

1 AN ACT concerning local government.

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

4 Section 5. The Illinois Insurance Code is amended by
5 changing Sections 367h and 367j as follows:

6 (215 ILCS 5/367h) (from Ch. 73, par. 979h)

7 Sec. 367h. Deputy's continuance privilege. As used in this
8 Section:

9 1. The terms "municipality" and "creditable service" shall
10 have the meaning ascribed to such terms by Sections 7-105 and
11 7-113, respectively, of the Illinois Pension Code, as now or
12 hereafter amended.

13 The term "deferred pensioner" means a deputy who has
14 retired, having accumulated enough creditable service to
15 qualify for a pension, but who has not attained the required
16 age.

17 2. The term "deputy" shall mean a "sheriff's law
18 enforcement employee" as defined in Section 7-109.3 of the
19 Illinois Pension Code, and include only persons under the
20 coverage of Article 7 of that Code, as heretofore or hereafter
21 amended.

22 3. The "retirement or disability period" of a deputy means
23 the period:

1 a. which begins on the day the deputy is removed from a
2 sheriff's police department payroll because of the
3 occurrence of any of the following events, to wit: (i) the
4 deputy retires as a deferred pensioner, (ii) the deputy
5 retires from active service as a deputy with an attained
6 age and accumulated creditable service which together
7 qualify the deputy for immediate receipt of retirement
8 pension benefits under Section 7-142.1 of the Illinois
9 Pension Code, or (iii) the deputy's disability is
10 established under Article 7 of the Illinois Pension Code;
11 and

12 b. which ends on the first to occur of any of the
13 following events, to wit: (i) the deputy's reinstatement or
14 reentry into active service in the sheriff's police
15 department as provided for under Article 7 of the Illinois
16 Pension Code, (ii) the deputy's exercise of any refund
17 option or acceptance of any separation benefit available
18 under Article 7 of the Illinois Pension Code, (iii) the
19 deputy's loss pursuant to Section 7-219 of the Illinois
20 Pension Code of any benefits provided for in Article 7 of
21 that Code, or (iv) the deputy's death or -- if at the time
22 of the deputy's death the deputy is survived by a spouse
23 who, in that capacity, is entitled to receive a surviving
24 spouse's monthly pension pursuant to Article 7 of the
25 Illinois Pension Code -- the death or remarriage of that
26 spouse.

1 No policy of group accident and health insurance under
2 which deputies employed by a municipality are insured for their
3 individual benefit shall be issued or delivered in this State
4 to any municipality unless such group policy provides for the
5 election of continued group insurance coverage for the
6 retirement or disability period of each deputy who is insured
7 under the provisions of the group policy on the day immediately
8 preceding the day on which the retirement or disability period
9 of such deputy begins. So long as any required premiums for
10 continued group insurance coverage are paid in accordance with
11 the provisions of the group policy, an election made pursuant
12 to this Section shall provide continued group insurance
13 coverage for a deputy throughout the retirement or disability
14 period of the deputy and, unless the deputy otherwise elects
15 and subject to any other provisions of the group policy which
16 relate either to the provision or to the termination of
17 dependents' coverage and which are not inconsistent with this
18 Section, for any dependents of the deputy who are insured under
19 the group policy on the day immediately preceding the day on
20 which the retirement or disability period of the deputy begins;
21 provided, however, that when such continued group insurance
22 coverage is in effect with respect to a deputy on the date of
23 the deputy's death but the retirement or disability period of
24 the deputy does not end with such deputy's death, then the
25 deceased deputy's surviving spouse upon whose death or
26 remarriage such retirement or disability period will end shall

1 be entitled, without further election and upon payment of any
2 required premiums in accordance with the provisions of the
3 group policy, to maintain such continued group insurance
4 coverage in effect until the end of such retirement or
5 disability period. Continued group insurance coverage shall be
6 provided in accordance with this Section at the same premium
7 rate from time to time charged for equivalent coverage provided
8 under the group policy with respect to covered deputies whose
9 retirement or disability period has not begun, and no
10 distinction or discrimination in the amount or rate of premiums
11 or in any waiver of premium or other benefit provision shall be
12 made between continued group insurance coverage elected
13 pursuant to this Section and equivalent coverage provided to
14 deputies under the group policy other than pursuant to the
15 provisions of this Section; provided that no municipality shall
16 be required by reason of any provision of this Section to pay
17 any group insurance premium other than one that may be
18 negotiated in a collective bargaining agreement. Continuation
19 is not required for an insured who becomes eligible for
20 medicare. ~~If the group policy provides for a reduction in~~
21 ~~benefits and premium for insureds who become eligible for~~
22 ~~medicare, such provision shall apply to persons electing~~
23 ~~continued coverage under this Section.~~

