

SB0362



95TH GENERAL ASSEMBLY

State of Illinois

2007 and 2008

SB0362

Introduced 2/7/2007, by Sen. Carol Ronen

SYNOPSIS AS INTRODUCED:

5 ILCS 375/3

from Ch. 127, par. 523

Amends the State Employees Group Insurance Act of 1971. With respect to the definition of a member's dependents, includes qualified domestic partners and makes changes in the qualifications of recognized children and children 19 years of age and older.

LRB095 10764 JAM 31006 b

FISCAL NOTE ACT
MAY APPLY

A BILL FOR

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 Section 3 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

1 who has retired under the optional retirement program
2 established under Section 15-158.2), paragraphs (2), (3), or
3 (5) of Section 16-106, or Article 18 of the Illinois Pension
4 Code; (2) any person who was receiving group insurance coverage
5 under this Act as of March 31, 1978 by reason of his status as
6 an annuitant, even though the annuity in relation to which such
7 coverage was provided is a proportional annuity based on less
8 than the minimum period of service required for a retirement
9 annuity in the system involved; (3) any person not otherwise
10 covered by this Act who has retired as a participating member
11 under Article 2 of the Illinois Pension Code but is ineligible
12 for the retirement annuity under Section 2-119 of the Illinois
13 Pension Code; (4) the spouse of any person who is receiving a
14 retirement annuity under Article 18 of the Illinois Pension
15 Code and who is covered under a group health insurance program
16 sponsored by a governmental employer other than the State of
17 Illinois and who has irrevocably elected to waive his or her
18 coverage under this Act and to have his or her spouse
19 considered as the "annuitant" under this Act and not as a
20 "dependent"; or (5) an employee who retires, or has retired,
21 from a qualified position, as determined according to rules
22 promulgated by the Director, under a qualified local
23 government, a qualified rehabilitation facility, a qualified
24 domestic violence shelter or service, or a qualified child
25 advocacy center. (For definition of "retired employee", see (p)
26 post).

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

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

18 (b-7) "New TRS State annuitant" means a person who, on or
19 after July 1, 1998, becomes an annuitant, as defined in
20 subsection (b), by virtue of beginning to receive a retirement
21 annuity under Article 16 of the Illinois Pension Code based on
22 service as a teacher as defined in paragraph (2), (3), or (5)
23 of Section 16-106 of that Code, and is eligible to participate
24 in the basic program of group health benefits provided for
25 annuitants under this Act.

26 (c) "Carrier" means (1) an insurance company, a corporation

1 organized under the Limited Health Service Organization Act or
2 the Voluntary Health Services Plan Act, a partnership, or other
3 nongovernmental organization, which is authorized to do group
4 life or group health insurance business in Illinois, or (2) the
5 State of Illinois as a self-insurer.

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

1 (e) "Commission" means the State Employees Group Insurance
2 Advisory Commission authorized by this Act. Commencing July 1,
3 1984, "Commission" as used in this Act means the Commission on
4 Government Forecasting and Accountability as established by
5 the Legislative Commission Reorganization Act of 1984.

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

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

26 (h) "Dependent", when the term is used in the context of

1 the health and life plan, means a member's spouse and any
2 unmarried child (1) from birth to age 19 including an adopted
3 child, a child who lives with the member from the time of the
4 filing of a petition for adoption until entry of an order of
5 adoption, a stepchild ~~or recognized child~~ who lives with the
6 member in a parent-child relationship, or a child who lives
7 with the member if such member is a court appointed guardian of
8 the child, or (2) age 19 to 24 ~~23~~ enrolled as a full-time
9 student in any accredited school, financially dependent upon
10 the member, and eligible to be claimed as a dependent for
11 income tax purposes, or (3) age 19 or over who is mentally or
12 physically handicapped, or age 24 if enrolled as a full-time
13 student at the onset of the handicap, from a cause that
14 originated prior to the age of 19, financially dependent upon
15 the member, and eligible to be claimed as a dependent for
16 income tax purposes. For the purposes of item (2), an unmarried
17 child age 19 to 24 ~~23~~ who is a member of the United States Armed
18 Services, including the Illinois National Guard, and serves
19 time on ~~is mobilized to~~ active duty shall qualify as a
20 dependent beyond the age of 24 ~~23~~ and until the age of 25 and
21 while a full-time student for the amount of time spent on
22 active duty between the ages of 19 and 24 ~~23~~. The individual
23 attempting to qualify for this additional time must submit
24 written documentation of active duty service to the Director.
25 The changes made by this amendatory Act of the 94th General
26 Assembly apply only to individuals placed into ~~mobilized to~~

1 active duty in the United States Armed Services, including the
2 Illinois National Guard, on or after January 1, 2002. For the
3 health plan only, the term "dependent" also includes: (i) any
4 person continuously enrolled prior to February 11, 1983, the
5 ~~effective date of this Section~~ who is dependent upon the member
6 to the extent that the member may claim such person as a
7 dependent for income tax deduction purposes; no other such
8 person may be enrolled; (ii) ~~For the health plan only, the~~
9 ~~term "dependent" also includes~~ any person who has received
10 after June 30, 2000 an organ transplant and who is financially
11 dependent upon the member and eligible to be claimed as a
12 dependent for income tax purposes; and (iii) on or after July
13 1, 2006, the qualified domestic partner of the member.

