



**94TH GENERAL ASSEMBLY**  
**State of Illinois**  
**2005 and 2006**  
**SB2961**

Introduced 1/20/2006, by Sen. Iris Y. Martinez

**SYNOPSIS AS INTRODUCED:**

5 ILCS 375/3  
5 ILCS 375/6.9  
5 ILCS 375/6.10

from Ch. 127, par. 523

Amends the State Employees Group Insurance Act of 1971. Removes the prohibition against participation by community college districts subject to Article VII of the Public Community College Act and their retired employees.

LRB094 18762 JAM 54145 b

FISCAL NOTE ACT  
MAY APPLY

1 AN ACT concerning government.

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

4 Section 5. The State Employees Group Insurance Act of 1971  
5 is amended by changing Sections 3, 6.9, and 6.10 as follows:

6 (5 ILCS 375/3) (from Ch. 127, par. 523)

7 Sec. 3. Definitions. Unless the context otherwise  
8 requires, the following words and phrases as used in this Act  
9 shall have the following meanings. The Department may define  
10 these and other words and phrases separately for the purpose of  
11 implementing specific programs providing benefits under this  
12 Act.

13 (a) "Administrative service organization" means any  
14 person, firm or corporation experienced in the handling of  
15 claims which is fully qualified, financially sound and capable  
16 of meeting the service requirements of a contract of  
17 administration executed with the Department.

18 (b) "Annuitant" means (1) an employee who retires, or has  
19 retired, on or after January 1, 1966 on an immediate annuity  
20 under the provisions of Articles 2, 14 (including an employee  
21 who has elected to receive an alternative retirement  
22 cancellation payment under Section 14-108.5 of the Illinois  
23 Pension Code in lieu of an annuity), 15 (including an employee  
24 who has retired under the optional retirement program  
25 established under Section 15-158.2), paragraphs (2), (3), or  
26 (5) of Section 16-106, or Article 18 of the Illinois Pension  
27 Code; (2) any person who was receiving group insurance coverage  
28 under this Act as of March 31, 1978 by reason of his status as  
29 an annuitant, even though the annuity in relation to which such  
30 coverage was provided is a proportional annuity based on less  
31 than the minimum period of service required for a retirement  
32 annuity in the system involved; (3) any person not otherwise

1 covered by this Act who has retired as a participating member  
2 under Article 2 of the Illinois Pension Code but is ineligible  
3 for the retirement annuity under Section 2-119 of the Illinois  
4 Pension Code; (4) the spouse of any person who is receiving a  
5 retirement annuity under Article 18 of the Illinois Pension  
6 Code and who is covered under a group health insurance program  
7 sponsored by a governmental employer other than the State of  
8 Illinois and who has irrevocably elected to waive his or her  
9 coverage under this Act and to have his or her spouse  
10 considered as the "annuitant" under this Act and not as a  
11 "dependent"; or (5) an employee who retires, or has retired,  
12 from a qualified position, as determined according to rules  
13 promulgated by the Director, under a qualified local government  
14 or a qualified rehabilitation facility or a qualified domestic  
15 violence shelter or service. (For definition of "retired  
16 employee", see (p) post).

17 (b-5) "New SERS annuitant" means a person who, on or after  
18 January 1, 1998, becomes an annuitant, as defined in subsection  
19 (b), by virtue of beginning to receive a retirement annuity  
20 under Article 14 of the Illinois Pension Code (including an  
21 employee who has elected to receive an alternative retirement  
22 cancellation payment under Section 14-108.5 of that Code in  
23 lieu of an annuity), and is eligible to participate in the  
24 basic program of group health benefits provided for annuitants  
25 under this Act.

26 (b-6) "New SURS annuitant" means a person who (1) on or  
27 after January 1, 1998, becomes an annuitant, as defined in  
28 subsection (b), by virtue of beginning to receive a retirement  
29 annuity under Article 15 of the Illinois Pension Code, (2) has  
30 not made the election authorized under Section 15-135.1 of the  
31 Illinois Pension Code, and (3) is eligible to participate in  
32 the basic program of group health benefits provided for  
33 annuitants under this Act.

