



Rep. Robert Martwick

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10100HB3082ham001

LRB101 10487 RPS 58563 a

1 AMENDMENT TO HOUSE BILL 3082

2 AMENDMENT NO. _____. Amend House Bill 3082 by replacing
3 everything after the enacting clause as follows:

4 "Section 5. The Illinois Pension Code is amended by
5 changing Section 24-105 and by adding Section 24-105.2 as
6 follows:

7 (40 ILCS 5/24-105) (from Ch. 108 1/2, par. 24-105)

8 Sec. 24-105. The State Employees Deferred Compensation
9 Plan shall be administered by the Department of Central
10 Management Services subject to the general supervision of the
11 Illinois State Board of Investment. Participation in such plan
12 shall be by a specific written agreement between each such
13 employee and the State which agreement shall provide for the
14 deferral of such amount of compensation as requested by the
15 employee. With each distribution of compensation to a
16 participating employee, the employee shall receive a

1 memorandum of the amount by which his gross compensation for
2 the period involved is reduced by reason of the deferment of
3 compensation, which amount shall not be included as a part of
4 his gross compensation as to that period.

5 Funds retained by the State as deferred compensation
6 pursuant to a written deferred compensation agreement between
7 the State and participating employees, may be invested in such
8 investments as are deemed acceptable by the Illinois State
9 Board of Investment including, but not limited to, life
10 insurance or annuity contracts or mutual funds. All such
11 insurance, annuities, mutual funds, or other such investments
12 utilized under this Plan shall have been reviewed and selected
13 by the Board based on a competitive bidding process as
14 established by such specifications and considerations as are
15 deemed appropriate by the Board. Nothing in this Section should
16 be construed as requiring a limitation on the number and
17 variety of insurance, annuity or mutual fund contracts which
18 may be selected as a result of this bidding process. The State
19 Board of Investment may also invest any funds retained by the
20 State pursuant to a written deferred compensation agreement
21 between the State and participating employees in share accounts
22 or share certificate accounts of State or federal credit
23 unions, the accounts of which are insured as required by The
24 Illinois Credit Union Act or the Federal Credit Union Act, as
25 applicable. If a participating employee fails to direct the
26 investment of amounts deferred into the various investment

1 options offered to the participant, the amounts deferred shall
2 be invested in the Plan's default investment fund and the
3 investment shall be deemed to have been made at the
4 participant's investment direction. Any income and gain
5 resulting from the investment of a deferred compensation
6 account may be paid to the participant as additional
7 compensation for continued service during the period of
8 participation or be used in part for administrative expenses,
9 all in accordance with the plan. Such investments and payments
10 shall not be construed to be prohibited uses of the general
11 assets of the State.

12 (Source: P.A. 82-789.)

13 (40 ILCS 5/24-105.2 new)

14 Sec. 24-105.2. Automatic enrollment for certain members.
15 The Department of Central Management Services shall
16 automatically enroll in the State Employees Deferred
17 Compensation Plan any employee who, on or after 6 months after
18 the effective date of this amendatory Act of the 101st General
19 Assembly, first becomes a member or participant of a retirement
20 system created under Article 2, 14, or 18. An employee
21 automatically enrolled under this Section shall have 3% of his
22 or her pre-tax gross compensation for each compensation period
23 deferred into his or her deferred compensation account.

24 An employee shall have 30 days from the start date of
25 employment to elect to not participate in the deferred

1 compensation plan or to elect to increase or reduce the amount
2 of pre-tax gross compensation deferred. An employee shall be
3 automatically enrolled in the Plan beginning the first day of
4 the pay period following the employee's thirtieth day of
5 employment. An employee who has been automatically enrolled in
6 the Plan may elect, within 90 days of enrollment, to withdraw
7 from the Plan and receive a refund of amounts deferred. An
8 employee making such an election shall forfeit all employer
9 matching contributions, if any, made prior to the election. Any
10 refunded amount shall be included in the employee's gross
11 income for the taxable year in which the refund is issued."