



## 97TH GENERAL ASSEMBLY

### State of Illinois

### 2011 and 2012

#### HB1374

Introduced 2/9/2011, by Rep. Barbara Flynn Currie

#### SYNOPSIS AS INTRODUCED:

5 ILCS 375/3 from Ch. 127, par. 523  
5 ILCS 375/6.9  
5 ILCS 375/6.10  
30 ILCS 805/8.35 new

Amends the State Employees Group Insurance Act of 1971. Adds and excludes certain classes of persons from the definition of "community college benefit recipient". Provides, beginning July 1, 2012, (i) that the program of health benefits for community college benefit recipients and community college dependent beneficiaries shall include health benefits for community college benefit recipients and community college dependent beneficiaries subject to Article VII of the Public Community College Act and (ii) that those persons and the employers of those persons shall pay the required contributions. Increases the required contribution to be paid by contributors to the State Universities Retirement System and their employers. Provides that a community college district subject to Article VII of the Public Community College Act shall contribute (i) \$10 million toward the cost of these health benefits by March 30, 2012 and (ii) an additional amount on or before September 1, 2012. Requires the Board of Trustees of the State Universities Retirement System to recertify its estimate of the total amount of contributions to be contributed for these benefits, taking into account the changes made by the amendatory Act. Amends the State Mandates Act to require implementation without reimbursement. Effective immediately.

LRB097 09955 JDS 50122 b

FISCAL NOTE ACT  
MAY APPLY

A BILL FOR

1 AN ACT concerning government.

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

4 Section 5. The State Employees Group Insurance Act of 1971  
5 is amended by changing Section 3, 6.9, and 6.10 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  
17 administration executed with the Department.

18 (b) "Annuitant" means (1) an employee who retires, or has  
19 retired, on or after January 1, 1966 on an immediate annuity  
20 under the provisions of Articles 2, 14 (including an employee  
21 who has elected to receive an alternative retirement  
22 cancellation payment under Section 14-108.5 of the Illinois  
23 Pension Code in lieu of an annuity), 15 (including an employee

1 who has retired under the optional retirement program  
2 established under Section 15-158.2), paragraphs (2), (3), or  
3 (5) of Section 16-106, or Article 18 of the Illinois Pension  
4 Code; (2) any person who was receiving group insurance coverage  
5 under this Act as of March 31, 1978 by reason of his status as  
6 an annuitant, even though the annuity in relation to which such  
7 coverage was provided is a proportional annuity based on less  
8 than the minimum period of service required for a retirement  
9 annuity in the system involved; (3) any person not otherwise  
10 covered by this Act who has retired as a participating member  
11 under Article 2 of the Illinois Pension Code but is ineligible  
12 for the retirement annuity under Section 2-119 of the Illinois  
13 Pension Code; (4) the spouse of any person who is receiving a  
14 retirement annuity under Article 18 of the Illinois Pension  
15 Code and who is covered under a group health insurance program  
16 sponsored by a governmental employer other than the State of  
17 Illinois and who has irrevocably elected to waive his or her  
18 coverage under this Act and to have his or her spouse  
19 considered as the "annuitant" under this Act and not as a  
20 "dependent"; or (5) an employee who retires, or has retired,  
21 from a qualified position, as determined according to rules  
22 promulgated by the Director, under a qualified local  
23 government, a qualified rehabilitation facility, a qualified  
24 domestic violence shelter or service, or a qualified child  
25 advocacy center. (For definition of "retired employee", see (p)  
26 post).

1 (b-5) "New SERS annuitant" means a person who, on or after  
2 January 1, 1998, becomes an annuitant, as defined in subsection  
3 (b), by virtue of beginning to receive a retirement annuity  
4 under Article 14 of the Illinois Pension Code (including an  
5 employee who has elected to receive an alternative retirement  
6 cancellation payment under Section 14-108.5 of that Code in  
7 lieu of an annuity), and is eligible to participate in the  
8 basic program of group health benefits provided for annuitants  
9 under this Act.

10 (b-6) "New SURS annuitant" means a person who (1) on or  
11 after January 1, 1998, becomes an annuitant, as defined in  
12 subsection (b), by virtue of beginning to receive a retirement  
13 annuity under Article 15 of the Illinois Pension Code, (2) has  
14 not made the election authorized under Section 15-135.1 of the  
15 Illinois Pension Code, and (3) is eligible to participate in  
16 the basic program of group health benefits provided for  
17 annuitants under this Act.

18 (b-7) "New TRS State annuitant" means a person who, on or  
19 after July 1, 1998, becomes an annuitant, as defined in  
20 subsection (b), by virtue of beginning to receive a retirement  
21 annuity under Article 16 of the Illinois Pension Code based on  
22 service as a teacher as defined in paragraph (2), (3), or (5)  
23 of Section 16-106 of that Code, and is eligible to participate  
24 in the basic program of group health benefits provided for  
25 annuitants under this Act.

