

AN ACT in relation to public employee benefits.

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

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

(40 ILCS 5/5-167.5) (from Ch. 108 1/2, par. 5-167.5)

Sec. 5-167.5. Payments to city Group-health-benefit.

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

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

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

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

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

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

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

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

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

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

(1)--For--non-Medicare-Plan--annuitants--who--retired
prior--to--January--17--1987--the--annuitant's--share--of
monthly--premium--for--non-Medicare-Plan--coverage--only--shall
not--exceed--the--highest--premium--rate--chargeable--under--any
city--non-Medicare-Plan--annuitant--coverage--as--of--December
17--1996.

(2)--For--non-Medicare-Plan--annuitants--who--retire--on
or--after--January--17--1987--the--annuitant's--share--of
monthly--premium--for--non-Medicare-Plan--coverage--only--shall
be--the--rate--in--effect--on--December--17--1996--with--monthly
premium--increases--to--take--effect--no--sooner--than--April--17
1998--at--the--lower--of--(i)--the--premium--rate--determined
pursuant--to--subsection--(g)--or--(ii)--10%--of--the--immediately
previous--month's--rate--for--similar--coverage.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(40 ILCS 5/6-164.2) (from Ch. 108 1/2, par. 6-164.2)

Sec. 6-164.2. Payments to city Group health benefit.

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

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

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

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

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

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

XIII of the Illinois Constitution of 1970.

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

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

(1) For non-Medicare Plan annuitants who retired

prior--to--January--17--1987--the--annuitant's--share-of
monthly-premium-for-non-Medicare-Plan-coverage-only-shall
not-exceed-the-highest-premium-rate-chargeable-under--any
city--non-Medicare-Plan-annuitant-coverage-as-of-December
17-1996.

(2)--For-non-Medicare-Plan-annuitants-who-retain--on
or--after--January--17--1987--the--annuitant's--share-of
monthly-premium-for-non-Medicare-Plan-coverage-only-shall
be-the-rate-in-effect-on-December-17-1996--with--monthly
premium--increases-to-take-effect-no-sooner-than-April-17
1998-at-the-lower-of--(i)--the--premium--rate--determined
pursuant-to-subsection-(g)-or-(ii)-10%-of-the-immediately
previous-month's-rate-for-similar-coverage.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

~~prospective-only.~~

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(2)--For--non-Medicare-Plan-annuitants-who- retire--on
or--after--January--17--19887--the--annuitant's--share-of
monthly-premium-for-non-Medicare-Plan-coverage-only-shall
be-the-rate-in-effect-on-December-17-19967--with--monthly
premium--increases-to-take-effect-no-sooner-than-April-17
1998-at-the-lower-of--(i)--the--premium--rate--determined
pursuant-to-subsection-(g)-or-(ii)-10%-of-the-immediately
previous-month's-rate-for-similar-coverage.

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

(4)--Non-Medicare-Plan-annuitants-who--are--enrolled
in--the--basic-city-plan-as-of-July-17-1998-may-remain-in
the-basic-city-plan7-if-they-so-choose7-on-the--condition
that-they-are-not-entitled-to-the-caps-on-rates-set-forth
in--subparagraphs-(1)-through-(3)7-and-their-premium-rate
shall--be--the--rate--determined---in---accordance---with
subsections-(e)-and-(g).

(5)--Medicare--Plan--annuitants--who--are--currently
enrolled--in--the--basic--city-plan-for-Medicare-eligible
annuitants-may-remain-in-that-plan7-if--they--so--choose7
through--June--307-20037--Annuitants-shall-not-be-allowed
to-enroll-in-or-transfer-into-the--basic--city--plan--for
Medicare--eligible--annuitants--on-or-after-July-17-1999.
The--city--shall---continue---to---offer---annuitants---a
supplemental---Medicare---Plan---for---Medicare--eligible
annuitants-through-June-307-20037-and-the-city-may--offer
additional--plans--to-Medicare-eligible-annuitants-in-its
sole-discretion7--All--Medicare--Plan--annuitant--monthly
rates--shall-be-determined-in-accordance-with-subsections
(e)-and-(g).

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

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

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

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

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

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

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

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

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

subsection-(b)-

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

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

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

(40 ILCS 5/8-164.2 new)

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

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

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

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

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

(b) The Board of Education health benefit plan referred

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

(40 ILCS 5/11-160.1) (from Ch. 108 1/2, par. 11-160.1)

Sec. 11-160.1. Payments to city Group-health-benefit.

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

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

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

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

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

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

XIII of the Illinois Constitution of 1970.

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

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

(1) For non-Medicare Plan annuitants who retired

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

(2) For non-Medicare-Plan-annuitants-who-retire-on or-after-January-1,1988, the-annuitant's-share-of monthly-premium-for-non-Medicare-Plan-coverage-only shall be-the-rate-in-effect-on-December-1,1996, with-monthly premium-increases-to-take-effect-no-sooner-than-April-1, 1998-at-the-lower-of-(i)-the-premium-rate-determined pursuant-to-subsection-(g)-or-(ii)-10%-of-the-immediately previous-month's-rate-for-similar-coverage.

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

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

(5) Medicare-Plan-annuitants-who-are-currently enrolled-in-the-basic-city-plan-for-Medicare-eligible annuitants-may-remain-in-that-plan, if-they-so-choose, through-June-30,2003.-Annuitants-shall-not-be-allowed to-enroll-in-or-transfer-into-the-basic-city-plan-for Medicare-eligible-annuitants-on-or-after-July-1,1999. The-city-shall-continue-to-offer-annuitants-a supplemental-Medicare-Plan-for-Medicare-eligible annuitants-through-June-30,2003, and-the-city-may-offer additional-plans-to-Medicare-eligible-annuitants-in-its

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

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

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

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

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

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

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

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

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

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

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

~~prospective-only.~~

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

(40 ILCS 5/11-160.2 new)

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

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

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

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

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

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

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

(30 ILCS 805/8.27 new)

Sec. 8.27. Exempt mandate. Notwithstanding Sections 6 and 8 of this Act, no reimbursement by the State is required for the implementation of any mandate created by this amendatory Act of the 93rd General Assembly.

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