



Sen. Robert F. Martwick

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10400SB1454sam001

LRB104 08300 RTM 35172 a

1 AMENDMENT TO SENATE BILL 1454

2 AMENDMENT NO. _____. Amend Senate Bill 1454 by replacing
3 everything after the enacting clause with the following:

4 "Section 5. The Illinois Municipal Code is amended by
5 adding Section 10-4-3.5 as follows:

6 (65 ILCS 5/10-4-3.5 new)

7 Sec. 10-4-3.5. Automatic enrollment in deferred
8 compensation plan required.

9 (a) As used in this Section, "eligible deferred
10 compensation plan" has the meaning given in subsection (b) of
11 Section 457 of the federal Internal Revenue Code.

12 (b) Beginning January 1, 2027, a municipality with a
13 population of 500,000 or more shall automatically enroll all
14 employees of the municipality who first become employees of
15 the municipality on or after January 1, 2027 and who are
16 participants in a pension fund established under Article 5, 6,

1 or 8 of the Illinois Pension Code into an eligible deferred
2 compensation plan that the municipality has established for
3 its employees. If a municipality has not established an
4 eligible deferred compensation plan for its employees, then
5 the municipality shall establish an eligible deferred
6 compensation plan for its employees on or before January 1,
7 2027.

8 (c) An employee subject to automatic enrollment under this
9 Section shall have the option to opt out of the plan and shall
10 be informed of that option within 30 days after being hired.

11 (d) If another option is not chosen by the employee, then
12 the default employee contribution to the account shall be 3%
13 of the employee's salary. The plan administrator may
14 automatically increase employees' contributions by no more
15 than 1% per year, and an employee may choose to opt out of the
16 automatic increases.

17 (e) Municipalities, including home rule municipalities,
18 may not regulate deferred compensation programs in a manner
19 inconsistent with this Section. This Section is a denial and
20 limitation of home rule powers and functions under subsection
21 (i) of Section 6 of Article VII of the Illinois Constitution.

22 Section 90. The State Mandates Act is amended by adding
23 Section 8.50 as follows:

24 (30 ILCS 805/8.50 new)

1 Sec. 8.50. Exempt mandate. Notwithstanding Sections 6 and
2 8 of this Act, no reimbursement by the State is required for
3 the implementation of any mandate created by this amendatory
4 Act of the 104th General Assembly.

5 Section 99. Effective date. This Act takes effect upon
6 becoming law.".