26 (c) "Carrier" means (1) an insurance company, a corporation

1 organized under the Limited Health Service Organization Act or  
2 the Voluntary Health Services Plan Act, a partnership, or other  
3 nongovernmental organization, which is authorized to do group  
4 life or group health insurance business in Illinois, or (2) the  
5 State of Illinois as a self-insurer.

6 (d) "Compensation" means salary or wages payable on a  
7 regular payroll by the State Treasurer on a warrant of the  
8 State Comptroller out of any State, trust or federal fund, or  
9 by the Governor of the State through a disbursing officer of  
10 the State out of a trust or out of federal funds, or by any  
11 Department out of State, trust, federal or other funds held by  
12 the State Treasurer or the Department, to any person for  
13 personal services currently performed, and ordinary or  
14 accidental disability benefits under Articles 2, 14, 15  
15 (including ordinary or accidental disability benefits under  
16 the optional retirement program established under Section  
17 15-158.2), paragraphs (2), (3), or (5) of Section 16-106, or  
18 Article 18 of the Illinois Pension Code, for disability  
19 incurred after January 1, 1966, or benefits payable under the  
20 Workers' Compensation or Occupational Diseases Act or benefits  
21 payable under a sick pay plan established in accordance with  
22 Section 36 of the State Finance Act. "Compensation" also means  
23 salary or wages paid to an employee of any qualified local  
24 government, qualified rehabilitation facility, qualified  
25 domestic violence shelter or service, or qualified child  
26 advocacy center.

1           (e) "Commission" means the State Employees Group Insurance  
2       Advisory Commission authorized by this Act. Commencing July 1,  
3       1984, "Commission" as used in this Act means the Commission on  
4       Government Forecasting and Accountability as established by  
5       the Legislative Commission Reorganization Act of 1984.

6           (f) "Contributory", when referred to as contributory  
7       coverage, shall mean optional coverages or benefits elected by  
8       the member toward the cost of which such member makes  
9       contribution, or which are funded in whole or in part through  
10      the acceptance of a reduction in earnings or the foregoing of  
11      an increase in earnings by an employee, as distinguished from  
12      noncontributory coverage or benefits which are paid entirely by  
13      the State of Illinois without reduction of the member's salary.

14          (g) "Department" means any department, institution, board,  
15      commission, officer, court or any agency of the State  
16      government receiving appropriations and having power to  
17      certify payrolls to the Comptroller authorizing payments of  
18      salary and wages against such appropriations as are made by the  
19      General Assembly from any State fund, or against trust funds  
20      held by the State Treasurer and includes boards of trustees of  
21      the retirement systems created by Articles 2, 14, 15, 16 and 18  
22      of the Illinois Pension Code. "Department" also includes the  
23      Illinois Comprehensive Health Insurance Board, the Board of  
24      Examiners established under the Illinois Public Accounting  
25      Act, and the Illinois Finance Authority.

26          (h) "Dependent", when the term is used in the context of

1 the health and life plan, means a member's spouse and any  
2 unmarried child (1) from birth to age 19 including an adopted  
3 child, a child who lives with the member from the time of the  
4 filing of a petition for adoption until entry of an order of  
5 adoption, a stepchild or recognized child who lives with the  
6 member in a parent-child relationship, or a child who lives  
7 with the member if such member is a court appointed guardian of  
8 the child, (2) age 19 to 24 enrolled as a full-time student in  
9 any accredited school, financially dependent upon the member,  
10 and eligible to be claimed as a dependent for income tax  
11 purposes, (2.1) age 19 to 24 on a medical leave of absence as  
12 described in Section 356z.11 of the Illinois Insurance Code  
13 (215 ILCS 5/356z.11), or (3) age 19 or over who is mentally or  
14 physically handicapped. For the purposes of item (2), an  
15 unmarried child age 19 to 24 who is a member of the United  
16 States Armed Services, including the Illinois National Guard,  
17 and is mobilized to active duty shall qualify as a dependent  
18 beyond the age of 24 and until the age of 25 and while a  
19 full-time student for the amount of time spent on active duty  
20 between the ages of 19 and 24. The individual attempting to  
21 qualify for this additional time must submit written  
22 documentation of active duty service to the Director. The  
23 changes made by this amendatory Act of the 94th General  
24 Assembly apply only to individuals mobilized to active duty in  
25 the United States Armed Services, including the Illinois  
26 National Guard, on or after January 1, 2002. For the health

1 plan only, the term "dependent" also includes any person  
2 enrolled prior to the effective date of this Section who is  
3 dependent upon the member to the extent that the member may  
4 claim such person as a dependent for income tax deduction  
5 purposes; no other such person may be enrolled. For the health  
6 plan only, the term "dependent" also includes any person who  
7 has received after June 30, 2000 an organ transplant and who is  
8 financially dependent upon the member and eligible to be  
9 claimed as a dependent for income tax purposes.

