

1 AN ACT concerning State government.

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

4 Section 5. The Department of Central Management Services
5 Law of the Civil Administrative Code of Illinois is amended by
6 changing Section 405-110 as follows:

7 (20 ILCS 405/405-110) (was 20 ILCS 405/64.2)

8 Sec. 405-110. Federal tax-exempt benefits in lieu of salary
9 or wages; flexible spending.

10 (a) The Department may, at the Director's discretion,
11 establish and implement or approve plans whereby State
12 employees and officers, including those of State universities
13 and colleges, may enter into agreements with their employer to
14 elect to receive, in lieu of salary or wages, benefits that are
15 not taxable under the federal Internal Revenue Code. These
16 agreements may include the acceptance of a reduction in
17 earnings or the foregoing of an increase in earnings by an
18 employee and the employer's payment of those amounts as
19 employer contributions for benefits that the employee selects
20 from a list of employee benefits offered by the employer.

21 (b) Prior to the establishment of ~~such~~ a plan under
22 subsection (a), the Director shall seek the advice of
23 interested State agencies regarding the content and

1 implementation of the plan.

2 (c) Selection of plan offerings under subsection (a) shall
3 not be subject to the Illinois Purchasing Act.

4 (d) Benefits selected by employees in plans under
5 subsection (a) shall be included in gross income for
6 determination of pension base.

7 (e) To the extent allowable under federal law and
8 regulations, the Department of Central Management Services
9 must allow employees of State colleges and universities to
10 participate in the Department's flexible spending program. The
11 flexible spending program includes the dependent care
12 assistance plan and the medical care assistance plan.

13 (Source: P.A. 91-239, eff. 1-1-00.)