



Rep. Roger L. Eddy

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1 AMENDMENT TO SENATE BILL 1967

2 AMENDMENT NO. _____. Amend Senate Bill 1967, AS AMENDED,
3 by replacing everything after the enacting clause with the
4 following:

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

7 (5 ILCS 375/3) (from Ch. 127, par. 523)

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

14 (a) "Administrative service organization" means any
15 person, firm or corporation experienced in the handling of
16 claims which is fully qualified, financially sound and capable

1 of meeting the service requirements of a contract of
2 administration executed with the Department.

3 (b) "Annuitant" means (1) an employee who retires, or has
4 retired, on or after January 1, 1966 on an immediate annuity
5 under the provisions of Articles 2, 14 (including an employee
6 who has elected to receive an alternative retirement
7 cancellation payment under Section 14-108.5 of the Illinois
8 Pension Code in lieu of an annuity), 15 (including an employee
9 who has retired under the optional retirement program
10 established under Section 15-158.2), paragraphs (2), (3), or
11 (5) of Section 16-106, or Article 18 of the Illinois Pension
12 Code; (2) any person who was receiving group insurance coverage
13 under this Act as of March 31, 1978 by reason of his status as
14 an annuitant, even though the annuity in relation to which such
15 coverage was provided is a proportional annuity based on less
16 than the minimum period of service required for a retirement
17 annuity in the system involved; (3) any person not otherwise
18 covered by this Act who has retired as a participating member
19 under Article 2 of the Illinois Pension Code but is ineligible
20 for the retirement annuity under Section 2-119 of the Illinois
21 Pension Code; (4) the spouse of any person who is receiving a
22 retirement annuity under Article 18 of the Illinois Pension
23 Code and who is covered under a group health insurance program
24 sponsored by a governmental employer other than the State of
25 Illinois and who has irrevocably elected to waive his or her
26 coverage under this Act and to have his or her spouse

1 considered as the "annuitant" under this Act and not as a
2 "dependent"; or (5) an employee who retires, or has retired,
3 from a qualified position, as determined according to rules
4 promulgated by the Director, under a qualified local
5 government, a qualified rehabilitation facility, a qualified
6 domestic violence shelter or service, or a qualified child
7 advocacy center. (For definition of "retired employee", see (p)
8 post).

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

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

26 (b-7) "New TRS State annuitant" means a person who, on or

1 after July 1, 1998, becomes an annuitant, as defined in
2 subsection (b), by virtue of beginning to receive a retirement
3 annuity under Article 16 of the Illinois Pension Code based on
4 service as a teacher as defined in paragraph (2), (3), or (5)
5 of Section 16-106 of that Code, and is eligible to participate
6 in the basic program of group health benefits provided for
7 annuitants under this Act.

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

14 (d) "Compensation" means salary or wages payable on a
15 regular payroll by the State Treasurer on a warrant of the
16 State Comptroller out of any State, trust or federal fund, or
17 by the Governor of the State through a disbursing officer of
18 the State out of a trust or out of federal funds, or by any
19 Department out of State, trust, federal or other funds held by
20 the State Treasurer or the Department, to any person for
21 personal services currently performed, and ordinary or
22 accidental disability benefits under Articles 2, 14, 15
23 (including ordinary or accidental disability benefits under
24 the optional retirement program established under Section
25 15-158.2), paragraphs (2), (3), or (5) of Section 16-106, or
26 Article 18 of the Illinois Pension Code, for disability

1 incurred after January 1, 1966, or benefits payable under the
2 Workers' Compensation or Occupational Diseases Act or benefits
3 payable under a sick pay plan established in accordance with
4 Section 36 of the State Finance Act. "Compensation" also means
5 salary or wages paid to an employee of any qualified local
6 government, qualified rehabilitation facility, qualified
7 domestic violence shelter or service, or qualified child
8 advocacy center.

9 (e) "Commission" means the State Employees Group Insurance
10 Advisory Commission authorized by this Act. Commencing July 1,
11 1984, "Commission" as used in this Act means the Commission on
12 Government Forecasting and Accountability as established by
13 the Legislative Commission Reorganization Act of 1984.

