

1 AN ACT in relation to public employee benefits.

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

4 Section 5. The Illinois Pension Code is amended by  
5 changing Sections 5-167.5, 6-142.2, 8-164.1, and 11-160.1 and  
6 adding Sections 8-164.2 and 11-160.2 as follows:

7 (40 ILCS 5/5-167.5) (from Ch. 108 1/2, par. 5-167.5)  
8 Sec. 5-167.5. Payments to city Group-health-benefit.

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

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

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

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

25 The payments described in this subsection shall be paid  
26 from the tax levy authorized under Section 5-168; such  
27 amounts shall be credited to the reserve for group hospital  
28 care and group medical and surgical plan benefits, and all  
29 payments to the city required under this subsection shall be  
30 charged against it.

31 (c) The city health care plans referred to in this

1 Section and the board's payments to the city under this  
 2 Section are not and shall not be construed to be pension or  
 3 retirement benefits for the purposes of Section 5 of Article  
 4 XIII of the Illinois Constitution of 1970.

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

15 (b) The city shall offer group health benefits to  
 16 annuitants and their eligible dependents through June 30,  
 17 2003. The basic city health care plan available as of June  
 18 30, 1988 (hereinafter called the basic city plan) shall cease  
 19 to be a plan offered by the city, except as specified in  
 20 subparagraphs (4) and (5) below, and shall be closed to new  
 21 enrollment or transfer of coverage for any non-Medicare Plan  
 22 annuitant as of June 27, 1997. The city shall offer  
 23 non-Medicare Plan annuitants and their eligible dependents  
 24 the option of enrolling in its Annuitant Preferred Provider  
 25 Plan and may offer additional plans for any annuitant. The  
 26 city may amend, modify, or terminate any of its additional  
 27 plans at its sole discretion. If the city offers more than  
 28 one annuitant plan, the city shall allow annuitants to  
 29 convert coverage from one city annuitant plan to another,  
 30 except the basic city plan, during times designated by the  
 31 city, which periods of time shall occur at least annually.  
 32 For the period dating from June 27, 1997 through June 30,  
 33 2003, monthly premium rates may be increased for annuitants  
 34 during the time of their participation in non-Medicare plans,

1 except--as--provided--in--subparagraphs--(1)--through--(4)--of--this  
2 subsection.

3 (1)--For--non--Medicare--Plan--annuitants--who--retired  
4 prior--to--January--17--1988,--the--annuitant's--share--of  
5 monthly--premium--for--non--Medicare--Plan--coverage--only--shall  
6 not--exceed--the--highest--premium--rate--chargeable--under--any  
7 city--non--Medicare--Plan--annuitant--coverage--as--of--December  
8 17--1996.

9 (2)--For--non--Medicare--Plan--annuitants--who--retire--on  
10 or--after--January--17--1988,--the--annuitant's--share--of  
11 monthly--premium--for--non--Medicare--Plan--coverage--only--shall  
12 be--the--rate--in--effect--on--December--17--1996,--with--monthly  
13 premium--increases--to--take--effect--no--sooner--than--April--17,  
14 1998--at--the--lower--of--(i)--the--premium--rate--determined  
15 pursuant--to--subsection--(g)--or--(ii)--10%--of--the--immediately  
16 previous--month's--rate--for--similar--coverage.

17 (3)--In--no--event--shall--any--non--Medicare--Plan  
18 annuitant's--share--of--monthly--premium--for--non--Medicare  
19 Plan--coverage--exceed--10%--of--the--annuitant's--monthly  
20 annuity.

21 (4)--Non--Medicare--Plan--annuitants--who--are--enrolled  
22 in--the--basic--city--plan--as--of--July--17--1998--may--remain--in  
23 the--basic--city--plan,--if--they--so--choose,--on--the--condition  
24 that--they--are--not--entitled--to--the--caps--on--rates--set--forth  
25 in--subparagraphs--(1)--through--(3),--and--their--premium--rate  
26 shall--be--the--rate--determined--in--accordance--with  
27 subsections--(e)--and--(g).

