



## Commission on Government Forecasting and Accountability

### PENSION IMPACT NOTE *104<sup>th</sup> General Assembly*

BILL NO: SB 1456, as amended by SA 002

May 9, 2025

SPONSOR: Martwick

SYSTEM: General Provisions Article

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#### FISCAL IMPACT

**SB 1456, as amended by SA 002, amends the General Provisions Article to mandate that the State Treasurer must develop a pension fund trustee training program for all pension funds except Downstate Police and Fire. The Office of the Treasurer estimates that the cost would be approximately \$200,000 in the first year of implementation. That figure would encompass the cost of one FT staff position to coordinate the training sessions, in addition to outside consultants to prepare and conduct the training sessions.**

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Impact of SA 002: SA 002 mandates that the State Treasurer develop and implement the pension fund trustee program, instead of the Department of Insurance per the underlying bill. Downstate Police and Fire trustees are also excluded from the training program. Other changes are summarized below.

SUBJECT MATTER: SB 1456, as amended by SA 002, amends the General Provisions Article of the Illinois Pension Code to mandate that the State Treasurer develop and implement a pension fund trustee training program, as specified below.

COMMENT: Currently, the General Provisions Article of the Pension Code mandates 8 hours of annual training for pension board members. The statutorily mandated training refers to “ethics, fiduciary duty, and investment issues” and other curriculum that the board of the pertinent retirement system determines to be warranted. SB 1456, as amended by SA 002, mandates that the Office of the Treasurer develop a curriculum within 6 months of the effective date for all pension board members to educate them annually on their legal and fiduciary responsibilities, actuarial reporting, ethical considerations, and other subjects deemed necessary by the State Treasurer.

The key differences between the underlying bill and SA 002 are summarized in the table below.

Provision	SB 1456 (Introduced)	SB 1456, SA 002
<b>Applicability</b>	All public pension board members	Excludes trustees of Downstate Police and Fire; and judges serving as trustees that underwent ethics training, as provided by the Illinois Supreme Court
<b>Administering Agency</b>	Department of Insurance	State Treasurer
<b>Training Format</b>	Not specified, but the bill mandated that all trainings be made available online.	Online training (free) plus optional in-person training (may include a fee)
<b>Training Frequency</b>	Annual	Annual
<b>Training Content</b>	Includes investment strategies, fiduciary duties, ethics, actuarial issues, etc.	Similar content, but omits “investment strategies”
<b>Initial Training Deadline</b>	Not specified	Dec. 31, 2026 for current members: within 6 months of appointment or election for new members (after July 1, 2026)
<b>Alternative Training Option</b>	Not provided	Allows certified in-person training by approved not-for-profit organizations
<b>Hours of Training Required</b>	Not specified	1 hour

SA 002 also mandates that beginning in 2027, the State Treasurer shall compile a report containing the names of pension board members who have not fulfilled the aforementioned training requirements, and this list will be made available to the public on the Treasurer’s website. Additionally, SA 002 specifies that attendance at regular pension board meetings does not satisfy the training requirements unless approved training sessions are scheduled as a separate board meeting agenda item.

The bill, as amended, does not have an immediate effective date.

RF:bs

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