

1 AMENDMENT TO SENATE BILL 1701

2 AMENDMENT NO. _____. Amend Senate Bill 1701 by replacing
3 the title with the following:

4 "AN ACT in relation to public employee benefits."; and
5 by replacing everything after the enacting clause with the
6 following:

7 "Section 5. The Illinois Pension Code is amended by
8 changing Sections 5-167.5, 6-142.2, 8-164.1, and 11-160.1 as
9 follows:

10 (40 ILCS 5/5-167.5) (from Ch. 108 1/2, par. 5-167.5)

11 Sec. 5-167.5. Payments to city Group-health-benefit.

12 (a) For the purposes of this Section, "city annuitant"
13 means a person receiving an age and service annuity, a
14 widow's annuity, a child's annuity, or a minimum annuity
15 under this Article as a direct result of previous employment
16 by the City of Chicago ("the city").

17 (b) The board shall pay to the city, on behalf of the
18 board's city annuitants who participate in any of the city's
19 health care plans, the following amounts:

20 (1) From July 1, 2003 through June 30, 2008, \$85
21 per month for each such annuitant who is not eligible to

1 receive Medicare benefits and \$55 per month for each such
2 annuitant who is eligible to receive Medicare benefits.

3 (2) From July 1, 2008 through June 30, 2013, \$95
4 per month for each such annuitant who is not eligible to
5 receive Medicare benefits and \$65 per month for each such
6 annuitant who is eligible to receive Medicare benefits.

7 The payments described in this subsection shall be paid
8 from the tax levy authorized under Section 5-168; such
9 amounts shall be credited to the reserve for group hospital
10 care and group medical and surgical plan benefits, and all
11 payments to the city required under this subsection shall be
12 charged against it.

13 (c) The city health care plans referred to in this
14 Section and the board's payments to the city under this
15 Section are not and shall not be construed to be pension or
16 retirement benefits for the purposes of Section 5 of Article
17 XIII of the Illinois Constitution of 1970.

18 ~~(a) For the purposes of this Section: (1) "annuitant"~~
19 ~~means a person receiving an age and service annuity, a prior~~
20 ~~service annuity, a widow's annuity, a widow's prior service~~
21 ~~annuity, or a minimum annuity, under Article 5, 6, 8 or 11,~~
22 ~~by reason of previous employment by the City of Chicago~~
23 ~~(hereinafter, in this Section, "the city"); (2) "Medicare~~
24 ~~Plan annuitant" means an annuitant described in item (1) who~~
25 ~~is eligible for Medicare benefits; and (3) "non-Medicare-Plan~~
26 ~~annuitant" means an annuitant described in item (1) who is~~
27 ~~not eligible for Medicare benefits.~~

28 ~~(b) The city shall offer group health benefits to~~
29 ~~annuitants and their eligible dependents through June 30,~~
30 ~~2003. The basic city health care plan available as of June~~
31 ~~30, 1988 (hereinafter called the basic city plan) shall cease~~
32 ~~to be a plan offered by the city, except as specified in~~
33 ~~subparagraphs (4) and (5) below, and shall be closed to new~~
34 ~~enrollment or transfer of coverage for any non-Medicare-Plan~~

1 annuitant--as--of--June--27,--1997.---The--city--shall--offer
 2 non-Medicare-Plan-annuitants-and--their--eligible--dependents
 3 the--option--of-enrolling-in-its-Annuitant-Preferred-Provider
 4 Plan-and-may-offer-additional-plans-for-any--annuitant.---The
 5 city--may--amend,--modify,--or-terminate-any-of-its-additional
 6 plans-at-its-sole-discretion.---If-the-city-offers--more--than
 7 one--annuitant--plan,--the--city--shall--allow--annuitants-to
 8 convert-coverage-from-one-city--annuitant--plan--to--another,
 9 except--the--basic--city-plan,--during-times-designated-by-the
 10 city,--which-periods-of-time-shall-occur--at--least--annually.
 11 For--the--period--dating--from-June-27,--1997-through-June-30,
 12 2003,--monthly-premium-rates-may-be-increased--for--annuitants
 13 during-the-time-of-their-participation-in-non-Medicare-plans,
 14 except--as--provided-in-subparagraphs-(1)-through-(4)-of-this
 15 subsection.

16 (1)--For-non-Medicare-Plan--annuitants--who--retired
 17 prior--to--January--1,--1988,--the--annuitant's--share-of
 18 monthly-premium-for-non-Medicare-Plan-coverage-only-shall
 19 not-exceed-the-highest-premium-rate-chargeable-under--any
 20 city--non-Medicare-Plan-annuitant-coverage-as-of-December
 21 1,--1996.

22 (2)--For-non-Medicare-Plan-annuitants-who-retire--on
 23 or--after--January--1,--1988,--the--annuitant's--share-of
 24 monthly-premium-for-non-Medicare-Plan-coverage-only-shall
 25 be-the-rate-in-effect-on-December-1,--1996,--with--monthly
 26 premium--increases-to-take-effect-no-sooner-than-April-1,
 27 1998-at-the-lower-of--(i)--the--premium--rate--determined
 28 pursuant-to-subsection-(g)-or-(ii)-10%-of-the-immediately
 29 previous-month's-rate-for-similar-coverage.

