



Rep. Lou Lang

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LRB094 10970 NHT 47418 a

1 AMENDMENT TO SENATE BILL 1442

2 AMENDMENT NO. _____. Amend Senate Bill 1442, AS AMENDED,
3 by replacing everything after the enacting clause with the
4 following:

5 "Section 5. The State Employees Group Insurance Act of 1971
6 is amended by changing Section 8 as follows:

7 (5 ILCS 375/8) (from Ch. 127, par. 528)

8 Sec. 8. Eligibility.

9 (a) Each member eligible under the provisions of this Act
10 and any rules and regulations promulgated and adopted hereunder
11 by the Director shall become immediately eligible and covered
12 for all benefits available under the programs. Members electing
13 coverage for eligible dependents shall have the coverage
14 effective immediately, provided that the election is properly
15 filed in accordance with required filing dates and procedures
16 specified by the Director.

17 (1) Every member originally eligible to elect
18 dependent coverage, but not electing it during the original
19 eligibility period, may subsequently obtain dependent
20 coverage only in the event of a qualifying change in
21 status, special enrollment, special circumstance as
22 defined by the Director, or during the annual Benefit
23 Choice Period.

24 (2) Members described above being transferred from

1 previous coverage towards which the State has been
2 contributing shall be transferred regardless of
3 preexisting conditions, waiting periods, or other
4 requirements that might jeopardize claim payments to which
5 they would otherwise have been entitled.

6 (3) Eligible and covered members that are eligible for
7 coverage as dependents except for the fact of being members
8 shall be transferred to, and covered under, dependent
9 status regardless of preexisting conditions, waiting
10 periods, or other requirements that might jeopardize claim
11 payments to which they would otherwise have been entitled
12 upon cessation of member status and the election of
13 dependent coverage by a member eligible to elect that
14 coverage.

15 (b) New employees shall be immediately insured for the
16 basic group life insurance and covered by the program of health
17 benefits on the first day of active State service. Optional
18 coverages or benefits, if elected during the relevant
19 eligibility period, will become effective on the date of
20 employment. Optional coverages or benefits applied for after
21 the eligibility period will be effective, subject to
22 satisfactory evidence of insurability when applicable, or
23 other necessary qualifications, pursuant to the requirements
24 of the applicable benefit program, unless there is a change in
25 status that would confer new eligibility for change of
26 enrollment under rules established supplementing this Act, in
27 which event application must be made within the new eligibility
28 period.

29 (c) As to the group health benefits program contracted to
30 begin or continue after June 30, 1973, each retired employee
31 shall become immediately eligible and covered for all benefits
32 available under that program. Retired employees may elect
33 coverage for eligible dependents and shall have the coverage
34 effective immediately, provided that the election is properly

1 filed in accordance with required filing dates and procedures
2 specified by the Director.

3 Except as otherwise provided in this Act, where husband and
4 wife are both eligible members, each shall be enrolled as a
5 member and coverage on their eligible dependent children, if
6 any, may be under the enrollment and election of either.

7 Regardless of other provisions herein regarding late
8 enrollment or other qualifications, as appropriate, the
9 Director may periodically authorize open enrollment periods
10 for each of the benefit programs at which time each member may
11 elect enrollment or change of enrollment without regard to age,
12 sex, health, or other qualification under the conditions as may
13 be prescribed in rules and regulations supplementing this Act.
14 Special open enrollment periods may be declared by the Director
15 for certain members only when special circumstances occur that
16 affect only those members.

17 (d) Beginning with fiscal year 2003 and for all subsequent
18 years, eligible members may elect not to participate in the
19 program of health benefits as defined in this Act. The election
20 must be made during the annual benefit choice period, subject
21 to the conditions in this subsection.

22 (1) Members must furnish proof of health benefit
23 coverage, either comprehensive major medical coverage or
24 comprehensive managed care plan, from a source other than
25 the Department of Central Management Services in order to
26 elect not to participate in the program.