10 (i) "Director" means the Director of the Illinois  
11 Department of Central Management Services or of any successor  
12 agency designated to administer this Act.

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

16 (k) "Employee" means and includes each officer or employee  
17 in the service of a department who (1) receives his  
18 compensation for service rendered to the department on a  
19 warrant issued pursuant to a payroll certified by a department  
20 or on a warrant or check issued and drawn by a department upon  
21 a trust, federal or other fund or on a warrant issued pursuant  
22 to a payroll certified by an elected or duly appointed officer  
23 of the State or who receives payment of the performance of  
24 personal services on a warrant issued pursuant to a payroll  
25 certified by a Department and drawn by the Comptroller upon the  
26 State Treasurer against appropriations made by the General



1 Assembly from any fund or against trust funds held by the State  
2 Treasurer, and (2) is employed full-time or part-time in a  
3 position normally requiring actual performance of duty during  
4 not less than 1/2 of a normal work period, as established by  
5 the Director in cooperation with each department, except that  
6 persons elected by popular vote will be considered employees  
7 during the entire term for which they are elected regardless of  
8 hours devoted to the service of the State, and (3) except that  
9 "employee" does not include any person who is not eligible by  
10 reason of such person's employment to participate in one of the  
11 State retirement systems under Articles 2, 14, 15 (either the  
12 regular Article 15 system or the optional retirement program  
13 established under Section 15-158.2) or 18, or under paragraph  
14 (2), (3), or (5) of Section 16-106, of the Illinois Pension  
15 Code, but such term does include persons who are employed  
16 during the 6 month qualifying period under Article 14 of the  
17 Illinois Pension Code. Such term also includes any person who  
18 (1) after January 1, 1966, is receiving ordinary or accidental  
19 disability benefits under Articles 2, 14, 15 (including  
20 ordinary or accidental disability benefits under the optional  
21 retirement program established under Section 15-158.2),  
22 paragraphs (2), (3), or (5) of Section 16-106, or Article 18 of  
23 the Illinois Pension Code, for disability incurred after  
24 January 1, 1966, (2) receives total permanent or total  
25 temporary disability under the Workers' Compensation Act or  
26 Occupational Disease Act as a result of injuries sustained or

1 illness contracted in the course of employment with the State  
2 of Illinois, or (3) is not otherwise covered under this Act and  
3 has retired as a participating member under Article 2 of the  
4 Illinois Pension Code but is ineligible for the retirement  
5 annuity under Section 2-119 of the Illinois Pension Code.  
6 However, a person who satisfies the criteria of the foregoing  
7 definition of "employee" except that such person is made  
8 ineligible to participate in the State Universities Retirement  
9 System by clause (4) of subsection (a) of Section 15-107 of the  
10 Illinois Pension Code is also an "employee" for the purposes of  
11 this Act. "Employee" also includes any person receiving or  
12 eligible for benefits under a sick pay plan established in  
13 accordance with Section 36 of the State Finance Act. "Employee"  
14 also includes (i) each officer or employee in the service of a  
15 qualified local government, including persons appointed as  
16 trustees of sanitary districts regardless of hours devoted to  
17 the service of the sanitary district, (ii) each employee in the  
18 service of a qualified rehabilitation facility, (iii) each  
19 full-time employee in the service of a qualified domestic  
20 violence shelter or service, and (iv) each full-time employee  
21 in the service of a qualified child advocacy center, as  
22 determined according to rules promulgated by the Director.

23 (l) "Member" means an employee, annuitant, retired  
24 employee or survivor.

25 (m) "Optional coverages or benefits" means those coverages  
26 or benefits available to the member on his or her voluntary

1 election, and at his or her own expense.

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

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

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

16 (q) "Survivor" means a person receiving an annuity as a  
17 survivor of an employee or of an annuitant. "Survivor" also  
18 includes: (1) the surviving dependent of a person who satisfies  
19 the definition of "employee" except that such person is made  
20 ineligible to participate in the State Universities Retirement  
21 System by clause (4) of subsection (a) of Section 15-107 of the  
22 Illinois Pension Code; (2) the surviving dependent of any  
23 person formerly employed by the University of Illinois in the  
24 Cooperative Extension Service who would be an annuitant except  
25 for the fact that such person was made ineligible to  
26 participate in the State Universities Retirement System by

1 clause (4) of subsection (a) of Section 15-107 of the Illinois  
2 Pension Code; and (3) the surviving dependent of a person who  
3 was an annuitant under this Act by virtue of receiving an  
4 alternative retirement cancellation payment under Section  
5 14-108.5 of the Illinois Pension Code.

