



## 97TH GENERAL ASSEMBLY

### State of Illinois

### 2011 and 2012

### HB5520

Introduced 2/15/2012, by Rep. Linda Chapa LaVia

#### SYNOPSIS AS INTRODUCED:

40 ILCS 5/17-142.1  
30 ILCS 805/8.36 new

from Ch. 108 1/2, par. 17-142.1

Amends the Chicago Teacher Article of the Illinois Pension Code. Provides that beginning in fiscal year 2013, the \$65,000,000 base limitation on total payments for health insurance shall increase annually by the unadjusted percentage increase (but not less than zero) of the weighted average of medical care services and medical care commodities in the consumer price index-u for the 12 months ending March 1 of the previous fiscal year. Amends the State Mandates Act to require implementation without reimbursement. Effective immediately.

LRB097 20453 EFG 65963 b

FISCAL NOTE ACT  
MAY APPLY

PENSION IMPACT  
NOTE ACT MAY  
APPLY

1 AN ACT concerning public employee benefits.

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

4 Section 5. The Illinois Pension Code is amended by changing  
5 Section 17-142.1 as follows:

6 (40 ILCS 5/17-142.1) (from Ch. 108 1/2, par. 17-142.1)

7 Sec. 17-142.1. To defray health insurance costs. To provide  
8 for the partial reimbursement of health insurance costs.

9 (1) On the first day of September of each year, beginning  
10 in 1988, the Board may, by separate warrant, pay to each  
11 recipient of a service retirement, disability retirement or  
12 survivor's pension an amount to be determined by the Board,  
13 which shall represent partial reimbursement for the cost of the  
14 recipient's health insurance coverage.

15 (2) In lieu of the annual payment authorized in subdivision  
16 (1), for pensioners enrolled in the Fund's regular health care  
17 deduction plans, the Fund may pay the health insurance premium  
18 reimbursement on a monthly rather than annual basis, at the  
19 percentage rate established from time to time by the Board. If  
20 the Board so directs, these monthly payments may be made in the  
21 form of a direct payment of premium and a reduction in the  
22 amount deducted from the annuity, rather than in the form of  
23 reimbursement by separate warrant.

1 (3) Total payments under this Section in any year may not  
2 exceed the base limitation amount determined annually under  
3 subsection (3.1), ~~\$65,000,000~~ plus any amount that was  
4 authorized to be paid under this Section in the preceding year  
5 but was not actually paid by the Board, including any interest  
6 earned thereon.

7 (3.1) In fiscal year 2012, the base limitation amount is  
8 \$65,000,000. Beginning in fiscal year 2013, the base limitation  
9 amount shall increase annually by the unadjusted percentage  
10 increase (but not less than zero) of the weighted average of  
11 medical care services and medical care commodities in the  
12 consumer price index-u for the 12 months ending March 1 of the  
13 previous fiscal year.

14 (4) The total amount of payments under this Section in any  
15 year may not exceed 75% of the total cost of health insurance  
16 coverage in that year for all the recipients who receive  
17 payments authorized by this Section in that year.

18 (Source: P.A. 93-677, eff. 6-28-04.)

19 Section 90. The State Mandates Act is amended by adding  
20 Section 8.36 as follows:

21 (30 ILCS 805/8.36 new)

22 Sec. 8.36. Exempt mandate. Notwithstanding Sections 6 and 8  
23 of this Act, no reimbursement by the State is required for the  
24 implementation of any mandate created by this amendatory Act of

1 the 97th General Assembly.

2 Section 99. Effective date. This Act takes effect upon  
3 becoming law.