



103RD GENERAL ASSEMBLY

State of Illinois

2023 and 2024

SB3683

Introduced 2/9/2024, by Sen. Robert F. Martwick

SYNOPSIS AS INTRODUCED:

40 ILCS 5/9-242 new
40 ILCS 5/10-110 new
40 ILCS 5/13-314.5 new
30 ILCS 805/8.48 new

Amends the Cook County, Cook County Forest Preserve District, and Metropolitan Water Reclamation District (MWRD) Articles of the Illinois Pension Code. Provides that the employer shall provide a federal tax qualified pre-tax retirement plan otherwise allowed by State and federal law for each employee. Provides that the employer shall automatically enroll employees who become employees or after January 1, 2025 into a federal tax qualified pre-tax retirement plan. Provides for a default contribution amount; collective bargaining; a retirement savings committee; plan document; review of the plan document by the Public Pension Division of the Department of Insurance; and fees charged by the Public Pension Division of the Department of Insurance to the municipality. Amends the State Mandates Act to require implementation without reimbursement. Effective immediately.

LRB103 39183 RPS 69329 b

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 9-242, 10-110, and 13-314.5 as follows:

6 (40 ILCS 5/9-242 new)

7 Sec. 9-242. Automatic enrollment in optional savings plan.

8 (a) On and after January 1, 2025, the county must provide a
9 federal tax qualified pre-tax retirement plan otherwise
10 allowed by State and federal law for each employee. Any
11 employee who becomes an employee on or after January 1, 2025
12 must be automatically enrolled in the federal tax qualified
13 pre-tax retirement plan established under this Section;
14 however, an employee may opt out of the federal tax qualified
15 pre-tax retirement plan, as provided in this Section.

16 (b) If another option is not chosen by the employee,
17 collective bargaining unit, or a retirement savings committee,
18 the default employee contribution to this account shall be 2%
19 of salary. Any employee may terminate participation in the
20 benefit at any time, subject to any restrictions posted within
21 the plan document. The plan shall be designed to receive
22 employee contributions, but may also receive employer
23 contributions based on the decision of the county. The

1 administration of this benefit shall be a permissive subject
2 of collective bargaining; however, if the county offers the
3 same benefit to employees under multiple collective bargaining
4 units, then the county may create a retirement savings
5 committee that shall include one representative appointed by
6 each collective bargaining unit and one representative
7 appointed by the president of the county. If there is a
8 retirement savings committee, the committee shall approve of
9 the administration of this benefit by affirmative vote prior
10 to the creation or change of the benefit. The county may
11 contract with outside parties to administer or offer this
12 benefit. The cost of offering this benefit shall be borne by
13 the participants in the benefit; however, the county may
14 absorb incidental and normal costs, including, but not limited
15 to, staff time, information technology, meeting space, or
16 minor administrative costs.

17 (c) The county shall create or cause to be created a
18 benefit plan document, which shall have, at a minimum, an
19 overview of the costs for participants under the plan, the
20 name of the administrator of the plan, an overview of the
21 benefits of the plan, and all options allowed under the plan.

22 (d) The county shall distribute the plan document to
23 participants or possible participants as well as to the Public
24 Pension Division of the Department of Insurance by February 1
25 of each year. The Public Pension Division of the Department of
26 Insurance shall review the plan document to determine whether

1 the plan document represents best practices. If the Public
2 Pension Division of the Department of Insurance determines
3 that an aspect of the plan document does not represent best
4 practices, the Public Pension Division of the Department of
5 Insurance shall inform the county and the employees of the
6 county covered under this Section. The Public Pension Division
7 of the Department of Insurance shall create an annual report
8 of any plan that does not use best practices. The Department of
9 Insurance shall adopt rules to implement and administer this
10 Section. The Public Pension Division of the Department of
11 Insurance may charge fees to the county to administer this
12 Section. The Public Pension Division of the Department of
13 Insurance may charge the extra costs associated with the
14 county's failure to use best practices directly to the county.

15 (40 ILCS 5/10-110 new)

16 Sec. 10-110. Automatic enrollment in optional savings
17 plan.

18 (a) On and after January 1, 2025, the District must
19 provide a federal tax qualified pre-tax retirement plan
20 otherwise allowed by State and federal law for each employee.
21 Any employee who becomes an employee on or after January 1,
22 2025 must be automatically enrolled in the federal tax
23 qualified pre-tax retirement plan established under this
24 Section; however, an employee may opt out of the federal tax
25 qualified pre-tax retirement plan, as provided in this

1 Section.

2 (b) If another option is not chosen by the employee,
3 collective bargaining unit, or a retirement savings committee,
4 the default employee contribution to this account shall be 2%
5 of salary. Any employee may terminate participation in the
6 benefit at any time, subject to any restrictions posted within
7 the plan document. The plan shall be designed to receive
8 employee contributions, but may also receive employer
9 contributions based on the decision of the District. The
10 administration of this benefit shall be a permissive subject
11 of collective bargaining; however, if the District offers the
12 same benefit to employees under multiple collective bargaining
13 units, then the District may create a retirement savings
14 committee that shall include one representative appointed by
15 each collective bargaining unit and one representative
16 appointed by the president of the county. If there is a
17 retirement savings committee, the committee shall approve of
18 the administration of this benefit by affirmative vote prior
19 to the creation or change of the benefit. The District may
20 contract with outside parties to administer or offer this
21 benefit. The cost of offering this benefit shall be borne by
22 the participants in the benefit; however, the District may
23 absorb incidental and normal costs, including, but not limited
24 to, staff time, information technology, meeting space, or
25 minor administrative costs.