14 (f) "Contributory", when referred to as contributory
15 coverage, shall mean optional coverages or benefits elected by
16 the member toward the cost of which such member makes
17 contribution, or which are funded in whole or in part through
18 the acceptance of a reduction in earnings or the foregoing of
19 an increase in earnings by an employee, as distinguished from
20 noncontributory coverage or benefits which are paid entirely by
21 the State of Illinois without reduction of the member's salary.

22 (g) "Department" means any department, institution, board,
23 commission, officer, court or any agency of the State
24 government receiving appropriations and having power to
25 certify payrolls to the Comptroller authorizing payments of
26 salary and wages against such appropriations as are made by the

1 General Assembly from any State fund, or against trust funds
2 held by the State Treasurer and includes boards of trustees of
3 the retirement systems created by Articles 2, 14, 15, 16 and 18
4 of the Illinois Pension Code. "Department" also includes the
5 Illinois Comprehensive Health Insurance Board, the Board of
6 Examiners established under the Illinois Public Accounting
7 Act, and the Illinois Finance Authority.

8 (h) "Dependent", when the term is used in the context of
9 the health and life plan, means a member's spouse and any child
10 (1) from birth to age 26 including an adopted child, a child
11 who lives with the member from the time of the filing of a
12 petition for adoption until entry of an order of adoption, a
13 stepchild or adjudicated child, or a child who lives with the
14 member if such member is a court appointed guardian of the
15 child or (2) age 19 or over who is mentally or physically
16 disabled from a cause originating prior to the age of 19 (age
17 26 if enrolled as an adult child dependent). For the health
18 plan only, the term "dependent" also includes (1) any person
19 enrolled prior to the effective date of this Section who is
20 dependent upon the member to the extent that the member may
21 claim such person as a dependent for income tax deduction
22 purposes and (2) any person who has received after June 30,
23 2000 an organ transplant and who is financially dependent upon
24 the member and eligible to be claimed as a dependent for income
25 tax purposes. A member requesting to cover any dependent must
26 provide documentation as requested by the Department of Central

1 Management Services and file with the Department any and all
2 forms required by the Department.

3 (i) "Director" means the Director of the Illinois
4 Department of Central Management Services or of any successor
5 agency designated to administer this Act.

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

9 (k) "Employee" means and includes each officer or employee
10 in the service of a department who (1) receives his
11 compensation for service rendered to the department on a
12 warrant issued pursuant to a payroll certified by a department
13 or on a warrant or check issued and drawn by a department upon
14 a trust, federal or other fund or on a warrant issued pursuant
15 to a payroll certified by an elected or duly appointed officer
16 of the State or who receives payment of the performance of
17 personal services on a warrant issued pursuant to a payroll
18 certified by a Department and drawn by the Comptroller upon the
19 State Treasurer against appropriations made by the General
20 Assembly from any fund or against trust funds held by the State
21 Treasurer, and (2) is employed full-time or part-time in a
22 position normally requiring actual performance of duty during
23 not less than 1/2 of a normal work period, as established by
24 the Director in cooperation with each department, except that
25 persons elected by popular vote will be considered employees
26 during the entire term for which they are elected regardless of