27 (2) Members may re-enroll in the Department of Central
28 Management Services program of health benefits upon
29 showing a qualifying change in status, as defined in the
30 U.S. Internal Revenue Code, without evidence of
31 insurability and with no limitations on coverage for
32 pre-existing conditions, provided that there was not a
33 break in coverage of more than 63 days.

34 (3) Members may also re-enroll in the program of health

1 benefits during any annual benefit choice period, without
2 evidence of insurability.

3 (4) Members who elect not to participate in the program
4 of health benefits shall be furnished a written explanation
5 of the requirements and limitations for the election not to
6 participate in the program and for re-enrolling in the
7 program. The explanation shall also be included in the
8 annual benefit choice options booklets furnished to
9 members.

10 (d-5) Beginning July 1, 2005, the Director may establish a
11 program of financial incentives to encourage annuitants
12 receiving a retirement annuity from the State Employees
13 Retirement System, but who are not eligible for benefits under
14 the federal Medicare health insurance program (Title XVIII of
15 the Social Security Act, as added by Public Law 89-97) to elect
16 not to participate in the program of health benefits provided
17 under this Act. The election by an annuitant not to participate
18 under this program must be made in accordance with the
19 requirements set forth under subsection (d). The financial
20 incentives provided to these annuitants under the program may
21 not exceed \$150 per month for each annuitant electing not to
22 participate in the program of health benefits provided under
23 this Act.

24 (e) Notwithstanding any other provision of this Act or the
25 rules adopted under this Act, if a person participating in the
26 program of health benefits as the dependent spouse of an
27 eligible member becomes an annuitant, the person may elect, at
28 the time of becoming an annuitant or during any subsequent
29 annual benefit choice period, to continue participation as a
30 dependent rather than as an eligible member for as long as the
31 person continues to be an eligible dependent.

32 An eligible member who has elected to participate as a
33 dependent may re-enroll in the program of health benefits as an
34 eligible member (i) during any subsequent annual benefit choice

1 period or (ii) upon showing a qualifying change in status, as
2 defined in the U.S. Internal Revenue Code, without evidence of
3 insurability and with no limitations on coverage for
4 pre-existing conditions.

5 A person who elects to participate in the program of health
6 benefits as a dependent rather than as an eligible member shall
7 be furnished a written explanation of the consequences of
8 electing to participate as a dependent and the conditions and
9 procedures for re-enrolling as an eligible member. The
10 explanation shall also be included in the annual benefit choice
11 options booklet furnished to members.

12 (Source: P.A. 92-600, eff. 6-28-02; 93-553, eff. 8-20-03.)

13 Section 10. The Illinois Pension Code is amended by adding
14 Section 14-108.6 as follows:

15 (40 ILCS 5/14-108.6 new)

16 Sec. 14-108.6. Alternative retirement cancellation
17 payment.

18 (a) To be eligible for the alternative retirement
19 cancellation payment provided in this Section, a person must:

20 (1) be a member of this System who, as of July 1, 2005,
21 was (i) in active payroll status as an employee in a
22 position listed in subsection (b) of this Section and
23 continuously employed in a position listed in subsection
24 (b) on and after January 1, 2005 and (ii) an active
25 contributor to this System with respect to that employment;

26 (2) have not previously received any retirement
27 annuity under this Article;

28 (3) in the case of persons employed in a position title
29 listed under paragraph (1) of subsection (b), be among the
30 first 500 persons to file with the Board on or before
31 September 30, 2005 a written application requesting the
32 alternative retirement cancellation payment provided in

1 this Section;

2 (4) in the case of persons employed in a position title
3 listed under paragraph (2) of subsection (b), have received
4 written authorization from the director or other head of
5 his or her department and filed that authorization with the
6 system on or before September 1, 2005;

7 (5) if there is a QILDRO in effect against the person,
8 file with the Board the written consent of all alternate
9 payees under the QILDRO to the election of an alternative
10 retirement cancellation payment under this Section; and

11 (6) terminate employment under this Article within one
12 month after approval of the person's application
13 requesting the alternative retirement cancellation
14 payment, but in no event later than October 31, 2005.

