



101ST GENERAL ASSEMBLY

State of Illinois

2019 and 2020

SB1826

Introduced 2/15/2019, by Sen. Dan McConchie

SYNOPSIS AS INTRODUCED:

40 ILCS 5/7-101.5 new

Amends the Illinois Municipal Retirement Fund (IMRF) Article of the Illinois Pension Code. Authorizes the governing body of a municipality or instrumentality to provide an alternative retirement plan in lieu of or in addition to the existing plan under the Article. Provides that the alternative retirement plan may include a defined-benefit component, a defined contribution component, or both, and may include disability or survivor benefits and any other benefits that are permitted under federal law. Provides that the alternative retirement plan is not required to provide any minimum level of benefits and need not provide any benefits at all, other than mandatory Social Security coverage if applicable. Provides that service credit received under an alternative retirement plan may not be transferred to any other fund and may not be used under the Retirement Systems Reciprocal Act (Article 20 of the Code).

LRB101 11002 RPS 56194 b

FISCAL NOTE ACT
MAY APPLY

PENSION IMPACT
NOTE ACT MAY
APPLY

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 7-101.5 as follows:

6 (40 ILCS 5/7-101.5 new)

7 Sec. 7-101.5. Alternative retirement plan; local control
8 of benefits.

9 (a) The governing body of a municipality or instrumentality
10 may, at any time on or after the effective date of this
11 Section, provide by ordinance or resolution, whichever is
12 applicable, for an alternative retirement plan, either in
13 addition to or in lieu of the existing plan under this Article,
14 for its eligible new employees. The alternative retirement plan
15 shall apply only to persons who have not participated in the
16 existing plan under this Article.

17 (b) The alternative retirement plan may include a
18 defined-benefit component, a defined-contribution component,
19 or both, and may, but is not required to, include disability or
20 survivor benefits and any other provisions or benefits that are
21 permitted under federal law. The alternative retirement plan is
22 not required to provide any minimum level of benefits and need
23 not provide any benefits at all, other than mandatory Social

1 Security coverage if applicable.

2 (c) Service credit received under an alternative
3 retirement plan may not be transferred to any other pension
4 fund or retirement system and may not be used under the
5 Retirement Systems Reciprocal Act.

6 (d) Providing an alternative retirement plan does not
7 release the municipality or instrumentality from the
8 obligation of continuing to participate under this Article with
9 regard to participants in the existing retirement plan. In no
10 event may the municipality or instrumentality in any way
11 diminish or impair the rights or benefits of participants in
12 the existing retirement plan.

13 (e) Persons participating in an alternative retirement
14 plan under this Section shall be deemed to be members of the
15 Fund who participate in an alternative retirement plan and
16 shall remain subject to the provisions of the Agreement with
17 the State Agency, as provided in Section 7-170, for Social
18 Security purposes to the extent permitted under federal law.
19 Notwithstanding any provision of this Article to the contrary,
20 the alternative retirement plan need not comply with any other
21 mandatory provision of the existing retirement plan.