34 (b-7) "New TRS State annuitant" means a person who, on or  
35 after July 1, 1998, becomes an annuitant, as defined in  
36 subsection (b), by virtue of beginning to receive a retirement

1 annuity under Article 16 of the Illinois Pension Code based on  
2 service as a teacher as defined in paragraph (2), (3), or (5)  
3 of Section 16-106 of that Code, and is eligible to participate  
4 in the basic program of group health benefits provided for  
5 annuitants under this Act.

6 (c) "Carrier" means (1) an insurance company, a corporation  
7 organized under the Limited Health Service Organization Act or  
8 the Voluntary Health Services Plan Act, a partnership, or other  
9 nongovernmental organization, which is authorized to do group  
10 life or group health insurance business in Illinois, or (2) the  
11 State of Illinois as a self-insurer.

12 (d) "Compensation" means salary or wages payable on a  
13 regular payroll by the State Treasurer on a warrant of the  
14 State Comptroller out of any State, trust or federal fund, or  
15 by the Governor of the State through a disbursing officer of  
16 the State out of a trust or out of federal funds, or by any  
17 Department out of State, trust, federal or other funds held by  
18 the State Treasurer or the Department, to any person for  
19 personal services currently performed, and ordinary or  
20 accidental disability benefits under Articles 2, 14, 15  
21 (including ordinary or accidental disability benefits under  
22 the optional retirement program established under Section  
23 15-158.2), paragraphs (2), (3), or (5) of Section 16-106, or  
24 Article 18 of the Illinois Pension Code, for disability  
25 incurred after January 1, 1966, or benefits payable under the  
26 Workers' Compensation or Occupational Diseases Act or benefits  
27 payable under a sick pay plan established in accordance with  
28 Section 36 of the State Finance Act. "Compensation" also means  
29 salary or wages paid to an employee of any qualified local  
30 government or qualified rehabilitation facility or a qualified  
31 domestic violence shelter or service.

32 (e) "Commission" means the State Employees Group Insurance  
33 Advisory Commission authorized by this Act. Commencing July 1,  
34 1984, "Commission" as used in this Act means the Commission on  
35 Government Forecasting and Accountability as established by  
36 the Legislative Commission Reorganization Act of 1984.

1 (f) "Contributory", when referred to as contributory  
2 coverage, shall mean optional coverages or benefits elected by  
3 the member toward the cost of which such member makes  
4 contribution, or which are funded in whole or in part through  
5 the acceptance of a reduction in earnings or the foregoing of  
6 an increase in earnings by an employee, as distinguished from  
7 noncontributory coverage or benefits which are paid entirely by  
8 the State of Illinois without reduction of the member's salary.

9 (g) "Department" means any department, institution, board,  
10 commission, officer, court or any agency of the State  
11 government receiving appropriations and having power to  
12 certify payrolls to the Comptroller authorizing payments of  
13 salary and wages against such appropriations as are made by the  
14 General Assembly from any State fund, or against trust funds  
15 held by the State Treasurer and includes boards of trustees of  
16 the retirement systems created by Articles 2, 14, 15, 16 and 18  
17 of the Illinois Pension Code. "Department" also includes the  
18 Illinois Comprehensive Health Insurance Board, the Board of  
19 Examiners established under the Illinois Public Accounting  
20 Act, and the Illinois Finance Authority.

21 (h) "Dependent", when the term is used in the context of  
22 the health and life plan, means a member's spouse and any  
23 unmarried child (1) from birth to age 19 including an adopted  
24 child, a child who lives with the member from the time of the  
25 filing of a petition for adoption until entry of an order of  
26 adoption, a stepchild or recognized child who lives with the  
27 member in a parent-child relationship, or a child who lives  
28 with the member if such member is a court appointed guardian of  
29 the child, or (2) age 19 to 23 enrolled as a full-time student  
30 in any accredited school, financially dependent upon the  
31 member, and eligible to be claimed as a dependent for income  
32 tax purposes, or (3) age 19 or over who is mentally or  
33 physically handicapped. For the purposes of item (2), an  
34 unmarried child age 19 to 23 who is a member of the United  
35 States Armed Services, including the Illinois National Guard,  
36 and is mobilized to active duty shall qualify as a dependent

