

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 24-105.2 as follows:

6 (40 ILCS 5/24-105.2)

7 Sec. 24-105.2. Automatic enrollment for certain employees
8 ~~members~~. The Department of Central Management Services shall
9 automatically enroll in the State Employees Deferred
10 Compensation Plan any employee who, on or after July 1, 2020, ~~6~~
11 ~~months after the effective date of this amendatory Act of the~~
12 ~~101st General Assembly, first~~ becomes an active ~~a~~ member or
13 participant of a retirement system created under Article 2,
14 14, or 18. Any agency with employees subject to automatic
15 enrollment must systematically provide the employee data
16 necessary for enrollment to the Department of Central
17 Management Services or its designee. An employee automatically
18 enrolled under this Section shall have 3% of his or her pre-tax
19 gross compensation for each compensation period deferred into
20 his or her deferred compensation account. The Board may
21 increase the default percentage amount of compensation
22 deferred into employee accounts.

23 An employee shall have 30 days from the start date of

1 employment to elect to not participate in the deferred
2 compensation plan or to elect to increase or reduce the amount
3 of pre-tax gross compensation deferred. An employee shall be
4 automatically enrolled in the Plan beginning the first day of
5 the pay period following the employee's thirtieth day of
6 employment. An employee who has been automatically enrolled in
7 the Plan may elect, within 90 days of enrollment, to withdraw
8 from the Plan and receive a refund of amounts deferred, plus or
9 minus any applicable earnings, investment fees, and
10 administrative fees. An employee making such an election shall
11 forfeit all employer matching contributions, if any, made
12 prior to the election. Any refunded amount shall be included
13 in the employee's gross income for the taxable year in which
14 the refund is issued.

15 As soon as practicable, the Board shall establish annual,
16 automatic increases to employee contribution rates for
17 employees who are automatically enrolled in the Plan pursuant
18 to this Section. The amount of automatic annual increases in
19 any 12-month period shall not exceed 1% of compensation.
20 Employees may elect to not receive automatic annual increases
21 in a manner described by the Board.

22 (Source: P.A. 101-277, eff. 1-1-20.)

23 Section 99. Effective date. This Act takes effect July 1,
24 2021.