14 (i) "Director" means the Director of the Illinois
15 Department of Central Management Services.

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

19 (k) "Employee" means and includes each officer or employee
20 in the service of a department who (1) receives his
21 compensation for service rendered to the department on a
22 warrant issued pursuant to a payroll certified by a department
23 or on a warrant or check issued and drawn by a department upon
24 a trust, federal or other fund or on a warrant issued pursuant
25 to a payroll certified by an elected or duly appointed officer
26 of the State or who receives payment of the performance of

1 personal services on a warrant issued pursuant to a payroll
2 certified by a Department and drawn by the Comptroller upon the
3 State Treasurer against appropriations made by the General
4 Assembly from any fund or against trust funds held by the State
5 Treasurer, and (2) is employed full-time or part-time in a
6 position normally requiring actual performance of duty during
7 not less than 1/2 of a normal work period, as established by
8 the Director in cooperation with each department, except that
9 persons elected by popular vote will be considered employees
10 during the entire term for which they are elected regardless of
11 hours devoted to the service of the State, and (3) except that
12 "employee" does not include any person who is not eligible by
13 reason of such person's employment to participate in one of the
14 State retirement systems under Articles 2, 14, 15 (either the
15 regular Article 15 system or the optional retirement program
16 established under Section 15-158.2) or 18, or under paragraph
17 (2), (3), or (5) of Section 16-106, of the Illinois Pension
18 Code, but such term does include persons who are employed
19 during the 6 month qualifying period under Article 14 of the
20 Illinois Pension Code. Such term also includes any person who
21 (1) after January 1, 1966, is receiving ordinary or accidental
22 disability benefits under Articles 2, 14, 15 (including
23 ordinary or accidental disability benefits under the optional
24 retirement program established under Section 15-158.2),
25 paragraphs (2), (3), or (5) of Section 16-106, or Article 18 of
26 the Illinois Pension Code, for disability incurred after

1 January 1, 1966, (2) receives total permanent or total
2 temporary disability under the Workers' Compensation Act or
3 Occupational Disease Act as a result of injuries sustained or
4 illness contracted in the course of employment with the State
5 of Illinois, or (3) is not otherwise covered under this Act and
6 has retired as a participating member under Article 2 of the
7 Illinois Pension Code but is ineligible for the retirement
8 annuity under Section 2-119 of the Illinois Pension Code.
9 However, a person who satisfies the criteria of the foregoing
10 definition of "employee" except that such person is made
11 ineligible to participate in the State Universities Retirement
12 System by clause (4) of subsection (a) of Section 15-107 of the
13 Illinois Pension Code is also an "employee" for the purposes of
14 this Act. "Employee" also includes any person receiving or
15 eligible for benefits under a sick pay plan established in
16 accordance with Section 36 of the State Finance Act. "Employee"
17 also includes (i) each officer or employee in the service of a
18 qualified local government, including persons appointed as
19 trustees of sanitary districts regardless of hours devoted to
20 the service of the sanitary district, (ii) each employee in the
21 service of a qualified rehabilitation facility, (iii) each
22 full-time employee in the service of a qualified domestic
23 violence shelter or service, and (iv) each full-time employee
24 in the service of a qualified child advocacy center, as
25 determined according to rules promulgated by the Director.

26 (1) "Member" means an employee, annuitant, retired

1 employee or survivor.

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

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

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

10 (p) "Retired employee" means any person who would be an
11 annuitant as that term is defined herein but for the fact that
12 such person retired prior to January 1, 1966. Such term also
13 includes any person formerly employed by the University of
14 Illinois in the Cooperative Extension Service who would be an
15 annuitant but for the fact that such person was made ineligible
16 to participate in the State Universities Retirement System by
17 clause (4) of subsection (a) of Section 15-107 of the Illinois
18 Pension Code.

19 (q) "Survivor" means a person receiving an annuity as a
20 survivor of an employee or of an annuitant. "Survivor" also
21 includes: (1) the surviving dependent of a person who satisfies
22 the definition of "employee" except that such person is made
23 ineligible to participate in the State Universities Retirement
24 System by clause (4) of subsection (a) of Section 15-107 of the
25 Illinois Pension Code; (2) the surviving dependent of any
26 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

1 subsection (q), whose annuity is paid under Article 15 of the
2 Illinois Pension Code and is based on the death of (i) an
3 employee whose death occurs on or after January 1, 1998, or
4 (ii) a new SURS annuitant as defined in subsection (b-6).

