



Sen. Chris Nybo

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LRB100 07376 RJF 25698 a

1 AMENDMENT TO HOUSE BILL 817

2 AMENDMENT NO. \_\_\_\_\_. Amend House Bill 817 by replacing  
3 everything after the enacting clause with the following:

4 "Section 5. The State Employees Group Insurance Act of 1971  
5 is amended by changing Section 3 as follows:

6 (5 ILCS 375/3) (from Ch. 127, par. 523)

7 Sec. 3. Definitions. Unless the context otherwise  
8 requires, the following words and phrases as used in this Act  
9 shall have the following meanings. The Department may define  
10 these and other words and phrases separately for the purpose of  
11 implementing specific programs providing benefits under this  
12 Act.

13 (a) "Administrative service organization" means any  
14 person, firm or corporation experienced in the handling of  
15 claims which is fully qualified, financially sound and capable  
16 of meeting the service requirements of a contract of

1 administration executed with the Department.

2 (b) "Annuitant" means (1) an employee who retires, or has  
3 retired, on or after January 1, 1966 on an immediate annuity  
4 under the provisions of Articles 2, 14 (including an employee  
5 who has elected to receive an alternative retirement  
6 cancellation payment under Section 14-108.5 of the Illinois  
7 Pension Code in lieu of an annuity), 15 (including an employee  
8 who has retired under the optional retirement program  
9 established under Section 15-158.2), paragraphs (2), (3), or  
10 (5) of Section 16-106, or Article 18 of the Illinois Pension  
11 Code; (2) any person who was receiving group insurance coverage  
12 under this Act as of March 31, 1978 by reason of his status as  
13 an annuitant, even though the annuity in relation to which such  
14 coverage was provided is a proportional annuity based on less  
15 than the minimum period of service required for a retirement  
16 annuity in the system involved; (3) any person not otherwise  
17 covered by this Act who has retired as a participating member  
18 under Article 2 of the Illinois Pension Code but is ineligible  
19 for the retirement annuity under Section 2-119 of the Illinois  
20 Pension Code; (4) the spouse of any person who is receiving a  
21 retirement annuity under Article 18 of the Illinois Pension  
22 Code and who is covered under a group health insurance program  
23 sponsored by a governmental employer other than the State of  
24 Illinois and who has irrevocably elected to waive his or her  
25 coverage under this Act and to have his or her spouse  
26 considered as the "annuitant" under this Act and not as a

1 "dependent"; or (5) an employee who retires, or has retired,  
2 from a qualified position, as determined according to rules  
3 promulgated by the Director, under a qualified local  
4 government, a qualified rehabilitation facility, a qualified  
5 domestic violence shelter or service, or a qualified child  
6 advocacy center. (For definition of "retired employee", see (p)  
7 post).

8 (b-5) (Blank).

9 (b-6) (Blank).

10 (b-7) (Blank).

11 (c) "Carrier" means (1) an insurance company, a corporation  
12 organized under the Limited Health Service Organization Act or  
13 the Voluntary Health Services Plan Act, a partnership, or other  
14 nongovernmental organization, which is authorized to do group  
15 life or group health insurance business in Illinois, or (2) the  
16 State of Illinois as a self-insurer.

17 (d) "Compensation" means salary or wages payable on a  
18 regular payroll by the State Treasurer on a warrant of the  
19 State Comptroller out of any State, trust or federal fund, or  
20 by the Governor of the State through a disbursing officer of  
21 the State out of a trust or out of federal funds, or by any  
22 Department out of State, trust, federal or other funds held by  
23 the State Treasurer or the Department, to any person for  
24 personal services currently performed, and ordinary or  
25 accidental disability benefits under Articles 2, 14, 15  
26 (including ordinary or accidental disability benefits under

1 the optional retirement program established under Section  
2 15-158.2), paragraphs (2), (3), or (5) of Section 16-106, or  
3 Article 18 of the Illinois Pension Code, for disability  
4 incurred after January 1, 1966, or benefits payable under the  
5 Workers' Compensation or Occupational Diseases Act or benefits  
6 payable under a sick pay plan established in accordance with  
7 Section 36 of the State Finance Act. "Compensation" also means  
8 salary or wages paid to an employee of any qualified local  
9 government, qualified rehabilitation facility, qualified  
10 domestic violence shelter or service, or qualified child  
11 advocacy center.