30 (3)--In--no--event--shall--any--non-Medicare--Plan
 31 annuitant's-share-of--monthly--premium--for--non-Medicare
 32 Plan--coverage--exceed--10%--of--the--annuitant's-monthly
 33 annuity.

34 (4)--Non-Medicare-Plan-annuitants-who--are--enrolled

1 in--the--basic-city-plan-as-of-July-17-1998-may-remain-in
2 the-basic-city-plan,--if-they-so-choose,--on-the--condition
3 that-they-are-not-entitled-to-the-caps-on-rates-set-forth
4 in--subparagraphs-(1)-through-(3),--and-their-premium-rate
5 shall--be--the--rate--determined---in---accordance---with
6 subsections-(e)-and-(g).

7 (5)--Medicare--Plan--annuitants--who--are--currently
8 enrolled--in--the--basic--city-plan-for-Medicare-eligible
9 annuitants-may-remain-in-that-plan,--if--they--so--choose,
10 through--June--30,--2003.--Annuitants-shall-not-be-allowed
11 to-enroll-in-or-transfer-into-the--basic--city--plan--for
12 Medicare--eligible--annuitants--on-or-after-July-17-1999.
13 The--city--shall---continue---to---offer---annuitants---a
14 supplemental---Medicare---Plan---for---Medicare-eligible
15 annuitants-through-June-30,--2003,--and-the-city-may--offer
16 additional--plans--to-Medicare-eligible-annuitants-in-its
17 sole-discretion.--All--Medicare--Plan--annuitant--monthly
18 rates--shall-be-determined-in-accordance-with-subsections
19 (e)-and-(g).

20 (e)--The-city-shall-pay-50%-of-the--aggregated--costs--of
21 the---claims---or---premiums,--whichever--is--applicable,--as
22 determined-in-accordance-with-subsection-(g),--of--annuitants
23 and--their--dependents-under-all-health-care-plans-offered-by
24 the-city.--The-city-may-reduce-its-obligation-by--application
25 of--price--reductions--obtained--as--a--result--of--financial
26 arrangements-with-providers-or-plan-administrators.

27 (d)--From--January-17-1993-until-June-30,--2003,--the-board
28 shall-pay-to-the-city--on--behalf--of--each--of--the--board's
29 annuitants--who--chooses--to-participate-in-any-of-the-city's
30 plans-the-following-amounts:--up-to-a-maximum-of-\$75-per-month
31 for-each-such-annuitant--who--is--not--qualified--to--receive
32 medicare--benefits,--and-up-to-a-maximum-of-\$45-per-month-for
33 each-such-annuitant-who--is--qualified--to--receive--medicare
34 benefits.

1 The--payments--described-in-this-subsection-shall-be-paid
 2 from-the--tax--levy--authorized--under--Section--5-168;--such
 3 amounts--shall--be-credited-to-the-reserve-for-group-hospital
 4 care-and-group-medical-and-surgical-plan--benefits;--and--all
 5 payments--to-the-city-required-under-this-subsection-shall-be
 6 charged-against-it.

7 (e)--The-city's-obligations-under-subsections-(b)-and-(c)
 8 shall-terminate-on-June--30,--2003,--except--with--regard--to
 9 covered-expenses-incurred-but-not-paid-as-of-that-date.--This
 10 subsection--shall--not--affect--other-obligations-that-may-be
 11 imposed-by-law.

12 (f)--The-group-coverage-plans-described-in--this--Section
 13 are--not--and--shall--not--be--construed--to--be--pension--or
 14 retirement-benefits-for-purposes-of-Section-5-of-Article-XIII
 15 of-the-Illinois-Constitution-of-1970.

16 (g)--For--each--annuitant--plan--offered-by-the-city,--the
 17 aggregate-cost-of-claims,--as-reflected-in-the--claim--records
 18 of--the--plan--administrator,--shall-be-estimated-by-the-city,
 19 based-upon-a-written-determination-by-a-qualified-independent
 20 actuary-to-be-appointed-and-paid-by-the-city-and--the--board.
 21 If--the-estimated-annual-cost-for-each-annuitant-plan-offered
 22 by--the--city--is--more--than--the--estimated--amount--to--be
 23 contributed-by-the-city-for-that-plan-pursuant-to-subsections
 24 (b)-and-(c)-during-that-year-plus-the-estimated-amounts-to-be
 25 paid-pursuant-to-subsection-(d)--and--by--the--other--pension
 26 boards--on--behalf--of--other--participating--annuitants,--the
 27 difference-shall-be-paid-by-all-annuitants--participating--in
 28 the--plan,--except--as-provided-in-subsection-(b).--The-city,
 29 based-upon-the--determination--of--the--independent--actuary,
 30 shall-set-the-monthly-amounts-to-be-paid-by-the-participating
 31 annuitants.----The-board-may-deduct-the-amounts-to-be-paid-by
 32 its-annuitants-from--the--participating--annuitants'-monthly
 33 annuities.

