



Sen. Paul Schimpf

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LRB100 16948 RPS 36635 a

1 AMENDMENT TO SENATE BILL 3073

2 AMENDMENT NO. \_\_\_\_\_. Amend Senate Bill 3073 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 Sections 3 and 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

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 or who meets the criteria  
8 for retirement, but in lieu of receiving an annuity under that  
9 Article has elected to receive an accelerated pension benefit  
10 payment under Section 14-147.5 of that Article), 15 (including  
11 an employee who has retired under the optional retirement  
12 program established under Section 15-158.2 or who meets the  
13 criteria for retirement, but in lieu of receiving an annuity  
14 under that Article has elected to receive an accelerated  
15 pension benefit payment under Section 15-185.5 of the Article),  
16 paragraphs (2), (3), or (5) of Section 16-106 (including an  
17 employee who meets the criteria for retirement, but in lieu of  
18 receiving an annuity under that Article has elected to receive  
19 an accelerated pension benefit payment under Section 16-190.5  
20 of the Illinois Pension Code), or Article 18 of the Illinois  
21 Pension Code; (2) any person who was receiving group insurance  
22 coverage under this Act as of March 31, 1978 by reason of his  
23 status as an annuitant, even though the annuity in relation to  
24 which such coverage was provided is a proportional annuity  
25 based on less than the minimum period of service required for a  
26 retirement annuity in the system involved; (3) any person not

1 otherwise covered by this Act who has retired as a  
2 participating member under Article 2 of the Illinois Pension  
3 Code but is ineligible for the retirement annuity under Section  
4 2-119 of the Illinois Pension Code; (4) the spouse of any  
5 person who is receiving a retirement annuity under Article 18  
6 of the Illinois Pension Code and who is covered under a group  
7 health insurance program sponsored by a governmental employer  
8 other than the State of Illinois and who has irrevocably  
9 elected to waive his or her coverage under this Act and to have  
10 his or her spouse considered as the "annuitant" under this Act  
11 and not as a "dependent"; or (5) an employee who retires, or  
12 has retired, from a qualified position, as determined according  
13 to rules promulgated by the Director, under a qualified local  
14 government, a qualified rehabilitation facility, a qualified  
15 domestic violence shelter or service, or a qualified child  
16 advocacy center. (For definition of "retired employee", see (p)  
17 post).

18 (b-5) (Blank).

19 (b-6) (Blank).

20 (b-7) (Blank).

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

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

22 (e) "Commission" means the State Employees Group Insurance  
23 Advisory Commission authorized by this Act. Commencing July 1,  
24 1984, "Commission" as used in this Act means the Commission on  
25 Government Forecasting and Accountability as established by  
26 the Legislative Commission Reorganization Act of 1984.

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

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

21           (h) "Dependent", when the term is used in the context of  
22 the health and life plan, means a member's spouse and any child  
23 (1) from birth to age 26 including an adopted child, a child  
24 who lives with the member from the time of the placement for  
25 adoption until entry of an order of adoption, a stepchild or  
26 adjudicated child, or a child who lives with the member if such

1 member is a court appointed guardian of the child or (2) age 19  
2 or over who has a mental or physical disability from a cause  
3 originating prior to the age of 19 (age 26 if enrolled as an  
4 adult child dependent). For the health plan only, the term  
5 "dependent" also includes (1) any person enrolled prior to the  
6 effective date of this Section who is dependent upon the member  
7 to the extent that the member may claim such person as a  
8 dependent for income tax deduction purposes and (2) any person  
9 who has received after June 30, 2000 an organ transplant and  
10 who is financially dependent upon the member and eligible to be  
11 claimed as a dependent for income tax purposes. A member  
12 requesting to cover any dependent must provide documentation as  
13 requested by the Department of Central Management Services and  
14 file with the Department any and all forms required by the  
15 Department.

16 (i) "Director" means the Director of the Illinois  
17 Department of Central Management Services.

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

21 (k) "Employee" means and includes each officer or employee  
22 in the service of a department who (1) receives his  
23 compensation for service rendered to the department on a  
24 warrant issued pursuant to a payroll certified by a department  
25 or on a warrant or check issued and drawn by a department upon  
26 a trust, federal or other fund or on a warrant issued pursuant

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

1 paragraphs (2), (3), or (5) of Section 16-106, or Article 18 of  
2 the Illinois Pension Code, for disability incurred after  
3 January 1, 1966, (2) receives total permanent or total  
4 temporary disability under the Workers' Compensation Act or  
5 Occupational Disease Act as a result of injuries sustained or  
6 illness contracted in the course of employment with the State  
7 of Illinois, or (3) is not otherwise covered under this Act and  
8 has retired as a participating member under Article 2 of the  
9 Illinois Pension Code but is ineligible for the retirement  
10 annuity under Section 2-119 of the Illinois Pension Code.  
11 However, a person who satisfies the criteria of the foregoing  
12 definition of "employee" except that such person is made  
13 ineligible to participate in the State Universities Retirement  
14 System by clause (4) of subsection (a) of Section 15-107 of the  
15 Illinois Pension Code is also an "employee" for the purposes of  
16 this Act. "Employee" also includes any person receiving or  
17 eligible for benefits under a sick pay plan established in  
18 accordance with Section 36 of the State Finance Act. "Employee"  
19 also includes (i) each officer or employee in the service of a  
20 qualified local government, including persons appointed as  
21 trustees of sanitary districts regardless of hours devoted to  
22 the service of the sanitary district, (ii) each employee in the  
23 service of a qualified rehabilitation facility, (iii) each  
24 full-time employee in the service of a qualified domestic  
25 violence shelter or service, and (iv) each full-time employee  
26 in the service of a qualified child advocacy center, as



1 determined according to rules promulgated by the Director.

2 (l) "Member" means an employee, annuitant, retired  
3 employee or survivor. In the case of an annuitant or retired  
4 employee who first becomes an annuitant or retired employee on  
5 or after the effective date of this amendatory Act of the 97th  
6 General Assembly, the individual must meet the minimum vesting  
7 requirements of the applicable retirement system in order to be  
8 eligible for group insurance benefits under that system. In the  
9 case of a survivor who first becomes a survivor on or after the  
10 effective date of this amendatory Act of the 97th General  
11 Assembly, the deceased employee, annuitant, or retired  
12 employee upon whom the annuity is based must have been eligible  
13 to participate in the group insurance system under the  
14 applicable retirement system in order for the survivor to be  
15 eligible for group insurance benefits under that system.

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

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

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

24 (p) "Retired employee" means any person who would be an  
25 annuitant as that term is defined herein but for the fact that  
26 such person retired prior to January 1, 1966. Such term also

1 includes any person formerly employed by the University of  
2 Illinois in the Cooperative Extension Service who would be an  
3 annuitant but for the fact that such person was made ineligible  
4 to participate in the State Universities Retirement System by  
5 clause (4) of subsection (a) of Section 15-107 of the Illinois  
6 Pension Code.

7 (q) "Survivor" means a person receiving an annuity as a  
8 survivor of an employee or of an annuitant. "Survivor" also  
9 includes: (1) the surviving dependent of a person who satisfies  
10 the definition of "employee" except that such person is made  
11 ineligible to participate in the State Universities Retirement  
12 System by clause (4) of subsection (a) of Section 15-107 of the  
13 Illinois Pension Code; (2) the surviving dependent of any  
14 person formerly employed by the University of Illinois in the  
15 Cooperative Extension Service who would be an annuitant except  
16 for the fact that such person was made ineligible to  
17 participate in the State Universities Retirement System by  
18 clause (4) of subsection (a) of Section 15-107 of the Illinois  
19 Pension Code; and (3) 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-2) "SERS" means the State Employees' Retirement System  
24 of Illinois, created under Article 14 of the Illinois Pension  
25 Code.

26 (q-3) "SURS" means the State Universities Retirement

1 System, created under Article 15 of the Illinois Pension Code.

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

5 (q-5) (Blank).

6 (q-6) (Blank).

7 (q-7) (Blank).

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

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

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

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

22 (u) "Qualified domestic violence shelter or service" means  
23 any Illinois domestic violence shelter or service and its  
24 administrative offices funded by the Department of Human  
25 Services (as successor to the Illinois Department of Public  
26 Aid), approved by the Director and participating in a program

1 created under subsection (k) of Section 10.

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

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

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

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

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

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

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

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

16 the Illinois Pension Code.

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

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

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

22 her support from the TRS benefit recipient, or (C) natural,  
23 step, adjudicated, or adopted child who is (i) under age

24 26, (ii) was, on January 1, 1996, participating as a  
25 dependent beneficiary in the health insurance program

26 offered under Article 16 of the Illinois Pension Code, or

1 (iii) age 19 or over who has a mental or physical  
2 disability from a cause originating prior to the age of 19  
3 (age 26 if enrolled as an adult child).

4 "TRS dependent beneficiary" does not include, as indicated  
5 under paragraph (2) of this subsection (w), a dependent of the  
6 survivor of a TRS benefit recipient who first becomes a  
7 dependent of a survivor of a TRS benefit recipient on or after  
8 the effective date of this amendatory Act of the 97th General  
9 Assembly unless that dependent would have been eligible for  
10 coverage as a dependent of the deceased TRS benefit recipient  
11 upon whom the survivor benefit is based.

12 (x) "Military leave" refers to individuals in basic  
13 training for reserves, special/advanced training, annual  
14 training, emergency call up, activation by the President of the  
15 United States, or any other training or duty in service to the  
16 United States Armed Forces.

17 (y) (Blank).

18 (z) "Community college benefit recipient" means a person  
19 who:

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

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

24 (3) either (i) was a full-time employee of a community  
25 college district or an association of community college  
26 boards created under the Public Community College Act

1 (other than an employee whose last employer under Article  
2 15 of the Illinois Pension Code was a community college  
3 district subject to Article VII of the Public Community  
4 College Act) and was eligible to participate in a group  
5 health benefit plan as an employee during the time of  
6 employment with a community college district (other than a  
7 community college district subject to Article VII of the  
8 Public Community College Act) or an association of  
9 community college boards, or (ii) is the survivor of a  
10 person described in item (i).

11 (aa) "Community college dependent beneficiary" means a  
12 person who:

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

15 (2) is a community college benefit recipient's: (A)  
16 spouse, (B) dependent parent who is receiving at least half  
17 of his or her support from the community college benefit  
18 recipient, or (C) natural, step, adjudicated, or adopted  
19 child who is (i) under age 26, or (ii) age 19 or over and  
20 has a mental or physical disability from a cause  
21 originating prior to the age of 19 (age 26 if enrolled as  
22 an adult child).

23 "Community college dependent beneficiary" does not  
24 include, as indicated under paragraph (2) of this subsection  
25 (aa), a dependent of the survivor of a community college  
26 benefit recipient who first becomes a dependent of a survivor

1 of a community college benefit recipient on or after the  
2 effective date of this amendatory Act of the 97th General  
3 Assembly unless that dependent would have been eligible for  
4 coverage as a dependent of the deceased community college  
5 benefit recipient upon whom the survivor annuity is based.

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

12 (cc) "Placement for adoption" means the assumption and  
13 retention by a member of a legal obligation for total or  
14 partial support of a child in anticipation of adoption of the  
15 child. The child's placement with the member terminates upon  
16 the termination of such legal obligation.

17 (Source: P.A. 99-143, eff. 7-27-15; 100-355, eff. 1-1-18.)

18 (5 ILCS 375/10) (from Ch. 127, par. 530)

19 Sec. 10. Contributions by the State and members.

20 (a) The State shall pay the cost of basic non-contributory  
21 group life insurance and, subject to member paid contributions  
22 set by the Department or required by this Section and except as  
23 provided in this Section, the basic program of group health  
24 benefits on each eligible member, except a member, not  
25 otherwise covered by this Act, who has retired as a



1 participating member under Article 2 of the Illinois Pension  
2 Code but is ineligible for the retirement annuity under Section  
3 2-119 of the Illinois Pension Code, and part of each eligible  
4 member's and retired member's premiums for health insurance  
5 coverage for enrolled dependents as provided by Section 9. The  
6 State shall pay the cost of the basic program of group health  
7 benefits only after benefits are reduced by the amount of  
8 benefits covered by Medicare for all members and dependents who  
9 are eligible for benefits under Social Security or the Railroad  
10 Retirement system or who had sufficient Medicare-covered  
11 government employment, except that such reduction in benefits  
12 shall apply only to those members and dependents who (1) first  
13 become eligible for such Medicare coverage on or after July 1,  
14 1992; or (2) are Medicare-eligible members or dependents of a  
15 local government unit which began participation in the program  
16 on or after July 1, 1992; or (3) remain eligible for, but no  
17 longer receive Medicare coverage which they had been receiving  
18 on or after July 1, 1992. The Department may determine the  
19 aggregate level of the State's contribution on the basis of  
20 actual cost of medical services adjusted for age, sex or  
21 geographic or other demographic characteristics which affect  
22 the costs of such programs.

23 The cost of participation in the basic program of group  
24 health benefits for the dependent or survivor of a living or  
25 deceased retired employee who was formerly employed by the  
26 University of Illinois in the Cooperative Extension Service and

1 would be an annuitant but for the fact that he or she was made  
2 ineligible to participate in the State Universities Retirement  
3 System by clause (4) of subsection (a) of Section 15-107 of the  
4 Illinois Pension Code shall not be greater than the cost of  
5 participation that would otherwise apply to that dependent or  
6 survivor if he or she were the dependent or survivor of an  
7 annuitant under the State Universities Retirement System.

8 (a-1) (Blank).

9 (a-2) (Blank).

10 (a-3) (Blank).

11 (a-4) (Blank).

12 (a-5) (Blank).

13 (a-6) (Blank).

14 (a-7) (Blank).

15 (a-8) Any annuitant, survivor, or retired employee may  
16 waive or terminate coverage in the program of group health  
17 benefits. Any such annuitant, survivor, or retired employee who  
18 has waived or terminated coverage may enroll or re-enroll in  
19 the program of group health benefits only during the annual  
20 benefit choice period, as determined by the Director; except  
21 that in the event of termination of coverage due to nonpayment  
22 of premiums, the annuitant, survivor, or retired employee may  
23 not re-enroll in the program.