1 beyond the age of 23 and until the age of 25 and while a  
2 full-time student for the amount of time spent on active duty  
3 between the ages of 19 and 23. The individual attempting to  
4 qualify for this additional time must submit written  
5 documentation of active duty service to the Director. The  
6 changes made by this amendatory Act of the 94th General  
7 Assembly apply only to individuals mobilized to active duty in  
8 the United States Armed Services, including the Illinois  
9 National Guard, on or after January 1, 2002. For the health  
10 plan only, the term "dependent" also includes any person  
11 enrolled prior to the effective date of this Section who is  
12 dependent upon the member to the extent that the member may  
13 claim such person as a dependent for income tax deduction  
14 purposes; no other such person may be enrolled. For the health  
15 plan only, the term "dependent" also includes any person who  
16 has received after June 30, 2000 an organ transplant and who is  
17 financially dependent upon the member and eligible to be  
18 claimed as a dependent for income tax purposes.

19 (i) "Director" means the Director of the Illinois  
20 Department of Central Management Services.

21 (j) "Eligibility period" means the period of time a member  
22 has to elect enrollment in programs or to select benefits  
23 without regard to age, sex or health.

24 (k) "Employee" means and includes each officer or employee  
25 in the service of a department who (1) receives his  
26 compensation for service rendered to the department on a  
27 warrant issued pursuant to a payroll certified by a department  
28 or on a warrant or check issued and drawn by a department upon  
29 a trust, federal or other fund or on a warrant issued pursuant  
30 to a payroll certified by an elected or duly appointed officer  
31 of the State or who receives payment of the performance of  
32 personal services on a warrant issued pursuant to a payroll  
33 certified by a Department and drawn by the Comptroller upon the  
34 State Treasurer against appropriations made by the General  
35 Assembly from any fund or against trust funds held by the State  
36 Treasurer, and (2) is employed full-time or part-time in a

1 position normally requiring actual performance of duty during  
2 not less than 1/2 of a normal work period, as established by  
3 the Director in cooperation with each department, except that  
4 persons elected by popular vote will be considered employees  
5 during the entire term for which they are elected regardless of  
6 hours devoted to the service of the State, and (3) except that  
7 "employee" does not include any person who is not eligible by  
8 reason of such person's employment to participate in one of the  
9 State retirement systems under Articles 2, 14, 15 (either the  
10 regular Article 15 system or the optional retirement program  
11 established under Section 15-158.2) or 18, or under paragraph  
12 (2), (3), or (5) of Section 16-106, of the Illinois Pension  
13 Code, but such term does include persons who are employed  
14 during the 6 month qualifying period under Article 14 of the  
15 Illinois Pension Code. Such term also includes any person who  
16 (1) after January 1, 1966, is receiving ordinary or accidental  
17 disability benefits under Articles 2, 14, 15 (including  
18 ordinary or accidental disability benefits under the optional  
19 retirement program established under Section 15-158.2),  
20 paragraphs (2), (3), or (5) of Section 16-106, or Article 18 of  
21 the Illinois Pension Code, for disability incurred after  
22 January 1, 1966, (2) receives total permanent or total  
23 temporary disability under the Workers' Compensation Act or  
24 Occupational Disease Act as a result of injuries sustained or  
25 illness contracted in the course of employment with the State  
26 of Illinois, or (3) is not otherwise covered under this Act and  
27 has retired as a participating member under Article 2 of the  
28 Illinois Pension Code but is ineligible for the retirement  
29 annuity under Section 2-119 of the Illinois Pension Code.  
30 However, a person who satisfies the criteria of the foregoing  
31 definition of "employee" except that such person is made  
32 ineligible to participate in the State Universities Retirement  
33 System by clause (4) of subsection (a) of Section 15-107 of the  
34 Illinois Pension Code is also an "employee" for the purposes of  
35 this Act. "Employee" also includes any person receiving or  
36 eligible for benefits under a sick pay plan established in

1 accordance with Section 36 of the State Finance Act. "Employee"  
2 also includes each officer or employee in the service of a  
3 qualified local government, including persons appointed as  
4 trustees of sanitary districts regardless of hours devoted to  
5 the service of the sanitary district, and each employee in the  
6 service of a qualified rehabilitation facility and each  
7 full-time employee in the service of a qualified domestic  
8 violence shelter or service, as determined according to rules  
9 promulgated by the Director.