34 If-it-is-determined-from-the-city's-annual-audit,--or--from

1 audited--experience--data,--that--the--total--amount--paid--by--all
 2 participating--annuitants--was--more--or--less--than--the--difference
 3 between--(1)--the--cost--of--providing--the--group--health--care
 4 plans,--and--(2)--the--sum--of--the--amount--to--be--paid--by--the--city
 5 as--determined--under--subsection--(e)--and--the--amounts--paid--by
 6 all--the--pension--boards,--then--the--independent--actuary--and--the
 7 city--shall--account--for--the--excess--or--shortfall--in--the--next
 8 year's--payments--by--annuitants,--except--as--provided--in
 9 subsection--(b).

10 (h)--An--annuitant--may--elect--to--terminate--coverage--in--a
 11 plan--at--the--end--of--any--month,--which--election--shall--terminate
 12 the--annuitant's--obligation--to--contribute--toward--payment--of
 13 the--excess--described--in--subsection--(g).

14 (i)--The--city--shall--advise--the--board--of--all--proposed
 15 premium--increases--for--health--care--at--least--75--days--prior--to
 16 the--effective--date--of--the--change,--and--any--increase--shall--be
 17 prospective--only.

18 (Source: P.A. 92-599, eff. 6-28-02.)

19 (40 ILCS 5/6-164.2) (from Ch. 108 1/2, par. 6-164.2)

20 Sec. 6-164.2. Payments to city Group-health-benefit.

21 (a) For the purposes of this Section, "city annuitant"
 22 means a person receiving an age and service annuity, a
 23 widow's annuity, a child's annuity, or a minimum annuity
 24 under this Article as a direct result of previous employment
 25 by the City of Chicago ("the city").

26 (b) The board shall pay to the city, on behalf of the
 27 board's city annuitants who participate in any of the city's
 28 health care plans, the following amounts:

29 (1) From July 1, 2003 through June 30, 2008, \$85
 30 per month for each such annuitant who is not eligible to
 31 receive Medicare benefits and \$55 per month for each such
 32 annuitant who is eligible to receive Medicare benefits.

33 (2) From July 1, 2008 through June 30, 2013, \$95

1 per month for each such annuitant who is not eligible to
2 receive Medicare benefits and \$65 per month for each such
3 annuitant who is eligible to receive Medicare benefits.

4 The payments described in this subsection shall be paid
5 from the tax levy authorized under Section 6-165; such
6 amounts shall be credited to the reserve for group hospital
7 care and group medical and surgical plan benefits, and all
8 payments to the city required under this subsection shall be
9 charged against it.

10 (c) The city health care plans referred to in this
11 Section and the board's payments to the city under this
12 Section are not and shall not be construed to be pension or
13 retirement benefits for the purposes of Section 5 of Article
14 XIII of the Illinois Constitution of 1970.

15 ~~(a) For the purposes of this Section: (1) "annuitant"~~
16 ~~means a person receiving an age and service annuity, a prior~~
17 ~~service annuity, a widow's annuity, a widow's prior service~~
18 ~~annuity, or a minimum annuity, under Article 5, 6, 8, or 11,~~
19 ~~by reason of previous employment by the City of Chicago~~
20 ~~(hereinafter, in this Section, "the city"); (2) "Medicare~~
21 ~~Plan annuitant" means an annuitant described in item (1) who~~
22 ~~is eligible for Medicare benefits; and (3) "non-Medicare-Plan~~
23 ~~annuitant" means an annuitant described in item (1) who is~~
24 ~~not eligible for Medicare benefits.~~

25 ~~(b) The city shall offer group health benefits to~~
26 ~~annuitants and their eligible dependents through June 30,~~
27 ~~2003. The basic city health care plan available as of June~~
28 ~~30, 1988 (hereinafter called the basic city plan) shall cease~~
29 ~~to be a plan offered by the city, except as specified in~~
30 ~~subparagraphs (4) and (5) below, and shall be closed to new~~
31 ~~enrollment or transfer of coverage for any non-Medicare-Plan~~
32 ~~annuitant as of June 27, 1997. The city shall offer~~
33 ~~non-Medicare-Plan annuitants and their eligible dependents~~
34 ~~the option of enrolling in its Annuitant Preferred Provider~~

1 Plan and may offer additional plans for any annuitant. The
 2 city may amend, modify, or terminate any of its additional
 3 plans at its sole discretion. If the city offers more than
 4 one annuitant plan, the city shall allow annuitants to
 5 convert coverage from one city annuitant plan to another,
 6 except the basic city plan, during times designated by the
 7 city, which periods of time shall occur at least annually.
 8 For the period dating from June 27, 1997 through June 30,
 9 2003, monthly premium rates may be increased for annuitants
 10 during the time of their participation in non-Medicare plans,
 11 except as provided in subparagraphs (1) through (4) of this
 12 subsection.

13 (1) For non-Medicare Plan annuitants who retired
 14 prior to January 1, 1988, the annuitant's share of
 15 monthly premium for non-Medicare Plan coverage only shall
 16 not exceed the highest premium rate chargeable under any
 17 city non-Medicare Plan annuitant coverage as of December
 18 1, 1996.

