



Commission on Government Forecasting and Accountability

PENSION IMPACT NOTE *104TH General Assembly*

BILL NO: **SB 1456, as amended by SA 001**

March 7, 2025

SPONSOR (S): Martwick

SYSTEM: General Provisions Article

FISCAL IMPACT

SB 1456, as amended by SA 001, would mandate that the State Treasurer create a pension fund trustee training program for all trustees under the Pension Code (excluding Downstate Police and Fire trustees). The Office of the Treasurer estimates that the cost would be approximately \$200,000 in year one. That figure would encompass the cost of one FT staff position to coordinate the trainings, in addition to outside consultants to prepare and conduct the trainings.

IMPACT OF SA 001: SA 001 mandates that the State Treasurer implement the pension fund trustee training program instead of the Department of Insurance. Downstate Police and Fire trustees are also excluded from the training. Other changes are summarized below.

SUBJECT MATTER: SB 1456, as amended by SA 001, amends the General Provisions Article of the Pension Code to mandate that the State Treasurer develop and implement a pension fund trustee training program as outlined below in the Comment section.

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 001, mandates that the Office of the Treasurer 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 key differences between the underlying bill and SA 001 are summarized in the table on the following page.

Provision	SB 1456 (Introduced)	SB 1456, SA 001
Applicability	All public pension board members	Excludes trustees of Article 3 & 4 funds (Downstate police and fire pension boards)
Administering Agency	Department of Insurance	State Treasurer
Training Format	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)
Training Frequency	Annual	Annual
Training Content	Includes investment strategies, fiduciary duties, ethics, actuarial issues, etc.	Similar content, but omits “investment strategies”
Initial Training Deadline	Not specified	Dec. 31, 2026 for current members; within 6 months of appointment or election for new members (after July 1, 2026)
Alternative Training Option	Not provided	Allows certified in-person training by approved not-for-profit organizations
Enforcement	None	\$500 fine for each 6-month period of noncompliance; funds deposited into Treasurer’s Admin Fund

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

DH:bs

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