

1 AN ACT concerning public employee benefits.

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

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

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

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

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

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

1 for retirement, but in lieu of receiving an annuity under that
2 Article has elected to receive an accelerated pension benefit
3 payment under Section 14-147.5 of that Article), 15 (including
4 an employee who has retired under the optional retirement
5 program established under Section 15-158.2 or who meets the
6 criteria for retirement but in lieu of receiving an annuity
7 under that Article has elected to receive an accelerated
8 pension benefit payment under Section 15-185.5 of the Article),
9 paragraphs (2), (3), or (5) of Section 16-106 (including an
10 employee who meets the criteria for retirement, but in lieu of
11 receiving an annuity under that Article has elected to receive
12 an accelerated pension benefit payment under Section 16-190.5
13 of the Illinois Pension Code), or Article 18 of the Illinois
14 Pension Code; (2) any person who was receiving group insurance
15 coverage under this Act as of March 31, 1978 by reason of his
16 status as an annuitant, even though the annuity in relation to
17 which such coverage was provided is a proportional annuity
18 based on less than the minimum period of service required for a
19 retirement annuity in the system involved; (3) any person not
20 otherwise covered by this Act who has retired as a
21 participating member under Article 2 of the Illinois Pension
22 Code but is ineligible for the retirement annuity under Section
23 2-119 of the Illinois Pension Code; (4) the spouse of any
24 person who is receiving a retirement annuity under Article 18
25 of the Illinois Pension Code and who is covered under a group
26 health insurance program sponsored by a governmental employer

1 other than the State of Illinois and who has irrevocably
2 elected to waive his or her coverage under this Act and to have
3 his or her spouse considered as the "annuitant" under this Act
4 and not as a "dependent"; or (5) an employee who retires, or
5 has retired, from a qualified position, as determined according
6 to rules promulgated by the Director, under a qualified local
7 government, a qualified rehabilitation facility, a qualified
8 domestic violence shelter or service, or a qualified child
9 advocacy center. (For definition of "retired employee", see (p)
10 post).

11 (b-5) (Blank).

12 (b-6) (Blank).

13 (b-7) (Blank).

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

20 (d) "Compensation" means salary or wages payable on a
21 regular payroll by the State Treasurer on a warrant of the
22 State Comptroller out of any State, trust or federal fund, or
23 by the Governor of the State through a disbursing officer of
24 the State out of a trust or out of federal funds, or by any
25 Department out of State, trust, federal or other funds held by
26 the State Treasurer or the Department, to any person for

1 personal services currently performed, and ordinary or
2 accidental disability benefits under Articles 2, 14, 15
3 (including ordinary or accidental disability benefits under
4 the optional retirement program established under Section
5 15-158.2), paragraphs (2), (3), or (5) of Section 16-106, or
6 Article 18 of the Illinois Pension Code, for disability
7 incurred after January 1, 1966, or benefits payable under the
8 Workers' Compensation or Occupational Diseases Act or benefits
9 payable under a sick pay plan established in accordance with
10 Section 36 of the State Finance Act. "Compensation" also means
11 salary or wages paid to an employee of any qualified local
12 government, qualified rehabilitation facility, qualified
13 domestic violence shelter or service, or qualified child
14 advocacy center.

15 (e) "Commission" means the State Employees Group Insurance
16 Advisory Commission authorized by this Act. Commencing July 1,
17 1984, "Commission" as used in this Act means the Commission on
18 Government Forecasting and Accountability as established by
19 the Legislative Commission Reorganization Act of 1984.

20 (f) "Contributory", when referred to as contributory
21 coverage, shall mean optional coverages or benefits elected by
22 the member toward the cost of which such member makes
23 contribution, or which are funded in whole or in part through
24 the acceptance of a reduction in earnings or the foregoing of
25 an increase in earnings by an employee, as distinguished from
26 noncontributory coverage or benefits which are paid entirely by

1 the State of Illinois without reduction of the member's salary.

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

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

1 dependent for income tax deduction purposes and (2) any person
2 who has received after June 30, 2000 an organ transplant and
3 who is financially dependent upon the member and eligible to be
4 claimed as a dependent for income tax purposes. A member
5 requesting to cover any dependent must provide documentation as
6 requested by the Department of Central Management Services and
7 file with the Department any and all forms required by the
8 Department.

9 (i) "Director" means the Director of the Illinois
10 Department of Central Management Services.

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

14 (k) "Employee" means and includes each officer or employee
15 in the service of a department who (1) receives his
16 compensation for service rendered to the department on a
17 warrant issued pursuant to a payroll certified by a department
18 or on a warrant or check issued and drawn by a department upon
19 a trust, federal or other fund or on a warrant issued pursuant
20 to a payroll certified by an elected or duly appointed officer
21 of the State or who receives payment of the performance of
22 personal services on a warrant issued pursuant to a payroll
23 certified by a Department and drawn by the Comptroller upon the
24 State Treasurer against appropriations made by the General
25 Assembly from any fund or against trust funds held by the State
26 Treasurer, and (2) is employed full-time or part-time in a

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

1 has retired as a participating member under Article 2 of the
2 Illinois Pension Code but is ineligible for the retirement
3 annuity under Section 2-119 of the Illinois Pension Code.
4 However, a person who satisfies the criteria of the foregoing
5 definition of "employee" except that such person is made
6 ineligible to participate in the State Universities Retirement
7 System by clause (4) of subsection (a) of Section 15-107 of the
8 Illinois Pension Code is also an "employee" for the purposes of
9 this Act. "Employee" also includes any person receiving or
10 eligible for benefits under a sick pay plan established in
11 accordance with Section 36 of the State Finance Act. "Employee"
12 also includes (i) each officer or employee in the service of a
13 qualified local government, including persons appointed as
14 trustees of sanitary districts regardless of hours devoted to
15 the service of the sanitary district, (ii) each employee in the
16 service of a qualified rehabilitation facility, (iii) each
17 full-time employee in the service of a qualified domestic
18 violence shelter or service, and (iv) each full-time employee
19 in the service of a qualified child advocacy center, as
20 determined according to rules promulgated by the Director.

