



## 104TH GENERAL ASSEMBLY

### State of Illinois

2025 and 2026

HB4396

Introduced 1/14/2026, by Rep. Stephanie A. Kifowit

#### SYNOPSIS AS INTRODUCED:

40 ILCS 5/17-142.1

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

Amends the Chicago Teacher Article of Illinois Pension Code. Provides that the total payments under a provision concerning the Board providing partial reimbursement of health insurance costs may not exceed \$100,000,000 (instead of \$65,000,000) in any year. Provides that the amount shall annually thereafter be increased by the annual unadjusted percentage increase (but not less than zero) in the consumer price index for the 12 months ending with the September preceding each November 1, including all previous adjustments. Defines "consumer price index".

LRB104 18083 RPS 31522 b

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  
5 changing 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  
8 provide for the partial reimbursement of health insurance  
9 costs.

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

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

1 rather than in the form of reimbursement by separate warrant.

2 (3) Total payments under this Section in any year may not  
3 exceed \$100,000,000 ~~\$65,000,000~~ plus any amount that was  
4 authorized to be paid under this Section in the preceding year  
5 but was not actually paid by the Board, including any interest  
6 earned thereon. However, that amount shall annually thereafter  
7 be increased by the annual unadjusted percentage increase (but  
8 not less than zero) in the consumer price index for the 12  
9 months ending with the September preceding each November 1,  
10 including all previous adjustments.

11 For the purposes of this Section, "consumer price index"  
12 means the index published by the Bureau of Labor Statistics of  
13 the United States Department of Labor that measures the  
14 average change in prices of goods and services purchased by  
15 All Urban Consumers (CPI-U), Medical Care in  
16 Chicago-Naperville-Elgin, IL-IN-WI. The new amount resulting  
17 from each annual adjustment shall be determined by the Public  
18 Pension Division of the Department of Insurance and made  
19 available to the boards of the retirement systems and pension  
20 funds by November 1 of each year.

21 (4) The total amount of payments under this Section in any  
22 year may not exceed 75% of the total cost of health insurance  
23 coverage in that year for all the recipients who receive  
24 payments authorized by this Section in that year.

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