10 (l) "Member" means an employee, annuitant, retired  
11 employee or survivor.

12 (m) "Optional coverages or benefits" means those coverages  
13 or benefits available to the member on his or her voluntary  
14 election, and at his or her own expense.

15 (n) "Program" means the group life insurance, health  
16 benefits and other employee benefits designed and contracted  
17 for by the Director under this Act.

18 (o) "Health plan" means a health benefits program offered  
19 by the State of Illinois for persons eligible for the plan.

20 (p) "Retired employee" means any person who would be an  
21 annuitant as that term is defined herein but for the fact that  
22 such person retired prior to January 1, 1966. Such term also  
23 includes any person formerly employed by the University of  
24 Illinois in the Cooperative Extension Service who would be an  
25 annuitant but for the fact that such person was made ineligible  
26 to participate in the State Universities Retirement System by  
27 clause (4) of subsection (a) of Section 15-107 of the Illinois  
28 Pension Code.

29 (q) "Survivor" means a person receiving an annuity as a  
30 survivor of an employee or of an annuitant. "Survivor" also  
31 includes: (1) the surviving dependent of a person who satisfies  
32 the definition of "employee" except that such person is made  
33 ineligible to participate in the State Universities Retirement  
34 System by clause (4) of subsection (a) of Section 15-107 of the  
35 Illinois Pension Code; (2) the surviving dependent of any  
36 person formerly employed by the University of Illinois in the



1 Cooperative Extension Service who would be an annuitant except  
2 for the fact that such person was made ineligible to  
3 participate in the State Universities Retirement System by  
4 clause (4) of subsection (a) of Section 15-107 of the Illinois  
5 Pension Code; and (3) the surviving dependent of a person who  
6 was an annuitant under this Act by virtue of receiving an  
7 alternative retirement cancellation payment under Section  
8 14-108.5 of the Illinois Pension Code.

9 (q-2) "SERS" means the State Employees' Retirement System  
10 of Illinois, created under Article 14 of the Illinois Pension  
11 Code.

12 (q-3) "SURS" means the State Universities Retirement  
13 System, created under Article 15 of the Illinois Pension Code.

14 (q-4) "TRS" means the Teachers' Retirement System of the  
15 State of Illinois, created under Article 16 of the Illinois  
16 Pension Code.

17 (q-5) "New SERS survivor" means a survivor, as defined in  
18 subsection (q), whose annuity is paid under Article 14 of the  
19 Illinois Pension Code and is based on the death of (i) an  
20 employee whose death occurs on or after January 1, 1998, or  
21 (ii) a new SERS annuitant as defined in subsection (b-5). "New  
22 SERS survivor" includes the surviving dependent of a person who  
23 was an annuitant under this Act by virtue of receiving an  
24 alternative retirement cancellation payment under Section  
25 14-108.5 of the Illinois Pension Code.

26 (q-6) "New SURS survivor" means a survivor, as defined in  
27 subsection (q), whose annuity is paid under Article 15 of the  
28 Illinois Pension Code and is based on the death of (i) an  
29 employee whose death occurs on or after January 1, 1998, or  
30 (ii) a new SURS annuitant as defined in subsection (b-6).

31 (q-7) "New TRS State survivor" means a survivor, as defined  
32 in subsection (q), whose annuity is paid under Article 16 of  
33 the Illinois Pension Code and is based on the death of (i) an  
34 employee who is a teacher as defined in paragraph (2), (3), or  
35 (5) of Section 16-106 of that Code and whose death occurs on or  
36 after July 1, 1998, or (ii) a new TRS State annuitant as

1 defined in subsection (b-7).

2 (r) "Medical services" means the services provided within  
3 the scope of their licenses by practitioners in all categories  
4 licensed under the Medical Practice Act of 1987.