24 (a-8.5) Beginning on the effective date of this amendatory  
25 Act of the 97th General Assembly, the Director of Central  
26 Management Services shall, on an annual basis, determine the

1 amount that the State shall contribute toward the basic program  
2 of group health benefits on behalf of annuitants (including  
3 individuals who (i) participated in the General Assembly  
4 Retirement System, the State Employees' Retirement System of  
5 Illinois, the State Universities Retirement System, the  
6 Teachers' Retirement System of the State of Illinois, or the  
7 Judges Retirement System of Illinois and (ii) qualify as  
8 annuitants under subsection (b) of Section 3 of this Act),  
9 survivors (including individuals who (i) receive an annuity as  
10 a survivor of an individual who participated in the General  
11 Assembly Retirement System, the State Employees' Retirement  
12 System of Illinois, the State Universities Retirement System,  
13 the Teachers' Retirement System of the State of Illinois, or  
14 the Judges Retirement System of Illinois and (ii) qualify as  
15 survivors under subsection (q) of Section 3 of this Act), and  
16 retired employees (as defined in subsection (p) of Section 3 of  
17 this Act). The remainder of the cost of coverage for each  
18 annuitant, survivor, or retired employee, as determined by the  
19 Director of Central Management Services, shall be the  
20 responsibility of that annuitant, survivor, or retired  
21 employee.

22 Contributions required of annuitants, survivors, and  
23 retired employees shall be the same for all retirement systems  
24 and shall also be based on whether an individual has made an  
25 election under Section 15-135.1 of the Illinois Pension Code.  
26 Contributions may be based on annuitants', survivors', or

1 retired employees' Medicare eligibility, but may not be based  
2 on Social Security eligibility.

3 (a-9) No later than May 1 of each calendar year, the  
4 Director of Central Management Services shall certify in  
5 writing to the Executive Secretary of the State Employees'  
6 Retirement System of Illinois the amounts of the Medicare  
7 supplement health care premiums and the amounts of the health  
8 care premiums for all other retirees who are not Medicare  
9 eligible.

10 A separate calculation of the premiums based upon the  
11 actual cost of each health care plan shall be so certified.

12 The Director of Central Management Services shall provide  
13 to the Executive Secretary of the State Employees' Retirement  
14 System of Illinois such information, statistics, and other data  
15 as he or she may require to review the premium amounts  
16 certified by the Director of Central Management Services.

17 The Department of Central Management Services, or any  
18 successor agency designated to procure healthcare contracts  
19 pursuant to this Act, is authorized to establish funds,  
20 separate accounts provided by any bank or banks as defined by  
21 the Illinois Banking Act, or separate accounts provided by any  
22 savings and loan association or associations as defined by the  
23 Illinois Savings and Loan Act of 1985 to be held by the  
24 Director, outside the State treasury, for the purpose of  
25 receiving the transfer of moneys from the Local Government  
26 Health Insurance Reserve Fund. The Department may promulgate

1 rules further defining the methodology for the transfers. Any  
2 interest earned by moneys in the funds or accounts shall inure  
3 to the Local Government Health Insurance Reserve Fund. The  
4 transferred moneys, and interest accrued thereon, shall be used  
5 exclusively for transfers to administrative service  
6 organizations or their financial institutions for payments of  
7 claims to claimants and providers under the self-insurance  
8 health plan. The transferred moneys, and interest accrued  
9 thereon, shall not be used for any other purpose including, but  
10 not limited to, reimbursement of administration fees due the  
11 administrative service organization pursuant to its contract  
12 or contracts with the Department.

13 (a-10) To the extent that participation, benefits, or  
14 premiums under this Act are based on a person's service credit  
15 under an Article of the Illinois Pension Code, service credit  
16 terminated in exchange for an accelerated pension benefit  
17 payment under Section 14-147.5, 15-185.5, or 16-190.5 of that  
18 Code shall be included in determining a person's service credit  
19 for the purposes of this Act.

20 (b) State employees who become eligible for this program on  
21 or after January 1, 1980 in positions normally requiring actual  
22 performance of duty not less than 1/2 of a normal work period  
23 but not equal to that of a normal work period, shall be given  
24 the option of participating in the available program. If the  
25 employee elects coverage, the State shall contribute on behalf  
26 of such employee to the cost of the employee's benefit and any

1 applicable dependent supplement, that sum which bears the same  
2 percentage as that percentage of time the employee regularly  
3 works when compared to normal work period.

4 (c) The basic non-contributory coverage from the basic  
5 program of group health benefits shall be continued for each  
6 employee not in pay status or on active service by reason of  
7 (1) leave of absence due to illness or injury, (2) authorized  
8 educational leave of absence or sabbatical leave, or (3)  
9 military leave. This coverage shall continue until expiration  
10 of authorized leave and return to active service, but not to  
11 exceed 24 months for leaves under item (1) or (2). This  
12 24-month limitation and the requirement of returning to active  
13 service shall not apply to persons receiving ordinary or  
14 accidental disability benefits or retirement benefits through  
15 the appropriate State retirement system or benefits under the  
16 Workers' Compensation or Occupational Disease Act.

17 (d) The basic group life insurance coverage shall continue,  
18 with full State contribution, where such person is (1) absent  
19 from active service by reason of disability arising from any  
20 cause other than self-inflicted, (2) on authorized educational  
21 leave of absence or sabbatical leave, or (3) on military leave.

22 (e) Where the person is in non-pay status for a period in  
23 excess of 30 days or on leave of absence, other than by reason  
24 of disability, educational or sabbatical leave, or military  
25 leave, such person may continue coverage only by making  
26 personal payment equal to the amount normally contributed by

1 the State on such person's behalf. Such payments and coverage  
2 may be continued: (1) until such time as the person returns to  
3 a status eligible for coverage at State expense, but not to  
4 exceed 24 months or (2) until such person's employment or  
5 annuitant status with the State is terminated (exclusive of any  
6 additional service imposed pursuant to law).

7 (f) The Department shall establish by rule the extent to  
8 which other employee benefits will continue for persons in  
9 non-pay status or who are not in active service.

10 (g) The State shall not pay the cost of the basic  
11 non-contributory group life insurance, program of health  
12 benefits and other employee benefits for members who are  
13 survivors as defined by paragraphs (1) and (2) of subsection  
14 (q) of Section 3 of this Act. The costs of benefits for these  
15 survivors shall be paid by the survivors or by the University  
16 of Illinois Cooperative Extension Service, or any combination  
17 thereof. However, the State shall pay the amount of the  
18 reduction in the cost of participation, if any, resulting from  
19 the amendment to subsection (a) made by this amendatory Act of  
20 the 91st General Assembly.

21 (h) Those persons occupying positions with any department  
22 as a result of emergency appointments pursuant to Section 8b.8  
23 of the Personnel Code who are not considered employees under  
24 this Act shall be given the option of participating in the  
25 programs of group life insurance, health benefits and other  
26 employee benefits. Such persons electing coverage may

1 participate only by making payment equal to the amount normally  
2 contributed by the State for similarly situated employees. Such  
3 amounts shall be determined by the Director. Such payments and  
4 coverage may be continued until such time as the person becomes  
5 an employee pursuant to this Act or such person's appointment  
6 is terminated.

7 (i) Any unit of local government within the State of  
8 Illinois may apply to the Director to have its employees,  
9 annuitants, and their dependents provided group health  
10 coverage under this Act on a non-insured basis. To participate,  
11 a unit of local government must agree to enroll all of its  
12 employees, who may select coverage under either the State group  
13 health benefits plan or a health maintenance organization that  
14 has contracted with the State to be available as a health care  
15 provider for employees as defined in this Act. A unit of local  
16 government must remit the entire cost of providing coverage  
17 under the State group health benefits plan or, for coverage  
18 under a health maintenance organization, an amount determined  
19 by the Director based on an analysis of the sex, age,  
20 geographic location, or other relevant demographic variables  
21 for its employees, except that the unit of local government  
22 shall not be required to enroll those of its employees who are  
23 covered spouses or dependents under this plan or another group  
24 policy or plan providing health benefits as long as (1) an  
25 appropriate official from the unit of local government attests  
26 that each employee not enrolled is a covered spouse or



1 dependent under this plan or another group policy or plan, and  
2 (2) at least 50% of the employees are enrolled and the unit of  
3 local government remits the entire cost of providing coverage  
4 to those employees, except that a participating school district  
5 must have enrolled at least 50% of its full-time employees who  
6 have not waived coverage under the district's group health plan  
7 by participating in a component of the district's cafeteria  
8 plan. A participating school district is not required to enroll  
9 a full-time employee who has waived coverage under the  
10 district's health plan, provided that an appropriate official  
11 from the participating school district attests that the  
12 full-time employee has waived coverage by participating in a  
13 component of the district's cafeteria plan. For the purposes of  
14 this subsection, "participating school district" includes a  
15 unit of local government whose primary purpose is education as  
16 defined by the Department's rules.

17 Employees of a participating unit of local government who  
18 are not enrolled due to coverage under another group health  
19 policy or plan may enroll in the event of a qualifying change  
20 in status, special enrollment, special circumstance as defined  
21 by the Director, or during the annual Benefit Choice Period. A  
22 participating unit of local government may also elect to cover  
23 its annuitants. Dependent coverage shall be offered on an  
24 optional basis, with the costs paid by the unit of local  
25 government, its employees, or some combination of the two as  
26 determined by the unit of local government. The unit of local

1 government shall be responsible for timely collection and  
2 transmission of dependent premiums.

3 The Director shall annually determine monthly rates of  
4 payment, subject to the following constraints:

5 (1) In the first year of coverage, the rates shall be  
6 equal to the amount normally charged to State employees for  
7 elected optional coverages or for enrolled dependents  
8 coverages or other contributory coverages, or contributed  
9 by the State for basic insurance coverages on behalf of its  
10 employees, adjusted for differences between State  
11 employees and employees of the local government in age,  
12 sex, geographic location or other relevant demographic  
13 variables, plus an amount sufficient to pay for the  
14 additional administrative costs of providing coverage to  
15 employees of the unit of local government and their  
16 dependents.

17 (2) In subsequent years, a further adjustment shall be  
18 made to reflect the actual prior years' claims experience  
19 of the employees of the unit of local government.

20 In the case of coverage of local government employees under  
21 a health maintenance organization, the Director shall annually  
22 determine for each participating unit of local government the  
23 maximum monthly amount the unit may contribute toward that  
24 coverage, based on an analysis of (i) the age, sex, geographic  
25 location, and other relevant demographic variables of the  
26 unit's employees and (ii) the cost to cover those employees

1 under the State group health benefits plan. The Director may  
2 similarly determine the maximum monthly amount each unit of  
3 local government may contribute toward coverage of its  
4 employees' dependents under a health maintenance organization.

5 Monthly payments by the unit of local government or its  
6 employees for group health benefits plan or health maintenance  
7 organization coverage shall be deposited in the Local  
8 Government Health Insurance Reserve Fund.

9 The Local Government Health Insurance Reserve Fund is  
10 hereby created as a nonappropriated trust fund to be held  
11 outside the State Treasury, with the State Treasurer as  
12 custodian. The Local Government Health Insurance Reserve Fund  
13 shall be a continuing fund not subject to fiscal year  
14 limitations. The Local Government Health Insurance Reserve  
15 Fund is not subject to administrative charges or charge-backs,  
16 including but not limited to those authorized under Section 8h  
17 of the State Finance Act. All revenues arising from the  
18 administration of the health benefits program established  
19 under this Section shall be deposited into the Local Government  
20 Health Insurance Reserve Fund. Any interest earned on moneys in  
21 the Local Government Health Insurance Reserve Fund shall be  
22 deposited into the Fund. All expenditures from this Fund shall  
23 be used for payments for health care benefits for local  
24 government and rehabilitation facility employees, annuitants,  
25 and dependents, and to reimburse the Department or its  
26 administrative service organization for all expenses incurred

1 in the administration of benefits. No other State funds may be  
2 used for these purposes.

3 A local government employer's participation or desire to  
4 participate in a program created under this subsection shall  
5 not limit that employer's duty to bargain with the  
6 representative of any collective bargaining unit of its  
7 employees.

8 (j) Any rehabilitation facility within the State of  
9 Illinois may apply to the Director to have its employees,  
10 annuitants, and their eligible dependents provided group  
11 health coverage under this Act on a non-insured basis. To  
12 participate, a rehabilitation facility must agree to enroll all  
13 of its employees and remit the entire cost of providing such  
14 coverage for its employees, except that the rehabilitation  
15 facility shall not be required to enroll those of its employees  
16 who are covered spouses or dependents under this plan or  
17 another group policy or plan providing health benefits as long  
18 as (1) an appropriate official from the rehabilitation facility  
19 attests that each employee not enrolled is a covered spouse or  
20 dependent under this plan or another group policy or plan, and  
21 (2) at least 50% of the employees are enrolled and the  
22 rehabilitation facility remits the entire cost of providing  
23 coverage to those employees. Employees of a participating  
24 rehabilitation facility who are not enrolled due to coverage  
25 under another group health policy or plan may enroll in the  
26 event of a qualifying change in status, special enrollment,

1 special circumstance as defined by the Director, or during the  
2 annual Benefit Choice Period. A participating rehabilitation  
3 facility may also elect to cover its annuitants. Dependent  
4 coverage shall be offered on an optional basis, with the costs  
5 paid by the rehabilitation facility, its employees, or some  
6 combination of the 2 as determined by the rehabilitation  
7 facility. The rehabilitation facility shall be responsible for  
8 timely collection and transmission of dependent premiums.

9 The Director shall annually determine quarterly rates of  
10 payment, subject to the following constraints:

11 (1) In the first year of coverage, the rates shall be  
12 equal to the amount normally charged to State employees for  
13 elected optional coverages or for enrolled dependents  
14 coverages or other contributory coverages on behalf of its  
15 employees, adjusted for differences between State  
16 employees and employees of the rehabilitation facility in  
17 age, sex, geographic location or other relevant  
18 demographic variables, plus an amount sufficient to pay for  
19 the additional administrative costs of providing coverage  
20 to employees of the rehabilitation facility and their  
21 dependents.