1 hours devoted to the service of the State, and (3) except that
2 "employee" does not include any person who is not eligible by
3 reason of such person's employment to participate in one of the
4 State retirement systems under Articles 2, 14, 15 (either the
5 regular Article 15 system or the optional retirement program
6 established under Section 15-158.2) or 18, or under paragraph
7 (2), (3), or (5) of Section 16-106, of the Illinois Pension
8 Code, but such term does include persons who are employed
9 during the 6 month qualifying period under Article 14 of the
10 Illinois Pension Code. Such term also includes any person who
11 (1) after January 1, 1966, is receiving ordinary or accidental
12 disability benefits under Articles 2, 14, 15 (including
13 ordinary or accidental disability benefits under the optional
14 retirement program established under Section 15-158.2),
15 paragraphs (2), (3), or (5) of Section 16-106, or Article 18 of
16 the Illinois Pension Code, for disability incurred after
17 January 1, 1966, (2) receives total permanent or total
18 temporary disability under the Workers' Compensation Act or
19 Occupational Disease Act as a result of injuries sustained or
20 illness contracted in the course of employment with the State
21 of Illinois, or (3) is not otherwise covered under this Act and
22 has retired as a participating member under Article 2 of the
23 Illinois Pension Code but is ineligible for the retirement
24 annuity under Section 2-119 of the Illinois Pension Code.
25 However, a person who satisfies the criteria of the foregoing
26 definition of "employee" except that such person is made

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

16 (l) "Member" means an employee, annuitant, retired
17 employee or survivor.

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

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

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

26 (p) "Retired employee" means any person who would be an

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

9 (q) "Survivor" means a person receiving an annuity as a
10 survivor of an employee or of an annuitant. "Survivor" also
11 includes: (1) the surviving dependent of a person who satisfies
12 the definition of "employee" except that such person is made
13 ineligible to participate in the State Universities Retirement
14 System by clause (4) of subsection (a) of Section 15-107 of the
15 Illinois Pension Code; (2) the surviving dependent of any
16 person formerly employed by the University of Illinois in the
17 Cooperative Extension Service who would be an annuitant except
18 for the fact that such person was made ineligible to
19 participate in the State Universities Retirement System by
20 clause (4) of subsection (a) of Section 15-107 of the Illinois
21 Pension Code; and (3) the surviving dependent of a person who
22 was an annuitant under this Act by virtue of receiving an
23 alternative retirement cancellation payment under Section
24 14-108.5 of the Illinois Pension Code.

25 (q-2) "SERS" means the State Employees' Retirement System
26 of Illinois, created under Article 14 of the Illinois Pension

1 Code.

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

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

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

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

21 (q-7) "New TRS State survivor" means a survivor, as defined
22 in subsection (q), whose annuity is paid under Article 16 of
23 the Illinois Pension Code and is based on the death of (i) an
24 employee who is a teacher as defined in paragraph (2), (3), or
25 (5) of Section 16-106 of that Code and whose death occurs on or
26 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

1 is owned by a county that has 100 or fewer hospital beds and
2 has not already joined the program. "Qualified local
3 government" means a unit of local government approved by the
4 Director and participating in a program created under
5 subsection (i) of Section 10 of this Act.

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

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

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

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

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

26 (3) either (i) has at least 8 years of creditable

1 service under Article 16 of the Illinois Pension Code, or
2 (ii) was enrolled in the health insurance program offered
3 under that Article on January 1, 1996, or (iii) is the
4 survivor of a benefit recipient who had at least 8 years of
5 creditable service under Article 16 of the Illinois Pension
6 Code or was enrolled in the health insurance program
7 offered under that Article on the effective date of this
8 amendatory Act of 1995, or (iv) is a recipient or survivor
9 of a recipient of a disability benefit under Article 16 of
10 the Illinois Pension Code.

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

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

14 (2) is a TRS benefit recipient's: (A) spouse, (B)
15 dependent parent who is receiving at least half of his or
16 her support from the TRS benefit recipient, or (C) natural,
17 step, adjudicated, or adopted child who is (i) under age
18 26, (ii) was, on January 1, 1996, participating as a
19 dependent beneficiary in the health insurance program
20 offered under Article 16 of the Illinois Pension Code, or
21 (iii) age 19 or over who is mentally or physically disabled
22 from a cause originating prior to the age of 19 (age 26 if
23 enrolled as an adult child).

24 (x) "Military leave" refers to individuals in basic
25 training for reserves, special/advanced training, annual
26 training, emergency call up, activation by the President of the

1 United States, or any other training or duty in service to the
2 United States Armed Forces.

3 (y) (Blank).