5 (s) "Unit of local government" means any county,  
6 municipality, township, school district (including a  
7 combination of school districts under the Intergovernmental  
8 Cooperation Act), special district or other unit, designated as  
9 a unit of local government by law, which exercises limited  
10 governmental powers or powers in respect to limited  
11 governmental subjects, any not-for-profit association with a  
12 membership that primarily includes townships and township  
13 officials, that has duties that include provision of research  
14 service, dissemination of information, and other acts for the  
15 purpose of improving township government, and that is funded  
16 wholly or partly in accordance with Section 85-15 of the  
17 Township Code; any not-for-profit corporation or association,  
18 with a membership consisting primarily of municipalities, that  
19 operates its own utility system, and provides research,  
20 training, dissemination of information, or other acts to  
21 promote cooperation between and among municipalities that  
22 provide utility services and for the advancement of the goals  
23 and purposes of its membership; the Southern Illinois  
24 Collegiate Common Market, which is a consortium of higher  
25 education institutions in Southern Illinois; the Illinois  
26 Association of Park Districts; and any hospital provider that  
27 is owned by a county that has 100 or fewer hospital beds and  
28 has not already joined the program. "Qualified local  
29 government" means a unit of local government approved by the  
30 Director and participating in a program created under  
31 subsection (i) of Section 10 of this Act.

32 (t) "Qualified rehabilitation facility" means any  
33 not-for-profit organization that is accredited by the  
34 Commission on Accreditation of Rehabilitation Facilities or  
35 certified by the Department of Human Services (as successor to  
36 the Department of Mental Health and Developmental

1 Disabilities) to provide services to persons with disabilities  
2 and which receives funds from the State of Illinois for  
3 providing those services, approved by the Director and  
4 participating in a program created under subsection (j) of  
5 Section 10 of this Act.

6 (u) "Qualified domestic violence shelter or service" means  
7 any Illinois domestic violence shelter or service and its  
8 administrative offices funded by the Department of Human  
9 Services (as successor to the Illinois Department of Public  
10 Aid), approved by the Director and participating in a program  
11 created under subsection (k) of Section 10.

12 (v) "TRS benefit recipient" means a person who:

13 (1) is not a "member" as defined in this Section; and

14 (2) is receiving a monthly benefit or retirement  
15 annuity under Article 16 of the Illinois Pension Code; and

16 (3) either (i) has at least 8 years of creditable  
17 service under Article 16 of the Illinois Pension Code, or  
18 (ii) was enrolled in the health insurance program offered  
19 under that Article on January 1, 1996, or (iii) is the  
20 survivor of a benefit recipient who had at least 8 years of  
21 creditable service under Article 16 of the Illinois Pension  
22 Code or was enrolled in the health insurance program  
23 offered under that Article on the effective date of this  
24 amendatory Act of 1995, or (iv) is a recipient or survivor  
25 of a recipient of a disability benefit under Article 16 of  
26 the Illinois Pension Code.

27 (w) "TRS dependent beneficiary" means a person who:

28 (1) is not a "member" or "dependent" as defined in this  
29 Section; and

30 (2) is a TRS benefit recipient's: (A) spouse, (B)  
31 dependent parent who is receiving at least half of his or  
32 her support from the TRS benefit recipient, or (C)  
33 unmarried natural or adopted child who is (i) under age 19,  
34 or (ii) enrolled as a full-time student in an accredited  
35 school, financially dependent upon the TRS benefit  
36 recipient, eligible to be claimed as a dependent for income

1 tax purposes, and either is under age 24 or was, on January  
2 1, 1996, participating as a dependent beneficiary in the  
3 health insurance program offered under Article 16 of the  
4 Illinois Pension Code, or (iii) age 19 or over who is  
5 mentally or physically handicapped.

6 (x) "Military leave with pay and benefits" refers to  
7 individuals in basic training for reserves, special/advanced  
8 training, annual training, emergency call up, or activation by  
9 the President of the United States with approved pay and  
10 benefits.

11 (y) "Military leave without pay and benefits" refers to  
12 individuals who enlist for active duty in a regular component  
13 of the U.S. Armed Forces or other duty not specified or  
14 authorized under military leave with pay and benefits.