22 (2) In subsequent years, a further adjustment shall be  
23 made to reflect the actual prior years' claims experience  
24 of the employees of the rehabilitation facility.

25 Monthly payments by the rehabilitation facility or its  
26 employees for group health benefits shall be deposited in the

1 Local Government Health Insurance Reserve Fund.

2 (k) Any domestic violence shelter or service within the  
3 State of Illinois may apply to the Director to have its  
4 employees, annuitants, and their dependents provided group  
5 health coverage under this Act on a non-insured basis. To  
6 participate, a domestic violence shelter or service must agree  
7 to enroll all of its employees and pay the entire cost of  
8 providing such coverage for its employees. The domestic  
9 violence shelter shall not be required to enroll those of its  
10 employees who are covered spouses or dependents under this plan  
11 or another group policy or plan providing health benefits as  
12 long as (1) an appropriate official from the domestic violence  
13 shelter attests that each employee not enrolled is a covered  
14 spouse or dependent under this plan or another group policy or  
15 plan and (2) at least 50% of the employees are enrolled and the  
16 domestic violence shelter remits the entire cost of providing  
17 coverage to those employees. Employees of a participating  
18 domestic violence shelter who are not enrolled due to coverage  
19 under another group health policy or plan may enroll in the  
20 event of a qualifying change in status, special enrollment, or  
21 special circumstance as defined by the Director or during the  
22 annual Benefit Choice Period. A participating domestic  
23 violence shelter may also elect to cover its annuitants.  
24 Dependent coverage shall be offered on an optional basis, with  
25 employees, or some combination of the 2 as determined by the  
26 domestic violence shelter or service. The domestic violence

1 shelter or service shall be responsible for timely collection  
2 and transmission of dependent premiums.

3 The Director shall annually determine rates of payment,  
4 subject to the following constraints:

5 (1) In the first year of coverage, the rates shall be  
6 equal to the amount normally charged to State employees for  
7 elected optional coverages or for enrolled dependents  
8 coverages or other contributory coverages on behalf of its  
9 employees, adjusted for differences between State  
10 employees and employees of the domestic violence shelter or  
11 service in age, sex, geographic location or other relevant  
12 demographic variables, plus an amount sufficient to pay for  
13 the additional administrative costs of providing coverage  
14 to employees of the domestic violence shelter or service  
15 and their dependents.

16 (2) In subsequent years, a further adjustment shall be  
17 made to reflect the actual prior years' claims experience  
18 of the employees of the domestic violence shelter or  
19 service.

20 Monthly payments by the domestic violence shelter or  
21 service or its employees for group health insurance shall be  
22 deposited in the Local Government Health Insurance Reserve  
23 Fund.

24 (1) A public community college or entity organized pursuant  
25 to the Public Community College Act may apply to the Director  
26 initially to have only annuitants not covered prior to July 1,

1 1992 by the district's health plan provided health coverage  
2 under this Act on a non-insured basis. The community college  
3 must execute a 2-year contract to participate in the Local  
4 Government Health Plan. Any annuitant may enroll in the event  
5 of a qualifying change in status, special enrollment, special  
6 circumstance as defined by the Director, or during the annual  
7 Benefit Choice Period.

8 The Director shall annually determine monthly rates of  
9 payment subject to the following constraints: for those  
10 community colleges with annuitants only enrolled, first year  
11 rates shall be equal to the average cost to cover claims for a  
12 State member adjusted for demographics, Medicare  
13 participation, and other factors; and in the second year, a  
14 further adjustment of rates shall be made to reflect the actual  
15 first year's claims experience of the covered annuitants.

16 (l-5) The provisions of subsection (l) become inoperative  
17 on July 1, 1999.

18 (m) The Director shall adopt any rules deemed necessary for  
19 implementation of this amendatory Act of 1989 (Public Act  
20 86-978).

21 (n) Any child advocacy center within the State of Illinois  
22 may apply to the Director to have its employees, annuitants,  
23 and their dependents provided group health coverage under this  
24 Act on a non-insured basis. To participate, a child advocacy  
25 center must agree to enroll all of its employees and pay the  
26 entire cost of providing coverage for its employees. The child



1 advocacy center shall not be required to enroll those of its  
2 employees who are covered spouses or dependents under this plan  
3 or another group policy or plan providing health benefits as  
4 long as (1) an appropriate official from the child advocacy  
5 center attests that each employee not enrolled is a covered  
6 spouse or dependent under this plan or another group policy or  
7 plan and (2) at least 50% of the employees are enrolled and the  
8 child advocacy center remits the entire cost of providing  
9 coverage to those employees. Employees of a participating child  
10 advocacy center who are not enrolled due to coverage under  
11 another group health policy or plan may enroll in the event of  
12 a qualifying change in status, special enrollment, or special  
13 circumstance as defined by the Director or during the annual  
14 Benefit Choice Period. A participating child advocacy center  
15 may also elect to cover its annuitants. Dependent coverage  
16 shall be offered on an optional basis, with the costs paid by  
17 the child advocacy center, its employees, or some combination  
18 of the 2 as determined by the child advocacy center. The child  
19 advocacy center shall be responsible for timely collection and  
20 transmission of dependent premiums.

21 The Director shall annually determine rates of payment,  
22 subject to the following constraints:

23 (1) In the first year of coverage, the rates shall be  
24 equal to the amount normally charged to State employees for  
25 elected optional coverages or for enrolled dependents  
26 coverages or other contributory coverages on behalf of its

1 employees, adjusted for differences between State  
2 employees and employees of the child advocacy center in  
3 age, sex, geographic location, or other relevant  
4 demographic variables, plus an amount sufficient to pay for  
5 the additional administrative costs of providing coverage  
6 to employees of the child advocacy center and their  
7 dependents.

8 (2) In subsequent years, a further adjustment shall be  
9 made to reflect the actual prior years' claims experience  
10 of the employees of the child advocacy center.

11 Monthly payments by the child advocacy center or its  
12 employees for group health insurance shall be deposited into  
13 the Local Government Health Insurance Reserve Fund.

14 (Source: P.A. 97-695, eff. 7-1-12; 98-488, eff. 8-16-13.)

15 Section 10. The Illinois Finance Authority Act is amended  
16 by changing Section 801-40 as follows:

17 (20 ILCS 3501/801-40)

18 Sec. 801-40. In addition to the powers otherwise authorized  
19 by law and in addition to the foregoing general corporate  
20 powers, the Authority shall also have the following additional  
21 specific powers to be exercised in furtherance of the purposes  
22 of this Act.

23 (a) The Authority shall have power (i) to accept grants,  
24 loans or appropriations from the federal government or the

1 State, or any agency or instrumentality thereof, to be used for  
2 the operating expenses of the Authority, or for any purposes of  
3 the Authority, including the making of direct loans of such  
4 funds with respect to projects, and (ii) to enter into any  
5 agreement with the federal government or the State, or any  
6 agency or instrumentality thereof, in relationship to such  
7 grants, loans or appropriations.

8 (b) The Authority shall have power to procure and enter  
9 into contracts for any type of insurance and indemnity  
10 agreements covering loss or damage to property from any cause,  
11 including loss of use and occupancy, or covering any other  
12 insurable risk.

13 (c) The Authority shall have the continuing power to issue  
14 bonds for its corporate purposes. Bonds may be issued by the  
15 Authority in one or more series and may provide for the payment  
16 of any interest deemed necessary on such bonds, of the costs of  
17 issuance of such bonds, of any premium on any insurance, or of  
18 the cost of any guarantees, letters of credit or other similar  
19 documents, may provide for the funding of the reserves deemed  
20 necessary in connection with such bonds, and may provide for  
21 the refunding or advance refunding of any bonds or for accounts  
22 deemed necessary in connection with any purpose of the  
23 Authority. The bonds may bear interest payable at any time or  
24 times and at any rate or rates, notwithstanding any other  
25 provision of law to the contrary, and such rate or rates may be  
26 established by an index or formula which may be implemented or

1 established by persons appointed or retained therefor by the  
2 Authority, or may bear no interest or may bear interest payable  
3 at maturity or upon redemption prior to maturity, may bear such  
4 date or dates, may be payable at such time or times and at such  
5 place or places, may mature at any time or times not later than  
6 40 years from the date of issuance, may be sold at public or  
7 private sale at such time or times and at such price or prices,  
8 may be secured by such pledges, reserves, guarantees, letters  
9 of credit, insurance contracts or other similar credit support  
10 or liquidity instruments, may be executed in such manner, may  
11 be subject to redemption prior to maturity, may provide for the  
12 registration of the bonds, and may be subject to such other  
13 terms and conditions all as may be provided by the resolution  
14 or indenture authorizing the issuance of such bonds. The holder  
15 or holders of any bonds issued by the Authority may bring suits  
16 at law or proceedings in equity to compel the performance and  
17 observance by any person or by the Authority or any of its  
18 agents or employees of any contract or covenant made with the  
19 holders of such bonds and to compel such person or the  
20 Authority and any of its agents or employees to perform any  
21 duties required to be performed for the benefit of the holders  
22 of any such bonds by the provision of the resolution  
23 authorizing their issuance, and to enjoin such person or the  
24 Authority and any of its agents or employees from taking any  
25 action in conflict with any such contract or covenant.  
26 Notwithstanding the form and tenor of any such bonds and in the

1 absence of any express recital on the face thereof that it is  
2 non-negotiable, all such bonds shall be negotiable  
3 instruments. Pending the preparation and execution of any such  
4 bonds, temporary bonds may be issued as provided by the  
5 resolution. The bonds shall be sold by the Authority in such  
6 manner as it shall determine. The bonds may be secured as  
7 provided in the authorizing resolution by the receipts,  
8 revenues, income and other available funds of the Authority and  
9 by any amounts derived by the Authority from the loan agreement  
10 or lease agreement with respect to the project or projects; and  
11 bonds may be issued as general obligations of the Authority  
12 payable from such revenues, funds and obligations of the  
13 Authority as the bond resolution shall provide, or may be  
14 issued as limited obligations with a claim for payment solely  
15 from such revenues, funds and obligations as the bond  
16 resolution shall provide. The Authority may grant a specific  
17 pledge or assignment of and lien on or security interest in  
18 such rights, revenues, income, or amounts and may grant a  
19 specific pledge or assignment of and lien on or security  
20 interest in any reserves, funds or accounts established in the  
21 resolution authorizing the issuance of bonds. Any such pledge,  
22 assignment, lien or security interest for the benefit of the  
23 holders of the Authority's bonds shall be valid and binding  
24 from the time the bonds are issued without any physical  
25 delivery or further act, and shall be valid and binding as  
26 against and prior to the claims of all other parties having

1 claims against the Authority or any other person irrespective  
2 of whether the other parties have notice of the pledge,  
3 assignment, lien or security interest. As evidence of such  
4 pledge, assignment, lien and security interest, the Authority  
5 may execute and deliver a mortgage, trust agreement, indenture  
6 or security agreement or an assignment thereof. A remedy for  
7 any breach or default of the terms of any such agreement by the  
8 Authority may be by mandamus proceedings in any court of  
9 competent jurisdiction to compel the performance and  
10 compliance therewith, but the agreement may prescribe by whom  
11 or on whose behalf such action may be instituted. It is  
12 expressly understood that the Authority may, but need not,  
13 acquire title to any project with respect to which it exercises  
14 its authority.

15 (c-5) The Authority shall have the power to issue State  
16 Pension Obligation Acceleration Bonds if in any fiscal year the  
17 amount appropriated for all accelerated pension benefit  
18 payments is less than the amount required for those payments.  
19 The proceeds from the State Pension Obligation Acceleration  
20 Bonds issued under this subsection may only be used to pay for  
21 accelerated pension benefit payments for the fiscal year in  
22 which the State Pension Obligation Acceleration Bonds are  
23 issued.

24 The Authority shall not have outstanding at any one time  
25 State Pension Obligation Acceleration Bonds for any of the  
26 purposes of this subsection in an aggregate principal amount

1 exceeding \$250,000,000, excluding bonds issued to refund  
2 outstanding State Pension Obligation Acceleration Bonds.

3 (d) With respect to the powers granted by this Act, the  
4 Authority may adopt rules and regulations prescribing the  
5 procedures by which persons may apply for assistance under this  
6 Act. Nothing herein shall be deemed to preclude the Authority,  
7 prior to the filing of any formal application, from conducting  
8 preliminary discussions and investigations with respect to the  
9 subject matter of any prospective application.

10 (e) The Authority shall have power to acquire by purchase,  
11 lease, gift or otherwise any property or rights therein from  
12 any person useful for its purposes, whether improved for the  
13 purposes of any prospective project, or unimproved. The  
14 Authority may also accept any donation of funds for its  
15 purposes from any such source. The Authority shall have no  
16 independent power of condemnation but may acquire any property  
17 or rights therein obtained upon condemnation by any other  
18 authority, governmental entity or unit of local government with  
19 such power.

20 (f) The Authority shall have power to develop, construct  
21 and improve either under its own direction, or through  
22 collaboration with any approved applicant, or to acquire  
23 through purchase or otherwise, any project, using for such  
24 purpose the proceeds derived from the sale of its bonds or from  
25 governmental loans or grants, and to hold title in the name of  
26 the Authority to such projects.

1 (g) The Authority shall have power to lease pursuant to a  
2 lease agreement any project so developed and constructed or  
3 acquired to the approved tenant on such terms and conditions as  
4 may be appropriate to further the purposes of this Act and to  
5 maintain the credit of the Authority. Any such lease may  
6 provide for either the Authority or the approved tenant to  
7 assume initially, in whole or in part, the costs of  
8 maintenance, repair and improvements during the leasehold  
9 period. In no case, however, shall the total rentals from any  
10 project during any initial leasehold period or the total loan  
11 repayments to be made pursuant to any loan agreement, be less  
12 than an amount necessary to return over such lease or loan  
13 period (1) all costs incurred in connection with the  
14 development, construction, acquisition or improvement of the  
15 project and for repair, maintenance and improvements thereto  
16 during the period of the lease or loan; provided, however, that  
17 the rentals or loan repayments need not include costs met  
18 through the use of funds other than those obtained by the  
19 Authority through the issuance of its bonds or governmental  
20 loans; (2) a reasonable percentage additive to be agreed upon  
21 by the Authority and the borrower or tenant to cover a properly  
22 allocable portion of the Authority's general expenses,  
23 including, but not limited to, administrative expenses,  
24 salaries and general insurance, and (3) an amount sufficient to  
25 pay when due all principal of, interest and premium, if any on,  
26 any bonds issued by the Authority with respect to the project.



