



## 103RD GENERAL ASSEMBLY

### State of Illinois

2023 and 2024

HB5798

Introduced 4/2/2024, by Rep. Blaine Wilhour

#### SYNOPSIS AS INTRODUCED:

40 ILCS 5/1-163 new  
40 ILCS 5/14-152.1  
40 ILCS 5/15-198  
40 ILCS 5/16-203  
30 ILCS 805/8.48 new

Amends the General Provisions Article of the Illinois Pension Code. Defines "eligible Tier 2 member" as a member who first became a member under a retirement system or pension fund established under the Code on or after January 1, 2011 and whose service under the applicable Article is not eligible for Social Security coverage. Defines "hypothetical Social Security benefit" as the value of the Social Security benefit an eligible Tier 2 member would receive if the eligible Tier 2 member's service had been eligible for Social Security coverage. Provides that if an eligible Tier 2 member would receive a pension benefit that is less than the eligible Tier 2 member's hypothetical Social Security benefit, then the eligible Tier 2 member's pension benefit shall be increased to the amount of the hypothetical Social Security benefit plus \$1. Provides that the determination shall be made on an annual basis, and the amount of the pension benefit shall be adjusted annually. In the State Employees, State Universities, and Downstate Teachers Articles, provides that any benefit increase that results from the amendatory Act is excluded from the definition of "new benefit increase". Amends the State Mandates Act to require implementation without reimbursement by the State.

LRB103 40085 RPS 71606 b

STATE MANDATES  
ACT MAY REQUIRE  
REIMBURSEMENT

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 adding  
5 Section 1-163 and by changing Sections 14-152.1, 15-198, and  
6 16-203 as follows:

7 (40 ILCS 5/1-163 new)

8 Sec. 1-163. Minimum pension benefit for noncovered  
9 employees.

10 (a) In this Section:

11 "Eligible Tier 2 member" means a member who first became a  
12 member or participant of a retirement system or pension fund  
13 established under this Code on or after January 1, 2011 and  
14 whose service under the applicable Article is not eligible for  
15 Social Security coverage.

16 "Hypothetical Social Security benefit" means the value of  
17 the Social Security benefit an eligible Tier 2 member would  
18 receive if the eligible Tier 2 member's service had been  
19 eligible for Social Security coverage.

20 (b) If an eligible Tier 2 member would receive a pension  
21 benefit that is less than the eligible Tier 2 member's  
22 hypothetical Social Security benefit, then the eligible Tier 2  
23 member's pension benefit shall be increased to the amount of

1 the hypothetical Social Security benefit plus \$1. This  
2 determination shall be made on an annual basis, and the amount  
3 of the pension benefit shall be adjusted annually.

4 (40 ILCS 5/14-152.1)

5 Sec. 14-152.1. Application and expiration of new benefit  
6 increases.

7 (a) As used in this Section, "new benefit increase" means  
8 an increase in the amount of any benefit provided under this  
9 Article, or an expansion of the conditions of eligibility for  
10 any benefit under this Article, that results from an amendment  
11 to this Code that takes effect after June 1, 2005 (the  
12 effective date of Public Act 94-4). "New benefit increase",  
13 however, does not include any benefit increase resulting from  
14 the changes made to Article 1 or this Article by Public Act  
15 96-37, Public Act 100-23, Public Act 100-587, Public Act  
16 100-611, Public Act 101-10, Public Act 101-610, Public Act  
17 102-210, Public Act 102-856, Public Act 102-956, or this  
18 amendatory Act of the 103rd General Assembly ~~this amendatory~~  
19 ~~Act of the 102nd General Assembly.~~

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

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

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

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

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

26 (e) Except as otherwise provided in the language creating

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

10 (Source: P.A. 101-10, eff. 6-5-19; 101-81, eff. 7-12-19;  
11 101-610, eff. 1-1-20; 102-210, eff. 7-30-21; 102-856, eff.  
12 1-1-23; 102-956, eff. 5-27-22.)

