



Sen. Robert F. Martwick

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10200HB4926sam002

LRB102 24854 RPS 38451 a

1 AMENDMENT TO HOUSE BILL 4926

2 AMENDMENT NO. _____. Amend House Bill 4926 on page 1,
3 line 5, by replacing "and 14-152.1" with "14-152.1, and
4 24-105.2 and adding Section 24-105.3"; and

5 on page 42, immediately below line 18, by inserting the
6 following:

7 "(40 ILCS 5/24-105.2)

8 Sec. 24-105.2. Automatic enrollment for certain employees.

9 The Department of Central Management Services shall
10 automatically enroll in the State Employees Deferred
11 Compensation Plan any employee who, on or after July 1, 2020,
12 becomes an active member or participant of a retirement system
13 created under Article 2, 14, or 18. Any agency with employees
14 subject to automatic enrollment must systematically provide
15 the employee data necessary for enrollment to the Department
16 of Central Management Services or its designee. An employee

1 automatically enrolled under this Section shall have 3% of his
2 or her pre-tax gross compensation for each compensation period
3 deferred into his or her deferred compensation account. The
4 Board may increase the default percentage amount of
5 compensation deferred into employee accounts.

6 An employee shall have 30 days from the start date of
7 employment to elect to not participate in the deferred
8 compensation plan or to elect to increase or reduce the amount
9 of pre-tax gross compensation deferred. An employee shall be
10 automatically enrolled in the Plan beginning the first day of
11 the pay period following the employee's thirtieth day of
12 employment. An employee who has been automatically enrolled in
13 the Plan may elect, within 90 days of enrollment, to withdraw
14 from the Plan and receive a refund of amounts deferred, plus or
15 minus any applicable earnings, investment fees, and
16 administrative fees. An employee making such an election shall
17 forfeit all employer matching contributions, if any, made
18 prior to the election. Any refunded amount shall be included
19 in the employee's gross income for the taxable year in which
20 the refund is issued.

21 As soon as practicable, the Board shall establish a plan
22 for ~~annual~~ automatic increases to employee contribution rates
23 for employees who are automatically enrolled in the Plan
24 pursuant to this Section. The amount of automatic ~~annual~~
25 increases in any 12-month period shall not exceed 1% of
26 compensation. Employees may elect to not receive automatic

1 ~~annual~~ increases in a manner described by the Board.

2 (Source: P.A. 101-277, eff. 1-1-20; 102-219, eff. 7-30-21.)

3 (40 ILCS 5/24-105.3 new)

4 Sec. 24-105.3. One-time automatic enrollment for certain
5 employees. As soon as practicable, but no later than January
6 1, 2024, the Department of Central Management Services shall
7 automatically enroll into the State Employees Deferred
8 Compensation Plan all current State employees who are active
9 members of a retirement system created under Article 2, 14, or
10 18 and who are not contributing to the Plan on the date of
11 automatic enrollment under this Section. Any agency with
12 employees subject to automatic enrollment must systematically
13 provide the employee data necessary for enrollment to the
14 Department of Central Management Services or its designee. An
15 employee automatically enrolled under this Section shall have
16 3%, or any other percentage determined by the Board pursuant
17 to Section 24-105.2, of his or her pretax gross compensation
18 for each compensation period deferred into his or her deferred
19 compensation account.

20 An employee shall have a one-calendar-month opt-out period
21 prior to being automatically enrolled in the Plan, during
22 which the employee may elect to not participate in the Plan or
23 elect to increase or reduce the amount of pretax gross
24 compensation deferred. An employee who does not opt out during
25 the one-calendar-month period shall be automatically enrolled

1 in the Plan beginning the first day of the pay period of the
2 month following the end of the opt-out period. An employee who
3 has been automatically enrolled in the Plan may elect, within
4 90 days after enrollment, to withdraw from the Plan and
5 receive a refund of the amounts deferred, plus or minus any
6 applicable earnings, investment fees, and administrative fees.
7 An employee making such an election shall forfeit all employer
8 matching contributions, if any, made prior to the election.
9 Any refunded amount shall be included in the employee's gross
10 income for the taxable year in which the refund is issued.

11 Beginning one year after the date of automatic enrollment
12 under this Section, or as soon as practicable thereafter, the
13 Board shall establish a plan for automatic increases to
14 employee contribution rates for employees who are
15 automatically enrolled in the Plan pursuant to this Section.
16 The amount of automatic increases in any 12-month period shall
17 not exceed 1% of compensation. Employees may elect to not
18 receive automatic increases in a manner described by the
19 Board."; and

20 on page 42, line 20, after "law", by inserting ", except that
21 the changes to the Illinois Pension Code amending Section
22 24-105.2 and adding Section 24-105.3 take effect July 1,
23 2022".