

SB1218



98TH GENERAL ASSEMBLY

State of Illinois

2013 and 2014

SB1218

Introduced 1/30/2013, by Sen. Daniel Biss

SYNOPSIS AS INTRODUCED:

105 ILCS 5/10-20.55 new
30 ILCS 805/8.37 new

Amends the School Code. Provides that, beginning January 1, 2015, if a school board other than the Chicago Board of Schools offers a 403(b) plan to its officers, employees, or both, or makes contributions to such a plan on behalf of its officers, employees, or both, then the plan sponsor must act in accordance with the prudent investor rule when making plan-related decisions. Amends the State Mandates Act to require implementation without reimbursement.

LRB098 06370 HLH 36412 b

FISCAL NOTE ACT
MAY APPLY

A BILL FOR

1 AN ACT concerning local government.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The School Code is amended by adding Section
5 10-20.55 as follows:

6 (105 ILCS 5/10-20.55 new)

7 Sec. 10-20.55. Application of the prudent investor rule to
8 403(b) plans.

9 (a) Beginning January 1, 2015, if a school board other than
10 the Chicago Board of Schools offers a 403(b) plan to its
11 officers, employees, or both, or makes contributions to such a
12 plan on behalf of its officers, employees, or both, then the
13 plan sponsor must act in accordance with the prudent investor
14 rule when making plan-related decisions.

15 (b) For the purposes of this Section, a plan sponsor acts
16 in accordance with the prudent investor rule if he or she acts
17 in good faith and with the care, skill, prudence, diligence,
18 and degree of judgment that an investor of prudence,
19 discretion, and sound judgment would exercise in the management
20 of his or her own affairs, taking into account all aspects of
21 plan design, including, but not limited to, total delivered
22 fees, surrender charges, and third-party administrator fees.

23 (c) This Section does not apply to any plan authorized or

1 created under the Illinois Pension Code.

2 Section 90. The State Mandates Act is amended by adding
3 Section 8.37 as follows:

4 (30 ILCS 805/8.37 new)

5 Sec. 8.37. Exempt mandate. Notwithstanding Sections 6 and 8
6 of this Act, no reimbursement by the State is required for the
7 implementation of any mandate created by this amendatory Act of
8 the 98th General Assembly. Nothing in this amendatory Act of
9 the 98th General Assembly shall override the process
10 established under Section 22-60 of the School Code.