13 (40 ILCS 5/15-198)

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

16 (a) As used in this Section, "new benefit increase" means  
17 an increase in the amount of any benefit provided under this  
18 Article, or an expansion of the conditions of eligibility for  
19 any benefit under this Article, that results from an amendment  
20 to this Code that takes effect after June 1, 2005 (the  
21 effective date of Public Act 94-4). "New benefit increase",  
22 however, does not include any benefit increase resulting from  
23 the changes made to Article 1 or this Article by Public Act  
24 100-23, Public Act 100-587, Public Act 100-769, Public Act  
25 101-10, Public Act 101-610, Public Act 102-16, Public Act

1 103-80, Public Act 103-548, or this amendatory Act of the  
2 103rd General Assembly ~~or this amendatory Act of the 103rd~~  
3 ~~General Assembly.~~

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

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

13 Every new benefit increase is contingent upon the General  
14 Assembly providing the additional funding required under this  
15 subsection. The Commission on Government Forecasting and  
16 Accountability shall analyze whether adequate additional  
17 funding has been provided for the new benefit increase and  
18 shall report its analysis to the Public Pension Division of  
19 the Department of Insurance. A new benefit increase created by  
20 a Public Act that does not include the additional funding  
21 required under this subsection is null and void. If the Public  
22 Pension Division determines that the additional funding  
23 provided for a new benefit increase under this subsection is  
24 or has become inadequate, it may so certify to the Governor and  
25 the State Comptroller and, in the absence of corrective action  
26 by the General Assembly, the new benefit increase shall expire

1 at the end of the fiscal year in which the certification is  
2 made.

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

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

19 (Source: P.A. 102-16, eff. 6-17-21; 103-80, eff. 6-9-23;  
20 103-548, eff. 8-11-23; revised 8-31-23.)

21 (40 ILCS 5/16-203)

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

24 (a) As used in this Section, "new benefit increase" means  
25 an increase in the amount of any benefit provided under this

1 Article, or an expansion of the conditions of eligibility for  
2 any benefit under this Article, that results from an amendment  
3 to this Code that takes effect after June 1, 2005 (the  
4 effective date of Public Act 94-4). "New benefit increase",  
5 however, does not include any benefit increase resulting from  
6 the changes made to Article 1 or this Article by Public Act  
7 95-910, Public Act 100-23, Public Act 100-587, Public Act  
8 100-743, Public Act 100-769, Public Act 101-10, Public Act  
9 101-49, Public Act 102-16, ~~or~~ Public Act 102-871, or this  
10 amendatory Act of the 103rd General Assembly.

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

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

20 Every new benefit increase is contingent upon the General  
21 Assembly providing the additional funding required under this  
22 subsection. The Commission on Government Forecasting and  
23 Accountability shall analyze whether adequate additional  
24 funding has been provided for the new benefit increase and  
25 shall report its analysis to the Public Pension Division of  
26 the Department of Insurance. A new benefit increase created by



1 a Public Act that does not include the additional funding  
2 required under this subsection is null and void. If the Public  
3 Pension Division determines that the additional funding  
4 provided for a new benefit increase under this subsection is  
5 or has become inadequate, it may so certify to the Governor and  
6 the State Comptroller and, in the absence of corrective action  
7 by the General Assembly, the new benefit increase shall expire  
8 at the end of the fiscal year in which the certification is  
9 made.

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

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

26 (Source: P.A. 102-16, eff. 6-17-21; 102-558, eff. 8-20-21;

1 102-813, eff. 5-13-22; 102-871, eff. 5-13-22; 103-154, eff.  
2 6-30-23.)

3 Section 90. The State Mandates Act is amended by adding  
4 Section 8.48 as follows:

5 (30 ILCS 805/8.48 new)

6 Sec. 8.48. Exempt mandate. Notwithstanding Sections 6 and  
7 8 of this Act, no reimbursement by the State is required for  
8 the implementation of any mandate created by this amendatory  
9 Act of the 103rd General Assembly.