1 The portion of total rentals payable under clause (3) of this  
2 subsection (g) shall be deposited in such special accounts,  
3 including all sinking funds, acquisition or construction  
4 funds, debt service and other funds as provided by any  
5 resolution, mortgage or trust agreement of the Authority  
6 pursuant to which any bond is issued.

7 (h) The Authority has the power, upon the termination of  
8 any leasehold period of any project, to sell or lease for a  
9 further term or terms such project on such terms and conditions  
10 as the Authority shall deem reasonable and consistent with the  
11 purposes of the Act. The net proceeds from all such sales and  
12 the revenues or income from such leases shall be used to  
13 satisfy any indebtedness of the Authority with respect to such  
14 project and any balance may be used to pay any expenses of the  
15 Authority or be used for the further development, construction,  
16 acquisition or improvement of projects. In the event any  
17 project is vacated by a tenant prior to the termination of the  
18 initial leasehold period, the Authority shall sell or lease the  
19 facilities of the project on the most advantageous terms  
20 available. The net proceeds of any such disposition shall be  
21 treated in the same manner as the proceeds from sales or the  
22 revenues or income from leases subsequent to the termination of  
23 any initial leasehold period.

24 (i) The Authority shall have the power to make loans to  
25 persons to finance a project, to enter into loan agreements  
26 with respect thereto, and to accept guarantees from persons of

1 its loans or the resultant evidences of obligations of the  
2 Authority.

3 (j) The Authority may fix, determine, charge and collect  
4 any premiums, fees, charges, costs and expenses, including,  
5 without limitation, any application fees, commitment fees,  
6 program fees, financing charges or publication fees from any  
7 person in connection with its activities under this Act.

8 (k) In addition to the funds established as provided  
9 herein, the Authority shall have the power to create and  
10 establish such reserve funds and accounts as may be necessary  
11 or desirable to accomplish its purposes under this Act and to  
12 deposit its available monies into the funds and accounts.

13 (l) At the request of the governing body of any unit of  
14 local government, the Authority is authorized to market such  
15 local government's revenue bond offerings by preparing bond  
16 issues for sale, advertising for sealed bids, receiving bids at  
17 its offices, making the award to the bidder that offers the  
18 most favorable terms or arranging for negotiated placements or  
19 underwritings of such securities. The Authority may, at its  
20 discretion, offer for concurrent sale the revenue bonds of  
21 several local governments. Sales by the Authority of revenue  
22 bonds under this Section shall in no way imply State guarantee  
23 of such debt issue. The Authority may require such financial  
24 information from participating local governments as it deems  
25 necessary in order to carry out the purposes of this subsection  
26 (1).

1           (m) The Authority may make grants to any county to which  
2 Division 5-37 of the Counties Code is applicable to assist in  
3 the financing of capital development, construction and  
4 renovation of new or existing facilities for hospitals and  
5 health care facilities under that Act. Such grants may only be  
6 made from funds appropriated for such purposes from the Build  
7 Illinois Bond Fund.

8           (n) The Authority may establish an urban development action  
9 grant program for the purpose of assisting municipalities in  
10 Illinois which are experiencing severe economic distress to  
11 help stimulate economic development activities needed to aid in  
12 economic recovery. The Authority shall determine the types of  
13 activities and projects for which the urban development action  
14 grants may be used, provided that such projects and activities  
15 are broadly defined to include all reasonable projects and  
16 activities the primary objectives of which are the development  
17 of viable urban communities, including decent housing and a  
18 suitable living environment, and expansion of economic  
19 opportunity, principally for persons of low and moderate  
20 incomes. The Authority shall enter into grant agreements from  
21 monies appropriated for such purposes from the Build Illinois  
22 Bond Fund. The Authority shall monitor the use of the grants,  
23 and shall provide for audits of the funds as well as recovery  
24 by the Authority of any funds determined to have been spent in  
25 violation of this subsection (n) or any rule or regulation  
26 promulgated hereunder. The Authority shall provide technical

1 assistance with regard to the effective use of the urban  
2 development action grants. The Authority shall file an annual  
3 report to the General Assembly concerning the progress of the  
4 grant program.

5 (o) The Authority may establish a Housing Partnership  
6 Program whereby the Authority provides zero-interest loans to  
7 municipalities for the purpose of assisting in the financing of  
8 projects for the rehabilitation of affordable multi-family  
9 housing for low and moderate income residents. The Authority  
10 may provide such loans only upon a municipality's providing  
11 evidence that it has obtained private funding for the  
12 rehabilitation project. The Authority shall provide 3 State  
13 dollars for every 7 dollars obtained by the municipality from  
14 sources other than the State of Illinois. The loans shall be  
15 made from monies appropriated for such purpose from the Build  
16 Illinois Bond Fund. The total amount of loans available under  
17 the Housing Partnership Program shall not exceed \$30,000,000.  
18 State loan monies under this subsection shall be used only for  
19 the acquisition and rehabilitation of existing buildings  
20 containing 4 or more dwelling units. The terms of any loan made  
21 by the municipality under this subsection shall require  
22 repayment of the loan to the municipality upon any sale or  
23 other transfer of the project.

24 (p) The Authority may award grants to universities and  
25 research institutions, research consortiums and other  
26 not-for-profit entities for the purposes of: remodeling or

1 otherwise physically altering existing laboratory or research  
2 facilities, expansion or physical additions to existing  
3 laboratory or research facilities, construction of new  
4 laboratory or research facilities or acquisition of modern  
5 equipment to support laboratory or research operations  
6 provided that such grants (i) be used solely in support of  
7 project and equipment acquisitions which enhance technology  
8 transfer, and (ii) not constitute more than 60 percent of the  
9 total project or acquisition cost.

10 (q) Grants may be awarded by the Authority to units of  
11 local government for the purpose of developing the appropriate  
12 infrastructure or defraying other costs to the local government  
13 in support of laboratory or research facilities provided that  
14 such grants may not exceed 40% of the cost to the unit of local  
15 government.

16 (r) The Authority may establish a Direct Loan Program to  
17 make loans to individuals, partnerships or corporations for the  
18 purpose of an industrial project, as defined in Section 801-10  
19 of this Act. For the purposes of such program and not by way of  
20 limitation on any other program of the Authority, the Authority  
21 shall have the power to issue bonds, notes, or other evidences  
22 of indebtedness including commercial paper for purposes of  
23 providing a fund of capital from which it may make such loans.  
24 The Authority shall have the power to use any appropriations  
25 from the State made especially for the Authority's Direct Loan  
26 Program for additional capital to make such loans or for the

1 purposes of reserve funds or pledged funds which secure the  
2 Authority's obligations of repayment of any bond, note or other  
3 form of indebtedness established for the purpose of providing  
4 capital for which it intends to make such loans under the  
5 Direct Loan Program. For the purpose of obtaining such capital,  
6 the Authority may also enter into agreements with financial  
7 institutions and other persons for the purpose of selling loans  
8 and developing a secondary market for such loans. Loans made  
9 under the Direct Loan Program may be in an amount not to exceed  
10 \$300,000 and shall be made for a portion of an industrial  
11 project which does not exceed 50% of the total project. No loan  
12 may be made by the Authority unless approved by the affirmative  
13 vote of at least 8 members of the board. The Authority shall  
14 establish procedures and publish rules which shall provide for  
15 the submission, review, and analysis of each direct loan  
16 application and which shall preserve the ability of each board  
17 member to reach an individual business judgment regarding the  
18 propriety of making each direct loan. The collective discretion  
19 of the board to approve or disapprove each loan shall be  
20 unencumbered. The Authority may establish and collect such fees  
21 and charges, determine and enforce such terms and conditions,  
22 and charge such interest rates as it determines to be necessary  
23 and appropriate to the successful administration of the Direct  
24 Loan Program. The Authority may require such interests in  
25 collateral and such guarantees as it determines are necessary  
26 to protect the Authority's interest in the repayment of the

1 principal and interest of each loan made under the Direct Loan  
2 Program.

3 (s) The Authority may guarantee private loans to third  
4 parties up to a specified dollar amount in order to promote  
5 economic development in this State.

6 (t) The Authority may adopt rules and regulations as may be  
7 necessary or advisable to implement the powers conferred by  
8 this Act.

9 (u) The Authority shall have the power to issue bonds,  
10 notes or other evidences of indebtedness, which may be used to  
11 make loans to units of local government which are authorized to  
12 enter into loan agreements and other documents and to issue  
13 bonds, notes and other evidences of indebtedness for the  
14 purpose of financing the protection of storm sewer outfalls,  
15 the construction of adequate storm sewer outfalls, and the  
16 provision for flood protection of sanitary sewage treatment  
17 plans, in counties that have established a stormwater  
18 management planning committee in accordance with Section  
19 5-1062 of the Counties Code. Any such loan shall be made by the  
20 Authority pursuant to the provisions of Section 820-5 to 820-60  
21 of this Act. The unit of local government shall pay back to the  
22 Authority the principal amount of the loan, plus annual  
23 interest as determined by the Authority. The Authority shall  
24 have the power, subject to appropriations by the General  
25 Assembly, to subsidize or buy down a portion of the interest on  
26 such loans, up to 4% per annum.

1           (v) The Authority may accept security interests as provided  
2 in Sections 11-3 and 11-3.3 of the Illinois Public Aid Code.

3           (w) Moral Obligation. In the event that the Authority  
4 determines that monies of the Authority will not be sufficient  
5 for the payment of the principal of and interest on its bonds  
6 during the next State fiscal year, the Chairperson, as soon as  
7 practicable, shall certify to the Governor the amount required  
8 by the Authority to enable it to pay such principal of and  
9 interest on the bonds. The Governor shall submit the amount so  
10 certified to the General Assembly as soon as practicable, but  
11 no later than the end of the current State fiscal year. This  
12 subsection shall apply only to any bonds or notes as to which  
13 the Authority shall have determined, in the resolution  
14 authorizing the issuance of the bonds or notes, that this  
15 subsection shall apply. Whenever the Authority makes such a  
16 determination, that fact shall be plainly stated on the face of  
17 the bonds or notes and that fact shall also be reported to the  
18 Governor. In the event of a withdrawal of moneys from a reserve  
19 fund established with respect to any issue or issues of bonds  
20 of the Authority to pay principal or interest on those bonds,  
21 the Chairperson of the Authority, as soon as practicable, shall  
22 certify to the Governor the amount required to restore the  
23 reserve fund to the level required in the resolution or  
24 indenture securing those bonds. The Governor shall submit the  
25 amount so certified to the General Assembly as soon as  
26 practicable, but no later than the end of the current State



1 fiscal year. The Authority shall obtain written approval from  
2 the Governor for any bonds and notes to be issued under this  
3 Section. In addition to any other bonds authorized to be issued  
4 under Sections 825-60, 825-65(e), 830-25 and 845-5, the  
5 principal amount of Authority bonds outstanding issued under  
6 this Section 801-40(w) or under 20 ILCS 3850/1-80 or 30 ILCS  
7 360/2-6(c), which have been assumed by the Authority, shall not  
8 exceed \$150,000,000. This subsection (w) shall in no way be  
9 applied to any bonds issued by the Authority on behalf of the  
10 Illinois Power Agency under Section 825-90 of this Act.

11 (x) The Authority may enter into agreements or contracts  
12 with any person necessary or appropriate to place the payment  
13 obligations of the Authority under any of its bonds in whole or  
14 in part on any interest rate basis, cash flow basis, or other  
15 basis desired by the Authority, including without limitation  
16 agreements or contracts commonly known as "interest rate swap  
17 agreements", "forward payment conversion agreements", and  
18 "futures", or agreements or contracts to exchange cash flows or  
19 a series of payments, or agreements or contracts, including  
20 without limitation agreements or contracts commonly known as  
21 "options", "puts", or "calls", to hedge payment, rate spread,  
22 or similar exposure; provided that any such agreement or  
23 contract shall not constitute an obligation for borrowed money  
24 and shall not be taken into account under Section 845-5 of this  
25 Act or any other debt limit of the Authority or the State of  
26 Illinois.

1           (y) The Authority shall publish summaries of projects and  
2 actions approved by the members of the Authority on its  
3 website. These summaries shall include, but not be limited to,  
4 information regarding the:

- 5           (1) project;
- 6           (2) Board's action or actions;
- 7           (3) purpose of the project;
- 8           (4) Authority's program and contribution;
- 9           (5) volume cap;
- 10          (6) jobs retained;
- 11          (7) projected new jobs;
- 12          (8) construction jobs created;
- 13          (9) estimated sources and uses of funds;
- 14          (10) financing summary;
- 15          (11) project summary;
- 16          (12) business summary;
- 17          (13) ownership or economic disclosure statement;
- 18          (14) professional and financial information;
- 19          (15) service area; and
- 20          (16) legislative district.

21           The disclosure of information pursuant to this subsection  
22 shall comply with the Freedom of Information Act.

23           (Source: P.A. 95-470, eff. 8-27-07; 95-481, eff. 8-28-07;  
24 95-876, eff. 8-21-08; 96-795, eff. 7-1-10 (see Section 5 of  
25 P.A. 96-793 for the effective date of changes made by P.A.  
26 96-795).)

1 Section 15. The State Finance Act is amended by adding  
2 Section 5.886 as follows:

3 (30 ILCS 105/5.886 new)

4 Sec. 5.886. The State Pension Obligation Acceleration Bond  
5 Fund.

6 Section 20. The General Obligation Bond Act is amended by  
7 changing Sections 2, 2.5, 9, 11, 12, and 13 and by adding  
8 Section 7.7 as follows:

9 (30 ILCS 330/2) (from Ch. 127, par. 652)

10 Sec. 2. Authorization for Bonds. The State of Illinois is  
11 authorized to issue, sell and provide for the retirement of  
12 General Obligation Bonds of the State of Illinois for the  
13 categories and specific purposes expressed in Sections 2  
14 through 8 of this Act, in the total amount of \$56,167,925,743  
15 ~~\$55,917,925,743~~.

