



104TH GENERAL ASSEMBLY

State of Illinois

2025 and 2026

SB1454

Introduced 1/31/2025, by Sen. Robert F. Martwick

SYNOPSIS AS INTRODUCED:

40 ILCS 5/5-239 new
40 ILCS 5/6-231 new
40 ILCS 5/8-244.5 new
30 ILCS 805/8.49 new

Amends the Chicago Police, Chicago Firefighter, and Chicago Municipal Articles of the Illinois Pension Code. Provides that a person who becomes a member on or after January 1, 2026 shall be automatically enrolled into a federal tax qualified pre-tax retirement plan that is otherwise allowed by State and federal law. Provides that a member subject to automatic enrollment shall have the option to opt out of the plan and shall be informed of that option within 30 days after being hired. Provides that if another option is not chosen by the member, the default employee contribution to the account shall be 3% of the member's salary. Provides that the plan administrator may automatically increase members contributions by no more than 1% per year, and a member may choose to opt out of the automatic increases. Amends the State Mandates Act to require implementation without reimbursement. Effective immediately.

LRB104 08300 RPS 18351 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 Sections 5-239, 6-231, and 8-244.5 as follows:

6 (40 ILCS 5/5-239 new)

7 Sec. 5-239. Automatic enrollment into a tax qualified
8 retirement plan. Beginning on January 1, 2026, all persons who
9 become policemen on or after January 1, 2026 shall be
10 automatically enrolled into a federal tax qualified pre-tax
11 retirement plan that is otherwise allowed by State and federal
12 law. A policeman subject to automatic enrollment shall have
13 the option to opt out of the plan and shall be informed of that
14 option within 30 days after being hired.

15 If another option is not chosen by the policeman, the
16 default employee contribution to the account shall be 3% of
17 his or her salary. The plan administrator may automatically
18 increase members contributions by no more than 1% per year,
19 and a policeman may choose to opt out of the automatic
20 increases.

21 (40 ILCS 5/6-231 new)

22 Sec. 6-231. Automatic enrollment into a tax qualified

1 retirement plan. Beginning on January 1, 2026, all persons who
2 become firemen on or after January 1, 2026 shall be
3 automatically enrolled into a federal tax qualified pre-tax
4 retirement plan that is otherwise allowed by State and federal
5 law. A fireman subject to automatic enrollment shall have the
6 option to opt out of the plan and shall be informed of that
7 option within 30 days after being hired.

8 If another option is not chosen by the fireman, the
9 default employee contribution to the account shall be 3% of
10 his or her salary. The plan administrator may automatically
11 increase firemen's contributions by no more than 1% per year,
12 and a fireman may choose to opt out of the automatic increases.

13 (40 ILCS 5/8-244.5 new)

14 Sec. 8-244.5. Automatic enrollment into a tax qualified
15 retirement plan. Beginning on January 1, 2026, all persons who
16 become employees on or after January 1, 2026 shall be
17 automatically enrolled into a federal tax qualified pre-tax
18 retirement plan that is otherwise allowed by State and federal
19 law. An employee subject to automatic enrollment shall have
20 the option to opt out of the plan and shall be informed of that
21 option within 30 days after being hired.

22 If another option is not chosen by the employee, the
23 default employee contribution to the account shall be 3% of
24 his or her salary. The plan administrator may automatically
25 increase employees' contributions by no more than 1% per year,

1 and an employee may choose to opt out of the automatic
2 increases.

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

5 (30 ILCS 805/8.49 new)

6 Sec. 8.49. 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 104th General Assembly.

10 Section 99. Effective date. This Act takes effect upon
11 becoming law.