28 (5)--Medicare--Plan--annuitants--who--are--currently  
29 enrolled--in--the--basic--city--plan--for--Medicare--eligible  
30 annuitants--may--remain--in--that--plan,--if--they--so--choose,  
31 through--June--30,--2003.--Annuitants--shall--not--be--allowed  
32 to--enroll--in--or--transfer--into--the--basic--city--plan--for  
33 Medicare--eligible--annuitants--on--or--after--July--17--1999.  
34 The--city--shall--continue--to--offer--annuitants--a

1 supplemental---Medicare---Plan---for---Medicare--eligible  
2 annuitants-through-June-30,--2003,--and-the-city-may--offer  
3 additional--plans--to-Medicare-eligible-annuitants-in-its  
4 sole-discretion.--All--Medicare--Plan--annuitant--monthly  
5 rates--shall-be-determined-in-accordance-with-subsections  
6 (e)-and-(g).

7 (e)--The-city-shall-pay-50%-of-the--aggregated--costs--of  
8 the---claims---or---premiums,--whichever--is--applicable,--as  
9 determined-in-accordance-with-subsection-(g),--of--annuitants  
10 and--their--dependents-under-all-health-care-plans-offered-by  
11 the-city.--The-city-may-reduce-its-obligation-by--application  
12 of--price--reductions--obtained--as--a--result--of--financial  
13 arrangements-with-providers-or-plan-administrators.

14 (d)--From--January-1,--1993-until-June-30,--2003,--the-board  
15 shall-pay-to-the-city--on--behalf--of--each--of--the--board's  
16 annuitants--who--chooses--to-participate-in-any-of-the-city's  
17 plans-the-following-amounts:--up-to-a-maximum-of-\$75-per-month  
18 for-each-such-annuitant--who--is--not--qualified--to--receive  
19 medicare--benefits,--and-up-to-a-maximum-of-\$45-per-month-for  
20 each-such-annuitant-who--is--qualified--to--receive--medicare  
21 benefits.

22 The--payments--described-in-this-subsection-shall-be-paid  
23 from-the--tax--levy--authorized--under--Section--5-168;--such  
24 amounts--shall--be-credited-to-the-reserve-for-group-hospital  
25 care-and-group-medical-and-surgical-plan--benefits,--and--all  
26 payments--to-the-city-required-under-this-subsection-shall-be  
27 charged-against-it.

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

33 (f)--The-group-coverage-plans-described-in--this--Section  
34 are--not--and--shall--not--be--construed--to--be--pension--or

1 retirement-benefits-for-purposes-of-Section-5-of-Article-XIII  
2 of-the-Illinois-Constitution-of-1970.

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

21 If-it-is-determined-from-the-city's-annual-audit, or-from  
22 audited--experience--data,--that-the-total-amount-paid-by-all  
23 participating-annuitants-was-more-or-less-than-the-difference  
24 between-(1)-the-cost--of--providing--the--group--health--care  
25 plans,--and--(2)-the-sum-of-the-amount-to-be-paid-by-the-city  
26 as-determined-under-subsection-(c)-and-the--amounts--paid--by  
27 all--the--pension-boards, then-the-independent-actuary-and-the  
28 city-shall-account-for-the-excess-or-shortfall--in--the--next  
29 year's--payments--by--annuitants,--except--as--provided--in  
30 subsection-(b).

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

1           ~~(i) The city shall advise the board of all proposed~~  
 2           ~~premium increases for health care at least 75 days prior to~~  
 3           ~~the effective date of the change, and any increase shall be~~  
 4           ~~prospective only.~~

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

6           (40 ILCS 5/6-164.2) (from Ch. 108 1/2, par. 6-164.2)  
 7           Sec. 6-164.2. Payments to city Group health benefit.

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

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

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

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

24           The payments described in this subsection shall be paid  
 25           from the tax levy authorized under Section 6-165; such  
 26           amounts shall be credited to the reserve for group hospital  
 27           care and group medical and surgical plan benefits, and all  
 28           payments to the city required under this subsection shall be  
 29           charged against it.

30           (c) The city health care plans referred to in this  
 31           Section and the board's payments to the city under this  
 32           Section are not and shall not be construed to be pension or  
 33           retirement benefits for the purposes of Section 5 of Article

1 XIII of the Illinois Constitution of 1970.

2 (a) For the purposes of this Section: (1) "annuitant"  
3 means a person receiving an age and service annuity, a prior  
4 service annuity, a widow's annuity, a widow's prior service  
5 annuity, or a minimum annuity, under Article 5, 6, 8 or 11,  
6 by reason of previous employment by the City of Chicago  
7 (hereinafter, in this Section, "the city"); (2) "Medicare  
8 Plan annuitant" means an annuitant described in item (1) who  
9 is eligible for Medicare benefits; and (3) "non-Medicare-Plan  
10 annuitant" means an annuitant described in item (1) who is  
11 not eligible for Medicare benefits.

