



97TH GENERAL ASSEMBLY

State of Illinois

2011 and 2012

HB3370

Introduced 2/24/2011, by Rep. Mike Fortner

SYNOPSIS AS INTRODUCED:

40 ILCS 5/7-173.3 new
30 ILCS 805/8.35 new

Amends the Illinois Municipal Retirement Fund (IMRF) Article of the Illinois Pension Code. Requires the Fund, by rule, to establish a defined contribution benefit plan. Requires the plan to be qualified under the Internal Revenue Code of 1986 and to authorize each participating municipality and participating instrumentality to (i) require participation in the plan by any person who first becomes its employee on or after January 1, 2012, (ii) define benefit levels and employer contributions as it sees fit, (iii) make benefit changes as it deems appropriate, and (iv) otherwise administer the plan. Provides that participating municipalities and instrumentalities must elect to participate in the plan by no later than January 1, 2012. Amends the State Mandates Act to require implementation without reimbursement. Effective immediately.

LRB097 08653 JDS 48782 b

FISCAL NOTE ACT
MAY APPLY

PENSION IMPACT
NOTE ACT MAY
APPLY

STATE MANDATES
ACT MAY REQUIRE
REIMBURSEMENT

1 AN ACT concerning public employee benefits.

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

4 Section 5. The Illinois Pension Code is amended by adding
5 Section 7-173.3 as follows:

6 (40 ILCS 5/7-173.3 new)

7 Sec. 7-173.3. Defined contribution benefit plan. As soon as
8 practical after the effective date of this Section, the
9 Illinois Municipal Retirement Fund must, by rule, establish a
10 defined contribution benefit plan. The plan established by the
11 Fund must be qualified under the Internal Revenue Code of 1986.
12 However, it must also authorize each participating
13 municipality and participating instrumentality (i) to require
14 participation in the plan by any person who first becomes its
15 employee on or after January 1, 2012, (ii) to define benefit
16 levels and employer contributions as it sees fit, (iii) to make
17 benefit changes as it deems appropriate, and (iv) otherwise
18 administer the plan.

19 In order to participate in the defined benefit plan
20 established under this Section, the corporate authorities of
21 the participating municipality or participating
22 instrumentality must, by resolution or ordinance adopted by a
23 majority of its members, irrevocably elect to participate in

1 the plan no later than January 1, 2012. If a participating
2 municipality or instrumentality does not make such an election,
3 it shall continue to participate in the benefits plan otherwise
4 provided under this Article.

5 For the purposes of this Section, "defined contribution
6 benefit plan" means a plan that offers employees the
7 opportunity to accumulate assets for retirement through a
8 combination of employee and employer contributions that may be
9 invested in mutual funds, collective investment funds, or other
10 investment products and used to purchase annuity contracts,
11 either fixed or variable, or a combination thereof.

12
13 Section 90. The State Mandates Act is amended by adding
14 Section 8.35 as follows:

15 (30 ILCS 805/8.35 new)

16 Sec. 8.35. Exempt mandate. Notwithstanding Sections 6 and 8
17 of this Act, no reimbursement by the State is required for the
18 implementation of any mandate created by this amendatory Act of
19 the 97th General Assembly.

20 Section 99. Effective date. This Act takes effect upon
21 becoming law.