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

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

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

14 (q-5) "New SERS survivor" means a survivor, as defined in  
15 subsection (q), whose annuity is paid under Article 14 of the  
16 Illinois Pension Code and is based on the death of (i) an  
17 employee whose death occurs on or after January 1, 1998, or  
18 (ii) a new SERS annuitant as defined in subsection (b-5). "New  
19 SERS survivor" includes the surviving dependent of a person who  
20 was an annuitant under this Act by virtue of receiving an  
21 alternative retirement cancellation payment under Section  
22 14-108.5 of the Illinois Pension Code.

23 (q-6) "New SURS survivor" means a survivor, as defined in  
24 subsection (q), whose annuity is paid under Article 15 of the  
25 Illinois Pension Code and is based on the death of (i) an  
26 employee whose death occurs on or after January 1, 1998, or

1 (ii) a new SURS annuitant as defined in subsection (b-6).

2 (q-7) "New TRS State survivor" means a survivor, as defined  
3 in subsection (q), whose annuity is paid under Article 16 of  
4 the Illinois Pension Code and is based on the death of (i) an  
5 employee who is a teacher as defined in paragraph (2), (3), or  
6 (5) of Section 16-106 of that Code and whose death occurs on or  
7 after July 1, 1998, or (ii) a new TRS State annuitant as  
8 defined in subsection (b-7).

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

12 (s) "Unit of local government" means any county,  
13 municipality, township, school district (including a  
14 combination of school districts under the Intergovernmental  
15 Cooperation Act), special district or other unit, designated as  
16 a unit of local government by law, which exercises limited  
17 governmental powers or powers in respect to limited  
18 governmental subjects, any not-for-profit association with a  
19 membership that primarily includes townships and township  
20 officials, that has duties that include provision of research  
21 service, dissemination of information, and other acts for the  
22 purpose of improving township government, and that is funded  
23 wholly or partly in accordance with Section 85-15 of the  
24 Township Code; any not-for-profit corporation or association,  
25 with a membership consisting primarily of municipalities, that  
26 operates its own utility system, and provides research,

1 training, dissemination of information, or other acts to  
2 promote cooperation between and among municipalities that  
3 provide utility services and for the advancement of the goals  
4 and purposes of its membership; the Southern Illinois  
5 Collegiate Common Market, which is a consortium of higher  
6 education institutions in Southern Illinois; the Illinois  
7 Association of Park Districts; and any hospital provider that  
8 is owned by a county that has 100 or fewer hospital beds and  
9 has not already joined the program. "Qualified local  
10 government" means a unit of local government approved by the  
11 Director and participating in a program created under  
12 subsection (i) of Section 10 of this Act.

13 (t) "Qualified rehabilitation facility" means any  
14 not-for-profit organization that is accredited by the  
15 Commission on Accreditation of Rehabilitation Facilities or  
16 certified by the Department of Human Services (as successor to  
17 the Department of Mental Health and Developmental  
18 Disabilities) to provide services to persons with disabilities  
19 and which receives funds from the State of Illinois for  
20 providing those services, approved by the Director and  
21 participating in a program created under subsection (j) of  
22 Section 10 of this Act.

23 (u) "Qualified domestic violence shelter or service" means  
24 any Illinois domestic violence shelter or service and its  
25 administrative offices funded by the Department of Human  
26 Services (as successor to the Illinois Department of Public

1 Aid), approved by the Director and participating in a program  
2 created under subsection (k) of Section 10.

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

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

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

7 (3) either (i) has at least 8 years of creditable  
8 service under Article 16 of the Illinois Pension Code, or

9 (ii) was enrolled in the health insurance program offered  
10 under that Article on January 1, 1996, or (iii) is the

11 survivor of a benefit recipient who had at least 8 years of  
12 creditable service under Article 16 of the Illinois Pension

13 Code or was enrolled in the health insurance program  
14 offered under that Article on the effective date of this

15 amendatory Act of 1995, or (iv) is a recipient or survivor  
16 of a recipient of a disability benefit under Article 16 of

17 the Illinois Pension Code.

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

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

21 (2) is a TRS benefit recipient's: (A) spouse, (B)  
22 dependent parent who is receiving at least half of his or

23 her support from the TRS benefit recipient, or (C)  
24 unmarried natural or adopted child who is (i) under age 19,

25 or (ii) enrolled as a full-time student in an accredited  
26 school, financially dependent upon the TRS benefit

1 recipient, eligible to be claimed as a dependent for income  
2 tax purposes, and either is under age 24 or was, on January  
3 1, 1996, participating as a dependent beneficiary in the  
4 health insurance program offered under Article 16 of the  
5 Illinois Pension Code, or (iii) age 19 or over who is  
6 mentally or physically handicapped.

