



104TH GENERAL ASSEMBLY

State of Illinois

2025 and 2026

HB5377

Introduced 2/10/2026, by Rep. Regan Deering

SYNOPSIS AS INTRODUCED:

New Act
30 ILCS 105/5.1038 new

Creates the Work Always Pays Act. Provide that a State-administered benefit program shall not reduce benefits by more than \$0.50 for each \$1.00 increase in a household's earned income. If an increase in earned income results in a reduction of net household resources compared to the level in effect immediately prior to the increase, then the household shall be eligible for a bridge credit. Provides that the amount of the bridge credit shall equal the difference between: (i) the household's net household resources immediately prior to the increase in earned income; and (ii) the household's net household resources after the increase in earned income and corresponding benefit adjustments. Provides that a household that experiences an increase in earned income shall be subject to a 90-day earnings buffer period. Amends the State Finance Act to make a conforming change. Effective January 1, 2027.

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1 AN ACT concerning public aid.

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 Work
5 Always Pays Act.

6 Section 5. Definitions. As used in this Act:

7 "Earned income" means wages, salaries, tips, commissions,
8 and other compensation received from employment or
9 self-employment, as determined under applicable program rules.

10 "Household" has the meaning set forth in the applicable
11 State-administered benefit program.

12 "Net household resources" means the combined total of
13 earned income and the cash value of State-administered
14 benefits received by a household.

15 "State-administered benefit program" means:

16 (1) the Supplemental Nutrition Assistance Program;

17 (2) the Temporary Assistance for Needy Families
18 Program;

19 (3) the Child Care Assistance Program;

20 (4) medical assistance programs, including Medicaid;

21 and

22 (5) the Low-Income Home Energy Assistance Program.

1 Section 10. Benefit reduction cap. Notwithstanding any
2 other law, a State-administered benefit program shall not
3 reduce benefits by more than \$0.50 for each \$1.00 increase in a
4 household's earned income.

5 Section 15. Bridge credit program.

6 (a) If, despite the benefit reduction cap set forth in
7 Section 10, an increase in earned income results in a
8 reduction of net household resources compared to the level in
9 effect immediately prior to the increase, then the household
10 shall be eligible for a bridge credit. The bridge credit shall
11 be provided for a period of 6 months following the date of the
12 increase in earned income. The amount of the bridge credit
13 shall equal the difference between: (i) the household's net
14 household resources immediately prior to the increase in
15 earned income; and (ii) the household's net household
16 resources after the increase in earned income and
17 corresponding benefit adjustments.

18 (b) Each State agency administering a State-administered
19 benefit program shall establish procedures for the calculation
20 and issuance of bridge credits. A bridge credit shall be
21 issued upon a determination by the State agency that a
22 household is eligible for a bridge credit in accordance with
23 subsection (a).

24 (c) The Work Always Pays Bridge Credit Fund is created as a
25 special fund in the State treasury. Moneys in the Fund shall be

1 used exclusively for the purpose of providing Bridge Credits
2 under this Section and for administrative costs incurred by
3 State agencies in implementing this Act.

4 Section 20. Earnings buffer period. A household that
5 experiences an increase in earned income shall be subject to a
6 90-day earnings buffer period. During the earnings buffer
7 period, benefits under a State-administered benefit program
8 shall remain at the level in effect immediately prior to the
9 increase in earned income.

10 Section 25. Rulemaking. Each State agency administering a
11 benefit program subject to this Act shall adopt rules
12 necessary to implement this Act.

13 Section 30. Conflict with federal law. If any provision of
14 this Act conflicts with federal law with respect to a
15 particular program, the provision shall apply only to the
16 extent permitted by federal law.

17 Section 90. The State Finance Act is amended by adding
18 Section 5.1038 as follows:

19 (30 ILCS 105/5.1038 new)

20 Sec. 5.1038. The Work Always Pays Bridge Credit Fund.

21 Section 99. Effective date. This Act takes effect January

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1 1, 2027.