



# Issue Brief

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## House Bill 1325 Defined Contribution Plan Option

Representative Greg Harris

IMRF Position: **OPPOSE**

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### Proposed Change in the Law

This bill would allow Illinois public pension systems to set up an optional defined contribution plan. It would also permit employers participating in a Fund that adopted the plan to offer it to its employees and allow members to elect to participate. Members who did not make such an election would be placed into the traditional defined benefit plan.

### Reasons for Position

This bill has several technical concerns that would make implementation and administration difficult, if not impossible as drafted. The bill discusses “employers” subject to the Pension Code, but does not define that term.

It also would require all pension systems that are seeking companies to provide administrative services and funding options to do so in consultation with the employers. IMRF currently has nearly 3,000 employers participating in the plan, which would make consultation on such contracts impractical. It also does not specify the level of input that the fund must solicit from the employers.

### For More Information

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