24 Within 15 days of the beginning of the retirement or
25 disability period of any deputy entitled to elect continued
26 group insurance coverage under any group policy affected by

1 this Section, the municipality last employing such deputy shall
2 give written notice of such beginning by certified mail, return
3 receipt requested, to the insurance company issuing such
4 policy. The notice shall include the deputy's name and last
5 known place of residence and the beginning date of the deputy's
6 retirement or disability period.

7 Within 15 days of the date of receipt of such notice from
8 the municipality, the insurance company by certified mail,
9 return receipt requested, shall give written notice to the
10 deputy at the deputy's last known place of residence that
11 coverage under the group policy may be continued for the
12 retirement or disability period of the deputy as provided in
13 this Section. Such notice shall set forth: (i) a statement of
14 election to be filed by the deputy if the deputy wishes to
15 continue such group insurance coverage, (ii) the amount of
16 monthly premium, including a statement of the portion of such
17 monthly premium attributable to any dependents' coverage which
18 the deputy may elect, and (iii) instructions as to the return
19 of the election form to the insurance company issuing such
20 policy. Election shall be made, if at all, by returning the
21 statement of election to the insurance company by certified
22 mail, return receipt requested, within 15 days after having
23 received it.

24 If the deputy elects to continue coverage, it shall be the
25 obligation of the deputy to pay the monthly premium directly to
26 the municipality which shall forward it to the insurance

1 company issuing the group insurance policy, or as otherwise
2 directed by the insurance company; provided, however, that the
3 deputy shall be entitled to designate on the statement of
4 election required to be filed with the insurance company that
5 the total monthly premium, or such portion thereof as is not
6 contributed by a municipality, be deducted by the Illinois
7 Municipal Retirement Fund from the monthly pension payment
8 otherwise payable to or on behalf of the deputy pursuant to
9 Article 7 of the Illinois Pension Code, and be remitted by such
10 Fund to the insurance company. The portion, if any, of the
11 monthly premium contributed by a municipality for such
12 continued group insurance coverage shall be paid by the
13 directly to the insurance company issuing the group insurance
14 policy, or as directed by the insurance company. Such continued
15 group insurance coverage shall relate back to the beginning of
16 the deputy's retirement or disability period.

17 The amendment, renewal or extension of any group insurance
18 policy affected by this Section shall be deemed to be the
19 issuance of a new policy of insurance for purposes of this
20 Section.

21 In the event that a municipality makes a program of
22 accident, health, hospital or medical benefits available to its
23 deputies through self-insurance, or by participation in a pool
24 or reciprocal insurer, or by contract in a form other than a
25 policy of group insurance with one or more medical service
26 plans, health care service corporations, health maintenance

1 organizations, or any other professional corporations or plans
2 under which health care or reimbursement for the costs thereof
3 is provided, whether the cost of such benefits is borne by the
4 municipality or the deputies or both, such deputies and their
5 surviving spouses shall have the same right to elect continued
6 coverage under such program of benefits as they would have if
7 such benefits were provided by a policy of group accident and
8 health insurance. In such cases, the notice of right to elect
9 continued coverage shall be sent by the municipality; the
10 statement of election shall be sent to the municipality; and
11 references to the required premium shall refer to that portion
12 of the cost of such benefits which is not borne by the
13 municipality, either voluntarily or pursuant to the provisions
14 of a collective bargaining agreement. In the case of a
15 municipality providing such benefits through self-insurance or
16 participation in a pool or reciprocal insurer, the right to
17 elect continued coverage which is provided by this paragraph
18 shall be implemented and made available to the deputies of the
19 municipality and qualifying surviving spouses not later than
20 July 1, 1986.

21 The amendment, renewal or extension of any such contract in
22 a form other than a policy of group insurance policy shall be
23 deemed the formation of a new contract for the purposes of this
24 Section.

