



## 97TH GENERAL ASSEMBLY

### State of Illinois

2011 and 2012

HB0255

Introduced 01/25/11, by Rep. Rosemary Mulligan

#### SYNOPSIS AS INTRODUCED:

5 ILCS 375/6.6

Amends the State Employees Group Insurance Act of 1971. Provides that, notwithstanding any other law to the contrary, the Teachers Health Insurance Security Fund is not subject to sweeps, administrative charge-backs, or any other fiscal or budgetary maneuver that would in any way transfer any amounts from the Teachers Health Insurance Security Fund into any other fund of the State. Effective immediately

LRB097 03037 JDS 43068 b

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 6.6 as follows:

6 (5 ILCS 375/6.6)

7 Sec. 6.6. Contributions to the Teacher Health Insurance  
8 Security Fund.

9 (a) Beginning July 1, 1995, all active contributors of the  
10 Teachers' Retirement System (established under Article 16 of  
11 the Illinois Pension Code) who are not employees of a  
12 department as defined in Section 3 of this Act shall make  
13 contributions toward the cost of annuitant and survivor health  
14 benefits. These contributions shall be at the following rates:  
15 until January 1, 2002, 0.5% of salary; beginning January 1,  
16 2002, 0.65% of salary; beginning July 1, 2003, 0.75% of salary;  
17 beginning July 1, 2005, 0.80% of salary; beginning July 1,  
18 2007, a percentage of salary to be determined by the Department  
19 of Central Management Services by rule, which in each fiscal  
20 year shall not exceed 105% of the percentage of salary actually  
21 required to be paid in the previous fiscal year.

22 These contributions shall be deducted by the employer and  
23 paid to the System as service agent for the Department of

1 Central Management Services. The System may use the same  
2 processes for collecting the contributions required by this  
3 subsection that it uses to collect contributions received from  
4 school districts and other covered employers under Sections  
5 16-154 and 16-155 of the Illinois Pension Code.

6 An employer may agree to pick up or pay the contributions  
7 required under this subsection on behalf of the teacher; such  
8 contributions shall be deemed to have to have been paid by the  
9 teacher. Beginning January 1, 2002, if the employer does not  
10 directly pay the required member contribution, then the  
11 employer shall reduce the member's salary by an amount equal to  
12 the required contribution and shall then pay the contribution  
13 on behalf of the member. This reduction shall not change the  
14 amounts reported as creditable earnings to the Teachers'  
15 Retirement System.

16 A person who purchases optional service credit under  
17 Article 16 of the Illinois Pension Code for a period after June  
18 30, 1995 must also make a contribution under this subsection  
19 for that optional credit, at the rate provided in subsection  
20 (a), based on the salary used in computing the optional service  
21 credit, plus interest on this employee contribution. This  
22 contribution shall be collected by the System as service agent  
23 for the Department of Central Management Services. The  
24 contribution required under this subsection for the optional  
25 service credit must be paid in full before any annuity based on  
26 that credit begins.

1 (a-5) Beginning January 1, 2002, every employer of a  
2 teacher (other than an employer that is a department as defined  
3 in Section 3 of this Act) shall pay an employer contribution  
4 toward the cost of annuitant and survivor health benefits.  
5 These contributions shall be computed as follows:

6 (1) Beginning January 1, 2002 through June 30, 2003,  
7 the employer contribution shall be equal to 0.4% of each  
8 teacher's salary.

9 (2) Beginning July 1, 2003, the employer contribution  
10 shall be equal to 0.5% of each teacher's salary.

11 (3) Beginning July 1, 2005, the employer contribution  
12 shall be equal to 0.6% of each teacher's salary.

13 (4) Beginning July 1, 2007, the employer contribution  
14 shall be a percentage of each teacher's salary to be  
15 determined by the Department of Central Management  
16 Services by rule, which in each fiscal year shall not  
17 exceed 105% of the percentage of each teacher's salary  
18 actually required to be paid in the previous fiscal year.

19 These contributions shall be paid by the employer to the  
20 System as service agent for the Department of Central  
21 Management Services. The System may use the same processes for  
22 collecting the contributions required by this subsection that  
23 it uses to collect contributions received from school districts  
24 and other covered employers under the Illinois Pension Code.

25 The school district or other employing unit may pay these  
26 employer contributions out of any source of funding available

1 for that purpose and shall forward the contributions to the  
2 System on the schedule established for the payment of member  
3 contributions.

4 (b) The Teachers' Retirement System shall promptly deposit  
5 all moneys collected under subsections (a) and (a-5) of this  
6 Section into the Teacher Health Insurance Security Fund created  
7 in Section 6.5 of this Act. The moneys collected under this  
8 Section shall be used only for the purposes authorized in  
9 Section 6.5 of this Act and shall not be considered to be  
10 assets of the Teachers' Retirement System. Contributions made  
11 under this Section are not transferable to other pension funds  
12 or retirement systems and are not refundable upon termination  
13 of service.

14 (c) On or before November 15 of each year, the Board of  
15 Trustees of the Teachers' Retirement System shall certify to  
16 the Governor, the Director of Central Management Services, and  
17 the State Comptroller its estimate of the total amount of  
18 contributions to be paid under subsection (a) of this Section  
19 6.6 for the next fiscal year. The amount certified shall be  
20 decreased or increased each year by the amount that the actual  
21 active teacher contributions either fell short of or exceeded  
22 the estimate used by the Board in making the certification for  
23 the previous fiscal year. The certification shall include a  
24 detailed explanation of the methods and information that the  
25 Board relied upon in preparing its estimate. As soon as  
26 possible after the effective date of this amendatory Act of the

1 92nd General Assembly, the Board shall recalculate and  
2 recertify its certifications for fiscal years 2002 and 2003.

3 (d) Beginning in fiscal year 1996, on the first day of each  
4 month, or as soon thereafter as may be practical, the State  
5 Treasurer and the State Comptroller shall transfer from the  
6 General Revenue Fund to the Teacher Health Insurance Security  
7 Fund 1/12 of the annual amount appropriated for that fiscal  
8 year to the State Comptroller for deposit into the Teacher  
9 Health Insurance Security Fund under Section 1.3 of the State  
10 Pension Funds Continuing Appropriation Act.

11 (e) Except where otherwise specified in this Section, the  
12 definitions that apply to Article 16 of the Illinois Pension  
13 Code apply to this Section.

14 (f) Notwithstanding any other law to the contrary, the  
15 Teachers Health Insurance Security Fund is not subject to  
16 sweeps, administrative charge-backs, or any other fiscal or  
17 budgetary maneuver that would in any way transfer any amounts  
18 from the Teachers Health Insurance Security Fund into any other  
19 fund of the State. ~~(Blank).~~

20 (Source: P.A. 92-505, eff. 12-20-01; 93-679, eff. 6-30-04.)

21 Section 99. Effective date. This Act takes effect upon  
22 becoming law.