

1 AN ACT in relation to 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
5 changing Section 17-130.2 as follows:

6 (40 ILCS 5/17-130.2)

7 Sec. 17-130.2. Pickup of optional contributions.

8 (a) For the purposes of this Section, "optional
9 contributions" means contributions that a member elects to
10 make in order to establish optional service credit or to
11 qualify for the augmented service retirement pension rate
12 under Section 17-119.1.

13 (b) Subject to the requirements of federal law and the
14 rules of the Board, ~~beginning July 17, 1998~~ a member who is
15 employed on a full-time basis may elect to have the Employer
16 pick up optional contributions that the member has elected to
17 pay to the Fund, and the contributions so picked up shall be
18 treated as employer contributions for the purposes of
19 determining federal tax treatment. The election to have
20 optional contributions picked up is irrevocable. At the time
21 of making the election, the member shall execute a binding,
22 irrevocable payroll deduction authorization. Upon receiving
23 notice of the election, the Employer shall pick up the
24 contributions by a reduction in the cash salary of the member
25 and shall pay the contributions from the same source of funds
26 that is used to pay earnings to the member.

27 (c) Each Employer under this Fund shall take the steps
28 necessary to comply with the requirements of Section 414(h)
29 of the Internal Revenue Code of 1986, as amended, to permit
30 the pickup of optional contributions on a tax-deferred basis.

31 (Source: P.A. 90-582, eff. 5-27-98.)

1 Section 99. Effective date. This Act takes effect upon
2 becoming law.