



## 104TH GENERAL ASSEMBLY

### State of Illinois

2025 and 2026

HB4153

Introduced 10/15/2025, by Rep. Harry Benton

#### SYNOPSIS AS INTRODUCED:

40 ILCS 5/14-104.10

Amends the State Employee Article of the Illinois Pension Code. Provides that a contributing employee may establish additional service credit for periods of full-time employment with the federal government or a unit of state or local government located outside Illinois for which he or she does not qualify for credit under any other provision of the State Employee Article of the Code, provided that (i) the amount of service credit established by a person under the provision shall not exceed 9 years, (ii) the amount of service credit established by a person under the provision for federal employment, when added to the amount of all military service credit granted to the person under the State Employee Article, shall not exceed 14 years, and (iii) any credit received for the federal or out-of-state employment in any federal or other public employee pension fund or retirement system has been terminated or relinquished. Prohibits credit from being established under the provision for any period of military service or for any period for which credit has been or may be established under the alternative formula provisions of the State Employee Article of the Code. Requires the applicant for the additional service credit to submit a written application to the State Employees' Retirement System of Illinois within 6 months after the effective date of the amendatory Act, including documentation of the federal or out-of-state employment satisfactory to the System's Board, and pay to the System (1) employee contributions at the rates provided in the Article based upon the person's salary on the last day as a participating employee prior to the federal or out-of-state employment, or on the first day as a participating employee after that employment, whichever is greater, plus (2) an amount determined by the Board to be equal to the employer's normal cost of the benefits accrued for that employment, plus (3) regular interest on items (1) and (2) from the date of conclusion of the employment to the date of payment. Effective immediately.

LRB104 15799 JDS 28997 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  
5 changing Section 14-104.10 as follows:

6 (40 ILCS 5/14-104.10)

7 Sec. 14-104.10. Federal or out-of-state employment.

8 (a) A contributing employee may establish additional  
9 service credit for periods of full-time employment by the  
10 federal government or a unit of state or local government  
11 located outside Illinois for which he or she does not qualify  
12 for credit under any other provision of this Article, provided  
13 that (i) the amount of service credit established by a person  
14 under this subsection ~~Section~~ shall not exceed 8 years or 40%  
15 of his or her membership service under this Article, whichever  
16 is less, (ii) the amount of service credit established by a  
17 person under this subsection ~~Section~~ for federal employment,  
18 when added to the amount of all military service credit  
19 granted to the person under this Article, shall not exceed 8  
20 years, and (iii) any credit received for the federal or  
21 out-of-state employment in any federal or other public  
22 employee pension fund or retirement system has been terminated  
23 or relinquished. Credit may not be established under this

1 subsection ~~Section~~ for any period of military service or for  
2 any period for which credit has been or may be established  
3 under Section 14-110 or any other provision of this Article.

4 In order to establish service credit under this subsection  
5 ~~Section~~, the applicant must submit a written application to  
6 the System by June 30, 1999, including documentation of the  
7 federal or out-of-state employment satisfactory to the Board,  
8 and pay to the System (1) employee contributions at the rates  
9 provided in this Article based upon the person's salary on the  
10 last day as a participating employee prior to the federal or  
11 out-of-state employment, or on the first day as a  
12 participating employee after that employment, whichever is  
13 greater, plus (2) an amount determined by the Board to be equal  
14 to the employer's normal cost of the benefits accrued for that  
15 employment, plus (3) regular interest on items (1) and (2)  
16 from the date of conclusion of the employment to the date of  
17 payment.

18 (b) A contributing employee may establish additional  
19 service credit for periods of full-time employment with the  
20 federal government or a unit of state or local government  
21 located outside Illinois for which he or she does not qualify  
22 for credit under any other provision of this Article, provided  
23 that (i) the amount of service credit established by a person  
24 under this subsection shall not exceed 9 years, (ii) the  
25 amount of service credit established by a person under this  
26 subsection for federal employment, when added to the amount of

1 all military service credit granted to the person under this  
2 Article, shall not exceed 14 years, and (iii) any credit  
3 received for the federal or out-of-state employment in any  
4 federal or other public employee pension fund or retirement  
5 system has been terminated or relinquished. Credit may not be  
6 established under this subsection for any period of military  
7 service or for any period for which credit has been or may be  
8 established under Section 14-110 or any other provision of  
9 this Article.

10 In order to establish service credit under this  
11 subsection, the applicant must submit a written application to  
12 the System within 6 months after the effective date of this  
13 amendatory Act of the 104th General Assembly, including  
14 documentation of the federal or out-of-state employment  
15 satisfactory to the Board, and pay to the System (1) employee  
16 contributions at the rates provided in this Article based upon  
17 the person's salary on the last day as a participating  
18 employee prior to the federal or out-of-state employment, or  
19 on the first day as a participating employee after that  
20 employment, whichever is greater, plus (2) an amount  
21 determined by the Board to be equal to the employer's normal  
22 cost of the benefits accrued for that employment, plus (3)  
23 regular interest on items (1) and (2) from the date of  
24 conclusion of the employment to the date of payment.

25 (Source: P.A. 90-32, eff. 6-27-97; 90-655, eff. 7-30-98;  
26 90-766, eff. 8-14-98.)

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