



ISSUE BRIEF

Senate Bill 1824: IMRF Administrative Proposals

IMRF Position:
SUPPORT

Sponsor:
Senator Karina Villa

Proposed Change in the Law

This proposal makes five changes to the Illinois Pension Code:

1. Requires all new IMRF Authorized Agents to complete an IMRF-provided training course within 3 months of appointment. The training must be made available online no less than quarterly and must be at no cost.
2. Allows trustees who change jobs within a Board term to remain on the Board as long as there is no break in service and they continue to meet all eligibility requirements in the new job.
3. Creates additional exemptions to what IMRF calls the Accelerated Payment, which requires employers to pay the employer portion of certain pension cost increases on a faster schedule than the remaining portion (this changes the timing of the payments, not the amount or liability party).
4. Makes two technical changes/corrections to the Pension Code

IMRF 2023 Board of Trustees

Tom Kuehne – President
Peter Stefan – Vice President
Louis Kosiba – Secretary

Natalie Copper
Gwen Henry
David Miller

Tracie Mitchell
Sue Stanish

For More Information

Bonnie Shadid
IMRF
224/612-4772
bonnieshadid-legal@imrf.org



ISSUE BRIEF

Reasons for Position

1. All IMRF employers are required to name an Authorized Agent who is responsible for all IMRF employer functions, including reporting wages and enrolling new members. Because this is a vital role in ensuring the smooth operation of the fund, it is important that they understand the requirements of the role. Failure to carry out those duties properly can cause additional costs to employers, as well as benefit errors for members. This requirement is similar to that required of all new elected officials under the Open Meetings Act.
2. Under the current statute, trustees are immediately terminated from the Board if they terminate participation in all IMRF positions during their term of office. This has the unintended consequence of requiring trustees who begin a new position during their term of office from being removed from the Board if they merely take a few days off between jobs. Trustees whose new job does not qualify them for their Board position would still be terminated from the Board.
3. IMRF's "Accelerated Payments" require employers to pay the liabilities for increases in a member's reported wages of more than 6%. Unlike similar provisions for the state-funded systems, IMRF employers always pay the full employer cost of the entire IMRF position. This merely changes the schedule of when it must be paid, but not the total amount due nor the responsible party. This would add two additional exemption types:
 - a. Amounts due to payments required by federal or state law or by a court order. Examples include the minimum wage increase and employment settlements mandated by a court.
 - b. Amounts required to be paid because members returned to their regular hours after having been on a reduced work schedule. The most common example is employees who were partially furloughed during the COVID lockdowns.
4. The technical corrections have no effect on any pension benefits, operations, or costs, or liabilities. They are merely grammatical fixes/updates.
 - a. Changes a reference from the "prudent man" investment standard to the "prudent person" standard to match a reference elsewhere in the Pension Code.
 - b. Adds a missing comma in the definition of "municipality" in the IMRF Article.

IMRF 2023 Board of Trustees

Tom Kuehne – President
Peter Stefan – Vice President
Louis Kosiba – Secretary

Natalie Copper
Gwen Henry
David Miller

Tracie Mitchell
Sue Stanish

For More Information

Bonnie Shadid
IMRF
224/612-4772
bonnieshadid-legal@imrf.org