16 The bonds authorized in this Section 2 and in Section 16 of  
17 this Act are herein called "Bonds".

18 Of the total amount of Bonds authorized in this Act, up to  
19 \$2,200,000,000 in aggregate original principal amount may be  
20 issued and sold in accordance with the Baccalaureate Savings  
21 Act in the form of General Obligation College Savings Bonds.

22 Of the total amount of Bonds authorized in this Act, up to

1 \$300,000,000 in aggregate original principal amount may be  
2 issued and sold in accordance with the Retirement Savings Act  
3 in the form of General Obligation Retirement Savings Bonds.

4 Of the total amount of Bonds authorized in this Act, the  
5 additional \$10,000,000,000 authorized by Public Act 93-2, the  
6 \$3,466,000,000 authorized by Public Act 96-43, and the  
7 \$4,096,348,300 authorized by Public Act 96-1497 shall be used  
8 solely as provided in Section 7.2.

9 Of the total amount of Bonds authorized in this Act, the  
10 additional \$6,000,000,000 authorized by this amendatory Act of  
11 the 100th General Assembly shall be used solely as provided in  
12 Section 7.6 and shall be issued by December 31, 2017.

13 Of the total amount of Bonds authorized in this Act, the  
14 additional \$250,000,000 authorized by this amendatory Act of  
15 the 100th General Assembly shall be used solely as provided in  
16 Section 7.7.

17 The issuance and sale of Bonds pursuant to the General  
18 Obligation Bond Act is an economical and efficient method of  
19 financing the long-term capital needs of the State. This Act  
20 will permit the issuance of a multi-purpose General Obligation  
21 Bond with uniform terms and features. This will not only lower  
22 the cost of registration but also reduce the overall cost of  
23 issuing debt by improving the marketability of Illinois General  
24 Obligation Bonds.

25 (Source: P.A. 100-23, eff. 7-6-17.)

1 (30 ILCS 330/2.5)

2 Sec. 2.5. Limitation on issuance of Bonds.

3 (a) Except as provided in subsection (b), no Bonds may be  
4 issued if, after the issuance, in the next State fiscal year  
5 after the issuance of the Bonds, the amount of debt service  
6 (including principal, whether payable at maturity or pursuant  
7 to mandatory sinking fund installments, and interest) on all  
8 then-outstanding Bonds, other than (i) Bonds authorized by  
9 Public Act 100-23 ~~this amendatory Act of the 100th General~~  
10 ~~Assembly,~~ (ii) Bonds authorized by this amendatory Act of the  
11 100th General Assembly, (iii) ~~(ii)~~ Bonds issued by Public Act  
12 96-43, and (iv) ~~(iii)~~ Bonds authorized by Public Act 96-1497,  
13 would exceed 7% of the aggregate appropriations from the  
14 general funds (which consist of the General Revenue Fund, the  
15 Common School Fund, the General Revenue Common School Special  
16 Account Fund, and the Education Assistance Fund) and the Road  
17 Fund for the fiscal year immediately prior to the fiscal year  
18 of the issuance.

19 (b) If the Comptroller and Treasurer each consent in  
20 writing, Bonds may be issued even if the issuance does not  
21 comply with subsection (a). In addition, \$2,000,000,000 in  
22 Bonds for the purposes set forth in Sections 3, 4, 5, 6, and 7,  
23 and \$2,000,000,000 in Refunding Bonds under Section 16, may be  
24 issued during State fiscal year 2017 without complying with  
25 subsection (a). In addition, \$2,000,000,000 in Bonds for the  
26 purposes set forth in Sections 3, 4, 5, 6, and 7, and

1 \$2,000,000,000 in Refunding Bonds under Section 16, may be  
2 issued during State fiscal year 2018 without complying with  
3 subsection (a).

4 (Source: P.A. 99-523, eff. 6-30-16; 100-23, Article 25, Section  
5 25-5, eff. 7-6-17; 100-23, Article 75, Section 75-10, eff.  
6 7-6-17; revised 8-8-17.)

7 (30 ILCS 330/7.7 new)

8 Sec. 7.7. State Pension Obligation Acceleration Bonds.

9 (a) As used in this Act, "State Pension Obligation  
10 Acceleration Bonds" means Bonds authorized by this amendatory  
11 Act of the 100th General Assembly and used for the purposes set  
12 forth in subsection (c-5) of Section 801-40 of the Illinois  
13 Finance Authority Act.

14 (b) State Pension Obligation Acceleration Bonds in the  
15 amount of \$250,000,000 are hereby authorized to be used for the  
16 purposes set forth in subsection (c-5) of Section 801-40 of the  
17 Illinois Finance Authority Act.

18 (c) The proceeds of State Pension Obligation Acceleration  
19 Bonds authorized in subsection (b) of this Section, less the  
20 amounts authorized in the Bond Sale Order to be directly paid  
21 out for bond sale expenses under Section 8, shall be deposited  
22 directly into the State Pension Obligation Acceleration Bond  
23 Fund, and the Comptroller and the Treasurer shall, as soon as  
24 practical, make payments as contemplated by subsection (c-5) of  
25 Section 801-40 of the Illinois Finance Authority Act.

1       (d) There is created the State Pension Obligation  
2 Acceleration Bond Fund as a special fund in the State Treasury.  
3 Funds deposited in the State Pension Obligation Acceleration  
4 Bond Fund may only be used for the purposes set forth in  
5 subsection (c-5) of Section 801-40 of the Illinois Finance  
6 Authority Act or for the payment of principal and interest due  
7 on State Pension Obligation Acceleration Bonds.

8       (30 ILCS 330/9) (from Ch. 127, par. 659)

9       Sec. 9. Conditions for issuance and sale of Bonds;  
10 requirements ~~Issuance and Sale of Bonds~~ — Requirements for  
11 Bonds.

12       (a) Except as otherwise provided in this subsection, ~~and~~  
13 subsection (h), and subsection (i), Bonds shall be issued and  
14 sold from time to time, in one or more series, in such amounts  
15 and at such prices as may be directed by the Governor, upon  
16 recommendation by the Director of the Governor's Office of  
17 Management and Budget. Bonds shall be in such form (either  
18 coupon, registered or book entry), in such denominations,  
19 payable within 25 years from their date, subject to such terms  
20 of redemption with or without premium, bear interest payable at  
21 such times and at such fixed or variable rate or rates, and be  
22 dated as shall be fixed and determined by the Director of the  
23 Governor's Office of Management and Budget in the order  
24 authorizing the issuance and sale of any series of Bonds, which  
25 order shall be approved by the Governor and is herein called a

1 "Bond Sale Order"; provided however, that interest payable at  
2 fixed or variable rates shall not exceed that permitted in the  
3 Bond Authorization Act, as now or hereafter amended. Bonds  
4 shall be payable at such place or places, within or without the  
5 State of Illinois, and may be made registrable as to either  
6 principal or as to both principal and interest, as shall be  
7 specified in the Bond Sale Order. Bonds may be callable or  
8 subject to purchase and retirement or tender and remarketing as  
9 fixed and determined in the Bond Sale Order. Bonds, other than  
10 Bonds issued under Section 3 of this Act for the costs  
11 associated with the purchase and implementation of information  
12 technology, (i) except for refunding Bonds satisfying the  
13 requirements of Section 16 of this Act and sold during fiscal  
14 year 2009, 2010, 2011, 2017, or 2018 must be issued with  
15 principal or mandatory redemption amounts in equal amounts,  
16 with the first maturity issued occurring within the fiscal year  
17 in which the Bonds are issued or within the next succeeding  
18 fiscal year and (ii) must mature or be subject to mandatory  
19 redemption each fiscal year thereafter up to 25 years, except  
20 for refunding Bonds satisfying the requirements of Section 16  
21 of this Act and sold during fiscal year 2009, 2010, or 2011  
22 which must mature or be subject to mandatory redemption each  
23 fiscal year thereafter up to 16 years. Bonds issued under  
24 Section 3 of this Act for the costs associated with the  
25 purchase and implementation of information technology must be  
26 issued with principal or mandatory redemption amounts in equal



1 amounts, with the first maturity issued occurring with the  
2 fiscal year in which the respective bonds are issued or with  
3 the next succeeding fiscal year, with the respective bonds  
4 issued maturing or subject to mandatory redemption each fiscal  
5 year thereafter up to 10 years. Notwithstanding any provision  
6 of this Act to the contrary, the Bonds authorized by Public Act  
7 96-43 shall be payable within 5 years from their date and must  
8 be issued with principal or mandatory redemption amounts in  
9 equal amounts, with payment of principal or mandatory  
10 redemption beginning in the first fiscal year following the  
11 fiscal year in which the Bonds are issued.

12 Notwithstanding any provision of this Act to the contrary,  
13 the Bonds authorized by Public Act 96-1497 shall be payable  
14 within 8 years from their date and shall be issued with payment  
15 of maturing principal or scheduled mandatory redemptions in  
16 accordance with the following schedule, except the following  
17 amounts shall be prorated if less than the total additional  
18 amount of Bonds authorized by Public Act 96-1497 are issued:

19	Fiscal Year After Issuance	Amount
20	1-2	\$0
21	3	\$110,712,120
22	4	\$332,136,360
23	5	\$664,272,720
24	6-8	\$996,409,080

25 Notwithstanding any provision of this Act to the contrary,  
26 Income Tax Proceed Bonds issued under Section 7.6 shall be

1 payable 12 years from the date of sale and shall be issued with  
2 payment of principal or mandatory redemption.

3 In the case of any series of Bonds bearing interest at a  
4 variable interest rate ("Variable Rate Bonds"), in lieu of  
5 determining the rate or rates at which such series of Variable  
6 Rate Bonds shall bear interest and the price or prices at which  
7 such Variable Rate Bonds shall be initially sold or remarketed  
8 (in the event of purchase and subsequent resale), the Bond Sale  
9 Order may provide that such interest rates and prices may vary  
10 from time to time depending on criteria established in such  
11 Bond Sale Order, which criteria may include, without  
12 limitation, references to indices or variations in interest  
13 rates as may, in the judgment of a remarketing agent, be  
14 necessary to cause Variable Rate Bonds of such series to be  
15 remarketable from time to time at a price equal to their  
16 principal amount, and may provide for appointment of a bank,  
17 trust company, investment bank, or other financial institution  
18 to serve as remarketing agent in that connection. The Bond Sale  
19 Order may provide that alternative interest rates or provisions  
20 for establishing alternative interest rates, different  
21 security or claim priorities, or different call or amortization  
22 provisions will apply during such times as Variable Rate Bonds  
23 of any series are held by a person providing credit or  
24 liquidity enhancement arrangements for such Bonds as  
25 authorized in subsection (b) of this Section. The Bond Sale  
26 Order may also provide for such variable interest rates to be

1 established pursuant to a process generally known as an auction  
2 rate process and may provide for appointment of one or more  
3 financial institutions to serve as auction agents and  
4 broker-dealers in connection with the establishment of such  
5 interest rates and the sale and remarketing of such Bonds.

6 (b) In connection with the issuance of any series of Bonds,  
7 the State may enter into arrangements to provide additional  
8 security and liquidity for such Bonds, including, without  
9 limitation, bond or interest rate insurance or letters of  
10 credit, lines of credit, bond purchase contracts, or other  
11 arrangements whereby funds are made available to retire or  
12 purchase Bonds, thereby assuring the ability of owners of the  
13 Bonds to sell or redeem their Bonds. The State may enter into  
14 contracts and may agree to pay fees to persons providing such  
15 arrangements, but only under circumstances where the Director  
16 of the Governor's Office of Management and Budget certifies  
17 that he or she reasonably expects the total interest paid or to  
18 be paid on the Bonds, together with the fees for the  
19 arrangements (being treated as if interest), would not, taken  
20 together, cause the Bonds to bear interest, calculated to their  
21 stated maturity, at a rate in excess of the rate that the Bonds  
22 would bear in the absence of such arrangements.

23 The State may, with respect to Bonds issued or anticipated  
24 to be issued, participate in and enter into arrangements with  
25 respect to interest rate protection or exchange agreements,  
26 guarantees, or financial futures contracts for the purpose of

1 limiting, reducing, or managing interest rate exposure. The  
2 authority granted under this paragraph, however, shall not  
3 increase the principal amount of Bonds authorized to be issued  
4 by law. The arrangements may be executed and delivered by the  
5 Director of the Governor's Office of Management and Budget on  
6 behalf of the State. Net payments for such arrangements shall  
7 constitute interest on the Bonds and shall be paid from the  
8 General Obligation Bond Retirement and Interest Fund. The  
9 Director of the Governor's Office of Management and Budget  
10 shall at least annually certify to the Governor and the State  
11 Comptroller his or her estimate of the amounts of such net  
12 payments to be included in the calculation of interest required  
13 to be paid by the State.

14 (c) Prior to the issuance of any Variable Rate Bonds  
15 pursuant to subsection (a), the Director of the Governor's  
16 Office of Management and Budget shall adopt an interest rate  
17 risk management policy providing that the amount of the State's  
18 variable rate exposure with respect to Bonds shall not exceed  
19 20%. This policy shall remain in effect while any Bonds are  
20 outstanding and the issuance of Bonds shall be subject to the  
21 terms of such policy. The terms of this policy may be amended  
22 from time to time by the Director of the Governor's Office of  
23 Management and Budget but in no event shall any amendment cause  
24 the permitted level of the State's variable rate exposure with  
25 respect to Bonds to exceed 20%.

26 (d) "Build America Bonds" in this Section means Bonds

1 authorized by Section 54AA of the Internal Revenue Code of  
2 1986, as amended ("Internal Revenue Code"), and bonds issued  
3 from time to time to refund or continue to refund "Build  
4 America Bonds".