12 (e) "Commission" means the State Employees Group Insurance  
13 Advisory Commission authorized by this Act. Commencing July 1,  
14 1984, "Commission" as used in this Act means the Commission on  
15 Government Forecasting and Accountability as established by  
16 the Legislative Commission Reorganization Act of 1984.

17 (f) "Contributory", when referred to as contributory  
18 coverage, shall mean optional coverages or benefits elected by  
19 the member toward the cost of which such member makes  
20 contribution, or which are funded in whole or in part through  
21 the acceptance of a reduction in earnings or the foregoing of  
22 an increase in earnings by an employee, as distinguished from  
23 noncontributory coverage or benefits which are paid entirely by  
24 the State of Illinois without reduction of the member's salary.

25 (g) "Department" means any department, institution, board,  
26 commission, officer, court or any agency of the State

1 government receiving appropriations and having power to  
2 certify payrolls to the Comptroller authorizing payments of  
3 salary and wages against such appropriations as are made by the  
4 General Assembly from any State fund, or against trust funds  
5 held by the State Treasurer and includes boards of trustees of  
6 the retirement systems created by Articles 2, 14, 15, 16 and 18  
7 of the Illinois Pension Code. "Department" also includes the  
8 Illinois Comprehensive Health Insurance Board, the Board of  
9 Examiners established under the Illinois Public Accounting  
10 Act, and the Illinois Finance Authority.

11 (h) "Dependent", when the term is used in the context of  
12 the health and life plan, means a member's spouse and any child  
13 (1) from birth to age 26 including an adopted child, a child  
14 who lives with the member from the time of the placement filing  
15 ~~of a petition~~ for adoption until entry of an order of adoption,  
16 a stepchild or adjudicated child, or a child who lives with the  
17 member if such member is a court appointed guardian of the  
18 child or (2) age 19 or over who has a mental or physical  
19 disability from a cause originating prior to the age of 19 (age  
20 26 if enrolled as an adult child dependent). For the health  
21 plan only, the term "dependent" also includes (1) any person  
22 enrolled prior to the effective date of this Section who is  
23 dependent upon the member to the extent that the member may  
24 claim such person as a dependent for income tax deduction  
25 purposes and (2) any person who has received after June 30,  
26 2000 an organ transplant and who is financially dependent upon

1 the member and eligible to be claimed as a dependent for income  
2 tax purposes. A member requesting to cover any dependent must  
3 provide documentation as requested by the Department of Central  
4 Management Services and file with the Department any and all  
5 forms required by the Department.

6 (i) "Director" means the Director of the Illinois  
7 Department of Central Management Services.

8 (j) "Eligibility period" means the period of time a member  
9 has to elect enrollment in programs or to select benefits  
10 without regard to age, sex or health.

11 (k) "Employee" means and includes each officer or employee  
12 in the service of a department who (1) receives his  
13 compensation for service rendered to the department on a  
14 warrant issued pursuant to a payroll certified by a department  
15 or on a warrant or check issued and drawn by a department upon  
16 a trust, federal or other fund or on a warrant issued pursuant  
17 to a payroll certified by an elected or duly appointed officer  
18 of the State or who receives payment of the performance of  
19 personal services on a warrant issued pursuant to a payroll  
20 certified by a Department and drawn by the Comptroller upon the  
21 State Treasurer against appropriations made by the General  
22 Assembly from any fund or against trust funds held by the State  
23 Treasurer, and (2) is employed full-time or part-time in a  
24 position normally requiring actual performance of duty during  
25 not less than 1/2 of a normal work period, as established by  
26 the Director in cooperation with each department, except that

1 persons elected by popular vote will be considered employees  
2 during the entire term for which they are elected regardless of  
3 hours devoted to the service of the State, and (3) except that  
4 "employee" does not include any person who is not eligible by  
5 reason of such person's employment to participate in one of the  
6 State retirement systems under Articles 2, 14, 15 (either the  
7 regular Article 15 system or the optional retirement program  
8 established under Section 15-158.2) or 18, or under paragraph  
9 (2), (3), or (5) of Section 16-106, of the Illinois Pension  
10 Code, but such term does include persons who are employed  
11 during the 6 month qualifying period under Article 14 of the  
12 Illinois Pension Code. Such term also includes any person who  
13 (1) after January 1, 1966, is receiving ordinary or accidental  
14 disability benefits under Articles 2, 14, 15 (including  
15 ordinary or accidental disability benefits under the optional  
16 retirement program established under Section 15-158.2),  
17 paragraphs (2), (3), or (5) of Section 16-106, or Article 18 of  
18 the Illinois Pension Code, for disability incurred after  
19 January 1, 1966, (2) receives total permanent or total  
20 temporary disability under the Workers' Compensation Act or  
21 Occupational Disease Act as a result of injuries sustained or  
22 illness contracted in the course of employment with the State  
23 of Illinois, or (3) is not otherwise covered under this Act and  
24 has retired as a participating member under Article 2 of the  
25 Illinois Pension Code but is ineligible for the retirement  
26 annuity under Section 2-119 of the Illinois Pension Code.