25 This Section shall not limit the exercise of any conversion
26 privileges available under Section 367e.

1 (Source: P.A. 90-655, eff. 7-30-98.)

2 (215 ILCS 5/367j) (from Ch. 73, par. 979j)

3 Sec. 367j. Municipal employee's continuance privilege.

4 (a) As used in this Section:

5 (1) The term "creditable service" shall have the
6 meaning ascribed to it by Section 7-113 of the Illinois
7 Pension Code.

8 (2) The term "municipality" means any municipality,
9 instrumentality, or participating instrumentality (as
10 those terms are defined in Sections 7-105, 7-107 and 7-108,
11 respectively, of the Illinois Pension Code) that
12 participates in the Illinois Municipal Retirement Fund
13 pursuant to Section 7-132 of the Illinois Pension Code.

14 (3) The term "employee" shall mean an employee as
15 defined in Section 7-109 of the Illinois Pension Code, but
16 does not include any person who is a deputy as defined in
17 Section 367h of this Code.

18 (4) The "retirement or disability period" of an
19 employee means the period:

20 (A) which begins on the day the employee is removed
21 from the municipality payroll because of the
22 occurrence of either of the following events: (i) the
23 employee retires from active service as an employee
24 with an attained age and accumulated creditable
25 service which together qualify the employee for

1 immediate receipt of retirement pension benefits under
2 Article 7 of the Illinois Pension Code, or (ii) the
3 employee's disability is established under Article 7
4 of the Illinois Pension Code; and

5 (B) which ends on the first to occur of any of the
6 following events: (i) the employee's reinstatement or
7 reentry into active service as provided for under
8 Article 7 of the Illinois Pension Code, (ii) the
9 employee's exercise of any refund option or acceptance
10 of any separation benefit available under Article 7 of
11 the Illinois Pension Code, (iii) the employee's loss
12 pursuant to Section 7-219 of the Illinois Pension Code
13 of any benefits provided for in Article 7 of that Code,
14 or (iv) the employee's death or, if at the time of the
15 employee's death the employee is survived by a spouse
16 who, in that capacity, is entitled to receive a
17 surviving spouse's monthly pension pursuant to Article
18 7 of the Illinois Pension Code, the death or remarriage
19 of that spouse.

20 (b) No policy of group accident and health insurance under
21 which employees of a municipality are insured for their
22 individual benefit shall be issued or delivered in this State
23 to a municipality unless such group policy provides for the
24 election of continued group insurance coverage for the
25 retirement or disability period of each employee who is insured
26 under the provisions of the group policy on the day immediately

1 preceding the day on which the retirement or disability period
2 of such employee begins. So long as any required premiums for
3 continued group insurance coverage are paid in accordance with
4 the provisions of the group policy, an election made pursuant
5 to this Section shall provide continued group insurance
6 coverage for an employee throughout the retirement or
7 disability period of the employee and, unless the employee
8 otherwise elects and subject to any other provisions of the
9 group policy which relate either to the provision or to the
10 termination of dependents' coverage and which are not
11 inconsistent with this Section, for any dependents of the
12 employee who are insured under the group policy on the day
13 immediately preceding the day on which the retirement or
14 disability period of the employee begins; provided, however,
15 that when such continued group insurance coverage is in effect
16 with respect to an employee on the date of the employee's death
17 but the retirement or disability period of the employee does
18 not end with the employee's death, then the deceased employee's
19 surviving spouse upon whose death or remarriage such retirement
20 or disability period will end shall be entitled, without
21 further election and upon payment of any required premiums in
22 accordance with the provisions of the group policy, to maintain
23 such continued group insurance coverage in effect until the end
24 of the retirement or disability period. Continued group
25 insurance coverage shall be provided in accordance with this
26 Section at the same premium rate from time to time charged for

1 equivalent coverage provided under the group policy with
2 respect to covered employees whose retirement or disability
3 period has not begun, and no distinction or discrimination in
4 the amount or rate of premiums or in any waiver of premium or
5 other benefit provision shall be made between continued group
6 insurance coverage elected pursuant to this Section and
7 equivalent coverage provided to employees under the group
8 policy other than pursuant to the provisions of this Section;
9 provided that no municipality shall be required by reason of
10 any provision of this Section to pay any group insurance
11 premium other than one that may be negotiated in a collective
12 bargaining agreement. Continuation is not required for an
13 insured who becomes eligible for medicare. ~~If the group policy~~
14 ~~provides for a reduction in benefits and premium for insureds~~
15 ~~who become eligible for medicare, such provision shall apply to~~
16 ~~persons electing continued coverage under this Section.~~