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

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

15 (s) "Unit of local government" means any county,
16 municipality, township, school district (including a
17 combination of school districts under the Intergovernmental
18 Cooperation Act), special district or other unit, designated as
19 a unit of local government by law, which exercises limited
20 governmental powers or powers in respect to limited
21 governmental subjects, any not-for-profit association with a
22 membership that primarily includes townships and township
23 officials, that has duties that include provision of research
24 service, dissemination of information, and other acts for the
25 purpose of improving township government, and that is funded
26 wholly or partly in accordance with Section 85-15 of the

1 Township Code; any not-for-profit corporation or association,
2 with a membership consisting primarily of municipalities, that
3 operates its own utility system, and provides research,
4 training, dissemination of information, or other acts to
5 promote cooperation between and among municipalities that
6 provide utility services and for the advancement of the goals
7 and purposes of its membership; the Southern Illinois
8 Collegiate Common Market, which is a consortium of higher
9 education institutions in Southern Illinois; the Illinois
10 Association of Park Districts; and any hospital provider that
11 is owned by a county that has 100 or fewer hospital beds and
12 has not already joined the program. "Qualified local
13 government" means a unit of local government approved by the
14 Director and participating in a program created under
15 subsection (i) of Section 10 of this Act.

16 (t) "Qualified rehabilitation facility" means any
17 not-for-profit organization that is accredited by the
18 Commission on Accreditation of Rehabilitation Facilities or
19 certified by the Department of Human Services (as successor to
20 the Department of Mental Health and Developmental
21 Disabilities) to provide services to persons with disabilities
22 and which receives funds from the State of Illinois for
23 providing those services, approved by the Director and
24 participating in a program created under subsection (j) of
25 Section 10 of this Act.

26 (u) "Qualified domestic violence shelter or service" means

1 any Illinois domestic violence shelter or service and its
2 administrative offices funded by the Department of Human
3 Services (as successor to the Illinois Department of Public
4 Aid), approved by the Director and participating in a program
5 created under subsection (k) of Section 10.

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

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

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

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

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

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

24 (2) is a TRS benefit recipient's: (A) spouse, (B)
25 dependent parent who is receiving at least half of his or
26 her support from the TRS benefit recipient, or (C)

1 unmarried natural or adopted child who is (i) under age 19,
2 or (ii) enrolled as a full-time student in an accredited
3 school, financially dependent upon the TRS benefit
4 recipient, eligible to be claimed as a dependent for income
5 tax purposes, and either is under age 24 or was, on January
6 1, 1996, participating as a dependent beneficiary in the
7 health insurance program offered under Article 16 of the
8 Illinois Pension Code, or (iii) age 19 or over who is
9 mentally or physically handicapped.

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

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

19 (z) "Community college benefit recipient" means a person
20 who:

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

22 (2) is receiving a monthly survivor's annuity or
23 retirement annuity under Article 15 of the Illinois Pension
24 Code; and

25 (3) either (i) was a full-time employee of a community
26 college district or an association of community college

1 boards created under the Public Community College Act
2 (other than an employee whose last employer under Article
3 15 of the Illinois Pension Code was a community college
4 district subject to Article VII of the Public Community
5 College Act) and was eligible to participate in a group
6 health benefit plan as an employee during the time of
7 employment with a community college district (other than a
8 community college district subject to Article VII of the
9 Public Community College Act) or an association of
10 community college boards, or (ii) is the survivor of a
11 person described in item (i).

12 (aa) "Community college dependent beneficiary" means a
13 person who:

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

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

26 (bb) "Qualified child advocacy center" means any Illinois

1 child advocacy center and its administrative offices funded by
2 the Department of Children and Family Services, as defined by
3 the Children's Advocacy Center Act (55 ILCS 80/), approved by
4 the Director and participating in a program created under
5 subsection (n) of Section 10.

6 (cc) "Qualified domestic partner" means an adult, 19 years
7 of age or older, of the same gender as the State member, with
8 whom the State member is living in an exclusive, committed
9 relationship for a period of at least one year and who shares a
10 mutual obligation of support for the basic living expenses with
11 the intent of the relationship to last indefinitely. The
12 domestic partner cannot be related to the member by blood to a
13 degree that would prohibit marriage in the State of Illinois
14 nor can the domestic partner or the member be married to
15 another person. A member claiming a domestic partner must
16 provide documentation as requested by the Department and file
17 with the Department an affidavit of domestic partnership on a
18 form created by the Department.

19 (Source: P.A. 93-205, eff. 1-1-04; 93-839, eff. 7-30-04;
20 93-1067, eff. 1-15-05; 94-32, eff. 6-15-05; 94-82, eff. 1-1-06;
21 94-860, eff. 6-16-06; revised 8-3-06.)