1 However, a person who satisfies the criteria of the foregoing  
2 definition of "employee" except that such person is made  
3 ineligible to participate in the State Universities Retirement  
4 System by clause (4) of subsection (a) of Section 15-107 of the  
5 Illinois Pension Code is also an "employee" for the purposes of  
6 this Act. "Employee" also includes any person receiving or  
7 eligible for benefits under a sick pay plan established in  
8 accordance with Section 36 of the State Finance Act. "Employee"  
9 also includes (i) each officer or employee in the service of a  
10 qualified local government, including persons appointed as  
11 trustees of sanitary districts regardless of hours devoted to  
12 the service of the sanitary district, (ii) each employee in the  
13 service of a qualified rehabilitation facility, (iii) each  
14 full-time employee in the service of a qualified domestic  
15 violence shelter or service, and (iv) each full-time employee  
16 in the service of a qualified child advocacy center, as  
17 determined according to rules promulgated by the Director.

18 (1) "Member" means an employee, annuitant, retired  
19 employee or survivor. In the case of an annuitant or retired  
20 employee who first becomes an annuitant or retired employee on  
21 or after the effective date of this amendatory Act of the 97th  
22 General Assembly, the individual must meet the minimum vesting  
23 requirements of the applicable retirement system in order to be  
24 eligible for group insurance benefits under that system. In the  
25 case of a survivor who first becomes a survivor on or after the  
26 effective date of this amendatory Act of the 97th General



1 Assembly, the deceased employee, annuitant, or retired  
2 employee upon whom the annuity is based must have been eligible  
3 to participate in the group insurance system under the  
4 applicable retirement system in order for the survivor to be  
5 eligible for group insurance benefits under that system.

6 (m) "Optional coverages or benefits" means those coverages  
7 or benefits available to the member on his or her voluntary  
8 election, and at his or her own expense.

9 (n) "Program" means the group life insurance, health  
10 benefits and other employee benefits designed and contracted  
11 for by the Director under this Act.

12 (o) "Health plan" means a health benefits program offered  
13 by the State of Illinois for persons eligible for the plan.

14 (p) "Retired employee" means any person who would be an  
15 annuitant as that term is defined herein but for the fact that  
16 such person retired prior to January 1, 1966. Such term also  
17 includes any person formerly employed by the University of  
18 Illinois in the Cooperative Extension Service who would be an  
19 annuitant but for the fact that such person was made ineligible  
20 to participate in the State Universities Retirement System by  
21 clause (4) of subsection (a) of Section 15-107 of the Illinois  
22 Pension Code.

23 (q) "Survivor" means a person receiving an annuity as a  
24 survivor of an employee or of an annuitant. "Survivor" also  
25 includes: (1) the surviving dependent of a person who satisfies  
26 the definition of "employee" except that such person is made

1 ineligible to participate in the State Universities Retirement  
2 System by clause (4) of subsection (a) of Section 15-107 of the  
3 Illinois Pension Code; (2) the surviving dependent of any  
4 person formerly employed by the University of Illinois in the  
5 Cooperative Extension Service who would be an annuitant except  
6 for the fact that such person was made ineligible to  
7 participate in the State Universities Retirement System by  
8 clause (4) of subsection (a) of Section 15-107 of the Illinois  
9 Pension Code; and (3) the surviving dependent of a person who  
10 was an annuitant under this Act by virtue of receiving an  
11 alternative retirement cancellation payment under Section  
12 14-108.5 of the Illinois Pension Code.

13 (q-2) "SERS" means the State Employees' Retirement System  
14 of Illinois, created under Article 14 of the Illinois Pension  
15 Code.