12 (b) The city shall offer group health benefits to  
13 annuitants and their eligible dependents through June 30,  
14 2003. The basic city health care plan available as of June  
15 30, 1988 (hereinafter called the basic city plan) shall cease  
16 to be a plan offered by the city, except as specified in  
17 subparagraphs (4) and (5) below, and shall be closed to new  
18 enrollment or transfer of coverage for any non-Medicare-Plan  
19 annuitant as of June 27, 1997. The city shall offer  
20 non-Medicare-Plan annuitants and their eligible dependents  
21 the option of enrolling in its Annuitant Preferred Provider  
22 Plan and may offer additional plans for any annuitant. The  
23 city may amend, modify, or terminate any of its additional  
24 plans at its sole discretion. If the city offers more than  
25 one annuitant plan, the city shall allow annuitants to  
26 convert coverage from one city annuitant plan to another,  
27 except the basic city plan, during times designated by the  
28 city, which periods of time shall occur at least annually.  
29 For the period dating from June 27, 1997 through June 30,  
30 2003, monthly premium rates may be increased for annuitants  
31 during the time of their participation in non-Medicare plans,  
32 except as provided in subparagraphs (1) through (4) of this  
33 subsection.

34 (1) For non-Medicare-Plan annuitants who retired

1 prior--to--January--17--1988,--the--annuitant's--share-of  
2 monthly-premium-for-non-Medicare-Plan-coverage-only-shall  
3 not-exceed-the-highest-premium-rate-chargeable-under--any  
4 city--non-Medicare-Plan-annuitant-coverage-as-of-December  
5 17-1996.

6 (2)--For-non-Medicare-Plan-annuitants-who-retire--on  
7 or--after--January--17--1988,--the--annuitant's--share-of  
8 monthly-premium-for-non-Medicare-Plan-coverage-only-shall  
9 be-the-rate-in-effect-on-December-17-1996,--with--monthly  
10 premium--increases-to-take-effect-no-sooner-than-April-17,  
11 1998-at-the-lower-of--(i)--the--premium--rate--determined  
12 pursuant-to-subsection-(g)-or-(ii)-10%-of-the-immediately  
13 previous-month's-rate-for-similar-coverage.

14 (3)--In---no---event--shall--any--non-Medicare--Plan  
15 annuitant's-share-of--monthly--premium--for--non-Medicare  
16 Plan--coverage--exceed--10%--of--the--annuitant's-monthly  
17 annuity.

18 (4)--Non-Medicare-Plan-annuitants-who--are--enrolled  
19 in--the--basic-city-plan-as-of-July-17-1998-may-remain-in  
20 the-basic-city-plan,--if-they-so-choose,--on-the--condition  
21 that-they-are-not-entitled-to-the-caps-on-rates-set-forth  
22 in--subparagraphs-(1)-through-(3),--and-their-premium-rate  
23 shall--be--the--rate--determined---in---accordance---with  
24 subsections-(e)-and-(g).

25 (5)--Medicare--Plan--annuitants--who--are--currently  
26 enrolled--in--the--basic--city-plan-for-Medicare-eligible  
27 annuitants-may-remain-in-that-plan,--if--they--so--choose,  
28 through--June--30,--2003.--Annuitants-shall-not-be-allowed  
29 to-enroll-in-or-transfer-into-the--basic--city--plan--for  
30 Medicare--eligible--annuitants--on-or-after-July-17-1999.  
31 The--city--shall---continue---to---offer---annuitants---a  
32 supplemental---Medicare---Plan---for---Medicare--eligible  
33 annuitants-through-June-30,--2003,--and-the-city-may--offer  
34 additional--plans--to-Medicare-eligible-annuitants-in-its



1           sole-discretion.--All--Medicare--Plan--annuitant--monthly  
2           rates--shall-be-determined-in-accordance-with-subsections  
3           (e)-and-(g)-.

4           (e)--The-city-shall-pay-50%-of-the--aggregated--costs--of  
5           the---claims---or---premiums,--whichever--is--applicable,--as  
6           determined-in-accordance-with-subsection-(g),--of--annuitants  
7           and--their--dependents-under-all-health-care-plans-offered-by  
8           the-city.--The-city-may-reduce-its-obligation-by--application  
9           of--price--reductions--obtained--as--a--result--of--financial  
10           arrangements-with-providers-or-plan-administrators.