19 (2) For non-Medicare Plan annuitants who retire on
 20 or after January 1, 1988, the annuitant's share of
 21 monthly premium for non-Medicare Plan coverage only shall
 22 be the rate in effect on December 1, 1996, with monthly
 23 premium increases to take effect no sooner than April 1,
 24 1998 at the lower of (i) the premium rate determined
 25 pursuant to subsection (g) or (ii) 10% of the immediately
 26 previous month's rate for similar coverage.

27 (3) In no event shall any non-Medicare Plan
 28 annuitant's share of monthly premium for non-Medicare
 29 Plan coverage exceed 10% of the annuitant's monthly
 30 annuity.

31 (4) Non-Medicare Plan annuitants who are enrolled
 32 in the basic city plan as of July 1, 1998 may remain in
 33 the basic city plan, if they so choose, on the condition
 34 that they are not entitled to the caps on rates set forth

1 in--subparagraphs-(1)-through-(3),-and-their-premium-rate
2 shall--be--the--rate--determined---in---accordance---with
3 subsections-(e)-and-(g):

4 (5)--Medicare--Plan--annuitants--who--are--currently
5 enrolled--in--the--basic--city-plan-for-Medicare-eligible
6 annuitants-may-remain-in-that-plan,-if--they--so--choose,
7 through--June--30,-2003.-Annuitants-shall-not-be-allowed
8 to-enroll-in-or-transfer-into-the--basic--city--plan--for
9 Medicare--eligible--annuitants--on-or-after-July-1,-1999.
10 The--city--shall---continue---to---offer---annuitants---a
11 supplemental---Medicare---Plan---for---Medicare--eligible
12 annuitants-through-June-30,-2003,-and-the-city-may--offer
13 additional--plans--to-Medicare-eligible-annuitants-in-its
14 sole-discretion.-All--Medicare--Plan--annuitant--monthly
15 rates--shall-be-determined-in-accordance-with-subsections
16 (e)-and-(g):

17 (e)--The-city-shall-pay-50%-of-the--aggregated--costs--of
18 the---claims---or---premiums,-whichever--is--applicable,-as
19 determined-in-accordance-with-subsection-(g),-of--annuitants
20 and--their--dependents-under-all-health-care-plans-offered-by
21 the-city.-The-city-may-reduce-its-obligation-by--application
22 of--price--reductions--obtained--as--a--result--of--financial
23 arrangements-with-providers-or-plan-administrators:

24 (d)--From--January-1,-1993-until-June-30,-2003,-the-board
25 shall-pay-to-the-city--on--behalf--of--each--of--the--board's
26 annuitants--who--chooses--to-participate-in-any-of-the-city's
27 plans-the-following-amounts:-up-to-a-maximum-of-\$75-per-month
28 for-each-such-annuitant--who--is--not--qualified--to--receive
29 medicare--benefits,-and-up-to-a-maximum-of-\$45-per-month-for
30 each-such-annuitant-who--is--qualified--to--receive--medicare
31 benefits:

32 The--payments--described-in-this-subsection-shall-be-paid
33 from-the--tax--levy--authorized--under--Section--6-165;-such
34 amounts--shall--be-credited-to-the-reserve-for-group-hospital

1 care-and-group-medical-and-surgical-plan-benefits,--and--all
2 payments--to-the-city-required-under-this-subsection-shall-be
3 charged-against-it.

4 (e)--The-city's-obligations-under-subsections-(b)-and-(c)
5 shall-terminate-on-June--30,--2003,--except--with--regard--to
6 covered-expenses-incurred-but-not-paid-as-of-that-date.--This
7 subsection--shall--not--affect--other-obligations-that-may-be
8 imposed-by-law.

9 (f)--The-group-coverage-plans-described-in--this--Section
10 are--not--and--shall--not--be--construed--to--be--pension--or
11 retirement-benefits-for-purposes-of-Section-5-of-Article-XIII
12 of-the-Illinois-Constitution-of-1970.

13 (g)--For--each--annuitant--plan--offered-by-the-city,--the
14 aggregate-cost-of-claims,--as-reflected-in-the--claim--records
15 of--the--plan--administrator,--shall-be-estimated-by-the-city,
16 based-upon-a-written-determination-by-a-qualified-independent
17 actuary-to-be-appointed-and-paid-by-the-city-and--the--board.
18 If--the-estimated-annual-cost-for-each-annuitant-plan-offered
19 by--the--city--is--more--than--the--estimated--amount--to--be
20 contributed-by-the-city-for-that-plan-pursuant-to-subsections
21 (b)-and-(c)-during-that-year-plus-the-estimated-amounts-to-be
22 paid-pursuant-to-subsection-(d)--and--by--the--other--pension
23 boards--on--behalf--of--other--participating--annuitants,--the
24 difference-shall-be-paid-by-all-annuitants--participating--in
25 the--plan,--except--as-provided-in-subsection-(b).--The-city,
26 based-upon-the--determination--of--the--independent--actuary,
27 shall-set-the-monthly-amounts-to-be-paid-by-the-participating
28 annuitants.---The-board-may-deduct-the-amounts-to-be-paid-by
29 its-annuitants-from--the--participating--annuitants'-monthly
30 annuities.