15 (z) "Community college benefit recipient" means a person  
16 who:

17 (1) is not a "member" as defined in this Section; and

18 (2) is receiving a monthly survivor's annuity or  
19 retirement annuity under Article 15 of the Illinois Pension  
20 Code; and

21 (3) either (i) was a full-time employee of a community  
22 college district or an association of community college  
23 boards created under the Public Community College Act  
24 ~~(other than an employee whose last employer under Article~~  
25 ~~15 of the Illinois Pension Code was a community college~~  
26 ~~district subject to Article VII of the Public Community~~  
27 ~~College Act)~~ and was eligible to participate in a group  
28 health benefit plan as an employee during the time of  
29 employment with a community college district ~~(other than a~~  
30 ~~community college district subject to Article VII of the~~  
31 ~~Public Community College Act)~~ or an association of  
32 community college boards, or (ii) is the survivor of a  
33 person described in item (i).

34 (aa) "Community college dependent beneficiary" means a  
35 person who:

36 (1) is not a "member" or "dependent" as defined in this

1 Section; and

2 (2) is a community college benefit recipient's: (A)  
3 spouse, (B) dependent parent who is receiving at least half  
4 of his or her support from the community college benefit  
5 recipient, or (C) unmarried natural or adopted child who is  
6 (i) under age 19, or (ii) enrolled as a full-time student  
7 in an accredited school, financially dependent upon the  
8 community college benefit recipient, eligible to be  
9 claimed as a dependent for income tax purposes and under  
10 age 23, or (iii) age 19 or over and mentally or physically  
11 handicapped.

12 (Source: P.A. 93-205, eff. 1-1-04; 93-839, eff. 7-30-04;  
13 93-1067, eff. 1-15-05; 94-32, eff. 6-15-05; 94-82, eff. 1-1-06;  
14 revised 8-9-05.)

15 (5 ILCS 375/6.9)

16 Sec. 6.9. Health benefits for community college benefit  
17 recipients and community college dependent beneficiaries.

18 (a) Purpose. It is the purpose of this amendatory Act of  
19 1997 to establish a uniform program of health benefits for  
20 community college benefit recipients and their dependent  
21 beneficiaries under the administration of the Department of  
22 Central Management Services.

23 (b) Creation of program. Beginning July 1, 1999, the  
24 Department of Central Management Services shall be responsible  
25 for administering a program of health benefits for community  
26 college benefit recipients and community college dependent  
27 beneficiaries under this Section. The State Universities  
28 Retirement System and the boards of trustees of the various  
29 community college districts shall cooperate with the  
30 Department in this endeavor.

31 (c) Eligibility. All community college benefit recipients  
32 and community college dependent beneficiaries shall be  
33 eligible to participate in the program established under this  
34 Section, without any interruption or delay in coverage or  
35 limitation as to pre-existing medical conditions. Eligibility

1 to participate shall be determined by the State Universities  
2 Retirement System. Eligibility information shall be  
3 communicated to the Department of Central Management Services  
4 in a format acceptable to the Department.

5 (d) Coverage. The health benefit coverage provided under  
6 this Section shall be a program of health, dental, and vision  
7 benefits.

8 The program of health benefits under this Section may  
9 include any or all of the benefit limitations, including but  
10 not limited to a reduction in benefits based on eligibility for  
11 federal medicare benefits, that are provided under subsection  
12 (a) of Section 6 of this Act for other health benefit programs  
13 under this Act.

14 (e) Insurance rates and premiums. The Director shall  
15 determine the insurance rates and premiums for community  
16 college benefit recipients and community college dependent  
17 beneficiaries. Rates and premiums may be based in part on age  
18 and eligibility for federal Medicare coverage. The Director  
19 shall also determine premiums that will allow for the  
20 establishment of an actuarially sound reserve for this program.

21 The cost of health benefits under the program shall be paid  
22 as follows:

23 (1) For a community college benefit recipient, up to  
24 75% of the total insurance rate shall be paid from the  
25 Community College Health Insurance Security Fund.