11           (d)--From--January-1,1993-until-June-30,2003,--the-board  
12           shall-pay-to-the-city--on--behalf--of--each--of--the--board's  
13           annuitants--who--chooses--to-participate-in-any-of-the-city's  
14           plans-the-following-amounts:-up-to-a-maximum-of-\$75-per-month  
15           for-each-such-annuitant--who--is--not--qualified--to--receive  
16           medicare--benefits,--and-up-to-a-maximum-of-\$45-per-month-for  
17           each-such-annuitant-who--is--qualified--to--receive--medicare  
18           benefits.

19           The--payments--described-in-this-subsection-shall-be-paid  
20           from-the--tax--levy--authorized--under--Section--6-165;--such  
21           amounts--shall--be-credited-to-the-reserve-for-group-hospital  
22           care-and-group-medical-and-surgical-plan--benefits,--and--all  
23           payments--to-the-city-required-under-this-subsection-shall-be  
24           charged-against-it.

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

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

34           (g)--For--each--annuitant--plan--offered-by-the-city,--the

1 aggregate cost of claims, as reflected in the claim records  
2 of the plan administrator, shall be estimated by the city,  
3 based upon a written determination by a qualified independent  
4 actuary to be appointed and paid by the city and the board.  
5 If the estimated annual cost for each annuitant plan offered  
6 by the city is more than the estimated amount to be  
7 contributed by the city for that plan pursuant to subsections  
8 (b) and (c) during that year plus the estimated amounts to be  
9 paid pursuant to subsection (d) and by the other pension  
10 boards on behalf of other participating annuitants, the  
11 difference shall be paid by all annuitants participating in  
12 the plan, except as provided in subsection (b). The city,  
13 based upon the determination of the independent actuary,  
14 shall set the monthly amounts to be paid by the participating  
15 annuitants. The board may deduct the amounts to be paid by  
16 its annuitants from the participating annuitants' monthly  
17 annuities.

18 If it is determined from the city's annual audit, or from  
19 audited experience data, that the total amount paid by all  
20 participating annuitants was more or less than the difference  
21 between (1) the cost of providing the group health care  
22 plans, and (2) the sum of the amount to be paid by the city  
23 as determined under subsection (c) and the amounts paid by  
24 all the pension boards, then the independent actuary and the  
25 city shall account for the excess or shortfall in the next  
26 year's payments by annuitants, except as provided in  
27 subsection (b).

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

32 (i) The city shall advise the board of all proposed  
33 premium increases for health care at least 75 days prior to  
34 the effective date of the change, and any increase shall be

1 ~~prospective-only.~~

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

3 (40 ILCS 5/8-164.1) (from Ch. 108 1/2, par. 8-164.1)

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

5 (a) For the purposes of this Section, "city annuitant"  
6 means a person receiving an age and service annuity, a  
7 widow's annuity, a child's annuity, or a minimum annuity  
8 under this Article as a direct result of previous employment  
9 by the City of Chicago ("the city").

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

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

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

21 The payments described in this subsection shall be paid  
22 from the tax levy authorized under Section 8-173; such  
23 amounts shall be credited to the reserve for group hospital  
24 care and group medical and surgical plan benefits, and all  
25 payments to the city required under this subsection shall be  
26 charged against it.

27 (c) The city health care plans referred to in this  
28 Section and the board's payments to the city under this  
29 Section are not and shall not be construed to be pension or  
30 retirement benefits for the purposes of Section 5 of Article  
31 XIII of the Illinois Constitution of 1970.

32 ~~(a) For the purposes of this Section: (1) "annuitant"~~  
33 ~~means a person receiving an age and service annuity, a prior~~

1 service--annuity,--a-widow's-annuity,--a-widow's-prior-service  
2 annuity,--or-a-minimum-annuity,--under-Article-5,6,8--or--11,  
3 by--reason--of--previous--employment--by--the-City-of-Chicago  
4 (hereinafter,--in-this-Section,--"the--city");--(2)--"Medicare  
5 Plan--annuitant"--means-an-annuitant-described-in-item-(1)-who  
6 is-eligible-for-Medicare-benefits;--and-(3)--"non-Medicare-Plan  
7 annuitant"--means-an-annuitant-described-in-item--(1)--who--is  
8 not-eligible-for-Medicare-benefits.