16 (q-3) "SURS" means the State Universities Retirement  
17 System, created under Article 15 of the Illinois Pension Code.

18 (q-4) "TRS" means the Teachers' Retirement System of the  
19 State of Illinois, created under Article 16 of the Illinois  
20 Pension Code.

21 (q-5) (Blank).

22 (q-6) (Blank).

23 (q-7) (Blank).

24 (r) "Medical services" means the services provided within  
25 the scope of their licenses by practitioners in all categories  
26 licensed under the Medical Practice Act of 1987.

1           (s) "Unit of local government" means any county,  
2           municipality, township, school district (including a  
3           combination of school districts under the Intergovernmental  
4           Cooperation Act), special district or other unit, designated as  
5           a unit of local government by law, which exercises limited  
6           governmental powers or powers in respect to limited  
7           governmental subjects, any not-for-profit association with a  
8           membership that primarily includes townships and township  
9           officials, that has duties that include provision of research  
10          service, dissemination of information, and other acts for the  
11          purpose of improving township government, and that is funded  
12          wholly or partly in accordance with Section 85-15 of the  
13          Township Code; any not-for-profit corporation or association,  
14          with a membership consisting primarily of municipalities, that  
15          operates its own utility system, and provides research,  
16          training, dissemination of information, or other acts to  
17          promote cooperation between and among municipalities that  
18          provide utility services and for the advancement of the goals  
19          and purposes of its membership; the Southern Illinois  
20          Collegiate Common Market, which is a consortium of higher  
21          education institutions in Southern Illinois; the Illinois  
22          Association of Park Districts; and any hospital provider that  
23          is owned by a county that has 100 or fewer hospital beds and  
24          has not already joined the program. "Qualified local  
25          government" means a unit of local government approved by the  
26          Director and participating in a program created under

1 subsection (i) of Section 10 of this Act.

2 (t) "Qualified rehabilitation facility" means any  
3 not-for-profit organization that is accredited by the  
4 Commission on Accreditation of Rehabilitation Facilities or  
5 certified by the Department of Human Services (as successor to  
6 the Department of Mental Health and Developmental  
7 Disabilities) to provide services to persons with disabilities  
8 and which receives funds from the State of Illinois for  
9 providing those services, approved by the Director and  
10 participating in a program created under subsection (j) of  
11 Section 10 of this Act.

12 (u) "Qualified domestic violence shelter or service" means  
13 any Illinois domestic violence shelter or service and its  
14 administrative offices funded by the Department of Human  
15 Services (as successor to the Illinois Department of Public  
16 Aid), approved by the Director and participating in a program  
17 created under subsection (k) of Section 10.

18 (v) "TRS benefit recipient" means a person who:

19 (1) is not a "member" as defined in this Section; and

20 (2) is receiving a monthly benefit or retirement  
21 annuity under Article 16 of the Illinois Pension Code; and

22 (3) either (i) has at least 8 years of creditable  
23 service under Article 16 of the Illinois Pension Code, or  
24 (ii) was enrolled in the health insurance program offered  
25 under that Article on January 1, 1996, or (iii) is the  
26 survivor of a benefit recipient who had at least 8 years of

1           creditable service under Article 16 of the Illinois Pension  
2           Code or was enrolled in the health insurance program  
3           offered under that Article on the effective date of this  
4           amendatory Act of 1995, or (iv) is a recipient or survivor  
5           of a recipient of a disability benefit under Article 16 of  
6           the Illinois Pension Code.

7           (w) "TRS dependent beneficiary" means a person who:

8                 (1) is not a "member" or "dependent" as defined in this  
9           Section; and

10                (2) is a TRS benefit recipient's: (A) spouse, (B)  
11           dependent parent who is receiving at least half of his or  
12           her support from the TRS benefit recipient, or (C) natural,  
13           step, adjudicated, or adopted child who is (i) under age  
14           26, (ii) was, on January 1, 1996, participating as a  
15           dependent beneficiary in the health insurance program  
16           offered under Article 16 of the Illinois Pension Code, or  
17           (iii) age 19 or over who has a mental or physical  
18           disability from a cause originating prior to the age of 19  
19           (age 26 if enrolled as an adult child).