15 (b) (1) Position titles eligible for the alternative
16 retirement cancellation payment provided in this Section are:

17 911 Analyst III; Brickmason; Account Clerk I and II;
18 Budget Analyst I and II; Account Technician I and II;
19 Budget Operations Director; Accountant; Budget Principal;
20 Accountant Advanced; Building Services Worker; Accountant
21 Supervisor; Building/Grounds Laborer; Accounting Fiscal
22 Administrative Career Trainee; Building/Grounds Lead 1 and
23 2; Accounts Payable Processing Analyst; Building/Grounds
24 Maintenance Worker; Accounts Payable Specialist;
25 Building/Grounds Supervisor; Accounts Processing Analyst;
26 Bureau Chief; Actuarial Assistant; Business Administrative
27 Specialist; Administrative and Technology Director;
28 Business Analyst I through IV; Administrative Assistant I
29 through III; Business Manager; Administrative Clerk;
30 Buyer; Administrative Coordinator; Buyer Assistant;
31 Administrator; Capital Budget Analyst I and II;
32 Administrator of Capital Programs; Capital Budget
33 Director; Administrator of Construction Administration;
34 Capital Programs Analyst I and II; Administrator of

1 Contract Administration; Capital Programs Technician;
2 Administrator of Fair Employment Practices; Carpenter;
3 Administrator of Fiscal; Carpenter Foreman; Administrator
4 of Information Management; Cartographer I through III;
5 Administrator of Information Systems; Chief - Police;
6 Administrator of Personnel; Chief Veterans Technician;
7 Administrator of Professional Services; Circuit
8 Provisioning Specialist; Administrator of Public Affairs;
9 Civil Engineer I through IX; Administrator of
10 Quality-Based Selection; Civil Engineer Trainee;
11 Administrator of Strategic Planning and Training; Clerical
12 Trainee; Appeals & Orders Coordinator; Communications
13 Director; Appraisal Specialist 1 through 3; Community
14 Planner 3; Assignment Coordinator; Commander; Assistant
15 Art-in-Architecture Coordinator; Compliance Specialist;
16 Assistant Chief - Police; Conservation Education
17 Representative; Assistant Internal Auditor; Conservation
18 Grant Administrator 1 through 3; Assistant Manager;
19 Construction Supervisor I and II; Assistant Personnel
20 Officer; Consumer Policy Analyst; Assistant Professor
21 Scientist; Consumer Program Coordinator; Assistant
22 Reimbursement Officer; Contract Executive; Assistant
23 Steward; Coordinator of Administrative Services; Associate
24 Director for Administrative Services; Coordinator of
25 Art-in-Architecture; Associate Museum Director;
26 Corrections Clerk I through III; Associate Professor
27 Scientist; Corrections Maintenance Supervisor; Corrections
28 Caseworker Supervisor; Corrections Food Service
29 Supervisor; Auto Parts Warehouse Specialist; Corrections
30 Maintenance Worker; Auto Parts Warehouser; Curator I
31 through III; Automotive Attendant I and II; Data Processing
32 Administrative Specialist; Automotive Mechanic; Data
33 Processing Assistant; Automotive Shop Supervisor; Data
34 Processing Operator; Baker; Data Processing Specialist;

