

1 AN ACT concerning government.

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), 15 (including an employee

1 who has retired under the optional retirement program
2 established under Section 15-158.2), paragraphs (2), (3), or
3 (5) of Section 16-106, or Article 18 of the Illinois Pension
4 Code; (2) any person who was receiving group insurance coverage
5 under this Act as of March 31, 1978 by reason of his status as
6 an annuitant, even though the annuity in relation to which such
7 coverage was provided is a proportional annuity based on less
8 than the minimum period of service required for a retirement
9 annuity in the system involved; (3) any person not otherwise
10 covered by this Act who has retired as a participating member
11 under Article 2 of the Illinois Pension Code but is ineligible
12 for the retirement annuity under Section 2-119 of the Illinois
13 Pension Code; (4) the spouse of any person who is receiving a
14 retirement annuity under Article 18 of the Illinois Pension
15 Code and who is covered under a group health insurance program
16 sponsored by a governmental employer other than the State of
17 Illinois and who has irrevocably elected to waive his or her
18 coverage under this Act and to have his or her spouse
19 considered as the "annuitant" under this Act and not as a
20 "dependent"; or (5) an employee who retires, or has retired,
21 from a qualified position, as determined according to rules
22 promulgated by the Director, under a qualified local
23 government, a qualified rehabilitation facility, a qualified
24 domestic violence shelter or service, or a qualified child
25 advocacy center. (For definition of "retired employee", see (p)
26 post).

1 (b-5) (Blank).

2 (b-6) (Blank).

3 (b-7) (Blank).

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

10 (d) "Compensation" means salary or wages payable on a
11 regular payroll by the State Treasurer on a warrant of the
12 State Comptroller out of any State, trust or federal fund, or
13 by the Governor of the State through a disbursing officer of
14 the State out of a trust or out of federal funds, or by any
15 Department out of State, trust, federal or other funds held by
16 the State Treasurer or the Department, to any person for
17 personal services currently performed, and ordinary or
18 accidental disability benefits under Articles 2, 14, 15
19 (including ordinary or accidental disability benefits under
20 the optional retirement program established under Section
21 15-158.2), paragraphs (2), (3), or (5) of Section 16-106, or
22 Article 18 of the Illinois Pension Code, for disability
23 incurred after January 1, 1966, or benefits payable under the
24 Workers' Compensation or Occupational Diseases Act or benefits
25 payable under a sick pay plan established in accordance with
26 Section 36 of the State Finance Act. "Compensation" also means

1 salary or wages paid to an employee of any qualified local
2 government, qualified rehabilitation facility, qualified
3 domestic violence shelter or service, or qualified child
4 advocacy center.

5 (e) "Commission" means the State Employees Group Insurance
6 Advisory Commission authorized by this Act. Commencing July 1,
7 1984, "Commission" as used in this Act means the Commission on
8 Government Forecasting and Accountability as established by
9 the Legislative Commission Reorganization Act of 1984.

10 (f) "Contributory", when referred to as contributory
11 coverage, shall mean optional coverages or benefits elected by
12 the member toward the cost of which such member makes
13 contribution, or which are funded in whole or in part through
14 the acceptance of a reduction in earnings or the foregoing of
15 an increase in earnings by an employee, as distinguished from
16 noncontributory coverage or benefits which are paid entirely by
17 the State of Illinois without reduction of the member's salary.

18 (g) "Department" means any department, institution, board,
19 commission, officer, court or any agency of the State
20 government receiving appropriations and having power to
21 certify payrolls to the Comptroller authorizing payments of
22 salary and wages against such appropriations as are made by the
23 General Assembly from any State fund, or against trust funds
24 held by the State Treasurer and includes boards of trustees of
25 the retirement systems created by Articles 2, 14, 15, 16 and 18
26 of the Illinois Pension Code. "Department" also includes the

1 Illinois Comprehensive Health Insurance Board, the Board of
2 Examiners established under the Illinois Public Accounting
3 Act, and the Illinois Finance Authority.