9 (b)--The--city--shall--offer--group--health--benefits--to  
10 annuitants--and--their--eligible--dependents-through-June-30,  
11 2003.--The-basic-city-health-care-plan-available--as--of--June  
12 30,--1988--(hereinafter-called-the-basic-city-plan)--shall-cess  
13 to--be--a--plan--offered--by-the-city,--except-as-specified-in  
14 subparagraphs-(4)-and-(5)-below,--and-shall-be-closed--to--new  
15 enrollment--or-transfer-of-coverage-for-any-non-Medicare-Plan  
16 annuitant--as--of--June--27,--1997.---The--city--shall--offer  
17 non-Medicare-Plan-annuitants-and--their--eligible--dependents  
18 the--option--of-enrolling-in-its-Annuitant-Preferred-Provider  
19 Plan-and-may-offer-additional-plans-for-any--annuitant.---The  
20 city--may--amend,--modify,--or-terminate-any-of-its-additional  
21 plans-at-its-sole-discretion.---If-the-city-offers--more--than  
22 one--annuitant--plan,--the--city--shall--allow--annuitants-to  
23 convert-coverage-from-one-city--annuitant--plan--to--another,  
24 except--the--basic--city-plan,--during-times-designated-by-the  
25 city,--which-periods-of-time-shall-occur--at--least--annually.  
26 For--the--period--dating--from-June-27,--1997-through-June-30,  
27 2003,--monthly-premium-rates-may-be-increased--for--annuitants  
28 during-the-time-of-their-participation-in-non-Medicare-plans,  
29 except--as--provided-in-subparagraphs-(1)-through-(4)-of-this  
30 subsection.

31 (1)--For-non-Medicare-Plan--annuitants--who--retired  
32 prior--to--January--1,--1988,--the--annuitant's--share-of  
33 monthly-premium-for-non-Medicare-Plan-coverage-only-shall  
34 not-exceed-the-highest-premium-rate-chargeable-under--any

1 city--non-Medicare-Plan-annuitant-coverage-as-of-December  
2 17-1996.

3 (2)--For--non-Medicare-Plan-annuitants-who-retire--on  
4 or--after--January--17--1988,--the--annuitant's--share-of  
5 monthly-premium-for-non-Medicare-Plan-coverage-only-shall  
6 be-the-rate-in-effect-on-December-17-1996,--with--monthly  
7 premium--increases-to-take-effect-no-sooner-than-April-17,  
8 1998-at-the-lower-of--(i)--the--premium--rate--determined  
9 pursuant-to-subsection-(g)-or-(ii)-10%-of-the-immediately  
10 previous-month's-rate-for-similar-coverage.

11 (3)--In---no---event--shall--any--non-Medicare--Plan  
12 annuitant's-share-of--monthly--premium--for--non-Medicare  
13 Plan--coverage--exceed--10%--of--the--annuitant's-monthly  
14 annuity.

15 (4)--Non-Medicare-Plan-annuitants-who--are--enrolled  
16 in--the--basic-city-plan-as-of-July-17-1998-may-remain-in  
17 the-basic-city-plan,--if-they-so-choose,--on-the--condition  
18 that-they-are-not-entitled-to-the-caps-on-rates-set-forth  
19 in--subparagraphs-(1)-through-(3),--and-their-premium-rate  
20 shall--be--the--rate--determined---in---accordance---with  
21 subsections-(e)-and-(g).

22 (5)--Medicare--Plan--annuitants--who--are--currently  
23 enrolled--in--the--basic--city-plan-for-Medicare-eligible  
24 annuitants-may-remain-in-that-plan,--if--they--so--choose,  
25 through--June--30,--2003.--Annuitants-shall-not-be-allowed  
26 to-enroll-in-or-transfer-into-the--basic--city--plan--for  
27 Medicare--eligible--annuitants--on-or-after-July-17-1999.  
28 The--city--shall---continue---to---offer---annuitants---a  
29 supplemental---Medicare---Plan---for---Medicare--eligible  
30 annuitants-through-June-30,--2003,--and-the-city-may--offer  
31 additional--plans--to-Medicare-eligible-annuitants-in-its  
32 sole-discretion.--All--Medicare--Plan--annuitant--monthly  
33 rates--shall-be-determined-in-accordance-with-subsections  
34 (e)-and-(g).