31 If-it-is-determined-from-the-city's-annual-audit,--or--from
32 audited--experience--data,--that-the-total-amount-paid-by-all
33 participating-annuitants-was-more-or-less-than-the-difference
34 between-(1)-the-cost--of--providing--the--group--health--care

1 plans, and (2) the sum of the amount to be paid by the city
2 as determined under subsection (c) and the amounts paid by
3 all the pension boards, then the independent actuary and the
4 city shall account for the excess or shortfall in the next
5 year's payments by annuitants, except as provided in
6 subsection (b).

7 (h) An annuitant may elect to terminate coverage in a
8 plan at the end of any month, which election shall terminate
9 the annuitant's obligation to contribute toward payment of
10 the excess described in subsection (g).

11 (i) The city shall advise the board of all proposed
12 premium increases for health care at least 75 days prior to
13 the effective date of the change, and any increase shall be
14 prospective only.

15 (Source: P.A. 92-599, eff. 6-28-02.)

16 (40 ILCS 5/8-164.1) (from Ch. 108 1/2, par. 8-164.1)

17 Sec. 8-164.1. Payments to city Group health benefit.

18 (a) For the purposes of this Section, "city annuitant"
19 means a person receiving an age and service annuity, a
20 widow's annuity, a child's annuity, or a minimum annuity
21 under this Article as a direct result of previous employment
22 by the City of Chicago ("the city").

23 (b) The board shall pay to the city, on behalf of the
24 board's city annuitants who participate in any of the city's
25 health care plans, the following amounts:

26 (1) From July 1, 2003 through June 30, 2008, \$85
27 per month for each such annuitant who is not eligible to
28 receive Medicare benefits and \$55 per month for each such
29 annuitant who is eligible to receive Medicare benefits.

30 (2) From July 1, 2008 through June 30, 2013, \$95
31 per month for each such annuitant who is not eligible to
32 receive Medicare benefits and \$65 per month for each such
33 annuitant who is eligible to receive Medicare benefits.

1 The payments described in this subsection shall be paid
 2 from the tax levy authorized under Section 8-173; such
 3 amounts shall be credited to the reserve for group hospital
 4 care and group medical and surgical plan benefits, and all
 5 payments to the city required under this subsection shall be
 6 charged against it.

7 (c) The city health care plans referred to in this
 8 Section and the board's payments to the city under this
 9 Section are not and shall not be construed to be pension or
 10 retirement benefits for the purposes of Section 5 of Article
 11 XIII of the Illinois Constitution of 1970.

12 ~~(a) For the purposes of this Section: (1) "annuitant"~~
 13 ~~means a person receiving an age and service annuity, a prior~~
 14 ~~service annuity, a widow's annuity, a widow's prior service~~
 15 ~~annuity, or a minimum annuity, under Article 5, 6, 8 or 11,~~
 16 ~~by reason of previous employment by the City of Chicago~~
 17 ~~(hereinafter, in this Section, "the city"); (2) "Medicare~~
 18 ~~Plan annuitant" means an annuitant described in item (1) who~~
 19 ~~is eligible for Medicare benefits; and (3) "non-Medicare Plan~~
 20 ~~annuitant" means an annuitant described in item (1) who is~~
 21 ~~not eligible for Medicare benefits.~~

22 ~~(b) The city shall offer group health benefits to~~
 23 ~~annuitants and their eligible dependents through June 30,~~
 24 ~~2003. The basic city health care plan available as of June~~
 25 ~~30, 1988 (hereinafter called the basic city plan) shall cease~~
 26 ~~to be a plan offered by the city, except as specified in~~
 27 ~~subparagraphs (4) and (5) below, and shall be closed to new~~
 28 ~~enrollment or transfer of coverage for any non-Medicare Plan~~
 29 ~~annuitant as of June 27, 1997. The city shall offer~~
 30 ~~non-Medicare Plan annuitants and their eligible dependents~~
 31 ~~the option of enrolling in its Annuitant Preferred Provider~~
 32 ~~Plan and may offer additional plans for any annuitant. The~~
 33 ~~city may amend, modify, or terminate any of its additional~~
 34 ~~plans at its sole discretion. If the city offers more than~~

1 one--annuitant--plan,--the--city--shall--allow--annuitants--to
2 convert--coverage--from--one--city--annuitant--plan--to--another,
3 except--the--basic--city--plan,--during--times--designated--by--the
4 city,--which--periods--of--time--shall--occur--at--least--annually.
5 For--the--period--dating--from--June--27,--1997--through--June--30,
6 2003,--monthly--premium--rates--may--be--increased--for--annuitants
7 during--the--time--of--their--participation--in--non-Medicare--plans,
8 except--as--provided--in--subparagraphs--(1)--through--(4)--of--this
9 subsection.

10 (1)--For--non-Medicare--Plan--annuitants--who--retired
11 prior--to--January--1,--1988,--the--annuitant's--share--of
12 monthly--premium--for--non-Medicare--Plan--coverage--only--shall
13 not--exceed--the--highest--premium--rate--chargeable--under--any
14 city--non-Medicare--Plan--annuitant--coverage--as--of--December
15 1,--1996.