1 Barber; Data Processing Supervisor 1 through 3;
2 Beautician; Data Processing Technician; Brickmason; Deputy
3 Chief Counsel; Director of Licensing; Desktop Technician;
4 Director of Security; Human Resources Officer; Division
5 Chief; Human Resources Representative; Division Director;
6 Human Resources Specialist; Economic Analyst I through IV;
7 Human Resources Trainee; Electrical Engineer; Human
8 Services Casework Manager; Electrical Engineer I through
9 V; Human Services Grant Coordinator 2 and 3; Electrical
10 Equipment Installer/Repairer; Iconographer; Electrical
11 Equipment Installer/Repairer Lead Worker; Industry and
12 Commercial Development Representative 1 and 2;
13 Electrician; Industry Services Consultant 1 and 2;
14 Electronics Technician; Information Services Intern;
15 Elevator Operator; Information Services Specialist I and
16 II; Endangered Species Secretary; Information Systems
17 Analyst I through III; Engineering Aide; Information
18 Systems Manager; Engineering Analyst I through IV;
19 Information Systems Planner; Engineering Manager I and II;
20 Institutional Maintenance Worker; Engineering Technician I
21 through V; Instrument Designer; Environmental Scientist I
22 and II; Insurance Analyst I through IV; Executive I through
23 VI; Executive Assistant; Intermittent Clerk; Executive
24 Assistant I through IV; Intermittent Laborer Maintenance;
25 Executive Secretary 1 through 3; Intern; Federal Funding
26 and Public Safety Director; Internal Auditor 1; Financial &
27 Budget Assistant; Internal Communications Officer;
28 Financial & Budget Supervisor; International Marketing
29 Representative 1; Financial Management Director; IT
30 Manager; Fiscal Executive; Janitor I and II; Fiscal
31 Officer; Junior State Veterinarian; Gas Engineer I through
32 IV; Junior Supervisor Scientist; General Counsel and
33 Regulatory Director; Laboratory Manager II; General
34 Services Administrator I; Labor Maintenance Lead Worker;

1 General Services Technician; Laborer; Geographic
2 Information Specialist 1 and 2; Laborer (Building);
3 Geologist I through IV; Laborer (Maintenance); Graphic
4 Arts Design Supervisor; Landscape Architect; Graphic Arts
5 Designer; Landscape Architect I through IV; Graphic Arts
6 Technician; Landscape Planner; Grounds Supervisor; Laundry
7 Manager I; Highway Construction Supervisor I; Legislative
8 Liaison I and II; Historical Research Editor 2; Liability
9 Claims Adjuster 1 and 2; Historical Research Specialist;
10 Librarian 1 and 2; Horse Custodian; Library Aide I through
11 III; Horse Identifier; Library Associate; Hourly
12 Assistant; Library Technical Assistant; Human Resource
13 Coordinator; Licensing Assistant; Human Resources Analyst;
14 Line Technician I through II; Human Resources Assistant;
15 Local History Service Representative; Human Resources
16 Associate; Local Housing Advisor 2 and 3; Human Resources
17 Manager; Local Revenue and Fiscal Advisor 3; Machinist;
18 Locksmith; Maintenance Equipment Operator; Operations
19 Communications Specialist Trainee; Maintenance Worker;
20 Operations Technician; Maintenance Worker Power Plant;
21 Painter; Management Information Technician; Paralegal
22 Assistant; Management Operations Analyst 1 and 2;
23 Performance Management Analyst; Management Secretary I;
24 Personnel Manager; Management Systems Specialist;
25 Photogrammetrist I through IV; Management Technician I
26 through IV; Physician; Manager; Physician Specialist
27 Operations A through D; Manpower Planner 1 through 3;
28 Planning Director; Medical Administrator III and V; Plant
29 Maintenance Engineer 1 and 2; Methods & Processes Advisor
30 1, 2 and III; Plumber; Methods & Processes Career Associate
31 1 and 2; Policy Advisor; Microfilm Operator I through III;
32 Policy Analyst I through IV; Military Administrative
33 Assistant I; Power Shovel Operator (Maintenance); Military
34 Administrative Clerk; Principal Economist; Military