4 (h) "Dependent", when the term is used in the context of
5 the health and life plan, means a member's spouse and any child
6 (1) from birth to age 26 including an adopted child, a child
7 who lives with the member from the time of the filing of a
8 petition for adoption until entry of an order of adoption, a
9 stepchild or adjudicated child, or a child who lives with the
10 member if such member is a court appointed guardian of the
11 child or (2) age 19 or over who has a mental or physical
12 disability from a cause originating prior to the age of 19 (age
13 26 if enrolled as an adult child dependent). For the health
14 plan only, the term "dependent" also includes (1) any person
15 enrolled prior to the effective date of this Section who is
16 dependent upon the member to the extent that the member may
17 claim such person as a dependent for income tax deduction
18 purposes and (2) any person who has received after June 30,
19 2000 an organ transplant and who is financially dependent upon
20 the member and eligible to be claimed as a dependent for income
21 tax purposes. A member requesting to cover any dependent must
22 provide documentation as requested by the Department of Central
23 Management Services and file with the Department any and all
24 forms required by the Department.

25 (i) "Director" means the Director of the Illinois
26 Department of Central Management Services.

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

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

1 established under Section 15-158.2) or 18, or under paragraph
2 (2), (3), or (5) of Section 16-106, of the Illinois Pension
3 Code, but such term does include persons who are employed
4 during the 6 month qualifying period under Article 14 of the
5 Illinois Pension Code and persons who otherwise meet this
6 definition of "employee" but are ineligible to participate in
7 the retirement system established under Article 15 of the
8 Illinois Pension Code because they received a distribution of
9 vested amounts pursuant to subsection (j) of Section 15-158.2
10 of the Illinois Pension Code while eligible to retire under
11 Article 15 of the Illinois Pension Code. Such term also
12 includes any person who (1) after January 1, 1966, is receiving
13 ordinary or accidental disability benefits under Articles 2,
14 14, 15 (including ordinary or accidental disability benefits
15 under the optional retirement program established under
16 Section 15-158.2), paragraphs (2), (3), or (5) of Section
17 16-106, or Article 18 of the Illinois Pension Code, for
18 disability incurred after January 1, 1966, (2) receives total
19 permanent or total temporary disability under the Workers'
20 Compensation Act or Occupational Disease Act as a result of
21 injuries sustained or illness contracted in the course of
22 employment with the State of Illinois, or (3) is not otherwise
23 covered under this Act and has retired as a participating
24 member under Article 2 of the Illinois Pension Code but is
25 ineligible for the retirement annuity under Section 2-119 of
26 the Illinois Pension Code. However, a person who satisfies the

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

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

1 Assembly, the deceased employee, annuitant, or retired
2 employee upon whom the annuity is based must have been eligible
3 to participate in the group insurance system under the
4 applicable retirement system in order for the survivor to be
5 eligible for group insurance benefits under that system.

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

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

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

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

23 (q) "Survivor" means a person receiving an annuity as a
24 survivor of an employee or of an annuitant. "Survivor" also
25 includes: (1) the surviving dependent of a person who satisfies
26 the definition of "employee" except that such person is made

1 ineligible to participate in the State Universities Retirement
2 System by clause (4) of subsection (a) of Section 15-107 of the
3 Illinois Pension Code; (2) the surviving dependent of any
4 person formerly employed by the University of Illinois in the
5 Cooperative Extension Service who would be an annuitant except
6 for the fact that such person was made ineligible to
7 participate in the State Universities Retirement System by
8 clause (4) of subsection (a) of Section 15-107 of the Illinois
9 Pension Code; and (3) the surviving dependent of a person who
10 was an annuitant under this Act by virtue of receiving an
11 alternative retirement cancellation payment under Section
12 14-108.5 of the Illinois Pension Code.

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

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

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

21 (q-5) (Blank).

22 (q-6) (Blank).

23 (q-7) (Blank).

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

1 (s) "Unit of local government" means any county,
2 municipality, township, school district (including a
3 combination of school districts under the Intergovernmental
4 Cooperation Act), special district or other unit, designated as
5 a unit of local government by law, which exercises limited
6 governmental powers or powers in respect to limited
7 governmental subjects, any not-for-profit association with a
8 membership that primarily includes townships and township
9 officials, that has duties that include provision of research
10 service, dissemination of information, and other acts for the
11 purpose of improving township government, and that is funded
12 wholly or partly in accordance with Section 85-15 of the
13 Township Code; any not-for-profit corporation or association,
14 with a membership consisting primarily of municipalities, that
15 operates its own utility system, and provides research,
16 training, dissemination of information, or other acts to
17 promote cooperation between and among municipalities that
18 provide utility services and for the advancement of the goals
19 and purposes of its membership; the Southern Illinois
20 Collegiate Common Market, which is a consortium of higher
21 education institutions in Southern Illinois; the Illinois
22 Association of Park Districts; and any hospital provider that
23 is owned by a county that has 100 or fewer hospital beds and
24 has not already joined the program. "Qualified local
25 government" means a unit of local government approved by the
26 Director and participating in a program created under

1 subsection (i) of Section 10 of this Act.

