



Commission on Government Forecasting and Accountability

PENSION IMPACT NOTE *104TH General Assembly*

BILL NO: **SB 1456**

February 4, 2025

SPONSOR (S): Martwick

SYSTEM: General Provisions Article

FISCAL IMPACT

SB 1456 would mandate that the Department of Insurance create a pension fund trustee training program for all trustees under the Pension Code. DOI does not have an estimated cost, but they have indicated that the implementation of the required training regime could be significant.

SUBJECT MATTER: SB 1456 amends the General Provisions Article of the Pension Code to mandate that the Department of Insurance develop and implement a pension fund trustee training program as outlined below in the Comment section.

COMMENT: SB 1456 amends the General Provisions Article of the Pension Code. The bill mandates that the Department of Insurance develop a curriculum for all pension board members to educate them annually on their fiduciary responsibilities, investment strategies, actuarial reporting and legal requirements, among other items. The curriculum must be made available online, and members must complete the training each year. Completion must be documented and submitted to the Department. The bill specifies that attendance at pension board meetings does not fulfill this training requirement. The Department would also be responsible for maintaining and updating the curriculum and ensuring compliance.

Currently, the General Provisions Article mandates 8 hours of annual training for pension board members, but the statutorily mandated training refers to “ethics, fiduciary duty, and investment issues” and other curriculum that the board of the pertinent retirement system feels is warranted. The training mandated by the bill does not contemplate an hourly standard, either initially or on an ongoing basis. Inasmuch as the bill expands upon the training items mandated by current law, it would provide more depth and rigor than the current statutory requirements. The bill

does not repeal the current 8-hour statutory training framework, so pension funds would still have flexibility to design their own individual supplemental training programs as they see fit.

DH:bs

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