1 (c) The city shall pay 50% of the aggregated costs of  
2 the claims or premiums, whichever is applicable, as  
3 determined in accordance with subsection (g), of annuitants  
4 and their dependents under all health care plans offered by  
5 the city. The city may reduce its obligation by application  
6 of price reductions obtained as a result of financial  
7 arrangements with providers or plan administrators.

8 (d) From January 1, 1993 until June 30, 2003, the board  
9 shall pay to the city on behalf of each of the board's  
10 annuitants who chooses to participate in any of the city's  
11 plans the following amounts: up to a maximum of \$75 per month  
12 for each such annuitant who is not qualified to receive  
13 medicare benefits, and up to a maximum of \$45 per month for  
14 each such annuitant who is qualified to receive medicare  
15 benefits.

16 Commencing on August 23, 1989, the board is authorized to  
17 pay to the board of education on behalf of each person who  
18 chooses to participate in the board of education's plan the  
19 amounts specified in this subsection (d) during the years  
20 indicated. For the period January 1, 1988 through August 23,  
21 1989, the board shall pay to the board of education  
22 annuitants who participate in the board of education's health  
23 benefits plan for annuitants the following amounts: \$10 per  
24 month to each annuitant who is not qualified to receive  
25 medicare benefits, and \$14 per month to each annuitant who is  
26 qualified to receive medicare benefits.

27 The payments described in this subsection shall be paid  
28 from the tax levy authorized under Section 8-189; such  
29 amounts shall be credited to the reserve for group hospital  
30 care and group medical and surgical plan benefits, and all  
31 payments to the city required under this subsection shall be  
32 charged against it.

33 (e) The city's obligations under subsections (b) and (c)  
34 shall terminate on June 30, 2003, except with regard to

1 covered expenses incurred but not paid as of that date. This  
2 subsection shall not affect other obligations that may be  
3 imposed by law.

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

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

26 If it is determined from the city's annual audit, or from  
27 audited experience data, that the total amount paid by all  
28 participating annuitants was more or less than the difference  
29 between (1) the cost of providing the group health care  
30 plans, and (2) the sum of the amount to be paid by the city  
31 as determined under subsection (c) and the amounts paid by  
32 all the pension boards, then the independent actuary and the  
33 city shall account for the excess or shortfall in the next  
34 year's payments by annuitants, except as provided in

1 subsection-(b)-

2 (h)--An-annuitant-may-elect-to-terminate--coverage--in--a  
3 plan--at-the-end-of-any-month,--which-election-shall-terminate  
4 the-annuitant's-obligation-to-contribute--toward--payment--of  
5 the-excess-described-in-subsection-(g)-

6 (i)--The--city--shall--advise--the--board-of-all-proposed  
7 premium-increases-for-health-care-at-least-75-days--prior--to  
8 the--effective--date-of-the-change,--and-any-increase-shall-be  
9 prospective-only-

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

11 (40 ILCS 5/8-164.2 new)

12 Sec. 8-164.2. Payments to board of education for group  
13 health benefits.

14 (a) Should the Board of Education continue to sponsor a  
15 retiree health plan, the board is authorized to pay to the  
16 Board of Education, on behalf of each eligible annuitant who  
17 chooses to participate in the Board of Education's retiree  
18 health benefit plan, the following amounts:

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

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

27 The payments described in this subsection shall be paid  
28 from the tax levy authorized under Section 8-173; such  
29 amounts shall be credited to the reserve for group hospital  
30 care and group medical and surgical plan benefits, and all  
31 payments to the Board of Education under this subsection  
32 shall be charged against it.

33 (b) The Board of Education health benefit plan referred



1 to in this Section and the board's payments to the Board of  
2 Education under this Section are not and shall not be  
3 construed to be pension or retirement benefits for the  
4 purposes of Section 5 of Article XIII of the Illinois  
5 Constitution of 1970.

6 (40 ILCS 5/11-160.1) (from Ch. 108 1/2, par. 11-160.1)  
7 Sec. 11-160.1. Payments to city Group-health-benefit.

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

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

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

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

24 The payments described in this subsection shall be paid  
25 from the tax levy authorized under Section 11-169; such  
26 amounts shall be credited to the reserve for group hospital  
27 care and group medical and surgical plan benefits, and all  
28 payments to the city required under this subsection shall be  
29 charged against it.