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

12 (u) "Qualified domestic violence shelter or service" means
13 any Illinois domestic violence shelter or service and its
14 administrative offices funded by the Department of Human
15 Services (as successor to the Illinois Department of Public
16 Aid), approved by the Director and participating in a program
17 created under subsection (k) of Section 10.

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

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

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

22 (3) either (i) has at least 8 years of creditable
23 service under Article 16 of the Illinois Pension Code, or
24 (ii) was enrolled in the health insurance program offered
25 under that Article on January 1, 1996, or (iii) is the
26 survivor of a benefit recipient who had at least 8 years of

1 creditable service under Article 16 of the Illinois Pension
2 Code or was enrolled in the health insurance program
3 offered under that Article on the effective date of this
4 amendatory Act of 1995, or (iv) is a recipient or survivor
5 of a recipient of a disability benefit under Article 16 of
6 the Illinois Pension Code.

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

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

10 (2) is a TRS benefit recipient's: (A) spouse, (B)
11 dependent parent who is receiving at least half of his or
12 her support from the TRS benefit recipient, or (C) natural,
13 step, adjudicated, or adopted child who is (i) under age
14 26, (ii) was, on January 1, 1996, participating as a
15 dependent beneficiary in the health insurance program
16 offered under Article 16 of the Illinois Pension Code, or
17 (iii) age 19 or over who has a mental or physical
18 disability from a cause originating prior to the age of 19
19 (age 26 if enrolled as an adult child).

20 "TRS dependent beneficiary" does not include, as indicated
21 under paragraph (2) of this subsection (w), a dependent of the
22 survivor of a TRS benefit recipient who first becomes a
23 dependent of a survivor of a TRS benefit recipient on or after
24 the effective date of this amendatory Act of the 97th General
25 Assembly unless that dependent would have been eligible for
26 coverage as a dependent of the deceased TRS benefit recipient

1 upon whom the survivor benefit is based.

2 (x) "Military leave" refers to individuals in basic
3 training for reserves, special/advanced training, annual
4 training, emergency call up, activation by the President of the
5 United States, or any other training or duty in service to the
6 United States Armed Forces.

7 (y) (Blank).

8 (z) "Community college benefit recipient" means a person
9 who:

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

11 (2) is receiving a monthly survivor's annuity or
12 retirement annuity under Article 15 of the Illinois Pension
13 Code; and

14 (3) either (i) was a full-time employee of a community
15 college district or an association of community college
16 boards created under the Public Community College Act
17 (other than an employee whose last employer under Article
18 15 of the Illinois Pension Code was a community college
19 district subject to Article VII of the Public Community
20 College Act) and was eligible to participate in a group
21 health benefit plan as an employee during the time of
22 employment with a community college district (other than a
23 community college district subject to Article VII of the
24 Public Community College Act) or an association of
25 community college boards, or (ii) is the survivor of a
26 person described in item (i).

1 (aa) "Community college dependent beneficiary" means a
2 person who:

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

5 (2) is a community college benefit recipient's: (A)
6 spouse, (B) dependent parent who is receiving at least half
7 of his or her support from the community college benefit
8 recipient, or (C) natural, step, adjudicated, or adopted
9 child who is (i) under age 26, or (ii) age 19 or over and
10 has a mental or physical disability from a cause
11 originating prior to the age of 19 (age 26 if enrolled as
12 an adult child).

13 "Community college dependent beneficiary" does not
14 include, as indicated under paragraph (2) of this subsection
15 (aa), a dependent of the survivor of a community college
16 benefit recipient who first becomes a dependent of a survivor
17 of a community college benefit recipient on or after the
18 effective date of this amendatory Act of the 97th General
19 Assembly unless that dependent would have been eligible for
20 coverage as a dependent of the deceased community college
21 benefit recipient upon whom the survivor annuity is based.

22 (bb) "Qualified child advocacy center" means any Illinois
23 child advocacy center and its administrative offices funded by
24 the Department of Children and Family Services, as defined by
25 the Children's Advocacy Center Act (55 ILCS 80/), approved by
26 the Director and participating in a program created under

1 subsection (n) of Section 10.

2 (Source: P.A. 98-488, eff. 8-16-13; 99-143, eff. 7-27-15.)

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