

AN ACT concerning State government.

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

Section 5. The Department of Central Management Services Law of the Civil Administrative Code of Illinois is amended by changing Section 405-110 as follows:

(20 ILCS 405/405-110) (was 20 ILCS 405/64.2)

Sec. 405-110. Federal tax-exempt benefits in lieu of salary or wages; flexible spending.

(a) The Department may, at the Director's discretion, establish and implement or approve plans whereby State employees and officers, including those of State universities and colleges, may enter into agreements with their employer to elect to receive, in lieu of salary or wages, benefits that are not taxable under the federal Internal Revenue Code. These agreements may include the acceptance of a reduction in earnings or the foregoing of an increase in earnings by an employee and the employer's payment of those amounts as employer contributions for benefits that the employee selects from a list of employee benefits offered by the employer.

(b) Prior to the establishment of ~~such~~ a plan under subsection (a), the Director shall seek the advice of interested State agencies regarding the content and

implementation of the plan.

(c) Selection of plan offerings under subsection (a) shall not be subject to the Illinois Purchasing Act.

(d) Benefits selected by employees in plans under subsection (a) shall be included in gross income for determination of pension base.

(e) To the extent allowable under federal law and regulations, the Department of Central Management Services must allow employees of State colleges and universities to participate in the Department's flexible spending program. The flexible spending program includes the dependent care assistance plan and the medical care assistance plan.

(Source: P.A. 91-239, eff. 1-1-00.)