



## 96TH GENERAL ASSEMBLY

### State of Illinois

2009 and 2010

HB3652

Introduced 2/24/2009, by Rep. Barbara Flynn Currie

#### SYNOPSIS AS INTRODUCED:

5 ILCS 375/3 from Ch. 127, par. 523  
5 ILCS 375/6.9  
5 ILCS 375/6.10  
40 ILCS 15/1.4  
30 ILCS 805/8.33 new

Amends the State Employees Group Insurance Act of 1971 and the State Pension Funds Continuing Appropriation Act. Beginning July 1, 2010, requires the Department of Central Management Services to administer a program of health benefits coverage for retirees, and their dependents, of certain community college districts previously not participating in the Community College Health Insurance Security Fund. Beginning January 1, 2010, provides for the collection and use of contributions. Beginning July 1, 2009, establishes a committee to advise the State on the program and necessary adjustments in funding sources. Amends the State Mandates Act to require implementation without reimbursement. Effective immediately.

LRB096 11604 JAM 22113 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 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

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 23 enrolled as a full-time student  
9 in any accredited school, financially dependent upon the  
10 member, and eligible to be claimed as a dependent for income  
11 tax purposes, or (3) age 19 or over who is mentally or  
12 physically handicapped. For the purposes of item (2), an  
13 unmarried child age 19 to 23 who is a member of the United  
14 States Armed Services, including the Illinois National Guard,  
15 and is mobilized to active duty shall qualify as a dependent  
16 beyond the age of 23 and until the age of 25 and while a  
17 full-time student for the amount of time spent on active duty  
18 between the ages of 19 and 23. The individual attempting to  
19 qualify for this additional time must submit written  
20 documentation of active duty service to the Director. The  
21 changes made by this amendatory Act of the 94th General  
22 Assembly apply only to individuals mobilized to active duty in  
23 the United States Armed Services, including the Illinois  
24 National Guard, on or after January 1, 2002. For the health  
25 plan only, the term "dependent" also includes any person  
26 enrolled prior to the effective date of this Section who is

1 dependent upon the member to the extent that the member may  
2 claim such person as a dependent for income tax deduction  
3 purposes; no other such person may be enrolled. For the health  
4 plan only, the term "dependent" also includes any person who  
5 has received after June 30, 2000 an organ transplant and who is  
6 financially dependent upon the member and eligible to be  
7 claimed as a dependent for income tax purposes.

8 (i) "Director" means the Director of the Illinois  
9 Department of Central Management Services or of any successor  
10 agency designated to administer this Act.

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

14 (k) "Employee" means and includes each officer or employee  
15 in the service of a department who (1) receives his  
16 compensation for service rendered to the department on a  
17 warrant issued pursuant to a payroll certified by a department  
18 or on a warrant or check issued and drawn by a department upon  
19 a trust, federal or other fund or on a warrant issued pursuant  
20 to a payroll certified by an elected or duly appointed officer  
21 of the State or who receives payment of the performance of  
22 personal services on a warrant issued pursuant to a payroll  
23 certified by a Department and drawn by the Comptroller upon the  
24 State Treasurer against appropriations made by the General  
25 Assembly from any fund or against trust funds held by the State  
26 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

1 has retired as a participating member under Article 2 of the  
2 Illinois Pension Code but is ineligible for the retirement  
3 annuity under Section 2-119 of the Illinois Pension Code.  
4 However, a person who satisfies the criteria of the foregoing  
5 definition of "employee" except that such person is made  
6 ineligible to participate in the State Universities Retirement  
7 System by clause (4) of subsection (a) of Section 15-107 of the  
8 Illinois Pension Code is also an "employee" for the purposes of  
9 this Act. "Employee" also includes any person receiving or  
10 eligible for benefits under a sick pay plan established in  
11 accordance with Section 36 of the State Finance Act. "Employee"  
12 also includes (i) each officer or employee in the service of a  
13 qualified local government, including persons appointed as  
14 trustees of sanitary districts regardless of hours devoted to  
15 the service of the sanitary district, (ii) each employee in the  
16 service of a qualified rehabilitation facility, (iii) each  
17 full-time employee in the service of a qualified domestic  
18 violence shelter or service, and (iv) each full-time employee  
19 in the service of a qualified child advocacy center, as  
20 determined according to rules promulgated by the Director.