1 Administrative Officer-Legal; Principal Scientist;
2 Military Administrative Specialist; Private Secretary 1
3 and 2; Military Community Relations Specialist; Private
4 Secretary I and II; Military Cooperative Agreement
5 Specialist; Procurement Representative; Military Crash,
6 Fire, Rescue I through III; Professor & Scientist; Military
7 Energy Manager; Program Manager; Military Engineer
8 Technician; Program Specialist; Military Environmental
9 Specialist I through III; Project Coordinator; Military
10 Facilities Engineer; Project Designer; Military Facilities
11 Officer I; Project Manager I through III; Military
12 Maintenance Engineer; Project Manager; Military Museum
13 Director; Project Manager/Technical Specialist I thru III;
14 Military Program Supervisor; Project Specialist I through
15 IV; Military Property Custodian II; Projects Director;
16 Military Real Property Clerk; Property & Supply Clerk I
17 through III; Motorist Assistance Specialist; Property
18 Control Officer; Museum Director; Public Administration
19 Intern; Museum Security Head I through III; Public
20 Information Coordinator; Museum Technician I through III;
21 Public Information Officer; Network Control Center
22 Specialist; Public Information Officer 2 through 4;
23 Network Control Center Technician 2; Public Service
24 Administrator; Network Engineer I through IV; Race Track
25 Maintenance 1 and 2; Office Administration Specialist;
26 Radio Technician Program Coordinator; Office Administrator
27 1 through 5; Realty Specialist I through V; Office Aide;
28 Receptionist; Office Assistant; Regional Manager; Office
29 Associate; Regulatory Accountant IV; Office Clerk;
30 Reimbursement Officer 1 and 2; Office Coordinator;
31 Representative I and II; Office Manager; Representative
32 Trainee; Office Occupations Trainee; School Construction
33 Manager; Office Specialist; Secretary I and IV; Operations
34 Communications Specialist I and II; Security Guard; Senior

1 Economic Analyst; Security Supervisor; Senior Editor;
2 Systems Developer I through IV; Senior Electrical
3 Engineer; Systems Developer Trainee; Senior Financial &
4 Budget Assistant; Systems Engineer I through IV; Senior Gas
5 Engineer; Systems Engineer Trainee; Senior Policy Analyst;
6 Tariff & Order Coordinator; Senior Programs Analyst;
7 Tariff Administrator III; Senior Project Consultant;
8 Tariff Analyst IV; Senior Project Manager; Teacher of
9 Barbering; Senior Public Information Officer; Teacher of
10 Beauty Culture; Senior Public Service Administrator;
11 Technical Advisor 2 and 3; Senior Rate Analyst; Technical
12 Advisor I through VII; Senior Technical Assistant;
13 Technical Analyst; Technical Manager I through IX; Senior
14 Technical Supervisor; Technical Assistant; Senior
15 Technology Specialist; Technical Manager 1; Senior
16 Transportation Industry Analyst; Technical Manager I
17 through X; Sewage Plant Operator; Technical Specialist;
18 Sign Hanger; Technical Support Specialist; Sign Hanger
19 Foreman; Technical Specialist I thru III; Sign Painter;
20 Technician Trainee; Sign Shop Foreman; Telecom Systems
21 Analyst; Silk Screen Operator; Telecom Systems Consultant;
22 Senior Administrative Assistant; Telecom Systems
23 Technician 1 and 2; Site Superintendent; Telecommunication
24 Supervisor; Software Architect; Tinsmith; Special
25 Assistant; Trades Tender; Special Assistant to the
26 Executive Director; Training Coordinator; Staff
27 Development Specialist I; Transportation Counsel; Staff
28 Development Technician II; Transportation Industry Analyst
29 III; State Police Captain; Transportation Industry
30 Customer Service; State Police Lieutenant; Transportation
31 Officer; State Police Major; Transportation Policy Analyst
32 III and IV; State Police Master Sergeant; Urban Planner I
33 through VI; Stationary Engineer; Utility Engineer I and II;
34 Stationary Engineer Assistant Chief; Veteran Secretary;

1 Stationary Engineer Chief; Veteran Technician; Stationary
2 Fireman; Water Engineer I through IV; Statistical Research
3 Specialist 1 through 3; Water Plant Operator; Statistical
4 Research Supervisor; Web and Publications Manager;
5 Statistical Research Technician; Steamfitter; Steward;
6 Steward Secretary; Storekeeper I through III; Stores
7 Clerk; Student Intern; Student Worker; Supervisor;
8 Supervisor & Assistant Scientist; Supervisor & Associate
9 Scientist; Switchboard Operator 1 through 3;
10 Administrative Assistant to the Superintendent; Assistant
11 Legal Advisor; Legal Assistant; Senior Human Resources
12 Specialist; Principal Internal Auditor; Division
13 Administrator; Division Supervisor; and Private Secretary
14 I through III.