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

1 eligible for group insurance benefits under that system. In the
2 case of a survivor who first becomes a survivor on or after the
3 effective date of this amendatory Act of the 97th General
4 Assembly, the deceased employee, annuitant, or retired
5 employee upon whom the annuity is based must have been eligible
6 to participate in the group insurance system under the
7 applicable retirement system in order for the survivor to be
8 eligible for group insurance benefits under that system.

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

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

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

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

26 (q) "Survivor" means a person receiving an annuity as a

1 survivor of an employee or of an annuitant. "Survivor" also
2 includes: (1) the surviving dependent of a person who satisfies
3 the definition of "employee" except that such person is made
4 ineligible to participate in the State Universities Retirement
5 System by clause (4) of subsection (a) of Section 15-107 of the
6 Illinois Pension Code; (2) the surviving dependent of any
7 person formerly employed by the University of Illinois in the
8 Cooperative Extension Service who would be an annuitant except
9 for the fact that such person was made ineligible to
10 participate in the State Universities Retirement System by
11 clause (4) of subsection (a) of Section 15-107 of the Illinois
12 Pension Code; ~~and~~ (3) the surviving dependent of a person who
13 was an annuitant under this Act by virtue of receiving an
14 alternative retirement cancellation payment under Section
15 14-108.5 of the Illinois Pension Code; and (4) a person who
16 would be receiving an annuity as a survivor of an annuitant
17 except that the annuitant elected on or after June 4, 2018 to
18 receive an accelerated pension benefit payment under Section
19 14-147.5, 15-185.5, or 16-190.5 of the Illinois Pension Code in
20 lieu of receiving an annuity.

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

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

26 (q-4) "TRS" means the Teachers' Retirement System of the

1 State of Illinois, created under Article 16 of the Illinois
2 Pension Code.

3 (q-5) (Blank).

4 (q-6) (Blank).

5 (q-7) (Blank).

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

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

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

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

20 (u) "Qualified domestic violence shelter or service" means
21 any Illinois domestic violence shelter or service and its
22 administrative offices funded by the Department of Human
23 Services (as successor to the Illinois Department of Public
24 Aid), approved by the Director and participating in a program
25 created under subsection (k) of Section 10.

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

1 (1) is not a "member" as defined in this Section; and
2 (2) is receiving a monthly benefit or retirement
3 annuity under Article 16 of the Illinois Pension Code or
4 would be receiving such monthly benefit or retirement
5 annuity except that the benefit recipient elected on or
6 after June 4, 2018 to receive an accelerated pension
7 benefit payment under Section 16-190.5 of the Illinois
8 Pension Code in lieu of receiving an annuity; and

9 (3) either (i) has at least 8 years of creditable
10 service under Article 16 of the Illinois Pension Code, or
11 (ii) was enrolled in the health insurance program offered
12 under that Article on January 1, 1996, or (iii) is the
13 survivor of a benefit recipient who had at least 8 years of
14 creditable service under Article 16 of the Illinois Pension
15 Code or was enrolled in the health insurance program
16 offered under that Article on the effective date of this
17 amendatory Act of 1995, or (iv) is a recipient or survivor
18 of a recipient of a disability benefit under Article 16 of
19 the Illinois Pension Code.

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

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

23 (2) is a TRS benefit recipient's: (A) spouse, (B)
24 dependent parent who is receiving at least half of his or
25 her support from the TRS benefit recipient, or (C) natural,
26 step, adjudicated, or adopted child who is (i) under age

1 26, (ii) was, on January 1, 1996, participating as a
2 dependent beneficiary in the health insurance program
3 offered under Article 16 of the Illinois Pension Code, or
4 (iii) age 19 or over who has a mental or physical
5 disability from a cause originating prior to the age of 19
6 (age 26 if enrolled as an adult child).

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

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

20 (y) (Blank).

21 (z) "Community college benefit recipient" means a person
22 who:

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

24 (2) is receiving a monthly survivor's annuity or
25 retirement annuity under Article 15 of the Illinois Pension
26 Code or would be receiving such monthly survivor's annuity

1 or retirement annuity except that the benefit recipient
2 elected on or after June 4, 2018 to receive an accelerated
3 pension benefit payment under Section 15-185.5 of the
4 Illinois Pension Code in lieu of receiving an annuity; and

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

18 (aa) "Community college dependent beneficiary" means a
19 person who:

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

22 (2) is a community college benefit recipient's: (A)
23 spouse, (B) dependent parent who is receiving at least half
24 of his or her support from the community college benefit
25 recipient, or (C) natural, step, adjudicated, or adopted
26 child who is (i) under age 26, or (ii) age 19 or over and

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

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

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

19 (cc) "Placement for adoption" means the assumption and
20 retention by a member of a legal obligation for total or
21 partial support of a child in anticipation of adoption of the
22 child. The child's placement with the member terminates upon
23 the termination of such legal obligation.

24 (Source: P.A. 99-143, eff. 7-27-15; 100-355, eff. 1-1-18;
25 100-587, eff. 6-4-18.)

26 Section 99. Effective date. This Act takes effect upon

1 becoming law.