16 (2)--For--non-Medicare--Plan--annuitants--who--retire--on
17 or--after--January--1,--1988,--the--annuitant's--share--of
18 monthly--premium--for--non-Medicare--Plan--coverage--only--shall
19 be--the--rate--in--effect--on--December--1,--1996,--with--monthly
20 premium--increases--to--take--effect--no--sooner--than--April--1,
21 1998--at--the--lower--of--(i)--the--premium--rate--determined
22 pursuant--to--subsection--(g)--or--(ii)--10%--of--the--immediately
23 previous--month's--rate--for--similar--coverage.

24 (3)--In--no--event--shall--any--non-Medicare--Plan
25 annuitant's--share--of--monthly--premium--for--non-Medicare
26 Plan--coverage--exceed--10%--of--the--annuitant's--monthly
27 annuity.

28 (4)--Non-Medicare--Plan--annuitants--who--are--enrolled
29 in--the--basic--city--plan--as--of--July--1,--1998--may--remain--in
30 the--basic--city--plan,--if--they--so--choose,--on--the--condition
31 that--they--are--not--entitled--to--the--caps--on--rates--set--forth
32 in--subparagraphs--(1)--through--(3),--and--their--premium--rate
33 shall--be--the--rate--determined--in--accordance--with
34 subsections--(e)--and--(g).

1 (5) Medicare Plan annuitants who are currently
 2 enrolled in the basic city plan for Medicare eligible
 3 annuitants may remain in that plan, if they so choose,
 4 through June 30, 2003. Annuitants shall not be allowed
 5 to enroll in or transfer into the basic city plan for
 6 Medicare eligible annuitants on or after July 1, 1999.
 7 The city shall continue to offer annuitants a
 8 supplemental Medicare Plan for Medicare eligible
 9 annuitants through June 30, 2003, and the city may offer
 10 additional plans to Medicare eligible annuitants in its
 11 sole discretion. All Medicare Plan annuitant monthly
 12 rates shall be determined in accordance with subsections
 13 (e) and (g).

14 (e) The city shall pay 50% of the aggregated costs of
 15 the claims or premiums, whichever is applicable, as
 16 determined in accordance with subsection (g), of annuitants
 17 and their dependents under all health care plans offered by
 18 the city. The city may reduce its obligation by application
 19 of price reductions obtained as a result of financial
 20 arrangements with providers or plan administrators.

21 (d) From January 1, 1993 until June 30, 2003, the board
 22 shall pay to the city on behalf of each of the board's
 23 annuitants who chooses to participate in any of the city's
 24 plans the following amounts: up to a maximum of \$75 per month
 25 for each such annuitant who is not qualified to receive
 26 Medicare benefits, and up to a maximum of \$45 per month for
 27 each such annuitant who is qualified to receive Medicare
 28 benefits.

29 Commencing on August 23, 1989, the board is authorized to
 30 pay to the board of education on behalf of each person who
 31 chooses to participate in the board of education's plan the
 32 amounts specified in this subsection (d) during the years
 33 indicated. For the period January 1, 1988 through August 23,
 34 1989, the board shall pay to the board of education

1 annuitants who participate in the board of education's health
 2 benefits plan for annuitants the following amounts: \$10 per
 3 month to each annuitant who is not qualified to receive
 4 medicare benefits, and \$14 per month to each annuitant who is
 5 qualified to receive medicare benefits.

6 The payments described in this subsection shall be paid
 7 from the tax levy authorized under Section 8-189; such
 8 amounts shall be credited to the reserve for group hospital
 9 care and group medical and surgical plan benefits, and all
 10 payments to the city required under this subsection shall be
 11 charged against it.

12 (e) The city's obligations under subsections (b) and (c)
 13 shall terminate on June 30, 2003, except with regard to
 14 covered expenses incurred but not paid as of that date. This
 15 subsection shall not affect other obligations that may be
 16 imposed by law.

17 (f) The group coverage plans described in this Section
 18 are not and shall not be construed to be pension or
 19 retirement benefits for purposes of Section 5 of Article XIII
 20 of the Illinois Constitution of 1970.

21 (g) For each annuitant plan offered by the city, the
 22 aggregate cost of claims, as reflected in the claim records
 23 of the plan administrator, shall be estimated by the city,
 24 based upon a written determination by a qualified independent
 25 actuary to be appointed and paid by the city and the board.
 26 If the estimated annual cost for each annuitant plan offered
 27 by the city is more than the estimated amount to be
 28 contributed by the city for that plan pursuant to subsections
 29 (b) and (c) during that year plus the estimated amounts to be
 30 paid pursuant to subsection (d) and by the other pension
 31 boards on behalf of other participating annuitants, the
 32 difference shall be paid by all annuitants participating in
 33 the plan, except as provided in subsection (b). The city,
 34 based upon the determination of the independent actuary,

1 shall set the monthly amounts to be paid by the participating
2 annuitants. --- The board may deduct the amounts to be paid by
3 its annuitants from the participating annuitants' monthly
4 annuities.

5 If it is determined from the city's annual audit, or from
6 audited experience data, that the total amount paid by all
7 participating annuitants was more or less than the difference
8 between (1) the cost of providing the group health care
9 plans, and (2) the sum of the amount to be paid by the city
10 as determined under subsection (e) and the amounts paid by
11 all the pension boards, then the independent actuary and the
12 city shall account for the excess or shortfall in the next
13 year's payments by annuitants, except as provided in
14 subsection (b).