7 (x) "Military leave with pay and benefits" refers to  
8 individuals in basic training for reserves, special/advanced  
9 training, annual training, emergency call up, or activation by  
10 the President of the United States with approved pay and  
11 benefits.

12 (y) "Military leave without pay and benefits" refers to  
13 individuals who enlist for active duty in a regular component  
14 of the U.S. Armed Forces or other duty not specified or  
15 authorized under military leave with pay and benefits.

16 (z) "Community college benefit recipient" means a person  
17 who:

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

19 (2) is receiving a monthly survivor's annuity or  
20 retirement annuity under Article 15 of the Illinois Pension  
21 Code; and

22 (3) either (i) was a full-time employee of a community  
23 college district or an association of community college  
24 boards created under the Public Community College Act  
25 (other than, until July 1, 2012, an employee whose last  
26 employer under Article 15 of the Illinois Pension Code was



1 a community college district subject to Article VII of the  
2 Public Community College Act) and was eligible to  
3 participate in a group health benefit plan as an employee  
4 during the time of employment with a community college  
5 district (other than, until July 1, 2012, a community  
6 college district subject to Article VII of the Public  
7 Community College Act) or an association of community  
8 college boards, or (ii) is the survivor of a person  
9 described in item (i).

10 "Community college benefit recipient" does not include:

11 (1) an individual who was a full-time employee of a  
12 community college district subject to Article VII of the  
13 Public Community College Act and who, prior to the  
14 effective date of this amendatory Act of the 97th General  
15 Assembly, (i) opted not to participate in the health  
16 benefits program provided by the community college  
17 district subject to Article VII of the Public Community  
18 College Act and (ii) is ineligible for benefits under the  
19 federal Medicare health insurance program (Title XVIII of  
20 the Social Security Act as added by P.L. 89-97, 89th  
21 Congress); or

22 (2) an individual receiving a monthly survivor's  
23 annuity under Article 15 of the Illinois Pension Code if  
24 the individual upon whom the annuity is based was (i) last  
25 employed by a community college subject to Article VII of  
26 the Public Community College Act and (ii) was not enrolled

1 in the program established under Section 6.9 of this Act.

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

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

6 (2) is a community college benefit recipient's: (A)  
7 spouse, (B) dependent parent who is receiving at least half  
8 of his or her support from the community college benefit  
9 recipient, or (C) unmarried natural or adopted child who is  
10 (i) under age 19, or (ii) enrolled as a full-time student  
11 in an accredited school, financially dependent upon the  
12 community college benefit recipient, eligible to be  
13 claimed as a dependent for income tax purposes and under  
14 age 23, or (iii) age 19 or over and mentally or physically  
15 handicapped.

16 (bb) "Qualified child advocacy center" means any Illinois  
17 child advocacy center and its administrative offices funded by  
18 the Department of Children and Family Services, as defined by  
19 the Children's Advocacy Center Act (55 ILCS 80/), approved by  
20 the Director and participating in a program created under  
21 subsection (n) of Section 10.

22 (Source: P.A. 95-331, eff. 8-21-07; 95-632, eff. 9-25-07;  
23 96-756, eff. 1-1-10.)

24 (5 ILCS 375/6.9)

25 Sec. 6.9. Health benefits for community college benefit

1 recipients and community college dependent beneficiaries.

2 (a) Purpose. It is the purpose of this amendatory Act of  
3 1997 and this amendatory Act of the 97th General Assembly to  
4 establish a uniform program of health benefits for community  
5 college benefit recipients and their dependent beneficiaries  
6 under the administration of the Department of Central  
7 Management Services.

8 (b) Creation of program. Beginning July 1, 1999, the  
9 Department of Central Management Services shall be responsible  
10 for administering a program of health benefits for community  
11 college benefit recipients and community college dependent  
12 beneficiaries under this Section. The State Universities  
13 Retirement System and the boards of trustees of the various  
14 community college districts shall cooperate with the  
15 Department in this endeavor. Beginning July 1, 2012, this  
16 program shall include health benefits for community college  
17 benefit recipients and community college dependent  
18 beneficiaries subject to Article VII of the Public Community  
19 College Act.

20 (c) Eligibility. All community college benefit recipients  
21 and community college dependent beneficiaries shall be  
22 eligible to participate in the program established under this  
23 Section, without any interruption or delay in coverage or  
24 limitation as to pre-existing medical conditions. Eligibility  
25 to participate shall be determined by the State Universities  
26 Retirement System. Eligibility information shall be

1 communicated to the Department of Central Management Services  
2 in a format acceptable to the Department.

3 (d) Coverage. The health benefit coverage provided under  
4 this Section shall be a program of health, dental, and vision  
5 benefits.