5 (e) Notwithstanding any other provision of this Section,  
6 Qualified School Construction Bonds shall be issued and sold  
7 from time to time, in one or more series, in such amounts and  
8 at such prices as may be directed by the Governor, upon  
9 recommendation by the Director of the Governor's Office of  
10 Management and Budget. Qualified School Construction Bonds  
11 shall be in such form (either coupon, registered or book  
12 entry), in such denominations, payable within 25 years from  
13 their date, subject to such terms of redemption with or without  
14 premium, and if the Qualified School Construction Bonds are  
15 issued with a supplemental coupon, bear interest payable at  
16 such times and at such fixed or variable rate or rates, and be  
17 dated as shall be fixed and determined by the Director of the  
18 Governor's Office of Management and Budget in the order  
19 authorizing the issuance and sale of any series of Qualified  
20 School Construction Bonds, which order shall be approved by the  
21 Governor and is herein called a "Bond Sale Order"; except that  
22 interest payable at fixed or variable rates, if any, shall not  
23 exceed that permitted in the Bond Authorization Act, as now or  
24 hereafter amended. Qualified School Construction Bonds shall  
25 be payable at such place or places, within or without the State  
26 of Illinois, and may be made registrable as to either principal

1 or as to both principal and interest, as shall be specified in  
2 the Bond Sale Order. Qualified School Construction Bonds may be  
3 callable or subject to purchase and retirement or tender and  
4 remarketing as fixed and determined in the Bond Sale Order.  
5 Qualified School Construction Bonds must be issued with  
6 principal or mandatory redemption amounts or sinking fund  
7 payments into the General Obligation Bond Retirement and  
8 Interest Fund (or subaccount therefor) in equal amounts, with  
9 the first maturity issued, mandatory redemption payment or  
10 sinking fund payment occurring within the fiscal year in which  
11 the Qualified School Construction Bonds are issued or within  
12 the next succeeding fiscal year, with Qualified School  
13 Construction Bonds issued maturing or subject to mandatory  
14 redemption or with sinking fund payments thereof deposited each  
15 fiscal year thereafter up to 25 years. Sinking fund payments  
16 set forth in this subsection shall be permitted only to the  
17 extent authorized in Section 54F of the Internal Revenue Code  
18 or as otherwise determined by the Director of the Governor's  
19 Office of Management and Budget. "Qualified School  
20 Construction Bonds" in this subsection means Bonds authorized  
21 by Section 54F of the Internal Revenue Code and for bonds  
22 issued from time to time to refund or continue to refund such  
23 "Qualified School Construction Bonds".

24 (f) Beginning with the next issuance by the Governor's  
25 Office of Management and Budget to the Procurement Policy Board  
26 of a request for quotation for the purpose of formulating a new

1 pool of qualified underwriting banks list, all entities  
2 responding to such a request for quotation for inclusion on  
3 that list shall provide a written report to the Governor's  
4 Office of Management and Budget and the Illinois Comptroller.  
5 The written report submitted to the Comptroller shall (i) be  
6 published on the Comptroller's Internet website and (ii) be  
7 used by the Governor's Office of Management and Budget for the  
8 purposes of scoring such a request for quotation. The written  
9 report, at a minimum, shall:

10 (1) disclose whether, within the past 3 months,  
11 pursuant to its credit default swap market-making  
12 activities, the firm has entered into any State of Illinois  
13 credit default swaps ("CDS");

14 (2) include, in the event of State of Illinois CDS  
15 activity, disclosure of the firm's cumulative notional  
16 volume of State of Illinois CDS trades and the firm's  
17 outstanding gross and net notional amount of State of  
18 Illinois CDS, as of the end of the current 3-month period;

19 (3) indicate, pursuant to the firm's proprietary  
20 trading activities, disclosure of whether the firm, within  
21 the past 3 months, has entered into any proprietary trades  
22 for its own account in State of Illinois CDS;

23 (4) include, in the event of State of Illinois  
24 proprietary trades, disclosure of the firm's outstanding  
25 gross and net notional amount of proprietary State of  
26 Illinois CDS and whether the net position is short or long

1 credit protection, as of the end of the current 3-month  
2 period;

3 (5) list all time periods during the past 3 months  
4 during which the firm held net long or net short State of  
5 Illinois CDS proprietary credit protection positions, the  
6 amount of such positions, and whether those positions were  
7 net long or net short credit protection positions; and

8 (6) indicate whether, within the previous 3 months, the  
9 firm released any publicly available research or marketing  
10 reports that reference State of Illinois CDS and include  
11 those research or marketing reports as attachments.

12 (g) All entities included on a Governor's Office of  
13 Management and Budget's pool of qualified underwriting banks  
14 list shall, as soon as possible after March 18, 2011 (the  
15 effective date of Public Act 96-1554), but not later than  
16 January 21, 2011, and on a quarterly fiscal basis thereafter,  
17 provide a written report to the Governor's Office of Management  
18 and Budget and the Illinois Comptroller. The written reports  
19 submitted to the Comptroller shall be published on the  
20 Comptroller's Internet website. The written reports, at a  
21 minimum, shall:

22 (1) disclose whether, within the past 3 months,  
23 pursuant to its credit default swap market-making  
24 activities, the firm has entered into any State of Illinois  
25 credit default swaps ("CDS");

26 (2) include, in the event of State of Illinois CDS



1 activity, disclosure of the firm's cumulative notional  
2 volume of State of Illinois CDS trades and the firm's  
3 outstanding gross and net notional amount of State of  
4 Illinois CDS, as of the end of the current 3-month period;

5 (3) indicate, pursuant to the firm's proprietary  
6 trading activities, disclosure of whether the firm, within  
7 the past 3 months, has entered into any proprietary trades  
8 for its own account in State of Illinois CDS;

9 (4) include, in the event of State of Illinois  
10 proprietary trades, disclosure of the firm's outstanding  
11 gross and net notional amount of proprietary State of  
12 Illinois CDS and whether the net position is short or long  
13 credit protection, as of the end of the current 3-month  
14 period;

15 (5) list all time periods during the past 3 months  
16 during which the firm held net long or net short State of  
17 Illinois CDS proprietary credit protection positions, the  
18 amount of such positions, and whether those positions were  
19 net long or net short credit protection positions; and

20 (6) indicate whether, within the previous 3 months, the  
21 firm released any publicly available research or marketing  
22 reports that reference State of Illinois CDS and include  
23 those research or marketing reports as attachments.

24 (h) Notwithstanding any other provision of this Section,  
25 for purposes of maximizing market efficiencies and cost  
26 savings, Income Tax Proceed Bonds may be issued and sold from

1 time to time, in one or more series, in such amounts and at  
2 such prices as may be directed by the Governor, upon  
3 recommendation by the Director of the Governor's Office of  
4 Management and Budget. Income Tax Proceed Bonds shall be in  
5 such form, either coupon, registered, or book entry, in such  
6 denominations, shall bear interest payable at such times and at  
7 such fixed or variable rate or rates, and be dated as shall be  
8 fixed and determined by the Director of the Governor's Office  
9 of Management and Budget in the order authorizing the issuance  
10 and sale of any series of Income Tax Proceed Bonds, which order  
11 shall be approved by the Governor and is herein called a "Bond  
12 Sale Order"; provided, however, that interest payable at fixed  
13 or variable rates shall not exceed that permitted in the Bond  
14 Authorization Act. Income Tax Proceed Bonds shall be payable at  
15 such place or places, within or without the State of Illinois,  
16 and may be made registrable as to either principal or as to  
17 both principal and interest, as shall be specified in the Bond  
18 Sale Order. Income Tax Proceed Bonds may be callable or subject  
19 to purchase and retirement or tender and remarketing as fixed  
20 and determined in the Bond Sale Order.

21 (i) Notwithstanding any other provision of this Section,  
22 for purposes of maximizing market efficiencies and cost  
23 savings, State Pension Obligation Acceleration Bonds may be  
24 issued and sold from time to time, in one or more series, in  
25 such amounts and at such prices as may be directed by the  
26 Governor, upon recommendation by the Director of the Governor's

1 Office of Management and Budget. State Pension Obligation  
2 Acceleration Bonds shall be in such form, either coupon,  
3 registered, or book entry, in such denominations, shall bear  
4 interest payable at such times and at such fixed or variable  
5 rate or rates, and be dated as shall be fixed and determined by  
6 the Director of the Governor's Office of Management and Budget  
7 in the order authorizing the issuance and sale of any series of  
8 State Pension Obligation Acceleration Bonds, which order shall  
9 be approved by the Governor and is herein called a "Bond Sale  
10 Order"; provided, however, that interest payable at fixed or  
11 variable rates shall not exceed that permitted in the Bond  
12 Authorization Act. State Pension Obligation Acceleration Bonds  
13 shall be payable at such place or places, within or without the  
14 State of Illinois, and may be made registrable as to either  
15 principal or as to both principal and interest, as shall be  
16 specified in the Bond Sale Order. State Pension Obligation  
17 Acceleration Bonds may be callable or subject to purchase and  
18 retirement or tender and remarketing as fixed and determined in  
19 the Bond Sale Order.

20 (Source: P.A. 99-523, eff. 6-30-16; 100-23, Article 25, Section  
21 25-5, eff. 7-6-17; 100-23, Article 75, Section 75-10, eff.  
22 7-6-17; revised 8-8-17.)

23 (30 ILCS 330/11) (from Ch. 127, par. 661)

24 Sec. 11. Sale of Bonds. Except as otherwise provided in  
25 this Section, Bonds shall be sold from time to time pursuant to

1 notice of sale and public bid or by negotiated sale in such  
2 amounts and at such times as is directed by the Governor, upon  
3 recommendation by the Director of the Governor's Office of  
4 Management and Budget. At least 25%, based on total principal  
5 amount, of all Bonds issued each fiscal year shall be sold  
6 pursuant to notice of sale and public bid. At all times during  
7 each fiscal year, no more than 75%, based on total principal  
8 amount, of the Bonds issued each fiscal year, shall have been  
9 sold by negotiated sale. Failure to satisfy the requirements in  
10 the preceding 2 sentences shall not affect the validity of any  
11 previously issued Bonds; provided that all Bonds authorized by  
12 Public Act 96-43 and Public Act 96-1497 shall not be included  
13 in determining compliance for any fiscal year with the  
14 requirements of the preceding 2 sentences; and further provided  
15 that refunding Bonds satisfying the requirements of Section 16  
16 of this Act and sold during fiscal year 2009, 2010, 2011, 2017,  
17 or 2018 shall not be subject to the requirements in the  
18 preceding 2 sentences.

19 If any Bonds, including refunding Bonds, are to be sold by  
20 negotiated sale, the Director of the Governor's Office of  
21 Management and Budget shall comply with the competitive request  
22 for proposal process set forth in the Illinois Procurement Code  
23 and all other applicable requirements of that Code.

24 If Bonds are to be sold pursuant to notice of sale and  
25 public bid, the Director of the Governor's Office of Management  
26 and Budget may, from time to time, as Bonds are to be sold,

1 advertise the sale of the Bonds in at least 2 daily newspapers,  
2 one of which is published in the City of Springfield and one in  
3 the City of Chicago. The sale of the Bonds shall also be  
4 advertised in the volume of the Illinois Procurement Bulletin  
5 that is published by the Department of Central Management  
6 Services, and shall be published once at least 10 days prior to  
7 the date fixed for the opening of the bids. The Director of the  
8 Governor's Office of Management and Budget may reschedule the  
9 date of sale upon the giving of such additional notice as the  
10 Director deems adequate to inform prospective bidders of such  
11 change; provided, however, that all other conditions of the  
12 sale shall continue as originally advertised.

13 Executed Bonds shall, upon payment therefor, be delivered  
14 to the purchaser, and the proceeds of Bonds shall be paid into  
15 the State Treasury as directed by Section 12 of this Act.

16 All Income Tax Proceed Bonds shall comply with this  
17 Section. Notwithstanding anything to the contrary, however,  
18 for purposes of complying with this Section, Income Tax Proceed  
19 Bonds, regardless of the number of series or issuances sold  
20 thereunder, shall be considered a single issue or series.  
21 Furthermore, for purposes of complying with the competitive  
22 bidding requirements of this Section, the words "at all times"  
23 shall not apply to any such sale of the Income Tax Proceed  
24 Bonds. The Director of the Governor's Office of Management and  
25 Budget shall determine the time and manner of any competitive  
26 sale of the Income Tax Proceed Bonds; however, that sale shall

1 under no circumstances take place later than 60 days after the  
2 State closes the sale of 75% of the Income Tax Proceed Bonds by  
3 negotiated sale.

4 All State Pension Obligation Acceleration Bonds shall  
5 comply with this Section. Notwithstanding anything to the  
6 contrary, however, for purposes of complying with this Section,  
7 State Pension Obligation Acceleration Bonds, regardless of the  
8 number of series or issuances sold thereunder, shall be  
9 considered a single issue or series. Furthermore, for purposes  
10 of complying with the competitive bidding requirements of this  
11 Section, the words "at all times" shall not apply to any such  
12 sale of the State Pension Obligation Acceleration Bonds. The  
13 Director of the Governor's Office of Management and Budget  
14 shall determine the time and manner of any competitive sale of  
15 the State Pension Obligation Acceleration Bonds; however, that  
16 sale shall under no circumstances take place later than 60 days  
17 after the State closes the sale of 75% of the State Pension  
18 Obligation Acceleration Bonds by negotiated sale.

19 (Source: P.A. 99-523, eff. 6-30-16; 100-23, Article 25, Section  
20 25-5, eff. 7-6-17; 100-23, Article 75, Section 75-10, eff.  
21 7-6-17; revised 8-15-17.)

22 (30 ILCS 330/12) (from Ch. 127, par. 662)

23 Sec. 12. Allocation of proceeds from sale of Bonds.

24 (a) Proceeds from the sale of Bonds, authorized by Section  
25 3 of this Act, shall be deposited in the separate fund known as

1 the Capital Development Fund.

2 (b) Proceeds from the sale of Bonds, authorized by  
3 paragraph (a) of Section 4 of this Act, shall be deposited in  
4 the separate fund known as the Transportation Bond, Series A  
5 Fund.