17 Within 15 days of the beginning of the retirement or
18 disability period of any employee entitled to elect continued
19 group insurance coverage under any group policy affected by
20 this Section, the municipality last employing such employee
21 shall give written notice of such beginning by certified mail,
22 return receipt requested, to the insurance company issuing such
23 policy. The notice shall include the employee's name and last
24 known place of residence and the beginning date of the
25 employee's retirement or disability period.

26 Within 15 days of the date of receipt of such notice from

1 the municipality, the insurance company by certified mail,
2 return receipt requested, shall give written notice to the
3 employee at the employee's last known place of residence that
4 coverage under the group policy may be continued for the
5 retirement or disability period of the employee as provided in
6 this Section. Such notice shall set forth: (i) a statement of
7 election to be filed by the employee if the employee wishes to
8 continue such group insurance coverage, (ii) the amount of
9 monthly premium, including a statement of the portion of such
10 monthly premium attributable to any dependents' coverage which
11 the employee may elect, and (iii) instructions as to the return
12 of the election form to the insurance company issuing such
13 policy. Election shall be made, if at all, by returning the
14 statement of election to the insurance company by certified
15 mail, return receipt requested, within 15 days after having
16 received it.

17 If the employee elects to continue coverage, it shall be
18 the obligation of the employee to pay the monthly premium
19 directly to the municipality which shall forward it to the
20 insurance company issuing the group insurance policy, or as
21 otherwise directed by the insurance company; provided,
22 however, that the employee shall be entitled to designate on
23 the statement of election required to be filed with the
24 insurance company that the total monthly premium, or such
25 portion thereof as is not contributed by a municipality, be
26 deducted by the Illinois Municipal Retirement Fund from the

1 monthly pension payment otherwise payable to or on behalf of
2 the employee pursuant to Article 7 of the Illinois Pension
3 Code, and be remitted by such Fund to the insurance company.
4 The portion, if any, of the monthly premium contributed by a
5 municipality for such continued group insurance coverage shall
6 be paid by the municipality directly to the insurance company
7 issuing the group insurance policy, or as directed by the
8 insurance company. Such continued group insurance coverage
9 shall relate back to the beginning of the employee's retirement
10 or disability period.

11 The amendment, renewal or extension of any group insurance
12 policy affected by this Section shall be deemed to be the
13 issuance of a new policy of insurance for purposes of this
14 Section.

15 (c) In the event that a municipality makes a program of
16 accident, health, hospital or medical benefits available to its
17 employees through self-insurance, or by participation in a pool
18 or reciprocal insurer, or by contract in a form other than a
19 policy of group insurance with one or more medical service
20 plans, health care service corporations, health maintenance
21 organizations, or any other professional corporations or plans
22 under which health care or reimbursement for the costs thereof
23 is provided, whether the cost of such benefits is borne by the
24 municipality or the employees or both, such employees and their
25 surviving spouses shall have the same right to elect continued
26 coverage under such program of benefits as they would have if

1 such benefits were provided by a policy of group accident and
2 health insurance. In such cases, the notice of right to elect
3 continued coverage shall be sent by the municipality; the
4 statement of election shall be sent to the municipality; and
5 references to the required premium shall refer to that portion
6 of the cost of such benefits which is not borne by the
7 municipality, either voluntarily or pursuant to the provisions
8 of a collective bargaining agreement. In the case of a
9 municipality providing such benefits through self-insurance or
10 participation in a pool or reciprocal insurer, the right to
11 elect continued coverage which is provided by this paragraph
12 shall be implemented and made available to the employees of the
13 municipality and qualifying surviving spouses not later than
14 July 1, 1991.

15 The amendment, renewal or extension of any such contract in
16 a form other than a policy of group insurance policy shall be
17 deemed the formation of a new contract for the purposes of this
18 Section.

19 (d) This Section shall not limit the exercise of any
20 conversion privileges available under Section 367e.

21 (Source: P.A. 86-1444; 87-435.)