. The Fund was created pursuant to P.A. 101-0610, which took effect on January 1, 2020 (The Police and Fire Pension Investment Consolidation Act of 2020). SB 2101 makes a number of technical changes to implement the operations of the board of trustees of the fund. These changes are outlined below:

- Currently, each trustee of the Fire Pension Investment Fund must take their oath of office before the Secretary of State. SB 2101 gives the option for pension fund trustee members to take the oath before the Board's appointed legal counsel;
- Currently, trustees are reimbursed for travel expenses while conducting board business at the rate granted to members of the Commission on Government Forecasting and Accountability. SB 2101 deletes this reference to CGFA and simply states that trustees shall be reimbursed for board-related travel;

- SB 2101 makes a technical change deleting the requirement that ballot envelopes for board elections shall have on the outside of the envelope a form of certificate stating that the person casting the ballot is entitled to vote in the board election;
- SB 2101 streamlines the procedure for filling board vacancies regardless of the length of the unexpired term. Current law calls for special elections within each cohort (management, active, and retiree) for vacancies with a remaining term longer than 6 months. Under this bill, all vacancies that arise from each cohort shall be filled by appointment by members of that cohort (e.g., a vacancy amongst the municipal/management cohort shall be filled by a mayor, president, chief executive officer, etc., and a vacancy from the participating member cohort shall be filled by a participating member). Appointed members will fill the vacancy until the next regular election for an elected trustee from the pertinent cohort;
- Currently, a copy of the rules adopted by the Board are filed with the Secretary of State and the Department of Insurance. SB 2101 digitizes the rules to be posted on the Fund's website. There is no mention of whether a copy of the rules will continue to be filed with the Secretary of State and Department of Insurance.
- SB 2101 adds a requirement to the custodian's role with the pension fund assets of the Fund. Current law requires each custodian to furnish a corporate surety bond of an amount designated by the board that indemnifies the Fund, the board, and the officers and employees of the Fund against any loss as a result of any action by the custodian. Under this bill, the bond the custodian furnishes additionally provides insurance coverages of such type and limits as the board designates.

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