15 (h) An annuitant may elect to terminate coverage in a
16 plan at the end of any month, which election shall terminate
17 the annuitant's obligation to contribute toward payment of
18 the excess described in subsection (g).

19 (i) The city shall advise the board of all proposed
20 premium increases for health care at least 75 days prior to
21 the effective date of the change, and any increase shall be
22 prospective only.

23 (Source: P.A. 92-599, eff. 6-28-02.)

24 (40 ILCS 5/11-160.1) (from Ch. 108 1/2, par. 11-160.1)
25 Sec. 11-160.1. Payments to city Group health benefit.

26 (a) For the purposes of this Section, "city annuitant"
27 means a person receiving an age and service annuity, a
28 widow's annuity, a child's annuity, or a minimum annuity
29 under this Article as a direct result of previous employment
30 by the City of Chicago ("the city").

31 (b) The board shall pay to the city, on behalf of the
32 board's city annuitants who participate in any of the city's
33 health care plans, the following amounts:

1 (1) From July 1, 2003 through June 30, 2008, \$85
 2 per month for each such annuitant who is not eligible to
 3 receive Medicare benefits and \$55 per month for each such
 4 annuitant who is eligible to receive Medicare benefits.

5 (2) From July 1, 2008 through June 30, 2013, \$95
 6 per month for each such annuitant who is not eligible to
 7 receive Medicare benefits and \$65 per month for each such
 8 annuitant who is eligible to receive Medicare benefits.

9 The payments described in this subsection shall be paid
 10 from the tax levy authorized under Section 11-169; such
 11 amounts shall be credited to the reserve for group hospital
 12 care and group medical and surgical plan benefits, and all
 13 payments to the city required under this subsection shall be
 14 charged against it.

15 (c) The city health care plans referred to in this
 16 Section and the board's payments to the city under this
 17 Section are not and shall not be construed to be pension or
 18 retirement benefits for the purposes of Section 5 of Article
 19 XIII of the Illinois Constitution of 1970.

20 ~~(a) For the purposes of this Section: (1) "annuitant"~~
 21 ~~means a person receiving an age and service annuity, a prior~~
 22 ~~service annuity, a widow's annuity, a widow's prior service~~
 23 ~~annuity, or a minimum annuity, under Article 5, 6, 8 or 11,~~
 24 ~~by reason of previous employment by the City of Chicago~~
 25 ~~(hereinafter, in this Section, "the city"); (2) "Medicare~~
 26 ~~Plan annuitant" means an annuitant described in item (1) who~~
 27 ~~is eligible for Medicare benefits; and (3) "non-Medicare Plan~~
 28 ~~annuitant" means an annuitant described in item (1) who is~~
 29 ~~not eligible for Medicare benefits.~~

30 ~~(b) The city shall offer group health benefits to~~
 31 ~~annuitants and their eligible dependents through June 30,~~
 32 ~~2003. The basic city health care plan available as of June~~
 33 ~~30, 1988 (hereinafter called the basic city plan) shall cease~~
 34 ~~to be a plan offered by the city, except as specified in~~

1 subparagraphs (4) and (5) below, and shall be closed to new
 2 enrollment or transfer of coverage for any non-Medicare Plan
 3 annuitant as of June 27, 1997. The city shall offer
 4 non-Medicare Plan annuitants and their eligible dependents
 5 the option of enrolling in its Annuitant Preferred Provider
 6 Plan and may offer additional plans for any annuitant. The
 7 city may amend, modify, or terminate any of its additional
 8 plans at its sole discretion. If the city offers more than
 9 one annuitant plan, the city shall allow annuitants to
 10 convert coverage from one city annuitant plan to another,
 11 except the basic city plan, during times designated by the
 12 city, which periods of time shall occur at least annually.
 13 For the period dating from June 27, 1997 through June 30,
 14 2003, monthly premium rates may be increased for annuitants
 15 during the time of their participation in non-Medicare plans,
 16 except as provided in subparagraphs (1) through (4) of this
 17 subsection.

18 (1) For non-Medicare Plan annuitants who retired
 19 prior to January 1, 1988, the annuitant's share of
 20 monthly premium for non-Medicare Plan coverage only shall
 21 not exceed the highest premium rate chargeable under any
 22 city non-Medicare Plan annuitant coverage as of December
 23 1, 1996.

24 (2) For non-Medicare Plan annuitants who retire on
 25 or after January 1, 1988, the annuitant's share of
 26 monthly premium for non-Medicare Plan coverage only shall
 27 be the rate in effect on December 1, 1996, with monthly
 28 premium increases to take effect no sooner than April 1,
 29 1998 at the lower of (i) the premium rate determined
 30 pursuant to subsection (g) or (ii) 10% of the immediately
 31 previous month's rate for similar coverage.

32 (3) In no event shall any non-Medicare Plan
 33 annuitant's share of monthly premium for non-Medicare
 34 Plan coverage exceed 10% of the annuitant's monthly

1 annuity.

2 (4) Non-Medicare Plan annuitants who are enrolled
3 in the basic city plan as of July 1, 1998 may remain in
4 the basic city plan, if they so choose, on the condition
5 that they are not entitled to the caps on rates set forth
6 in subparagraphs (1) through (3), and their premium rate
7 shall be the rate determined in accordance with
8 subsections (e) and (g).

