



ISSUE BRIEF

Senate Bill 3690: Trustee Participation

IMRF Position:
SUPPORT

Sponsor(s):
Senator Robert Martwick

Proposed Change in the Law

This bill would require IMRF employers to grant 20 days of paid leave to employee trustees of the Fund to complete Board duties, including Board and committee meetings and seminars. It would also allow the Fund to reimburse the employer for the actual cost of a substitute employee during those times.

Reasons for Position

The Pension Code already requires IMRF to reimburse employers for the cost of the member's salary for times when trustees are out of the office or otherwise unavailable (such as on a conference call) due to trustee activities. While the current reimbursement requirement applies to all active member trustees, this provision would apply only to the employee trustees.

This provision is identical to language in the School Code that was added in 2009 to apply to IMRF trustees who are employed by school districts (it is also identical to language applicable to TRS employers). It is applicable only to IMRF's three employee trustees (out of eight total trustees). One current employee trustee, however, is employed by a school district and is therefore already covered by the School Code provision. IMRF has historically always had at least one employee trustee who is employed by a school district (school districts make up about 28% of the employers participating in IMRF and about half of the total members)

Currently, employers outside the School Code (e.g., cities, village, counties, townships, etc.) are not required to allow IMRF trustees time off to attend to Board duties. In addition, the Fund

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Peter Stefan – Secretary

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currently only reimburses employers for the cost of the trustee's actual wages during that period as is required in the Pension Code. It can be difficult for employers to find a short-term substitute without having to pay an additional premium, however, generally for overtime for current staff to cover that time.

There would be a minimal cost to the legislation if an employer hires a substitute for an amount above the trustee's salary. The additional cost would only be the differential cost; IMRF already reimburses the trustee's salary amount. It is also applicable only to employee trustees who are not school district employees who are already covered by the equivalent requirement in the School Code. The additional cost would be negligible and would have no measurable effect on the IMRF's funding ratio or on employer rates.

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