6 The program of health benefits under this Section may  
7 include any or all of the benefit limitations, including but  
8 not limited to a reduction in benefits based on eligibility for  
9 federal medicare benefits, that are provided under subsection  
10 (a) of Section 6 of this Act for other health benefit programs  
11 under this Act.

12 (e) Insurance rates and premiums. The Director shall  
13 determine the insurance rates and premiums for community  
14 college benefit recipients and community college dependent  
15 beneficiaries. Rates and premiums may be based in part on age  
16 and eligibility for federal Medicare coverage. The Director  
17 shall also determine premiums that will allow for the  
18 establishment of an actuarially sound reserve for this program.

19 The cost of health benefits under the program shall be paid  
20 as follows:

21 (1) For a community college benefit recipient, up to  
22 75% of the total insurance rate shall be paid from the  
23 Community College Health Insurance Security Fund.

24 (2) The balance of the rate of insurance, including the  
25 entire premium for any coverage for community college  
26 dependent beneficiaries that has been elected, shall be

1       paid by deductions authorized by the community college  
2       benefit recipient to be withheld from his or her monthly  
3       annuity or benefit payment from the State Universities  
4       Retirement System; except that (i) if the balance of the  
5       cost of coverage exceeds the amount of the monthly annuity  
6       or benefit payment, the difference shall be paid directly  
7       to the State Universities Retirement System by the  
8       community college benefit recipient, and (ii) all or part  
9       of the balance of the cost of coverage may, at the option  
10      of the board of trustees of the community college district,  
11      be paid to the State Universities Retirement System by the  
12      board of the community college district from which the  
13      community college benefit recipient retired. The State  
14      Universities Retirement System shall promptly deposit all  
15      moneys withheld by or paid to it under this subdivision  
16      (e) (2) into the Community College Health Insurance  
17      Security Fund. These moneys shall not be considered assets  
18      of the State Universities Retirement System.

19      (f)    Financing.   All revenues arising from the  
20      administration of the health benefit program established under  
21      this Section shall be deposited into the Community College  
22      Health Insurance Security Fund, which is hereby created as a  
23      nonappropriated trust fund to be held outside the State  
24      Treasury, with the State Treasurer as custodian. The Community  
25      College Health Insurance Security Fund is not subject to  
26      administrative charges or charge backs, including, but not

1 limited to, those authorized under Section 8h of the State  
2 Finance Act. Any interest earned on moneys in the Community  
3 College Health Insurance Security Fund shall be deposited into  
4 the Fund.

5 Moneys in the Community College Health Insurance Security  
6 Fund shall be used only to pay the costs of the health benefit  
7 program established under this Section, including associated  
8 administrative costs and the establishment of a program  
9 reserve. Beginning January 1, 1999, the Department of Central  
10 Management Services may make expenditures from the Community  
11 College Health Insurance Security Fund for those costs.

12 (g) Contract for benefits. The Director shall by contract,  
13 self-insurance, or otherwise make available the program of  
14 health benefits for community college benefit recipients and  
15 their community college dependent beneficiaries that is  
16 provided for in this Section. The contract or other arrangement  
17 for the provision of these health benefits shall be on terms  
18 deemed by the Director to be in the best interest of the State  
19 of Illinois and the community college benefit recipients based  
20 on, but not limited to, such criteria as administrative cost,  
21 service capabilities of the carrier or other contractor, and  
22 the costs of the benefits.

23 (h) Continuation of program. It is the intention of the  
24 General Assembly that the program of health benefits provided  
25 under this Section be maintained on an ongoing, affordable  
26 basis. The program of health benefits provided under this

1 Section may be amended by the State and is not intended to be a  
2 pension or retirement benefit subject to protection under  
3 Article XIII, Section 5 of the Illinois Constitution.

4 (i) Other health benefit plans. A health benefit plan  
5 provided by a community college district (other than, until  
6 July 1, 2012, a community college district subject to Article  
7 VII of the Public Community College Act) under the terms of a  
8 collective bargaining agreement in effect on or prior to the  
9 effective date of this amendatory Act of 1997 shall continue in  
10 force according to the terms of that agreement, unless  
11 otherwise mutually agreed by the parties to that agreement and  
12 the affected retiree. A community college benefit recipient or  
13 community college dependent beneficiary whose coverage under  
14 such a plan expires shall be eligible to begin participating in  
15 the program established under this Section without any  
16 interruption or delay in coverage or limitation as to  
17 pre-existing medical conditions.

18 This Act does not prohibit any community college district  
19 from offering additional health benefits for its retirees or  
20 their dependents or survivors.

21 (Source: P.A. 90-497, eff. 8-18-97; 90-655, eff. 7-30-98.)

