

July 28, 2016

To the Honorable Members of
The Illinois Senate,
99th General Assembly:

Today I return Senate Bill 1059. This bill would allow retired state university employees who return to work after receiving a lump-sum retirement distribution to receive additional health benefits without making additional contributions to the retirement system.

Under current law, state university employees have the option to receive a one-time, lump-sum payout from the State University Retirement System upon retirement. A retired employee who elects to accept the lump-sum payout is not eligible to participate in the State's health care program. If a retired employee later returns to work for the State after accepting a lump-sum payout, he or she no longer contributes to the State Retirement Systems and, therefore, is ineligible to receive additional future retirement benefits.

Senate Bill 1059 would allow a retired employee who accepts a lump-sum payout and then returns to work to participate in the State's employee health care program, even though he or she would not be required to contribute to the State's retirement systems going forward. The bill would establish an unequal benefit distribution and expose the State to unforeseen, unfunded costs to the historically underfunded State Employee Group Insurance Program. Rather than increasing retirement-related costs to the State, I urge the General Assembly to work with me on comprehensive pension reform.

Therefore, pursuant to Section 9(b) of Article IV of the Illinois Constitution of 1970, I hereby return Senate Bill 1059 entitled "AN ACT concerning government", with the foregoing objections, vetoed in its entirety.

Sincerely,

Bruce Rauner
GOVERNOR