9 (5) Medicare Plan annuitants who are currently
10 enrolled in the basic city plan for Medicare eligible
11 annuitants may remain in that plan, if they so choose,
12 through June 30, 2003. Annuitants shall not be allowed
13 to enroll in or transfer into the basic city plan for
14 Medicare eligible annuitants on or after July 1, 1999.
15 The city shall continue to offer annuitants a
16 supplemental Medicare Plan for Medicare eligible
17 annuitants through June 30, 2003, and the city may offer
18 additional plans to Medicare eligible annuitants in its
19 sole discretion. All Medicare Plan annuitant monthly
20 rates shall be determined in accordance with subsections
21 (e) and (g).

22 (e) The city shall pay 50% of the aggregated costs of
23 the claims or premiums, whichever is applicable, as
24 determined in accordance with subsection (g), of annuitants
25 and their dependents under all health care plans offered by
26 the city. The city may reduce its obligation by application
27 of price reductions obtained as a result of financial
28 arrangements with providers or plan administrators.

29 (d) From January 1, 1993 until June 30, 2003, the board
30 shall pay to the city on behalf of each of the board's
31 annuitants who chooses to participate in any of the city's
32 plans the following amounts: up to a maximum of \$75 per month
33 for each such annuitant who is not qualified to receive
34 medicare benefits, and up to a maximum of \$45 per month for

1 each--such--annuitant--who--is--qualified-to-receive-medicare
2 benefits.

3 The-payments-described-in-this-subsection-shall--be--paid
4 from--the--tax--levy--authorized--under--Section-11-178; such
5 amounts-shall-be-credited-to-the-reserve-for--group--hospital
6 care--and--group--medical-and-surgical-plan-benefits, and-all
7 payments-to-the-city-required-under-this-subsection-shall--be
8 charged-against-it.

9 (e)--The-city's-obligations-under-subsections-(b)-and-(c)
10 shall--terminate--on--June--30,--2003,--except-with-regard-to
11 covered-expenses-incurred-but-not-paid-as-of-that-date.--This
12 subsection-shall-not-affect-other--obligations--that--may--be
13 imposed-by-law.

14 (f)--The--group--coverage-plans-described-in-this-Section
15 are--not--and--shall--not--be--construed--to--be--pension--or
16 retirement-benefits-for-purposes-of-Section-5-of-Article-XIII
17 of-the-Illinois-Constitution-of-1970.

18 (g)--For-each-annuitant-plan-offered--by--the--city,--the
19 aggregate--cost--of-claims, as-reflected-in-the-claim-records
20 of-the-plan-administrator, shall-be-estimated--by--the--city,
21 based-upon-a-written-determination-by-a-qualified-independent
22 actuary--to--be-appointed-and-paid-by-the-city-and-the-board.
23 If-the-estimated-annual-cost-for-each-annuitant-plan--offered
24 by--the--city--is--more--than--the--estimated--amount--to--be
25 contributed-by-the-city-for-that-plan-pursuant-to-subsections
26 (b)-and-(c)-during-that-year-plus-the-estimated-amounts-to-be
27 paid--pursuant--to--subsection--(d)--and-by-the-other-pension
28 boards-on--behalf--of--other--participating--annuitants,--the
29 difference--shall--be-paid-by-all-annuitants-participating-in
30 the-plan, except-as-provided-in-subsection--(b).--The--city,
31 based--upon--the--determination--of--the-independent-actuary,
32 shall-set-the-monthly-amounts-to-be-paid-by-the-participating
33 annuitants.--The-board-may-deduct-the-amounts-to-be--paid--by
34 its--annuitants--from--the--participating-annuitants'-monthly

1 annuities.

2 If it is determined from the city's annual audit, or from
 3 audited experience data, that the total amount paid by all
 4 participating annuitants was more or less than the difference
 5 between (1) the cost of providing the group health care
 6 plans, and (2) the sum of the amount to be paid by the city
 7 as determined under subsection (c) and the amounts paid by
 8 all the pension boards, then the independent actuary and the
 9 city shall account for the excess or shortfall in the next
 10 year's payments by annuitants, except as provided in
 11 subsection (b).

12 (h) An annuitant may elect to terminate coverage in a
 13 plan at the end of any month, which election shall terminate
 14 the annuitant's obligation to contribute toward payment of
 15 the excess described in subsection (g).

16 (i) The city shall advise the board of all proposed
 17 premium increases for health care at least 75 days prior to
 18 the effective date of the change, and any increase shall be
 19 prospective only.

20 (Source: P.A. 92-599, eff. 6-28-02.)

21 Section 90. The State Mandates Act is amended by adding
 22 Section 8.27 as follows:

23 (30 ILCS 805/8.27 new)

24 Sec. 8.27. Exempt mandate. Notwithstanding Sections 6
 25 and 8 of this Act, no reimbursement by the State is required
 26 for the implementation of any mandate created by this
 27 amendatory Act of the 93rd General Assembly.

28 Section 99. Effective date. This Act takes effect July
 29 1, 2003."