22 (5 ILCS 375/6.10)

23 Sec. 6.10. Contributions to the Community College Health  
24 Insurance Security Fund.

25 (a) Beginning January 1, 1999, every active contributor of

1 the State Universities Retirement System (established under  
2 Article 15 of the Illinois Pension Code) who (1) is a full-time  
3 employee of a community college district (other than, until  
4 January 1, 2012, a community college district subject to  
5 Article VII of the Public Community College Act) or an  
6 association of community college boards and (2) is not an  
7 employee as defined in Section 3 of this Act shall make  
8 contributions toward the cost of community college annuitant  
9 and survivor health benefits at the rate of 0.50% of salary.  
10 Beginning on the effective date of this amendatory Act of the  
11 97th General Assembly, these contributions shall be at the rate  
12 of 0.66% of salary. Beginning July 1, 2011, these contributions  
13 shall be at the rate of 0.82% of salary. Beginning July 1,  
14 2012, these contributions shall be at the rate of 0.97% of  
15 salary. Beginning July 1, 2013, these contributions shall be at  
16 the rate of 1.02% of salary. Beginning July 1, 2014, these  
17 contributions shall be at the rate of 1.07% of salary.  
18 Beginning July 1, 2015, these contributions shall be at the  
19 rate of 1.18% of salary.

20 These contributions shall be deducted by the employer and  
21 paid to the State Universities Retirement System as service  
22 agent for the Department of Central Management Services. The  
23 System may use the same processes for collecting the  
24 contributions required by this subsection that it uses to  
25 collect the contributions received from those employees under  
26 Section 15-157 of the Illinois Pension Code. An employer may



1 agree to pick up or pay the contributions required under this  
2 subsection on behalf of the employee; such contributions shall  
3 be deemed to have been paid by the employee.

4 The State Universities Retirement System shall promptly  
5 deposit all moneys collected under this subsection (a) into the  
6 Community College Health Insurance Security Fund created in  
7 Section 6.9 of this Act. The moneys collected under this  
8 Section shall be used only for the purposes authorized in  
9 Section 6.9 of this Act and shall not be considered to be  
10 assets of the State Universities Retirement System.  
11 Contributions made under this Section are not transferable to  
12 other pension funds or retirement systems and are not  
13 refundable upon termination of service.

14 (b) Beginning January 1, 1999, every community college  
15 district (other than, until January 1, 2012, a community  
16 college district subject to Article VII of the Public Community  
17 College Act) or association of community college boards that is  
18 an employer under the State Universities Retirement System  
19 shall contribute toward the cost of the community college  
20 health benefits provided under Section 6.9 of this Act an  
21 amount equal to 0.50% of the salary paid to its full-time  
22 employees who participate in the State Universities Retirement  
23 System and are not members as defined in Section 3 of this Act.  
24 Beginning on the effective date of this amendatory Act of the  
25 97th General Assembly, these contributions shall be at the rate  
26 of 0.66% of salary. Beginning July 1, 2011, these contributions

1 shall be at the rate of 0.82% of salary. Beginning July 1,  
2 2012, these contributions shall be at the rate of 0.97% of  
3 salary. Beginning July 1, 2013, these contributions shall be at  
4 the rate of 1.02% of salary. Beginning July 1, 2014, these  
5 contributions shall be at the rate of 1.07% of salary.  
6 Beginning July 1, 2015, these contributions shall be at the  
7 rate of 1.18% of salary.

8       These contributions shall be paid by the employer to the  
9 State Universities Retirement System as service agent for the  
10 Department of Central Management Services. The System may use  
11 the same processes for collecting the contributions required by  
12 this subsection that it uses to collect the contributions  
13 received from those employers under Section 15-155 of the  
14 Illinois Pension Code.

15       The State Universities Retirement System shall promptly  
16 deposit all moneys collected under this subsection (b) into the  
17 Community College Health Insurance Security Fund created in  
18 Section 6.9 of this Act. The moneys collected under this  
19 Section shall be used only for the purposes authorized in  
20 Section 6.9 of this Act and shall not be considered to be  
21 assets of the State Universities Retirement System.  
22 Contributions made under this Section are not transferable to  
23 other pension funds or retirement systems and are not  
24 refundable upon termination of service.

25       The Department of Healthcare and Family Services, or any  
26 successor agency designated to procure healthcare contracts

1 pursuant to this Act, is authorized to establish funds,  
2 separate accounts provided by any bank or banks as defined by  
3 the Illinois Banking Act, or separate accounts provided by any  
4 savings and loan association or associations as defined by the  
5 Illinois Savings and Loan Act of 1985 to be held by the  
6 Director, outside the State treasury, for the purpose of  
7 receiving the transfer of moneys from the Community College  
8 Health Insurance Security Fund. The Department may promulgate  
9 rules further defining the methodology for the transfers. Any  
10 interest earned by moneys in the funds or accounts shall inure  
11 to the Community College Health Insurance Security Fund. The  
12 transferred moneys, and interest accrued thereon, shall be used  
13 exclusively for transfers to administrative service  
14 organizations or their financial institutions for payments of  
15 claims to claimants and providers under the self-insurance  
16 health plan. The transferred moneys, and interest accrued  
17 thereon, shall not be used for any other purpose including, but  
18 not limited to, reimbursement of administration fees due the  
19 administrative service organization pursuant to its contract  
20 or contracts with the Department.