21 (l) "Member" means an employee, annuitant, retired  
22 employee or survivor.

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

26 (n) "Program" means the group life insurance, health

1 benefits and other employee benefits designed and contracted  
2 for by the Director under this Act.

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

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

14 (q) "Survivor" means a person receiving an annuity as a  
15 survivor of an employee or of an annuitant. "Survivor" also  
16 includes: (1) the surviving dependent of a person who satisfies  
17 the definition of "employee" except that such person is made  
18 ineligible to participate in the State Universities Retirement  
19 System by clause (4) of subsection (a) of Section 15-107 of the  
20 Illinois Pension Code; (2) the surviving dependent of any  
21 person formerly employed by the University of Illinois in the  
22 Cooperative Extension Service who would be an annuitant except  
23 for the fact that such person was made ineligible to  
24 participate in the State Universities Retirement System by  
25 clause (4) of subsection (a) of Section 15-107 of the Illinois  
26 Pension Code; and (3) the surviving dependent of a person who

1 was an annuitant under this Act by virtue of receiving an  
2 alternative retirement cancellation payment under Section  
3 14-108.5 of the Illinois Pension Code.

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

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

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

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

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

26 (q-7) "New TRS State survivor" means a survivor, as defined

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

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

10 (s) "Unit of local government" means any county,  
11 municipality, township, school district (including a  
12 combination of school districts under the Intergovernmental  
13 Cooperation Act), special district or other unit, designated as  
14 a unit of local government by law, which exercises limited  
15 governmental powers or powers in respect to limited  
16 governmental subjects, any not-for-profit association with a  
17 membership that primarily includes townships and township  
18 officials, that has duties that include provision of research  
19 service, dissemination of information, and other acts for the  
20 purpose of improving township government, and that is funded  
21 wholly or partly in accordance with Section 85-15 of the  
22 Township Code; any not-for-profit corporation or association,  
23 with a membership consisting primarily of municipalities, that  
24 operates its own utility system, and provides research,  
25 training, dissemination of information, or other acts to  
26 promote cooperation between and among municipalities that

1 provide utility services and for the advancement of the goals  
2 and purposes of its membership; the Southern Illinois  
3 Collegiate Common Market, which is a consortium of higher  
4 education institutions in Southern Illinois; the Illinois  
5 Association of Park Districts; and any hospital provider that  
6 is owned by a county that has 100 or fewer hospital beds and  
7 has not already joined the program. "Qualified local  
8 government" means a unit of local government approved by the  
9 Director and participating in a program created under  
10 subsection (i) of Section 10 of this Act.

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

21 (u) "Qualified domestic violence shelter or service" means  
22 any Illinois domestic violence shelter or service and its  
23 administrative offices funded by the Department of Human  
24 Services (as successor to the Illinois Department of Public  
25 Aid), approved by the Director and participating in a program  
26 created under subsection (k) of Section 10.

1 (v) "TRS benefit recipient" means a person who:  
2 (1) is not a "member" as defined in this Section; and  
3 (2) is receiving a monthly benefit or retirement  
4 annuity under Article 16 of the Illinois Pension Code; and  
5 (3) either (i) has at least 8 years of creditable  
6 service under Article 16 of the Illinois Pension Code, or  
7 (ii) was enrolled in the health insurance program offered  
8 under that Article on January 1, 1996, or (iii) is the  
9 survivor of a benefit recipient who had at least 8 years of  
10 creditable service under Article 16 of the Illinois Pension  
11 Code or was enrolled in the health insurance program  
12 offered under that Article on the effective date of this  
13 amendatory Act of 1995, or (iv) is a recipient or survivor  
14 of a recipient of a disability benefit under Article 16 of  
15 the Illinois Pension Code.

