

SB3804



101ST GENERAL ASSEMBLY

State of Illinois

2019 and 2020

SB3804

Introduced 2/14/2020, by Sen. Robert F. Martwick

SYNOPSIS AS INTRODUCED:

40 ILCS 5/24-105.2

Amends the Deferred Compensation Article of the Illinois Pension Code. Provides that the Department of Central Management Services shall automatically enroll in the State Employees Deferred Compensation Plan any employee who is a member under the Downstate Teacher Article, regardless of when the employee first became a member under that Article. Provides that an employee shall be automatically enrolled beginning the first day of the pay period following the effective date if the employee is a member under the Downstate Teacher Article on the effective date of the amendatory Act. Effective January 1, 2021.

LRB101 20293 RPS 69835 b

FISCAL NOTE ACT
MAY APPLY

PENSION IMPACT
NOTE ACT MAY
APPLY

A BILL FOR

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 changing
5 Section 24-105.2 as follows:

6 (40 ILCS 5/24-105.2)

7 Sec. 24-105.2. Automatic enrollment for certain members.
8 The Department of Central Management Services shall
9 automatically enroll in the State Employees Deferred
10 Compensation Plan any employee who, on or after July 1, 2020 (6
11 months after the effective date of Public Act 101-277) ~~this~~
12 ~~amendatory Act of the 101st General Assembly~~, first becomes a
13 member or participant of a retirement system created under
14 Article 2, 14, or 18 and shall automatically enroll in the
15 State Employees Deferred Compensation Plan any employee who is
16 a member under a retirement system created under Article 16,
17 regardless of when the employee first became a member under
18 Article 16. An employee automatically enrolled under this
19 Section shall have 3% of his or her pre-tax gross compensation
20 for each compensation period deferred into his or her deferred
21 compensation account.

22 An employee shall have 30 days from the start date of
23 employment to elect to not participate in the deferred

1 compensation plan or to elect to increase or reduce the amount
2 of pre-tax gross compensation deferred. An employee shall be
3 automatically enrolled in the Plan beginning the first day of
4 the pay period following the employee's thirtieth day of
5 employment or the pay period following the effective date of
6 this amendatory Act of the 101st General Assembly if the
7 employee is a member under Article 16 on the effective date of
8 this amendatory Act of the 101st General Assembly. An employee
9 who has been automatically enrolled in the Plan may elect,
10 within 90 days of enrollment, to withdraw from the Plan and
11 receive a refund of amounts deferred. An employee making such
12 an election shall forfeit all employer matching contributions,
13 if any, made prior to the election. Any refunded amount shall
14 be included in the employee's gross income for the taxable year
15 in which the refund is issued.

16 (Source: P.A. 101-277, eff. 1-1-20.)

17 Section 99. Effective date. This Act takes effect January
18 1, 2021.