

AN ACT concerning public employee benefits.

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

Section 5. The Illinois Pension Code is amended by changing Sections 15-198 and 16-203 and by adding Sections 15-202 and 16-204 as follows:

(40 ILCS 5/15-198)

Sec. 15-198. Application and expiration of new benefit increases.

(a) As used in this Section, "new benefit increase" means an increase in the amount of any benefit provided under this Article, or an expansion of the conditions of eligibility for any benefit under this Article, that results from an amendment to this Code that takes effect after the effective date of this amendatory Act of the 94th General Assembly. "New benefit increase", however, does not include any benefit increase resulting from the changes made to Article 1 or this Article by Public Act 100-23 or this amendatory Act of the 100th General Assembly ~~this amendatory Act of the 100th General Assembly~~.

(b) Notwithstanding any other provision of this Code or any subsequent amendment to this Code, every new benefit increase is subject to this Section and shall be deemed to be granted only in conformance with and contingent upon compliance with

the provisions of this Section.

(c) The Public Act enacting a new benefit increase must identify and provide for payment to the System of additional funding at least sufficient to fund the resulting annual increase in cost to the System as it accrues.

Every new benefit increase is contingent upon the General Assembly providing the additional funding required under this subsection. The Commission on Government Forecasting and Accountability shall analyze whether adequate additional funding has been provided for the new benefit increase and shall report its analysis to the Public Pension Division of the Department of Insurance. A new benefit increase created by a Public Act that does not include the additional funding required under this subsection is null and void. If the Public Pension Division determines that the additional funding provided for a new benefit increase under this subsection is or has become inadequate, it may so certify to the Governor and the State Comptroller and, in the absence of corrective action by the General Assembly, the new benefit increase shall expire at the end of the fiscal year in which the certification is made.

(d) Every new benefit increase shall expire 5 years after its effective date or on such earlier date as may be specified in the language enacting the new benefit increase or provided under subsection (c). This does not prevent the General Assembly from extending or re-creating a new benefit increase

by law.

(e) Except as otherwise provided in the language creating the new benefit increase, a new benefit increase that expires under this Section continues to apply to persons who applied and qualified for the affected benefit while the new benefit increase was in effect and to the affected beneficiaries and alternate payees of such persons, but does not apply to any other person, including without limitation a person who continues in service after the expiration date and did not apply and qualify for the affected benefit while the new benefit increase was in effect.

(Source: P.A. 100-23, eff. 7-6-17.)

(40 ILCS 5/15-202 new)

Sec. 15-202. Optional defined contribution benefit. As soon as practicable after the effective date of this amendatory Act of the 100th General Assembly, the System shall offer a defined contribution benefit to active members of the System. The defined contribution benefit shall be an optional benefit to any member who chooses to participate. The defined contribution benefit shall collect optional employee and optional employer contributions into an account and shall offer investment options to the participant. The benefit under this Section shall be operated in full compliance with any applicable State and federal laws, and the System shall utilize generally accepted practices in creating and maintaining the

benefit for the best interest of the participants. The System may use funds from the employee and employer contributions to defray any and all costs of creating and maintaining the benefit. The System shall produce an annual report on the participation in the benefit and shall make the report public.

(40 ILCS 5/16-203)

Sec. 16-203. Application and expiration of new benefit increases.

(a) As used in this Section, "new benefit increase" means an increase in the amount of any benefit provided under this Article, or an expansion of the conditions of eligibility for any benefit under this Article, that results from an amendment to this Code that takes effect after June 1, 2005 (the effective date of Public Act 94-4). "New benefit increase", however, does not include any benefit increase resulting from the changes made to Article 1 or this Article by Public Act 95-910, Public Act 100-23, or this amendatory Act of the 100th General Assembly ~~or this amendatory Act of the 100th General Assembly.~~

(b) Notwithstanding any other provision of this Code or any subsequent amendment to this Code, every new benefit increase is subject to this Section and shall be deemed to be granted only in conformance with and contingent upon compliance with the provisions of this Section.

(c) The Public Act enacting a new benefit increase must

identify and provide for payment to the System of additional funding at least sufficient to fund the resulting annual increase in cost to the System as it accrues.

Every new benefit increase is contingent upon the General Assembly providing the additional funding required under this subsection. The Commission on Government Forecasting and Accountability shall analyze whether adequate additional funding has been provided for the new benefit increase and shall report its analysis to the Public Pension Division of the Department of Insurance. A new benefit increase created by a Public Act that does not include the additional funding required under this subsection is null and void. If the Public Pension Division determines that the additional funding provided for a new benefit increase under this subsection is or has become inadequate, it may so certify to the Governor and the State Comptroller and, in the absence of corrective action by the General Assembly, the new benefit increase shall expire at the end of the fiscal year in which the certification is made.

(d) Every new benefit increase shall expire 5 years after its effective date or on such earlier date as may be specified in the language enacting the new benefit increase or provided under subsection (c). This does not prevent the General Assembly from extending or re-creating a new benefit increase by law.

(e) Except as otherwise provided in the language creating

the new benefit increase, a new benefit increase that expires under this Section continues to apply to persons who applied and qualified for the affected benefit while the new benefit increase was in effect and to the affected beneficiaries and alternate payees of such persons, but does not apply to any other person, including without limitation a person who continues in service after the expiration date and did not apply and qualify for the affected benefit while the new benefit increase was in effect.

(Source: P.A. 100-23, eff. 7-6-17.)

(40 ILCS 5/16-204 new)

Sec. 16-204. Optional defined contribution benefit. As soon as practicable after the effective date of this amendatory Act of the 100th General Assembly, the System shall offer a defined contribution benefit to active members of the System. The defined contribution benefit shall be an optional benefit to any member who chooses to participate. The defined contribution benefit shall collect optional employee and optional employer contributions into an account and shall offer investment options to the participant. The benefit under this Section shall be operated in full compliance with any applicable State and federal laws, and the System shall utilize generally accepted practices in creating and maintaining the benefit for the best interest of the participants. The System may use funds from the employee and employer contributions to

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defray any and all costs of creating and maintaining the benefit. The System shall produce an annual report on the participation in the benefit and shall make the report public.

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