26 (2) The balance of the rate of insurance, including the  
27 entire premium for any coverage for community college  
28 dependent beneficiaries that has been elected, shall be  
29 paid by deductions authorized by the community college  
30 benefit recipient to be withheld from his or her monthly  
31 annuity or benefit payment from the State Universities  
32 Retirement System; except that (i) if the balance of the  
33 cost of coverage exceeds the amount of the monthly annuity  
34 or benefit payment, the difference shall be paid directly  
35 to the State Universities Retirement System by the  
36 community college benefit recipient, and (ii) all or part

1 of the balance of the cost of coverage may, at the option  
2 of the board of trustees of the community college district,  
3 be paid to the State Universities Retirement System by the  
4 board of the community college district from which the  
5 community college benefit recipient retired. The State  
6 Universities Retirement System shall promptly deposit all  
7 moneys withheld by or paid to it under this subdivision  
8 (e)(2) into the Community College Health Insurance  
9 Security Fund. These moneys shall not be considered assets  
10 of the State Universities Retirement System.

11 (f) Financing. All revenues arising from the  
12 administration of the health benefit program established under  
13 this Section shall be deposited into the Community College  
14 Health Insurance Security Fund, which is hereby created as a  
15 nonappropriated trust fund to be held outside the State  
16 Treasury, with the State Treasurer as custodian. Any interest  
17 earned on moneys in the Community College Health Insurance  
18 Security Fund shall be deposited into the Fund.

19 Moneys in the Community College Health Insurance Security  
20 Fund shall be used only to pay the costs of the health benefit  
21 program established under this Section, including associated  
22 administrative costs and the establishment of a program  
23 reserve. Beginning January 1, 1999, the Department of Central  
24 Management Services may make expenditures from the Community  
25 College Health Insurance Security Fund for those costs.

26 (g) Contract for benefits. The Director shall by contract,  
27 self-insurance, or otherwise make available the program of  
28 health benefits for community college benefit recipients and  
29 their community college dependent beneficiaries that is  
30 provided for in this Section. The contract or other arrangement  
31 for the provision of these health benefits shall be on terms  
32 deemed by the Director to be in the best interest of the State  
33 of Illinois and the community college benefit recipients based  
34 on, but not limited to, such criteria as administrative cost,  
35 service capabilities of the carrier or other contractor, and  
36 the costs of the benefits.

1 (h) Continuation of program. It is the intention of the  
2 General Assembly that the program of health benefits provided  
3 under this Section be maintained on an ongoing, affordable  
4 basis. The program of health benefits provided under this  
5 Section may be amended by the State and is not intended to be a  
6 pension or retirement benefit subject to protection under  
7 Article XIII, Section 5 of the Illinois Constitution.

8 (i) Other health benefit plans. A health benefit plan  
9 provided by a community college district ~~(other than a~~  
10 ~~community college district subject to Article VII of the Public~~  
11 ~~Community College Act)~~ under the terms of a collective  
12 bargaining agreement in effect on or prior to the effective  
13 date of this amendatory Act of 1997 (or January 1, 2007 with  
14 respect to a community college district subject to Article VII  
15 of the Public Community College Act) shall continue in force  
16 according to the terms of that agreement, unless otherwise  
17 mutually agreed by the parties to that agreement and the  
18 affected retiree. A community college benefit recipient or  
19 community college dependent beneficiary whose coverage under  
20 such a plan expires shall be eligible to begin participating in  
21 the program established under this Section without any  
22 interruption or delay in coverage or limitation as to  
23 pre-existing medical conditions.

24 This Act does not prohibit any community college district  
25 from offering additional health benefits for its retirees or  
26 their dependents or survivors.

27 (Source: P.A. 90-497, eff. 8-18-97; 90-655, eff. 7-30-98.)

