



104TH GENERAL ASSEMBLY

State of Illinois

2025 and 2026

HB3113

Introduced 2/18/2025, 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 805/8.49 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.

LRB104 09863 RPS 19931 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 104th 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, ~~or~~ Public Act 103-548, or this amendatory Act of the
2 104th General Assembly.

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

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

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

1 made.

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

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

18 (Source: P.A. 102-16, eff. 6-17-21; 103-80, eff. 6-9-23;
19 103-548, eff. 8-11-23; 103-605, eff. 7-1-24.)

20 (40 ILCS 5/16-203)

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

23 (a) As used in this Section, "new benefit increase" means
24 an increase in the amount of any benefit provided under this
25 Article, or an expansion of the conditions of eligibility for

1 any benefit under this Article, that results from an amendment
2 to this Code that takes effect after June 1, 2005 (the
3 effective date of Public Act 94-4). "New benefit increase",
4 however, does not include any benefit increase resulting from
5 the changes made to Article 1 or this Article by Public Act
6 95-910, Public Act 100-23, Public Act 100-587, Public Act
7 100-743, Public Act 100-769, Public Act 101-10, Public Act
8 101-49, Public Act 102-16, ~~or~~ Public Act 102-871, or this
9 amendatory Act of the 104th General Assembly.

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

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

19 Every new benefit increase is contingent upon the General
20 Assembly providing the additional funding required under this
21 subsection. The Commission on Government Forecasting and
22 Accountability shall analyze whether adequate additional
23 funding has been provided for the new benefit increase and
24 shall report its analysis to the Public Pension Division of
25 the Department of Insurance. A new benefit increase created by
26 a Public Act that does not include the additional funding

1 required under this subsection is null and void. If the Public
2 Pension Division determines that the additional funding
3 provided for a new benefit increase under this subsection is
4 or has become inadequate, it may so certify to the Governor and
5 the State Comptroller and, in the absence of corrective action
6 by the General Assembly, the new benefit increase shall expire
7 at the end of the fiscal year in which the certification is
8 made.

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

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

25 (Source: P.A. 102-16, eff. 6-17-21; 102-558, eff. 8-20-21;
26 102-813, eff. 5-13-22; 102-871, eff. 5-13-22; 103-154, eff.

1 6-30-23.)

2 Section 90. The State Mandates Act is amended by adding
3 Section 8.49 as follows:

4 (30 ILCS 805/8.49 new)

5 Sec. 8.49. Exempt mandate. Notwithstanding Sections 6 and
6 8 of this Act, no reimbursement by the State is required for
7 the implementation of any mandate created by this amendatory
8 Act of the 104th General Assembly.