26 (c) The District shall create or cause to be created a

1 benefit plan document, which shall have, at a minimum, an
2 overview of the costs for participants under the plan, the
3 name of the administrator of the plan, an overview of the
4 benefits of the plan, and all options allowed under the plan.

5 (d) The District shall distribute the plan document to
6 participants or possible participants as well as to the Public
7 Pension Division of the Department of Insurance by February 1
8 of each year. The Public Pension Division of the Department of
9 Insurance shall review the plan document to determine whether
10 the plan document represents best practices. If the Public
11 Pension Division of the Department of Insurance determines
12 that an aspect of the plan document does not represent best
13 practices, the Public Pension Division of the Department of
14 Insurance shall inform the District and the employees of the
15 District covered under this Section. The Public Pension
16 Division of the Department of Insurance shall create an annual
17 report of any plan that does not use best practices. The
18 Department of Insurance shall adopt rules to implement and
19 administer this Section. The Public Pension Division of the
20 Department of Insurance may charge fees to the District to
21 administer this Section. The Public Pension Division of the
22 Department of Insurance may charge the extra costs associated
23 with the District's failure to use best practices directly to
24 the District.

1 Sec. 13-314.5. Automatic enrollment in optional savings
2 plan.

3 (a) On and after January 1, 2025, the Employer must
4 provide a federal tax qualified pre-tax retirement plan
5 otherwise allowed by State and federal law for each employee.
6 Any employee who becomes an employee on or after January 1,
7 2025 must be automatically enrolled in the federal tax
8 qualified pre-tax retirement plan established under this
9 Section; however, an employee may opt out of the federal tax
10 qualified pre-tax retirement plan, as provided in this
11 Section.

12 (b) If another option is not chosen by the employee,
13 collective bargaining unit, or a retirement savings committee,
14 the default employee contribution to this account shall be 2%
15 of salary. Any employee may terminate participation in the
16 benefit at any time, subject to any restrictions posted within
17 the plan document. The plan shall be designed to receive
18 employee contributions, but may also receive employer
19 contributions based on the decision of the Employer. The
20 administration of this benefit shall be a permissive subject
21 of collective bargaining; however, if the Employer offers the
22 same benefit to employees under multiple collective bargaining
23 units, then the Employer may create a retirement savings
24 committee that shall include one representative appointed by
25 each collective bargaining unit and one representative
26 appointed by the President of the Metropolitan Water

1 Reclamation District Board of Commissioners. If there is a
2 retirement savings committee, the committee shall approve of
3 the administration of this benefit by affirmative vote prior
4 to the creation or change of the benefit. The Employer may
5 contract with outside parties to administer or offer this
6 benefit. The cost of offering this benefit shall be borne by
7 the participants in the benefit; however, the Employer may
8 absorb incidental and normal costs, including, but not limited
9 to, staff time, information technology, meeting space, or
10 minor administrative costs.

11 (c) The Employer shall create or cause to be created a
12 benefit plan document, which shall have, at a minimum, an
13 overview of the costs for participants under the plan, the
14 name of the administrator of the plan, an overview of the
15 benefits of the plan, and all options allowed under the plan.

16 (d) The Employer shall distribute the plan document to
17 participants or possible participants as well as to the Public
18 Pension Division of the Department of Insurance by February 1
19 of each year. The Public Pension Division of the Department of
20 Insurance shall review the plan document to determine whether
21 the plan document represents best practices. If the Public
22 Pension Division of the Department of Insurance determines
23 that an aspect of the plan document does not represent best
24 practices, the Public Pension Division of the Department of
25 Insurance shall inform the Employer and the employees covered
26 under this Section. The Public Pension Division of the

1 Department of Insurance shall create an annual report of any
2 plan that does not use best practices. The Department of
3 Insurance shall adopt rules to implement and administer this
4 Section. The Public Pension Division of the Department of
5 Insurance may charge fees to the Employer to administer this
6 Section. The Public Pension Division of the Department of
7 Insurance may charge the extra costs associated with the
8 Employer's failure to use best practices directly to the
9 Employer.

10 Section 90. The State Mandates Act is amended by adding
11 Section 8.48 as follows:

12 (30 ILCS 805/8.48 new)

13 Sec. 8.48. Exempt mandate. Notwithstanding Sections 6 and
14 8 of this Act, no reimbursement by the State is required for
15 the implementation of any mandate created by this amendatory
16 Act of the 103rd General Assembly.

17 Section 99. Effective date. This Act takes effect upon
18 becoming law.