4 (z) "Community college benefit recipient" means a person
5 who:

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

7 (2) is receiving a monthly survivor's annuity or
8 retirement annuity under Article 15 of the Illinois Pension
9 Code; and

10 (3) either (i) was a full-time employee of a community
11 college district or an association of community college
12 boards created under the Public Community College Act
13 (other than, until July 1, 2012, an employee whose last
14 employer under Article 15 of the Illinois Pension Code was
15 a community college district subject to Article VII of the
16 Public Community College Act) and was eligible to
17 participate in a group health benefit plan as an employee
18 during the time of employment with a community college
19 district (other than, until July 1, 2012, a community
20 college district subject to Article VII of the Public
21 Community College Act) or an association of community
22 college boards, or (ii) is the survivor of a person
23 described in item (i).

24 "Community college benefit recipient" does not include:

25 (1) an individual who was a full-time employee of a
26 community college district subject to Article VII of the

1 Public Community College Act and who, prior to the
2 effective date of this amendatory Act of the 97th General
3 Assembly, (i) opted not to participate in the health
4 benefits program provided by the community college
5 district subject to Article VII of the Public Community
6 College Act and (ii) is ineligible for benefits under the
7 federal Medicare health insurance program (Title XVIII of
8 the Social Security Act as added by P.L. 89-97, 89th
9 Congress); or

10 (2) an individual receiving a monthly survivor's
11 annuity under Article 15 of the Illinois Pension Code if
12 the individual upon whom the annuity is based was (i) last
13 employed by a community college subject to Article VII of
14 the Public Community College Act and (ii) was not enrolled
15 in the program established under Section 6.9 of this Act.

16 (aa) "Community college dependent beneficiary" means a
17 person who:

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

20 (2) is a community college benefit recipient's: (A)
21 spouse, (B) dependent parent who is receiving at least half
22 of his or her support from the community college benefit
23 recipient, or (C) natural, step, adjudicated, or adopted
24 child who is (i) under age 26, or (ii) age 19 or over and
25 mentally or physically disabled from a cause originating
26 prior to the age of 19 (age 26 if enrolled as an adult

1 child).

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

8 (Source: P.A. 95-331, eff. 8-21-07; 95-632, eff. 9-25-07;
9 96-756, eff. 1-1-10; 96-1519, eff. 2-4-11.)

10 (5 ILCS 375/6.9)

11 Sec. 6.9. Health benefits for community college benefit
12 recipients and community college dependent beneficiaries.

13 (a) Purpose. It is the purpose of this amendatory Act of
14 1997 and this amendatory Act of the 97th General Assembly to
15 establish a uniform program of health benefits for community
16 college benefit recipients and their dependent beneficiaries
17 under the administration of the Department of Central
18 Management Services.

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

1 Department in this endeavor. Beginning July 1, 2012, this
2 program shall include health benefits for community college
3 benefit recipients and community college dependent
4 beneficiaries subject to Article VII of the Public Community
5 College Act.

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

15 (d) Coverage. The health benefit coverage provided under
16 this Section shall be a program of health, dental, and vision
17 benefits.

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

24 (e) Insurance rates and premiums. The Director shall
25 determine the insurance rates and premiums for community
26 college benefit recipients and community college dependent

1 beneficiaries. Rates and premiums may be based in part on age
2 and eligibility for federal Medicare coverage. The Director
3 shall also determine premiums that will allow for the
4 establishment of an actuarially sound reserve for this program.

5 The cost of health benefits under the program shall be paid
6 as follows:

7 (1) For a community college benefit recipient, up to
8 75% of the total insurance rate shall be paid from the
9 Community College Health Insurance Security Fund.