16 (w) "TRS dependent beneficiary" means a person who:  
17 (1) is not a "member" or "dependent" as defined in this  
18 Section; and  
19 (2) is a TRS benefit recipient's: (A) spouse, (B)  
20 dependent parent who is receiving at least half of his or  
21 her support from the TRS benefit recipient, or (C)  
22 unmarried natural or adopted child who is (i) under age 19,  
23 or (ii) enrolled as a full-time student in an accredited  
24 school, financially dependent upon the TRS benefit  
25 recipient, eligible to be claimed as a dependent for income  
26 tax purposes, and either is under age 24 or was, on January

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

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

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

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

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

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

20               (3) either (i) was a full-time employee of a community  
21               college district or an association of community college  
22               boards created under the Public Community College Act  
23               (other than, until July 1, 2010, an employee whose last  
24               employer under Article 15 of the Illinois Pension Code was  
25               a community college district subject to Article VII of the  
26               Public Community College Act) and was eligible to



1 participate in a group health benefit plan as an employee  
2 during the time of employment with a community college  
3 district (other than, until July 1, 2010, a community  
4 college district subject to Article VII of the Public  
5 Community College Act) or an association of community  
6 college boards, or (ii) is the survivor of a person  
7 described in item (i).

8 (aa) "Community college dependent beneficiary" means a  
9 person who:

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

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

22 (bb) "Qualified child advocacy center" means any Illinois  
23 child advocacy center and its administrative offices funded by  
24 the Department of Children and Family Services, as defined by  
25 the Children's Advocacy Center Act (55 ILCS 80/), approved by  
26 the Director and participating in a program created under

1 subsection (n) of Section 10.

2 (Source: P.A. 94-32, eff. 6-15-05; 94-82, eff. 1-1-06; 94-860,  
3 eff. 6-16-06; 95-331, eff. 8-21-07; 95-632, eff. 9-25-07.)

4 (5 ILCS 375/6.9)

5 Sec. 6.9. Health benefits for community college benefit  
6 recipients and community college dependent beneficiaries.

7 (a) Purpose. It is the purpose of these ~~this~~ amendatory  
8 Acts Act of 1997 and 2009 to establish a uniform program of  
9 health benefits for community college benefit recipients and  
10 their dependent beneficiaries under the administration of the  
11 Department of Central Management Services.

12 (b) Creation of program. Beginning July 1, 1999, the  
13 Department of Central Management Services shall be responsible  
14 for administering a program of health benefits for community  
15 college benefit recipients and community college dependent  
16 beneficiaries under this Section. The State Universities  
17 Retirement System and the boards of trustees of the various  
18 community college districts shall cooperate with the  
19 Department in this endeavor.

20 Beginning July 1, 2010, the Department of Central  
21 Management Services shall be responsible for administering a  
22 program of health benefits for community college benefit  
23 recipients and community college dependent beneficiaries  
24 subject to Article VII of the Public Community College Act. The  
25 State Universities Retirement System and the boards of trustees

1 of the community college districts shall cooperate with the  
2 Department in this endeavor.

3 (c) Eligibility. All community college benefit recipients  
4 and community college dependent beneficiaries shall be  
5 eligible to participate in the program established under this  
6 Section, without any interruption or delay in coverage or  
7 limitation as to pre-existing medical conditions. Eligibility  
8 to participate shall be determined by the State Universities  
9 Retirement System. Eligibility information shall be  
10 communicated to the Department of Central Management Services  
11 in a format acceptable to the Department.

12 (d) Coverage. The health benefit coverage provided under  
13 this Section shall be a program of health, dental, and vision  
14 benefits.

15 The program of health benefits under this Section may  
16 include any or all of the benefit limitations, including but  
17 not limited to a reduction in benefits based on eligibility for  
18 federal medicare benefits, that are provided under subsection  
19 (a) of Section 6 of this Act for other health benefit programs  
20 under this Act.

21 (e) Insurance rates and premiums. The Director shall  
22 determine the insurance rates and premiums for community  
23 college benefit recipients and community college dependent  
24 beneficiaries. Rates and premiums may be based in part on age  
25 and eligibility for federal Medicare coverage. The Director  
26 shall also determine premiums that will allow for the

1 establishment of an actuarially sound reserve for this program.

2 The cost of health benefits under the program shall be paid  
3 as follows:

4 (1) For a community college benefit recipient, up to  
5 75% of the total insurance rate shall be paid from the  
6 Community College Health Insurance Security Fund.