20           "TRS dependent beneficiary" does not include, as indicated  
21           under paragraph (2) of this subsection (w), a dependent of the  
22           survivor of a TRS benefit recipient who first becomes a  
23           dependent of a survivor of a TRS benefit recipient on or after  
24           the effective date of this amendatory Act of the 97th General  
25           Assembly unless that dependent would have been eligible for  
26           coverage as a dependent of the deceased TRS benefit recipient

1 upon whom the survivor benefit is based.

2 (x) "Military leave" refers to individuals in basic  
3 training for reserves, special/advanced training, annual  
4 training, emergency call up, activation by the President of the  
5 United States, or any other training or duty in service to the  
6 United States Armed Forces.

7 (y) (Blank).

8 (z) "Community college benefit recipient" means a person  
9 who:

10 (1) is not a "member" as defined in this Section; and

11 (2) is receiving a monthly survivor's annuity or  
12 retirement annuity under Article 15 of the Illinois Pension  
13 Code; and

14 (3) either (i) was a full-time employee of a community  
15 college district or an association of community college  
16 boards created under the Public Community College Act  
17 (other than an employee whose last employer under Article  
18 15 of the Illinois Pension Code was a community college  
19 district subject to Article VII of the Public Community  
20 College Act) and was eligible to participate in a group  
21 health benefit plan as an employee during the time of  
22 employment with a community college district (other than a  
23 community college district subject to Article VII of the  
24 Public Community College Act) or an association of  
25 community college boards, or (ii) is the survivor of a  
26 person described in item (i).

1           (aa) "Community college dependent beneficiary" means a  
2 person who:

3           (1) is not a "member" or "dependent" as defined in this  
4 Section; and

5           (2) is a community college benefit recipient's: (A)  
6 spouse, (B) dependent parent who is receiving at least half  
7 of his or her support from the community college benefit  
8 recipient, or (C) natural, step, adjudicated, or adopted  
9 child who is (i) under age 26, or (ii) age 19 or over and  
10 has a mental or physical disability from a cause  
11 originating prior to the age of 19 (age 26 if enrolled as  
12 an adult child).

13           "Community college dependent beneficiary" does not  
14 include, as indicated under paragraph (2) of this subsection  
15 (aa), a dependent of the survivor of a community college  
16 benefit recipient who first becomes a dependent of a survivor  
17 of a community college benefit recipient on or after the  
18 effective date of this amendatory Act of the 97th General  
19 Assembly unless that dependent would have been eligible for  
20 coverage as a dependent of the deceased community college  
21 benefit recipient upon whom the survivor annuity is based.

22           (bb) "Qualified child advocacy center" means any Illinois  
23 child advocacy center and its administrative offices funded by  
24 the Department of Children and Family Services, as defined by  
25 the Children's Advocacy Center Act (55 ILCS 80/), approved by  
26 the Director and participating in a program created under

1 subsection (n) of Section 10.

2 (cc) "Placement for adoption" means the assumption and  
3 retention by a member of a legal obligation for total or  
4 partial support of a child in anticipation of adoption of the  
5 child. The child's placement with the member terminates upon  
6 the termination of such legal obligation.

7 (Source: P.A. 98-488, eff. 8-16-13; 99-143, eff. 7-27-15.)

8 Section 10. The State Employee Health Savings Account Law  
9 is amended by changing Section 10-10 as follows:

10 (5 ILCS 377/10-10)

11 Sec. 10-10. Application; authorized contributions.

12 (a) ~~Each Beginning in calendar year 2012, each employer may~~  
13 ~~shall~~ make available to each eligible individual a health  
14 savings account program, if that individual chooses to enroll  
15 in the program ~~except that, for an employer who provides~~  
16 ~~coverage pursuant to any one or more of subsections (i) through~~  
17 ~~(n) of Section 10 of the State Employee Group Insurance Act,~~  
18 ~~that employer may make available a health savings account~~  
19 ~~program.~~ An employer who makes a health savings account program  
20 available may make an annual contribution, in an amount  
21 determined by the employer, ~~shall annually deposit an amount~~  
22 ~~equal to one third of the annual deductible~~ into an eligible  
23 individual's health savings account. Unused funds in a health  
24 savings account shall become the property of the account holder



1 at the end of a taxable year.

2 (b) Beginning in calendar year 2012, an eligible individual  
3 may deposit contributions into a health savings account in  
4 accordance with the restrictions set forth in subsection (e) of  
5 Section 10-5.

6 (Source: P.A. 97-142, eff. 7-14-11; 97-644, eff. 12-30-11.)".