

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 changing
5 Sections 15-198 and 16-203 and by adding Sections 15-202 and
6 16-204 as follows:

7 (40 ILCS 5/15-198)

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

10 (a) As used in this Section, "new benefit increase" means
11 an increase in the amount of any benefit provided under this
12 Article, or an expansion of the conditions of eligibility for
13 any benefit under this Article, that results from an amendment
14 to this Code that takes effect after the effective date of this
15 amendatory Act of the 94th General Assembly. "New benefit
16 increase", however, does not include any benefit increase
17 resulting from the changes made to Article 1 or this Article by
18 Public Act 100-23 or this amendatory Act of the 100th General
19 Assembly ~~this amendatory Act of the 100th General Assembly.~~

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

1 the provisions of this Section.

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

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

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

1 by law.

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

12 (Source: P.A. 100-23, eff. 7-6-17.)

13 (40 ILCS 5/15-202 new)

14 Sec. 15-202. Optional defined contribution benefit. As
15 soon as practicable after the effective date of this amendatory
16 Act of the 100th General Assembly, the System shall offer a
17 defined contribution benefit to active members of the System.
18 The defined contribution benefit shall be an optional benefit
19 to any member who chooses to participate. The defined
20 contribution benefit shall collect optional employee and
21 optional employer contributions into an account and shall offer
22 investment options to the participant. The benefit under this
23 Section shall be operated in full compliance with any
24 applicable State and federal laws, and the System shall utilize
25 generally accepted practices in creating and maintaining the

1 benefit for the best interest of the participants. The System
2 may use funds from the employee and employer contributions to
3 defray any and all costs of creating and maintaining the
4 benefit. The System shall produce an annual report on the
5 participation in the benefit and shall make the report public.

6 (40 ILCS 5/16-203)

7 Sec. 16-203. Application and expiration of new benefit
8 increases.

9 (a) As used in this Section, "new benefit increase" means
10 an increase in the amount of any benefit provided under this
11 Article, or an expansion of the conditions of eligibility for
12 any benefit under this Article, that results from an amendment
13 to this Code that takes effect after June 1, 2005 (the
14 effective date of Public Act 94-4). "New benefit increase",
15 however, does not include any benefit increase resulting from
16 the changes made to Article 1 or this Article by Public Act
17 95-910, Public Act 100-23, or this amendatory Act of the 100th
18 General Assembly ~~or this amendatory Act of the 100th General~~
19 ~~Assembly.~~

20 (b) Notwithstanding any other provision of this Code or any
21 subsequent amendment to this Code, every new benefit increase
22 is subject to this Section and shall be deemed to be granted
23 only in conformance with and contingent upon compliance with
24 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 the
10 Department of Insurance. A new benefit increase created by a
11 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 or
15 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. 100-23, eff. 7-6-17.)

11 (40 ILCS 5/16-204 new)

12 Sec. 16-204. Optional defined contribution benefit. As
13 soon as practicable after the effective date of this amendatory
14 Act of the 100th General Assembly, the System shall offer a
15 defined contribution benefit to active members of the System.
16 The defined contribution benefit shall be an optional benefit
17 to any member who chooses to participate. The defined
18 contribution benefit shall collect optional employee and
19 optional employer contributions into an account and shall offer
20 investment options to the participant. The benefit under this
21 Section shall be operated in full compliance with any
22 applicable State and federal laws, and the System shall utilize
23 generally accepted practices in creating and maintaining the
24 benefit for the best interest of the participants. The System
25 may use funds from the employee and employer contributions to

1 defray any and all costs of creating and maintaining the
2 benefit. The System shall produce an annual report on the
3 participation in the benefit and shall make the report public.

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