7 (2) The balance of the rate of insurance, including the  
8 entire premium for any coverage for community college  
9 dependent beneficiaries that has been elected, shall be  
10 paid by deductions authorized by the community college  
11 benefit recipient to be withheld from his or her monthly  
12 annuity or benefit payment from the State Universities  
13 Retirement System; except that (i) if the balance of the  
14 cost of coverage exceeds the amount of the monthly annuity  
15 or benefit payment, the difference shall be paid directly  
16 to the State Universities Retirement System by the  
17 community college benefit recipient, and (ii) all or part  
18 of the balance of the cost of coverage may, at the option  
19 of the board of trustees of the community college district,  
20 be paid to the State Universities Retirement System by the  
21 board of the community college district from which the  
22 community college benefit recipient retired. The State  
23 Universities Retirement System shall promptly deposit all  
24 moneys withheld by or paid to it under this subdivision  
25 (e)(2) into the Community College Health Insurance  
26 Security Fund. These moneys shall not be considered assets

1 of the State Universities Retirement System.

2 (f) Financing. All revenues arising from the  
3 administration of the health benefit program established under  
4 this Section shall be deposited into the Community College  
5 Health Insurance Security Fund, which is hereby created as a  
6 nonappropriated trust fund to be held outside the State  
7 Treasury, with the State Treasurer as custodian. Any interest  
8 earned on moneys in the Community College Health Insurance  
9 Security Fund shall be deposited into the Fund.

10 Moneys in the Community College Health Insurance Security  
11 Fund shall be used only to pay the costs of the health benefit  
12 program established under this Section, including associated  
13 administrative costs and the establishment of a program  
14 reserve. Beginning January 1, 1999, the Department of Central  
15 Management Services may make expenditures from the Community  
16 College Health Insurance Security Fund for those costs.

17 (g) Contract for benefits. The Director shall by contract,  
18 self-insurance, or otherwise make available the program of  
19 health benefits for community college benefit recipients and  
20 their community college dependent beneficiaries that is  
21 provided for in this Section. The contract or other arrangement  
22 for the provision of these health benefits shall be on terms  
23 deemed by the Director to be in the best interest of the State  
24 of Illinois and the community college benefit recipients based  
25 on, but not limited to, such criteria as administrative cost,  
26 service capabilities of the carrier or other contractor, and

1 the costs of the benefits.

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

9 (i) Other health benefit plans. A health benefit plan  
10 provided by a community college district (other than, until  
11 July 1, 2011, a community college district subject to Article  
12 VII of the Public Community College Act) under the terms of a  
13 collective bargaining agreement in effect on or prior to the  
14 effective date of this amendatory Act of 1997 shall continue in  
15 force according to the terms of that agreement, unless  
16 otherwise mutually agreed by the parties to that agreement and  
17 the affected retiree. A community college benefit recipient or  
18 community college dependent beneficiary whose coverage under  
19 such a plan expires shall be eligible to begin participating in  
20 the program established under this Section without any  
21 interruption or delay in coverage or limitation as to  
22 pre-existing medical conditions.

23 A health benefit plan provided by a community college  
24 district subject to Article VII of the Public Community College  
25 Act under the terms of a collective bargaining agreement in  
26 effect on or prior to July 1, 2010, shall continue in force

1 according to the terms of that agreement, unless otherwise  
2 mutually agreed by the parties to that agreement and the  
3 affected retiree. A community college benefit recipient or  
4 community college dependent beneficiary whose coverage under  
5 such a plan expires shall be eligible to begin participating in  
6 the program established under this Section without any  
7 interruption or delay in coverage or limitation as to  
8 pre-existing medical conditions.

9 This Act does not prohibit any community college district  
10 from offering additional health benefits for its retirees or  
11 their dependents or survivors.

12 (j) This subsection applies beginning July 1, 2009. The  
13 Community College Health Insurance Security Fund Committee is  
14 established. The Committee shall consist of 11 members  
15 appointed as follows:

16 (1) One member appointed by the Governor.

17 (2) One member appointed by the President of the  
18 Senate.

19 (3) One member appointed by the Minority Leader of the  
20 Senate.

21 (4) One member appointed by the Speaker of the House of  
22 Representatives.

23 (5) One member appointed by the Minority Leader of the  
24 House of Representatives.

25 (6) One member appointed by and representing an  
26 education labor organization in Cook County.

1           (7) One member appointed by and representing an  
2           education labor organization in the counties of DuPage,  
3           Lake, Kane, and Will.

4           (8) One member appointed by and representing an  
5           education labor organization primarily outside of Cook  
6           County and the counties of DuPage, Lake, Kane, and Will.

7           (9) One member appointed by and representing the  
8           Community College President's Council.

9           (10) One member appointed by and representing the  
10           Community College Trustees Association.