30 (c) The city health care plans referred to in this  
31 Section and the board's payments to the city under this  
32 Section are not and shall not be construed to be pension or  
33 retirement benefits for the purposes of Section 5 of Article

1 XIII of the Illinois Constitution of 1970.

2 (a) For the purposes of this Section: (1) "annuitant"  
3 means a person receiving an age and service annuity, a prior  
4 service annuity, a widow's annuity, a widow's prior service  
5 annuity, or a minimum annuity, under Article 5, 6, 8 or 11,  
6 by reason of previous employment by the City of Chicago  
7 (hereinafter, in this Section, "the city"); (2) "Medicare  
8 Plan annuitant" means an annuitant described in item (1) who  
9 is eligible for Medicare benefits; and (3) "non-Medicare-Plan  
10 annuitant" means an annuitant described in item (1) who is  
11 not eligible for Medicare benefits.

12 (b) The city shall offer group health benefits to  
13 annuitants and their eligible dependents through June 30,  
14 2003. The basic city health care plan available as of June  
15 30, 1988 (hereinafter called the basic city plan) shall cease  
16 to be a plan offered by the city, except as specified in  
17 subparagraphs (4) and (5) below, and shall be closed to new  
18 enrollment or transfer of coverage for any non-Medicare-Plan  
19 annuitant as of June 27, 1997. The city shall offer  
20 non-Medicare-Plan annuitants and their eligible dependents  
21 the option of enrolling in its Annuitant Preferred Provider  
22 Plan and may offer additional plans for any annuitant. The  
23 city may amend, modify, or terminate any of its additional  
24 plans at its sole discretion. If the city offers more than  
25 one annuitant plan, the city shall allow annuitants to  
26 convert coverage from one city annuitant plan to another,  
27 except the basic city plan, during times designated by the  
28 city, which periods of time shall occur at least annually.  
29 For the period dating from June 27, 1997 through June 30,  
30 2003, monthly premium rates may be increased for annuitants  
31 during the time of their participation in non-Medicare plans,  
32 except as provided in subparagraphs (1) through (4) of this  
33 subsection.

34 (1) For non-Medicare-Plan annuitants who retired

1 prior-to-January-17-1988, the annuitant's share of  
2 monthly-premium-for-non-Medicare-Plan-coverage-only shall  
3 not-exceed-the-highest-premium-rate-chargeable-under-any  
4 city-non-Medicare-Plan-annuitant-coverage-as-of-December  
5 17-1996.

6 (2) For non-Medicare-Plan annuitants who retire on  
7 or after January 17, 1988, the annuitant's share of  
8 monthly-premium-for-non-Medicare-Plan-coverage-only shall  
9 be the rate in effect on December 17, 1996, with monthly  
10 premium-increases-to-take-effect-no-sooner-than-April-17,  
11 1998-at-the-lower-of-(i)-the-premium-rate-determined  
12 pursuant-to-subsection-(g)-or-(ii)-10%-of-the-immediately  
13 previous-month's-rate-for-similar-coverage.

14 (3) In no event shall any non-Medicare Plan  
15 annuitant's share of monthly premium for non-Medicare  
16 Plan coverage exceed 10% of the annuitant's monthly  
17 annuity.

18 (4) Non-Medicare Plan annuitants who are enrolled  
19 in the basic city plan as of July 17, 1998 may remain in  
20 the basic city plan, if they so choose, on the condition  
21 that they are not entitled to the caps on rates set forth  
22 in subparagraphs (1) through (3), and their premium rate  
23 shall be the rate determined in accordance with  
24 subsections (e) and (g).

25 (5) Medicare Plan annuitants who are currently  
26 enrolled in the basic city plan for Medicare-eligible  
27 annuitants may remain in that plan, if they so choose,  
28 through June 30, 2003. Annuitants shall not be allowed  
29 to enroll in or transfer into the basic city plan for  
30 Medicare-eligible annuitants on or after July 17, 1999.  
31 The city shall continue to offer annuitants a  
32 supplemental Medicare Plan for Medicare-eligible  
33 annuitants through June 30, 2003, and the city may offer  
34 additional plans to Medicare-eligible annuitants in its

1           sole--discretion.---All--Medicare--Plan--annuitant--monthly  
2           rates--shall--be--determined--in--accordance--with--subsections  
3           (e)--and--(g).-

