

**SB3806**



**101ST GENERAL ASSEMBLY**

**State of Illinois**

**2019 and 2020**

**SB3806**

Introduced 2/14/2020, by Sen. Robert F. Martwick

**SYNOPSIS AS INTRODUCED:**

40 ILCS 5/24-105.2

Amends the Deferred Compensation Article of the Illinois Pension Code. Provides that the Department of Central Management Services shall automatically enroll in the State Employees Deferred Compensation Plan any employee who is a member under the Chicago Teacher Article, regardless of when the employee first became a member under that Article. Provides that an employee shall be automatically enrolled beginning the first day of the pay period following the effective date if the employee is a member under the Chicago Teacher Article on the effective date of the amendatory Act. Effective January 1, 2021.

LRB101 20290 RPS 69832 b

FISCAL NOTE ACT  
MAY APPLY

PENSION IMPACT  
NOTE ACT MAY  
APPLY

**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 changing  
5 Section 24-105.2 as follows:

6 (40 ILCS 5/24-105.2)

7 Sec. 24-105.2. Automatic enrollment for certain members.  
8 The Department of Central Management Services shall  
9 automatically enroll in the State Employees Deferred  
10 Compensation Plan any employee who, on or after July 1, 2020 (6  
11 months after the effective date of Public Act 101-277) ~~this~~  
12 ~~amendatory Act of the 101st General Assembly~~, first becomes a  
13 member or participant of a retirement system created under  
14 Article 2, 14, or 18 and shall automatically enroll in the  
15 State Employees Deferred Compensation Plan any employee who is  
16 a member under a pension fund created under Article 17,  
17 regardless of when the employee first became a member under  
18 Article 17. An employee automatically enrolled under this  
19 Section shall have 3% of his or her pre-tax gross compensation  
20 for each compensation period deferred into his or her deferred  
21 compensation account.

22 An employee shall have 30 days from the start date of  
23 employment to elect to not participate in the deferred

1 compensation plan or to elect to increase or reduce the amount  
2 of pre-tax gross compensation deferred. An employee shall be  
3 automatically enrolled in the Plan beginning the first day of  
4 the pay period following the employee's thirtieth day of  
5 employment or the pay period following the effective date of  
6 this amendatory Act of the 101st General Assembly if the  
7 employee is a member under Article 17 on the effective date of  
8 this amendatory Act of the 101st General Assembly. An employee  
9 who has been automatically enrolled in the Plan may elect,  
10 within 90 days of enrollment, to withdraw from the Plan and  
11 receive a refund of amounts deferred. An employee making such  
12 an election shall forfeit all employer matching contributions,  
13 if any, made prior to the election. Any refunded amount shall  
14 be included in the employee's gross income for the taxable year  
15 in which the refund is issued.

16 (Source: P.A. 101-277, eff. 1-1-20.)

17 Section 99. Effective date. This Act takes effect January  
18 1, 2021.