

AN ACT concerning public employee benefits.

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

Section 5. The Illinois Pension Code is amended by changing Section 24-105.2 as follows:

(40 ILCS 5/24-105.2)

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

An employee shall have 30 days from the start date of

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

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

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

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