6 (c) Proceeds from the sale of Bonds, authorized by  
7 paragraphs (b) and (c) of Section 4 of this Act, shall be  
8 deposited in the separate fund known as the Transportation  
9 Bond, Series B Fund.

10 (c-1) Proceeds from the sale of Bonds, authorized by  
11 paragraph (d) of Section 4 of this Act, shall be deposited into  
12 the Transportation Bond Series D Fund, which is hereby created.

13 (d) Proceeds from the sale of Bonds, authorized by Section  
14 5 of this Act, shall be deposited in the separate fund known as  
15 the School Construction Fund.

16 (e) Proceeds from the sale of Bonds, authorized by Section  
17 6 of this Act, shall be deposited in the separate fund known as  
18 the Anti-Pollution Fund.

19 (f) Proceeds from the sale of Bonds, authorized by Section  
20 7 of this Act, shall be deposited in the separate fund known as  
21 the Coal Development Fund.

22 (f-2) Proceeds from the sale of Bonds, authorized by  
23 Section 7.2 of this Act, shall be deposited as set forth in  
24 Section 7.2.

25 (f-5) Proceeds from the sale of Bonds, authorized by  
26 Section 7.5 of this Act, shall be deposited as set forth in

1 Section 7.5.

2 (f-7) Proceeds from the sale of Bonds, authorized by  
3 Section 7.6 of this Act, shall be deposited as set forth in  
4 Section 7.6.

5 (f-10) Proceeds from the sale of Bonds, authorized by  
6 Section 7.7 of this Act, shall be deposited as set forth in  
7 Section 7.7.

8 (g) Proceeds from the sale of Bonds, authorized by Section  
9 8 of this Act, shall be deposited in the Capital Development  
10 Fund.

11 (h) Subsequent to the issuance of any Bonds for the  
12 purposes described in Sections 2 through 8 of this Act, the  
13 Governor and the Director of the Governor's Office of  
14 Management and Budget may provide for the reallocation of  
15 unspent proceeds of such Bonds to any other purposes authorized  
16 under said Sections of this Act, subject to the limitations on  
17 aggregate principal amounts contained therein. Upon any such  
18 reallocation, such unspent proceeds shall be transferred to the  
19 appropriate funds as determined by reference to paragraphs (a)  
20 through (g) of this Section.

21 (Source: P.A. 100-23, eff. 7-6-17.)

22 (30 ILCS 330/13) (from Ch. 127, par. 663)

23 Sec. 13. Appropriation of proceeds from sale of Bonds.

24 (a) At all times, the proceeds from the sale of Bonds  
25 issued pursuant to this Act are subject to appropriation by the



1 General Assembly and, except as provided in Sections 7.2, ~~and~~  
2 7.6, and 7.7, may be obligated or expended only with the  
3 written approval of the Governor, in such amounts, at such  
4 times, and for such purposes as the respective State agencies,  
5 as defined in Section 1-7 of the Illinois State Auditing Act,  
6 as amended, deem necessary or desirable for the specific  
7 purposes contemplated in Sections 2 through 8 of this Act.  
8 Notwithstanding any other provision of this Act, proceeds from  
9 the sale of Bonds issued pursuant to this Act appropriated by  
10 the General Assembly to the Architect of the Capitol may be  
11 obligated or expended by the Architect of the Capitol without  
12 the written approval of the Governor.

13 (b) Proceeds from the sale of Bonds for the purpose of  
14 development of coal and alternative forms of energy shall be  
15 expended in such amounts and at such times as the Department of  
16 Commerce and Economic Opportunity, with the advice and  
17 recommendation of the Illinois Coal Development Board for coal  
18 development projects, may deem necessary and desirable for the  
19 specific purpose contemplated by Section 7 of this Act. In  
20 considering the approval of projects to be funded, the  
21 Department of Commerce and Economic Opportunity shall give  
22 special consideration to projects designed to remove sulfur and  
23 other pollutants in the preparation and utilization of coal,  
24 and in the use and operation of electric utility generating  
25 plants and industrial facilities which utilize Illinois coal as  
26 their primary source of fuel.

1           (c) Except as directed in subsection (c-1) or (c-2), any  
2 monies received by any officer or employee of the state  
3 representing a reimbursement of expenditures previously paid  
4 from general obligation bond proceeds shall be deposited into  
5 the General Obligation Bond Retirement and Interest Fund  
6 authorized in Section 14 of this Act.

7           (c-1) Any money received by the Department of  
8 Transportation as reimbursement for expenditures for high  
9 speed rail purposes pursuant to appropriations from the  
10 Transportation Bond, Series B Fund for (i) CREATE (Chicago  
11 Region Environmental and Transportation Efficiency), (ii) High  
12 Speed Rail, or (iii) AMTRAK projects authorized by the federal  
13 government under the provisions of the American Recovery and  
14 Reinvestment Act of 2009 or the Safe Accountable Flexible  
15 Efficient Transportation Equity Act-A Legacy for Users  
16 (SAFETEA-LU), or any successor federal transportation  
17 authorization Act, shall be deposited into the Federal High  
18 Speed Rail Trust Fund.

19           (c-2) Any money received by the Department of  
20 Transportation as reimbursement for expenditures for transit  
21 capital purposes pursuant to appropriations from the  
22 Transportation Bond, Series B Fund for projects authorized by  
23 the federal government under the provisions of the American  
24 Recovery and Reinvestment Act of 2009 or the Safe Accountable  
25 Flexible Efficient Transportation Equity Act-A Legacy for  
26 Users (SAFETEA-LU), or any successor federal transportation

1 authorization Act, shall be deposited into the Federal Mass  
2 Transit Trust Fund.

3 (Source: P.A. 100-23, eff. 7-6-17.)

4 Section 25. The Illinois Pension Code is amended by  
5 changing Sections 14-152.1, 15-198, and 16-203 and by adding  
6 Sections 14-147.5, 15-185.5, and 16-190.5 as follows:

7 (40 ILCS 5/14-147.5 new)

8 Sec. 14-147.5. Accelerated pension benefit payment.

9 (a) As used in this Section:

10 "Eligible person" means a person who:

11 (1) has terminated service;

12 (2) has accrued sufficient service credit to be  
13 eligible to receive a retirement annuity under this  
14 Article;

15 (3) has not received any retirement annuity under this  
16 Article; and

17 (4) does not have a QILDRO in effect against him or her  
18 under this Article.

19 "Pension benefit" means the benefits under this Article, or  
20 Article 1 as it relates to those benefits, including any  
21 anticipated annual increases, that an eligible person is  
22 entitled to upon attainment of the applicable retirement age.  
23 "Pension benefit" also includes applicable survivor's or  
24 disability benefits.

1       (b) Before January 1, 2019, and annually thereafter, the  
2 System shall calculate, using actuarial tables and other  
3 assumptions adopted by the Board, the net present value of  
4 pension benefits for each eligible person and shall offer each  
5 eligible person the opportunity to irrevocably elect to receive  
6 an amount determined by the System to be equal to 75% of the  
7 net present value of his or her pension benefits in lieu of  
8 receiving any pension benefit. The offer shall specify the  
9 dollar amount that the eligible person will receive if he or  
10 she so elects and shall expire when a subsequent offer is made  
11 to the eligible person or when the System determines that 10%  
12 of eligible persons in that year have made the election under  
13 this subsection, whichever occurs first. The System shall make  
14 a good faith effort to contact every eligible person to notify  
15 him or her of the election and of the amount of the accelerated  
16 pension benefit payment.

17       Until the System determines that 10% of eligible persons in  
18 that year have made the election under this subsection, an  
19 eligible person may irrevocably elect to receive an accelerated  
20 pension benefit payment in the amount that the System offers  
21 under this subsection in lieu of receiving any pension benefit.  
22 A person who elects to receive an accelerated pension benefit  
23 payment under this Section may not elect to proceed under the  
24 Retirement Systems Reciprocal Act with respect to service under  
25 this Article.

26       (c) A person's credits and creditable service under this

1 Article shall be terminated upon the person's receipt of an  
2 accelerated pension benefit payment under this Section, and no  
3 other benefit shall be paid under this Article based on those  
4 terminated credits and creditable service, including any  
5 retirement, survivor, or other benefit or refund; except that  
6 to the extent that participation, benefits, or premiums under  
7 the State Employees Group Insurance Act of 1971 are based on  
8 the amount of service credit, the terminated service credit  
9 shall be used for that purpose.

10 (d) If a person who has received an accelerated pension  
11 benefit payment under this Section returns to active service  
12 under this Article, then:

13 (1) Any benefits under the System earned as a result of  
14 that return to active service shall be based solely on the  
15 person's credits and creditable service arising from the  
16 return to active service.

17 (2) The accelerated pension benefit payment may not be  
18 repaid to the System, and the terminated credits and  
19 creditable service may not under any circumstances be  
20 reinstated.

21 (e) As a condition of receiving an accelerated pension  
22 benefit payment, an eligible person must have another  
23 retirement plan or account qualified under the Internal Revenue  
24 Code of 1986, as amended, for the accelerated pension benefit  
25 payment to be rolled into. The accelerated pension benefit  
26 payment under this Section may be subject to withholding or

1 payment of applicable taxes, but to the extent permitted by  
2 federal law, a person who receives an accelerated pension  
3 benefit payment under this Section must direct the System to  
4 pay all of that payment as a rollover into another retirement  
5 plan or account qualified under the Internal Revenue Code of  
6 1986, as amended.

7 (f) Before January 1, 2020 and every January 1 thereafter,  
8 the Board shall certify to the Illinois Finance Authority and  
9 the General Assembly the amount by which the total amount of  
10 accelerated pension benefit payments made under this Section  
11 exceed the amount appropriated to the System for the purpose of  
12 making those payments.

13 (g) The Board shall adopt any rules necessary to implement  
14 this Section.

15 (h) No provision of this Section shall be interpreted in a  
16 way that would cause the applicable System to cease to be a  
17 qualified plan under the Internal Revenue Code of 1986.

18 (i) Notwithstanding any other provision of this Section, in  
19 no case shall the total amount of accelerated pension benefit  
20 payments paid under this Section, Section 15-185.5, and Section  
21 16-190.5 cause the Illinois Finance Authority to issue more  
22 than the \$250,000,000 of State Pension Obligation Acceleration  
23 Bonds authorized in subsection (c-5) of Section 801-40 of the  
24 Illinois Finance Authority Act.

1           Sec. 14-152.1. Application and expiration of new benefit  
2 increases.

3           (a) As used in this Section, "new benefit increase" means  
4 an increase in the amount of any benefit provided under this  
5 Article, or an expansion of the conditions of eligibility for  
6 any benefit under this Article, that results from an amendment  
7 to this Code that takes effect after June 1, 2005 (the  
8 effective date of Public Act 94-4). "New benefit increase",  
9 however, does not include any benefit increase resulting from  
10 the changes made to Article 1 or this Article by Public Act  
11 96-37, Public Act 100-23, or this amendatory Act of the 100th  
12 General Assembly ~~by this amendatory Act of the 100th General~~  
13 ~~Assembly.~~

14           (b) Notwithstanding any other provision of this Code or any  
15 subsequent amendment to this Code, every new benefit increase  
16 is subject to this Section and shall be deemed to be granted  
17 only in conformance with and contingent upon compliance with  
18 the provisions of this Section.

19           (c) The Public Act enacting a new benefit increase must  
20 identify and provide for payment to the System of additional  
21 funding at least sufficient to fund the resulting annual  
22 increase in cost to the System as it accrues.

23           Every new benefit increase is contingent upon the General  
24 Assembly providing the additional funding required under this  
25 subsection. The Commission on Government Forecasting and  
26 Accountability shall analyze whether adequate additional

1 funding has been provided for the new benefit increase and  
2 shall report its analysis to the Public Pension Division of the  
3 Department of Insurance. A new benefit increase created by a  
4 Public Act that does not include the additional funding  
5 required under this subsection is null and void. If the Public  
6 Pension Division determines that the additional funding  
7 provided for a new benefit increase under this subsection is or  
8 has become inadequate, it may so certify to the Governor and  
9 the State Comptroller and, in the absence of corrective action  
10 by the General Assembly, the new benefit increase shall expire  
11 at the end of the fiscal year in which the certification is  
12 made.

13 (d) Every new benefit increase shall expire 5 years after  
14 its effective date or on such earlier date as may be specified  
15 in the language enacting the new benefit increase or provided  
16 under subsection (c). This does not prevent the General  
17 Assembly from extending or re-creating a new benefit increase  
18 by law.

19 (e) Except as otherwise provided in the language creating  
20 the new benefit increase, a new benefit increase that expires  
21 under this Section continues to apply to persons who applied  
22 and qualified for the affected benefit while the new benefit  
23 increase was in effect and to the affected beneficiaries and  
24 alternate payees of such persons, but does not apply to any  
25 other person, including without limitation a person who  
26 continues in service after the expiration date and did not



1 apply and qualify for the affected benefit while the new  
2 benefit increase was in effect.

3 (Source: P.A. 100-23, eff. 7-6-17.)

4 (40 ILCS 5/15-185.5 new)

5 Sec. 15-185.5. Accelerated pension benefit payment.

6 (a) As used in this Section:

7 "Eligible person" means a person who:

8 (1) has terminated service;

9 (2) has accrued sufficient service credit to be  
10 eligible to receive a retirement annuity under this  
11 Article;

12 (3) has not received any retirement annuity under this  
13 Article;

14 (4) does not have a QILDRO in effect against him or her  
15 under this Article; and

16 (5) is not a participant in the self-managed plan under  
17 Section 15-158.2.

18 "Pension benefit" means the benefits under this Article, or  
19 Article 1 as it relates to those benefits, including any  
20 anticipated annual increases, that an eligible person is  
21 entitled to upon attainment of the applicable retirement age.  
22 "Pension benefit" also includes applicable survivor's or  
23 disability benefits.

