



**94TH GENERAL ASSEMBLY**  
**State of Illinois**  
**2005 and 2006**  
**HB4578**

Introduced 1/11/2006, by Rep. Robert S. Molaro

**SYNOPSIS AS INTRODUCED:**

40 ILCS 5/17-142.1

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

Amends the Chicago Teacher Article of the Illinois Pension Code. Limits what the Board may reimburse for the cost of health care insurance coverage to 75% of the cost for recipients of a service retirement, disability retirement, or survivor's pension and removes other provisions limiting the reimbursement. Effective immediately.

LRB094 16355 AMC 51606 b

PENSION IMPACT  
NOTE ACT MAY  
APPLY

1 AN ACT concerning public employee benefits.

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

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

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

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

9 (1) On the first day of September of each year, beginning  
10 in 1988, the Board may, by separate warrant, pay to each  
11 recipient of a service retirement, disability retirement or  
12 survivor's pension an amount to be determined by the Board,  
13 which shall represent partial reimbursement of 75% of ~~for~~ the  
14 cost of the recipient's health insurance coverage.

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

24 ~~(3) Total payments under this Section in any year may not~~  
25 ~~exceed \$65,000,000 plus any amount that was authorized to be~~  
26 ~~paid under this Section in the preceding year but was not~~  
27 ~~actually paid by the Board, including any interest earned~~  
28 ~~thereon.~~

29 ~~(4) The total amount of payments under this Section in any~~  
30 ~~year may not exceed 75% of the total cost of health insurance~~  
31 ~~coverage in that year for all the recipients who receive~~  
32 ~~payments authorized by this Section in that year.~~

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

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