11           (11) One member appointed by and representing a  
12           statewide retiree organization.

13           Committee members shall not be compensated. Nothing in this  
14           Act shall prevent a Committee member from also being a member  
15           of the Board of Trustees of a community college district. The  
16           Committee shall convene at least 2 times each year and more  
17           frequently as needed.

18           The Committee shall consider and make recommendations on  
19           issues affecting the program of health benefits provided under  
20           this Section. Recommendations of the Committee shall be based  
21           on the majority vote of the members of the Committee.

22           The Committee chair shall be selected by the Committee from  
23           among the members.

24           If the Community College Health Insurance Security Fund  
25           experiences a deficit balance based upon the contribution and  
26           subsidy rates established in Section 6.10 of this Act and



1 Section 1.4 of the State Pension Funds Continuing Appropriation  
2 Act for fiscal year 2011 and thereafter, the Committee shall  
3 make recommendations for adjustments to the funding sources  
4 established under those Sections.

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

6 (5 ILCS 375/6.10)

7 Sec. 6.10. Contributions to the Community College Health  
8 Insurance Security Fund.

9 (a) Beginning January 1, 1999, and until January 1, 2010,  
10 every active contributor of the State Universities Retirement  
11 System (established under Article 15 of the Illinois Pension  
12 Code) who (1) is a full-time employee of a community college  
13 district (other than a community college district subject to  
14 Article VII of the Public Community College Act) or an  
15 association of community college boards and (2) is not an  
16 employee as defined in Section 3 of this Act shall make  
17 contributions toward the cost of community college annuitant  
18 and survivor health benefits at the rate of 0.50% of salary.

19 Beginning January 1, 2010, every active contributor of the  
20 State Universities Retirement System established under Article  
21 15 of the Illinois Pension Code who (1) is a full-time employee  
22 of a community college district, including a community college  
23 district subject to Article VII of the Public Community College  
24 Act, or an association of community college boards and (2) is  
25 not an employee as defined in Section 3 of this Act shall make

1 contributions toward the cost of community college annuitant  
2 and survivor health benefits at the rate of 0.75% of salary.

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

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

23 (b) Beginning January 1, 1999, and until January 1, 2010,  
24 every community college district (other than a community  
25 college district subject to Article VII of the Public Community  
26 College Act) or association of community college boards that is

1 an employer under the State Universities Retirement System  
2 shall contribute toward the cost of the community college  
3 health benefits provided under Section 6.9 of this Act an  
4 amount equal to 0.50% of the salary paid to its full-time  
5 employees who participate in the State Universities Retirement  
6 System and are not members as defined in Section 3 of this Act.

7 Beginning January 1, 2010, every community college  
8 district, including a community college district subject to  
9 Article VII of the Public Community College Act, or association  
10 of community college boards that is an employer under the State  
11 Universities Retirement System shall contribute toward the  
12 cost of the community college health benefits provided under  
13 Section 6.9 of this Act an amount equal to 0.75% of the salary  
14 paid to its full-time employees who participate in the State  
15 Universities Retirement System and are not members as defined  
16 in Section 3 of this Act.

17 These contributions shall be paid by the employer to the  
18 State Universities Retirement System as service agent for the  
19 Department of Central Management Services. The System may use  
20 the same processes for collecting the contributions required by  
21 this subsection that it uses to collect the contributions  
22 received from those employers under Section 15-155 of the  
23 Illinois Pension Code.

24 The State Universities Retirement System shall promptly  
25 deposit all moneys collected under this subsection (b) into the  
26 Community College Health Insurance Security Fund created in

1 Section 6.9 of this Act. The moneys collected under this  
2 Section shall be used only for the purposes authorized in  
3 Section 6.9 of this Act and shall not be considered to be  
4 assets of the State Universities Retirement System.  
5 Contributions made under this Section are not transferable to  
6 other pension funds or retirement systems and are not  
7 refundable upon termination of service.