24 (b) Before January 1, 2019, and annually thereafter, the  
25 System shall calculate, using actuarial tables and other

1 assumptions adopted by the Board, the net present value of  
2 pension benefits for each eligible person and shall offer each  
3 eligible person the opportunity to irrevocably elect to receive  
4 an amount determined by the System to be equal to 75% of the  
5 net present value of his or her pension benefits in lieu of  
6 receiving any pension benefit. The offer shall specify the  
7 dollar amount that the eligible person will receive if he or  
8 she so elects and shall expire when a subsequent offer is made  
9 to the eligible person or when the System determines that 10%  
10 of eligible persons in that year have made the election under  
11 this subsection, whichever occurs first. The System shall make  
12 a good faith effort to contact every eligible person to notify  
13 him or her of the election and of the amount of the accelerated  
14 pension benefit payment.

15 Until the System determines that 10% of eligible persons in  
16 that year have made the election under this subsection, an  
17 eligible person may irrevocably elect to receive an accelerated  
18 pension benefit payment in the amount that the System offers  
19 under this subsection in lieu of receiving any pension benefit.  
20 A person who elects to receive an accelerated pension benefit  
21 payment under this Section may not elect to proceed under the  
22 Retirement Systems Reciprocal Act with respect to service under  
23 this Article.

24 (c) A person's credits and creditable service under this  
25 Article shall be terminated upon the person's receipt of an  
26 accelerated pension benefit payment under this Section, and no

1 other benefit shall be paid under this Article based on those  
2 terminated credits and creditable service, including any  
3 retirement, survivor, or other benefit or refund; except that  
4 to the extent that participation, benefits, or premiums under  
5 the State Employees Group Insurance Act of 1971 are based on  
6 the amount of service credit, the terminated service credit  
7 shall be used for that purpose.

8 (d) If a person who has received an accelerated pension  
9 benefit payment under this Section returns to participating  
10 employee status under this Article, then:

11 (1) Any benefits under the System earned as a result of  
12 that return to participating employee status shall be based  
13 solely on the person's credits and creditable service  
14 arising from the return to participating employee status.

15 (2) The accelerated pension benefit payment may not be  
16 repaid to the System, and the terminated credits and  
17 creditable service may not under any circumstances be  
18 reinstated.

19 (e) As a condition of receiving an accelerated pension  
20 benefit payment, an eligible person must have another  
21 retirement plan or account qualified under the Internal Revenue  
22 Code of 1986, as amended, for the accelerated pension benefit  
23 payment to be rolled into. The accelerated pension benefit  
24 payment under this Section may be subject to withholding or  
25 payment of applicable taxes, but to the extent permitted by  
26 federal law, a person who receives an accelerated pension

1 benefit payment under this Section must direct the System to  
2 pay all of that payment as a rollover into another retirement  
3 plan or account qualified under the Internal Revenue Code of  
4 1986, as amended.

5 (f) Before January 1, 2020 and every January 1 thereafter,  
6 the Board shall certify to the Illinois Finance Authority and  
7 the General Assembly the amount by which the total amount of  
8 accelerated pension benefit payments made under this Section  
9 exceed the amount appropriated to the System for the purpose of  
10 making those payments.

11 (g) The Board shall adopt any rules necessary to implement  
12 this Section.

13 (h) No provision of this Section shall be interpreted in a  
14 way that would cause the applicable System to cease to be a  
15 qualified plan under the Internal Revenue Code of 1986.

16 (i) Notwithstanding any other provision of this Section, in  
17 no case shall the total amount of accelerated pension benefit  
18 payments paid under this Section, Section 14-147.5, and Section  
19 16-190.5 cause the Illinois Finance Authority to issue more  
20 than the \$250,000,000 of State Pension Obligation Acceleration  
21 Bonds authorized in subsection (c-5) of Section 801-40 of the  
22 Illinois Finance Authority Act.

23 (40 ILCS 5/15-198)

24 Sec. 15-198. Application and expiration of new benefit  
25 increases.

1 (a) As used in this Section, "new benefit increase" means  
2 an increase in the amount of any benefit provided under this  
3 Article, or an expansion of the conditions of eligibility for  
4 any benefit under this Article, that results from an amendment  
5 to this Code that takes effect after the effective date of this  
6 amendatory Act of the 94th General Assembly. "New benefit  
7 increase", however, does not include any benefit increase  
8 resulting from the changes made to Article 1 or this Article by  
9 Public Act 100-23 or this amendatory Act of the 100th General  
10 Assembly ~~this amendatory Act of the 100th General Assembly.~~

11 (b) Notwithstanding any other provision of this Code or any  
12 subsequent amendment to this Code, every new benefit increase  
13 is subject to this Section and shall be deemed to be granted  
14 only in conformance with and contingent upon compliance with  
15 the provisions of this Section.

16 (c) The Public Act enacting a new benefit increase must  
17 identify and provide for payment to the System of additional  
18 funding at least sufficient to fund the resulting annual  
19 increase in cost to the System as it accrues.

20 Every new benefit increase is contingent upon the General  
21 Assembly providing the additional funding required under this  
22 subsection. The Commission on Government Forecasting and  
23 Accountability shall analyze whether adequate additional  
24 funding has been provided for the new benefit increase and  
25 shall report its analysis to the Public Pension Division of the  
26 Department of Insurance. A new benefit increase created by a

1 Public Act that does not include the additional funding  
2 required under this subsection is null and void. If the Public  
3 Pension Division determines that the additional funding  
4 provided for a new benefit increase under this subsection is or  
5 has become inadequate, it may so certify to the Governor and  
6 the State Comptroller and, in the absence of corrective action  
7 by the General Assembly, the new benefit increase shall expire  
8 at the end of the fiscal year in which the certification is  
9 made.

10 (d) Every new benefit increase shall expire 5 years after  
11 its effective date or on such earlier date as may be specified  
12 in the language enacting the new benefit increase or provided  
13 under subsection (c). This does not prevent the General  
14 Assembly from extending or re-creating a new benefit increase  
15 by law.

16 (e) Except as otherwise provided in the language creating  
17 the new benefit increase, a new benefit increase that expires  
18 under this Section continues to apply to persons who applied  
19 and qualified for the affected benefit while the new benefit  
20 increase was in effect and to the affected beneficiaries and  
21 alternate payees of such persons, but does not apply to any  
22 other person, including without limitation a person who  
23 continues in service after the expiration date and did not  
24 apply and qualify for the affected benefit while the new  
25 benefit increase was in effect.

26 (Source: P.A. 100-23, eff. 7-6-17.)

1 (40 ILCS 5/16-190.5 new)

2 Sec. 16-190.5. Accelerated pension benefit payment.

3 (a) As used in this Section:

4 "Eligible person" means a person who:

5 (1) has terminated service;

6 (2) has accrued sufficient service credit to be  
7 eligible to receive a retirement annuity under this  
8 Article;

9 (3) has not received any retirement annuity under this  
10 Article; and

11 (4) does not have a QILDRO in effect against him or her  
12 under this Article.

13 "Pension benefit" means the benefits under this Article, or  
14 Article 1 as it relates to those benefits, including any  
15 anticipated annual increases, that an eligible person is  
16 entitled to upon attainment of the applicable retirement age.

17 "Pension benefit" also includes applicable survivor's or  
18 disability benefits.

19 (b) Before January 1, 2019, and annually thereafter, the  
20 System shall calculate, using actuarial tables and other  
21 assumptions adopted by the Board, the net present value of  
22 pension benefits for each eligible person and shall offer each  
23 eligible person the opportunity to irrevocably elect to receive  
24 an amount determined by the System to be equal to 75% of the  
25 net present value of his or her pension benefits in lieu of

1 receiving any pension benefit. The offer shall specify the  
2 dollar amount that the eligible person will receive if he or  
3 she so elects and shall expire when a subsequent offer is made  
4 to the eligible person or when the System determines that 10%  
5 of eligible persons in that year have made the election under  
6 this subsection, whichever occurs first. The System shall make  
7 a good faith effort to contact every eligible person to notify  
8 him or her of the election and of the amount of the accelerated  
9 pension benefit payment.

10 Until the System determines that 10% of eligible persons in  
11 that year have made the election under this subsection, an  
12 eligible person may irrevocably elect to receive an accelerated  
13 pension benefit payment in the amount that the System offers  
14 under this subsection in lieu of receiving any pension benefit.  
15 A person who elects to receive an accelerated pension benefit  
16 payment under this Section may not elect to proceed under the  
17 Retirement Systems Reciprocal Act with respect to service under  
18 this Article.

19 (c) A person's credits and creditable service under this  
20 Article shall be terminated upon the person's receipt of an  
21 accelerated pension benefit payment under this Section, and no  
22 other benefit shall be paid under this Article based on those  
23 terminated credits and creditable service, including any  
24 retirement, survivor, or other benefit or refund; except that  
25 to the extent that participation, benefits, or premiums under  
26 the State Employees Group Insurance Act of 1971 are based on



1 the amount of service credit, the terminated service credit  
2 shall be used for that purpose.

3 (d) If a person who has received an accelerated pension  
4 benefit payment under this Section returns to active service  
5 under this Article, then:

6 (1) Any benefits under the System earned as a result of  
7 that return to active service shall be based solely on the  
8 person's credits and creditable service arising from the  
9 return to active service.

10 (2) The accelerated pension benefit payment may not be  
11 repaid to the System, and the terminated credits and  
12 creditable service may not under any circumstances be  
13 reinstated.

14 (e) As a condition of receiving an accelerated pension  
15 benefit payment, an eligible person must have another  
16 retirement plan or account qualified under the Internal Revenue  
17 Code of 1986, as amended, for the accelerated pension benefit  
18 payment to be rolled into. The accelerated pension benefit  
19 payment under this Section may be subject to withholding or  
20 payment of applicable taxes, but to the extent permitted by  
21 federal law, a person who receives an accelerated pension  
22 benefit payment under this Section must direct the System to  
23 pay all of that payment as a rollover into another retirement  
24 plan or account qualified under the Internal Revenue Code of  
25 1986, as amended.

26 (f) Before January 1, 2020 and every January 1 thereafter,

1 the Board shall certify to the Illinois Finance Authority and  
2 the General Assembly the amount by which the total amount of  
3 accelerated pension benefit payments made under this Section  
4 exceed the amount appropriated to the System for the purpose of  
5 making those payments.

6 (g) The Board shall adopt any rules necessary to implement  
7 this Section.

8 (h) No provision of this Section shall be interpreted in a  
9 way that would cause the applicable System to cease to be a  
10 qualified plan under the Internal Revenue Code of 1986.

11 (i) Notwithstanding any other provision of this Section, in  
12 no case shall the total amount of accelerated pension benefit  
13 payments paid under this Section, Section 14-147.5, and Section  
14 15-185.5 cause the Illinois Finance Authority to issue more  
15 than the \$250,000,000 of State Pension Obligation Acceleration  
16 Bonds authorized in subsection (c-5) of Section 801-40 of the  
17 Illinois Finance Authority Act.

18 (40 ILCS 5/16-203)

19 Sec. 16-203. Application and expiration of new benefit  
20 increases.

21 (a) As used in this Section, "new benefit increase" means  
22 an increase in the amount of any benefit provided under this  
23 Article, or an expansion of the conditions of eligibility for  
24 any benefit under this Article, that results from an amendment  
25 to this Code that takes effect after June 1, 2005 (the

1 effective date of Public Act 94-4). "New benefit increase",  
2 however, does not include any benefit increase resulting from  
3 the changes made to Article 1 or this Article by Public Act  
4 95-910, Public Act 100-23, or this amendatory Act of the 100th  
5 General Assembly ~~or this amendatory Act of the 100th General~~  
6 ~~Assembly.~~

7 (b) Notwithstanding any other provision of this Code or any  
8 subsequent amendment to this Code, every new benefit increase  
9 is subject to this Section and shall be deemed to be granted  
10 only in conformance with and contingent upon compliance with  
11 the provisions of this Section.

12 (c) The Public Act enacting a new benefit increase must  
13 identify and provide for payment to the System of additional  
14 funding at least sufficient to fund the resulting annual  
15 increase in cost to the System as it accrues.

16 Every new benefit increase is contingent upon the General  
17 Assembly providing the additional funding required under this  
18 subsection. The Commission on Government Forecasting and  
19 Accountability shall analyze whether adequate additional  
20 funding has been provided for the new benefit increase and  
21 shall report its analysis to the Public Pension Division of the  
22 Department of Insurance. A new benefit increase created by a  
23 Public Act that does not include the additional funding  
24 required under this subsection is null and void. If the Public  
25 Pension Division determines that the additional funding  
26 provided for a new benefit increase under this subsection is or

1 has become inadequate, it may so certify to the Governor and  
2 the State Comptroller and, in the absence of corrective action  
3 by the General Assembly, the new benefit increase shall expire  
4 at the end of the fiscal year in which the certification is  
5 made.

6 (d) Every new benefit increase shall expire 5 years after  
7 its effective date or on such earlier date as may be specified  
8 in the language enacting the new benefit increase or provided  
9 under subsection (c). This does not prevent the General  
10 Assembly from extending or re-creating a new benefit increase  
11 by law.

12 (e) Except as otherwise provided in the language creating  
13 the new benefit increase, a new benefit increase that expires  
14 under this Section continues to apply to persons who applied  
15 and qualified for the affected benefit while the new benefit  
16 increase was in effect and to the affected beneficiaries and  
17 alternate payees of such persons, but does not apply to any  
18 other person, including without limitation a person who  
19 continues in service after the expiration date and did not  
20 apply and qualify for the affected benefit while the new  
21 benefit increase was in effect.

22 (Source: P.A. 100-23, eff. 7-6-17.)

23 Section 30. The State Pension Funds Continuing  
24 Appropriation Act is amended by adding Section 1.9 as follows:

1 (40 ILCS 15/1.9 new)

2 Sec. 1.9. Appropriations for State Pension Obligation  
3 Acceleration Bonds. If for any reason the aggregate  
4 appropriations made available are insufficient to meet the  
5 levels required for the payment of principal and interest due  
6 on State Pension Obligation Acceleration Bonds under Section  
7 7.7 of the General Obligation Bond Act, this Section shall  
8 constitute a continuing appropriation of all amounts necessary  
9 for those purposes.

10 Section 99. Effective date. This Act takes effect upon  
11 becoming law.".