4           (e)--The--city--shall--pay--50%--of--the--aggregated--costs--of  
5           the--claims--or--premiums,--whichever--is--applicable,--as  
6           determined--in--accordance--with--subsection--(g),--of--annuitants  
7           and--their--dependents--under--all--health--care--plans--offered--by  
8           the--city.---The--city--may--reduce--its--obligation--by--application  
9           of--price--reductions--obtained--as--a--result--of--financial  
10           arrangements--with--providers--or--plan--administrators.-

11           (d)---From--January--1,--1993--until--June--30,--2003,--the--board  
12           shall--pay--to--the--city--on--behalf--of--each--of--the--board's  
13           annuitants--who--chooses--to--participate--in--any--of--the--city's  
14           plans--the--following--amounts:--up--to--a--maximum--of--\$75--per--month  
15           for--each--such--annuitant--who--is--not--qualified--to--receive  
16           medicare--benefits,--and--up--to--a--maximum--of--\$45--per--month--for  
17           each--such--annuitant--who--is--qualified--to--receive--medicare  
18           benefits.-

19           The--payments--described--in--this--subsection--shall--be--paid  
20           from--the--tax--levy--authorized--under--Section--11-178;--such  
21           amounts--shall--be--credited--to--the--reserve--for--group--hospital  
22           care--and--group--medical--and--surgical--plan--benefits,--and--all  
23           payments--to--the--city--required--under--this--subsection--shall--be  
24           charged--against--it.-

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

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

34           (g)---For--each--annuitant--plan--offered--by--the--city,--the

1 aggregate cost of claims, as reflected in the claim records  
2 of the plan administrator, shall be estimated by the city,  
3 based upon a written determination by a qualified independent  
4 actuary to be appointed and paid by the city and the board.  
5 If the estimated annual cost for each annuitant plan offered  
6 by the city is more than the estimated amount to be  
7 contributed by the city for that plan pursuant to subsections  
8 (b) and (c) during that year plus the estimated amounts to be  
9 paid pursuant to subsection (d) and by the other pension  
10 boards on behalf of other participating annuitants, the  
11 difference shall be paid by all annuitants participating in  
12 the plan, except as provided in subsection (b). The city,  
13 based upon the determination of the independent actuary,  
14 shall set the monthly amounts to be paid by the participating  
15 annuitants. The board may deduct the amounts to be paid by  
16 its annuitants from the participating annuitants' monthly  
17 annuities.

18 If it is determined from the city's annual audit, or from  
19 audited experience data, that the total amount paid by all  
20 participating annuitants was more or less than the difference  
21 between (1) the cost of providing the group health care  
22 plans, and (2) the sum of the amount to be paid by the city  
23 as determined under subsection (c) and the amounts paid by  
24 all the pension boards, then the independent actuary and the  
25 city shall account for the excess or shortfall in the next  
26 year's payments by annuitants, except as provided in  
27 subsection (b).

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

32 (i) The city shall advise the board of all proposed  
33 premium increases for health care at least 75 days prior to  
34 the effective date of the change, and any increase shall be

1 ~~prospective-only.~~

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

3 (40 ILCS 5/11-160.2 new)

4 Sec. 11-160.2. Payments to board of education for group  
5 health benefits.

6 (a) Should the Board of Education continue to sponsor a  
7 retiree health plan, the board is authorized to pay to the  
8 Board of Education, on behalf of each eligible annuitant who  
9 chooses to participate in the Board of Education's retiree  
10 health benefit plan, the following amounts:

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

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

19 The payments described in this subsection shall be paid  
20 from the tax levy authorized under Section 11-169; such  
21 amounts shall be credited to the reserve for group hospital  
22 care and group medical and surgical plan benefits, and all  
23 payments to the Board of Education under this subsection  
24 shall be charged against it.

25 (b) The Board of Education health benefit plan referred  
26 to in this Section and the board's payments to the Board of  
27 Education under this Section are not and shall not be  
28 construed to be pension or retirement benefits for the  
29 purposes of Section 5 of Article XIII of the Illinois  
30 Constitution of 1970.

31 Section 90. The State Mandates Act is amended by adding  
32 Section 8.27 as follows:

1           (30 ILCS 805/8.27 new)  
2           Sec. 8.27. Exempt mandate. Notwithstanding Sections 6  
3           and 8 of this Act, no reimbursement by the State is required  
4           for the implementation of any mandate created by this  
5           amendatory Act of the 93rd General Assembly.

6           Section 99. Effective date. This Act takes effect July  
7           1, 2003.