15 (2) In addition, any position titles with the Speaker
16 of the House of Representatives, the Minority Leader of the
17 House of Representatives, the President of the Senate, the
18 Minority Leader of the Senate, the Attorney General, the
19 Secretary of State, the Comptroller, the Treasurer, the
20 Auditor General, the Supreme Court, the Court of Claims,
21 and each legislative agency are eligible for the
22 alternative retirement cancellation payment provided in
23 this Section.

24 (c) In lieu of any retirement annuity or other benefit
25 provided under this Article, a person who qualifies for and
26 elects to receive the alternative retirement cancellation
27 payment under this Section shall be entitled to receive a
28 one-time lump sum retirement cancellation payment equal to the
29 amount of his or her contributions to the System (including any
30 employee contributions for optional service credit and
31 including any employee contributions paid by the employer or
32 credited to the employee during disability) as of the date of
33 termination, with regular interest, multiplied by 2.

34 (d) Notwithstanding any other provision of this Article, a

1 person who receives an alternative retirement cancellation
2 payment under this Section thereby forfeits the right to any
3 other retirement or disability benefit or refund under this
4 Article, and no widow's, survivor's, or death benefit deriving
5 from that person shall be payable under this Article. Upon
6 accepting an alternative retirement cancellation payment under
7 this Section, the person's creditable service and all other
8 rights in the System are terminated for all purposes, except
9 for the purpose of determining State group life and health
10 benefits for the person and his or her survivors as provided
11 under the State Employees Group Insurance Act of 1971.

12 (e) To the extent permitted by federal law, a person who
13 receives an alternative retirement cancellation payment under
14 this Section may direct the System to pay all or a portion of
15 that payment as a rollover into another retirement plan or
16 account qualified under the Internal Revenue Code of 1986, as
17 amended.

18 (f) Notwithstanding Section 14-111, a person who has
19 received an alternative retirement cancellation payment under
20 this Section and who reenters service under this Article other
21 than as a temporary employee must repay to the System the
22 amount by which that alternative retirement cancellation
23 payment exceeded the amount of his or her refundable employee
24 contributions within 60 days of resuming employment under this
25 System. For the purposes of re-establishing creditable service
26 that was terminated upon election of the alternative retirement
27 cancellation payment, the portion of the alternative
28 retirement cancellation payment representing refundable
29 employee contributions shall be deemed a refund repayable in
30 accordance with Section 14-130.

31 (g) The Commission on Government Forecasting and
32 Accountability shall determine and report to the Governor and
33 the General Assembly, on or before January 1, 2007, its
34 estimate of (1) the annual amount of payroll savings likely to

1 be realized by the State as a result of the early termination
2 of persons receiving the alternative retirement cancellation
3 payment under this Section and (2) the net annual savings or
4 cost to the State from the program of alternative retirement
5 cancellation payments under this Section.

6 The System, the Department of Central Management Services,
7 the Governor's Office of Management and Budget, and all other
8 departments shall provide to the Commission any assistance that
9 the Commission may request with respect to its report under
10 this Section. The Commission may require departments to provide
11 it with any information that it deems necessary or useful with
12 respect to its reports under this Section, including without
13 limitation information about (1) the final earnings of former
14 department employees who elected to receive alternative
15 retirement cancellation payments under this Section, (2) the
16 earnings of current department employees holding the positions
17 vacated by persons who elected to receive alternative
18 retirement cancellation payments under this Section, and (3)
19 positions vacated by persons who elected to receive alternative
20 retirement cancellation payments under this Section that have
21 not yet been refilled.

22 Section 99. Effective date. This Act takes effect July 1,
23 2005.".