28 (5 ILCS 375/6.10)

29 Sec. 6.10. Contributions to the Community College Health  
30 Insurance Security Fund.

31 (a) Beginning January 1, 1999, (or January 1, 2007 with  
32 respect to a community college district subject to Article VII  
33 of the Public Community College Act), every active contributor  
34 of the State Universities Retirement System (established under  
35 Article 15 of the Illinois Pension Code) who (1) is a full-time



1 employee of a community college district ~~(other than a~~  
2 ~~community college district subject to Article VII of the Public~~  
3 ~~Community College Act)~~ or an association of community college  
4 boards and (2) is not an employee as defined in Section 3 of  
5 this Act shall make contributions toward the cost of community  
6 college annuitant and survivor health benefits at the rate of  
7 0.50% of salary.

8 These contributions shall be deducted by the employer and  
9 paid to the State Universities Retirement System as service  
10 agent for the Department of Central Management Services. The  
11 System may use the same processes for collecting the  
12 contributions required by this subsection that it uses to  
13 collect the contributions received from those employees under  
14 Section 15-157 of the Illinois Pension Code. An employer may  
15 agree to pick up or pay the contributions required under this  
16 subsection on behalf of the employee; such contributions shall  
17 be deemed to have been paid by the employee.

18 The State Universities Retirement System shall promptly  
19 deposit all moneys collected under this subsection (a) into the  
20 Community College Health Insurance Security Fund created in  
21 Section 6.9 of this Act. The moneys collected under this  
22 Section shall be used only for the purposes authorized in  
23 Section 6.9 of this Act and shall not be considered to be  
24 assets of the State Universities Retirement System.  
25 Contributions made under this Section are not transferable to  
26 other pension funds or retirement systems and are not  
27 refundable upon termination of service.

28 (b) Beginning January 1, 1999, (or January 1, 2007 with  
29 respect to a community college district subject to Article VII  
30 of the Public Community College Act), every community college  
31 district ~~(other than a community college district subject to~~  
32 ~~Article VII of the Public Community College Act)~~ or association  
33 of community college boards that is an employer under the State  
34 Universities Retirement System shall contribute toward the  
35 cost of the community college health benefits provided under  
36 Section 6.9 of this Act an amount equal to 0.50% of the salary

1 paid to its full-time employees who participate in the State  
2 Universities Retirement System and are not members as defined  
3 in Section 3 of this Act.

4 These contributions shall be paid by the employer to the  
5 State Universities Retirement System as service agent for the  
6 Department of Central Management Services. The System may use  
7 the same processes for collecting the contributions required by  
8 this subsection that it uses to collect the contributions  
9 received from those employers under Section 15-155 of the  
10 Illinois Pension Code.

11 The State Universities Retirement System shall promptly  
12 deposit all moneys collected under this subsection (b) into the  
13 Community College Health Insurance Security Fund created in  
14 Section 6.9 of this Act. The moneys collected under this  
15 Section shall be used only for the purposes authorized in  
16 Section 6.9 of this Act and shall not be considered to be  
17 assets of the State Universities Retirement System.  
18 Contributions made under this Section are not transferable to  
19 other pension funds or retirement systems and are not  
20 refundable upon termination of service.

21 (c) On or before November 15 of each year, the Board of  
22 Trustees of the State Universities Retirement System shall  
23 certify to the Governor, the Director of Central Management  
24 Services, and the State Comptroller its estimate of the total  
25 amount of contributions to be paid under subsection (a) of this  
26 Section for the next fiscal year. The certification shall  
27 include a detailed explanation of the methods and information  
28 that the Board relied upon in preparing its estimate. As soon  
29 as possible after the effective date of this Section, the Board  
30 shall submit its estimate for fiscal year 1999.

31 (d) Beginning in fiscal year 1999, on the first day of each  
32 month, or as soon thereafter as may be practical, the State  
33 Treasurer and the State Comptroller shall transfer from the  
34 General Revenue Fund to the Community College Health Insurance  
35 Security Fund 1/12 of the annual amount appropriated for that  
36 fiscal year to the State Comptroller for deposit into the

1 Community College Health Insurance Security Fund under Section  
2 1.4 of the State Pension Funds Continuing Appropriation Act.

3 (e) Except where otherwise specified in this Section, the  
4 definitions that apply to Article 15 of the Illinois Pension  
5 Code apply to this Section.

6 (Source: P.A. 90-497, eff. 8-18-97; 91-887, eff. 7-6-00.)