



101ST GENERAL ASSEMBLY

State of Illinois

2019 and 2020

HB4904

Introduced 2/18/2020, by Rep. Joyce Mason

SYNOPSIS AS INTRODUCED:

New Act

Creates the Joint Retirement Account Loan Act. Provides that before any loan is made from a joint retirement account or a joint retirement account is used as security for a loan, a plan representative must obtain the consent of both spouses. Provides that the spousal consent must be obtained no earlier than the beginning of the 90-day period that ends on the date on which the loan is to be secured. Specifies that the consent must be in writing, must acknowledge the effect of the loan, and must be witnessed by a plan representative or a notary public. Provides that the Act does not apply in circumstances where application of the Act would violate or is preempted by federal law.

LRB101 17856 RPS 67291 b

1 AN ACT concerning regulation.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 1. Short title. This Act may be cited as the Joint
5 Retirement Account Loan Act.

6 Section 5. Joint retirement account. As used in this Act,
7 "joint retirement account" means an account under a retirement
8 plan qualified under the Internal Revenue Code of 1986 that is
9 held jointly by spouses.

10 Section 10. Spousal consent. Before any loan is made from a
11 joint retirement account or a joint retirement account is used
12 as security for a loan, a plan representative must obtain the
13 consent of both spouses. The spousal consent must be obtained
14 no earlier than the beginning of the 90-day period that ends on
15 the date on which the loan is to be secured. The consent must
16 be in writing, must acknowledge the effect of the loan, and
17 must be witnessed by a plan representative or a notary public.

18 For purposes of obtaining any required spousal consent
19 under this Section, any renegotiation, extension, renewal, or
20 other revision of a loan shall be treated as a new loan made on
21 the date of the renegotiation, extension, renewal, or other
22 revision.

1 Section 15. Application. This Act does not apply in
2 circumstances where application of this Act would violate or is
3 preempted by federal law.