8 The Department of Healthcare and Family Services, or any  
9 successor agency designated to procure healthcare contracts  
10 pursuant to this Act, is authorized to establish funds,  
11 separate accounts provided by any bank or banks as defined by  
12 the Illinois Banking Act, or separate accounts provided by any  
13 savings and loan association or associations as defined by the  
14 Illinois Savings and Loan Act of 1985 to be held by the  
15 Director, outside the State treasury, for the purpose of  
16 receiving the transfer of moneys from the Community College  
17 Health Insurance Security Fund. The Department may promulgate  
18 rules further defining the methodology for the transfers. Any  
19 interest earned by moneys in the funds or accounts shall inure  
20 to the Community College Health Insurance Security Fund. The  
21 transferred moneys, and interest accrued thereon, shall be used  
22 exclusively for transfers to administrative service  
23 organizations or their financial institutions for payments of  
24 claims to claimants and providers under the self-insurance  
25 health plan. The transferred moneys, and interest accrued  
26 thereon, shall not be used for any other purpose including, but

1 not limited to, reimbursement of administration fees due the  
2 administrative service organization pursuant to its contract  
3 or contracts with the Department.

4 (c) On or before November 15 of each year, the Board of  
5 Trustees of the State Universities Retirement System shall  
6 certify to the Governor, the Director of Central Management  
7 Services, and the State Comptroller its estimate of the total  
8 amount of contributions to be paid under subsection (a) of this  
9 Section for the next fiscal year. Beginning in fiscal year  
10 2008, the amount certified shall be decreased or increased each  
11 year by the amount that the actual active employee  
12 contributions either fell short of or exceeded the estimate  
13 used by the Board in making the certification for the previous  
14 fiscal year. The State Universities Retirement System shall  
15 calculate the amount of actual active employee contributions in  
16 fiscal years 1999 through 2005. Based upon this calculation,  
17 the fiscal year 2008 certification shall include an amount  
18 equal to the cumulative amount that the actual active employee  
19 contributions either fell short of or exceeded the estimate  
20 used by the Board in making the certification for those fiscal  
21 years. The certification shall include a detailed explanation  
22 of the methods and information that the Board relied upon in  
23 preparing its estimate. As soon as possible after the effective  
24 date of this Section, the Board shall submit its estimate for  
25 fiscal year 1999.

26 (d) Beginning in fiscal year 1999, on the first day of each

1 month, or as soon thereafter as may be practical, the State  
2 Treasurer and the State Comptroller shall transfer from the  
3 General Revenue Fund to the Community College Health Insurance  
4 Security Fund 1/12 of the annual amount appropriated for that  
5 fiscal year to the State Comptroller for deposit into the  
6 Community College Health Insurance Security Fund under Section  
7 1.4 of the State Pension Funds Continuing Appropriation Act.

8 (e) Except where otherwise specified in this Section, the  
9 definitions that apply to Article 15 of the Illinois Pension  
10 Code apply to this Section.

11 (Source: P.A. 94-839, eff. 6-6-06; 95-632, eff. 9-25-07.)

12 Section 10. The State Pension Funds Continuing  
13 Appropriation Act is amended by changing Section 1.4 as  
14 follows:

15 (40 ILCS 15/1.4)

16 Sec. 1.4. Appropriations for the Community College Health  
17 Insurance Security Fund. Beginning in State fiscal year 1999,  
18 there is hereby appropriated, on a continuing annual basis,  
19 from the General Revenue Fund to the State Comptroller for  
20 deposit into the Community College Health Insurance Security  
21 Fund, an amount equal to the amount certified by the Board of  
22 Trustees of the State Universities Retirement System under  
23 subsection (c) of Section 6.10 of the State Employees Group  
24 Insurance Act of 1971 as the estimated total amount of

1 contributions to be paid under subsection (a) of that Section  
2 6.10 in that fiscal year. The moneys appropriated under this  
3 Section 1.4 shall be deposited into the Community College  
4 Health Insurance Security Fund and used only for the purposes  
5 authorized in Section 6.9 of the State Employees Group  
6 Insurance Act of 1971. Beginning January 1, 2010, the transfer  
7 of funds by any constitutional officer or legislative body for  
8 any other purpose or program is specifically prohibited.

9 (Source: P.A. 90-497, eff. 8-18-97.)

10 Section 90. The State Mandates Act is amended by adding  
11 Section 8.33 as follows:

12 (30 ILCS 805/8.33 new)

13 Sec. 8.33. Exempt mandate. Notwithstanding Sections 6 and 8  
14 of this Act, no reimbursement by the State is required for the  
15 implementation of any mandate created by this amendatory Act of  
16 the 96th General Assembly.

17 Section 99. Effective date. This Act takes effect upon  
18 becoming law.