21 (b-5) On or before March 30, 2012, a community college  
22 district subject to Article VII of the Public Community College  
23 Act shall contribute an amount equal to \$10 million toward the  
24 cost of the community college health benefits provided under  
25 Section 6.9 of this Act. One-half of this amount shall be  
26 contributed on or before March 30, 2011, and the balance of

1 that amount shall be contributed on or before March 30, 2012.  
2 The contribution shall be in addition to any percentage of  
3 salary contribution paid pursuant to subsection (b) of Section  
4 6.10 of this Act.

5 (b-10) On or before September 1, 2012, a community college  
6 district subject to Article VII of the Public Community College  
7 Act shall contribute an amount equal to 3 times the product  
8 resulting from multiplying (i) the difference between the  
9 fiscal year 2013 per annuitant cost of the community college  
10 health benefits provided under Section 6.9 of this Act and the  
11 fiscal year 2013 per annuitant premium paid by the annuitant by  
12 (ii) the number of annuitants enrolled in the community college  
13 health benefits program under Section 6.9 of this Act who  
14 became annuitants on or before the effective date of this  
15 amendatory date of the 97th General Assembly and who, prior to  
16 that date, opted not to participate in the health benefits  
17 program provided by the community college district subject to  
18 Article VII of the Public Community College Act. The  
19 calculation of the contribution created under this subsection  
20 (b-10) shall be subject to review and approval by the  
21 Commission on Governmental Forecasting and Accountability.

22 (c) On or before November 15 of each year, the Board of  
23 Trustees of the State Universities Retirement System shall  
24 certify to the Governor, the Director of Central Management  
25 Services, and the State Comptroller its estimate of the total  
26 amount of contributions to be paid under subsection (a) of this

1 Section for the next fiscal year. Beginning in fiscal year  
2 2008, the amount certified shall be decreased or increased each  
3 year by the amount that the actual active employee  
4 contributions either fell short of or exceeded the estimate  
5 used by the Board in making the certification for the previous  
6 fiscal year. The State Universities Retirement System shall  
7 calculate the amount of actual active employee contributions in  
8 fiscal years 1999 through 2005. Based upon this calculation,  
9 the fiscal year 2008 certification shall include an amount  
10 equal to the cumulative amount that the actual active employee  
11 contributions either fell short of or exceeded the estimate  
12 used by the Board in making the certification for those fiscal  
13 years. The certification shall include a detailed explanation  
14 of the methods and information that the Board relied upon in  
15 preparing its estimate. As soon as possible after the effective  
16 date of this Section, the Board shall submit its estimate for  
17 fiscal year 1999. As soon as practical after the effective date  
18 of this amendatory Act of the 97th General Assembly, the Board  
19 of Trustees of the State Universities Retirement System shall  
20 recertify to the Governor, the Director of Central Management  
21 Services, and the State Comptroller its estimate of the total  
22 amount of contributions to be contributed under subsection (a)  
23 of this Section for the remainder of fiscal year 2011 and for  
24 the next fiscal year taking into account the changes made by  
25 this amendatory Act of the 97th General Assembly.

26 (d) Beginning in fiscal year 1999, on the first day of each

1 month, or as soon thereafter as may be practical, the State  
2 Treasurer and the State Comptroller shall transfer from the  
3 General Revenue Fund to the Community College Health Insurance  
4 Security Fund 1/12 of the annual amount appropriated for that  
5 fiscal year to the State Comptroller for deposit into the  
6 Community College Health Insurance Security Fund under Section  
7 1.4 of the State Pension Funds Continuing Appropriation Act.

8 (e) Except where otherwise specified in this Section, the  
9 definitions that apply to Article 15 of the Illinois Pension  
10 Code apply to this Section.

11 (Source: P.A. 94-839, eff. 6-6-06; 95-632, eff. 9-25-07.)

12 Section 90. The State Mandates Act is amended by adding  
13 Section 8.35 as follows:

14 (30 ILCS 805/8.35 new)

15 Sec. 8.35. Exempt mandate. Notwithstanding Sections 6 and 8  
16 of this Act, no reimbursement by the State is required for the  
17 implementation of any mandate created by this amendatory Act of  
18 the 97th General Assembly.

19 Section 99. Effective date. This Act takes effect upon  
20 becoming law.