10 (2) The balance of the rate of insurance, including the
11 entire premium for any coverage for community college
12 dependent beneficiaries that has been elected, shall be
13 paid by deductions authorized by the community college
14 benefit recipient to be withheld from his or her monthly
15 annuity or benefit payment from the State Universities
16 Retirement System; except that (i) if the balance of the
17 cost of coverage exceeds the amount of the monthly annuity
18 or benefit payment, the difference shall be paid directly
19 to the State Universities Retirement System by the
20 community college benefit recipient, and (ii) all or part
21 of the balance of the cost of coverage may, at the option
22 of the board of trustees of the community college district,
23 be paid to the State Universities Retirement System by the
24 board of the community college district from which the
25 community college benefit recipient retired. The State
26 Universities Retirement System shall promptly deposit all

1 moneys withheld by or paid to it under this subdivision
2 (e) (2) into the Community College Health Insurance
3 Security Fund. These moneys shall not be considered assets
4 of the State Universities Retirement System.

5 (f) Financing. All revenues arising from the
6 administration of the health benefit program established under
7 this Section shall be deposited into the Community College
8 Health Insurance Security Fund, which is hereby created as a
9 nonappropriated trust fund to be held outside the State
10 Treasury, with the State Treasurer as custodian. The Community
11 College Health Insurance Security Fund is not subject to
12 administrative charges or charge backs, including, but not
13 limited to, those authorized under Section 8h of the State
14 Finance Act. Any interest earned on moneys in the Community
15 College Health Insurance Security Fund shall be deposited into
16 the Fund.

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

24 (g) Contract for benefits. The Director shall by contract,
25 self-insurance, or otherwise make available the program of
26 health benefits for community college benefit recipients and

1 their community college dependent beneficiaries that is
2 provided for in this Section. The contract or other arrangement
3 for the provision of these health benefits shall be on terms
4 deemed by the Director to be in the best interest of the State
5 of Illinois and the community college benefit recipients based
6 on, but not limited to, such criteria as administrative cost,
7 service capabilities of the carrier or other contractor, and
8 the costs of the benefits.

9 (h) Continuation of program. It is the intention of the
10 General Assembly that the program of health benefits provided
11 under this Section be maintained on an ongoing, affordable
12 basis. The program of health benefits provided under this
13 Section may be amended by the State and is not intended to be a
14 pension or retirement benefit subject to protection under
15 Article XIII, Section 5 of the Illinois Constitution.

16 (i) Other health benefit plans. A health benefit plan
17 provided by a community college district (other than, until
18 July 1, 2012, a community college district subject to Article
19 VII of the Public Community College Act) under the terms of a
20 collective bargaining agreement in effect on or prior to the
21 effective date of this amendatory Act of 1997 shall continue in
22 force according to the terms of that agreement, unless
23 otherwise mutually agreed by the parties to that agreement and
24 the affected retiree. A community college benefit recipient or
25 community college dependent beneficiary whose coverage under
26 such a plan expires shall be eligible to begin participating in

1 the program established under this Section without any
2 interruption or delay in coverage or limitation as to
3 pre-existing medical conditions.

4 This Act does not prohibit any community college district
5 from offering additional health benefits for its retirees or
6 their dependents or survivors.

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

8 (5 ILCS 375/6.10)

9 Sec. 6.10. Contributions to the Community College Health
10 Insurance Security Fund.

11 (a) Beginning January 1, 1999, every active contributor of
12 the State Universities Retirement System (established under
13 Article 15 of the Illinois Pension Code) who (1) is a full-time
14 employee of a community college district (other than, until
15 January 1, 2012, a community college district subject to
16 Article VII of the Public Community College Act) or an
17 association of community college boards and (2) is not an
18 employee as defined in Section 3 of this Act shall make
19 contributions toward the cost of community college annuitant
20 and survivor health benefits at the rate of 0.50% of salary.
21 Beginning July 1, 2011, the contribution rate under this
22 subsection (a) shall be 0.82% of salary. Beginning July 1,
23 2012, the contribution rate under this subsection (a) shall be
24 0.97% of salary. Beginning July 1, 2013, the contribution rate
25 under this subsection (a) shall be a percentage of salary

1 determined by the Department of Central Management Services, or
2 its successor, by rule, which in each fiscal year shall not
3 exceed 105% of the percentage of salary actually required to be
4 contributed in the previous fiscal year. However, the required
5 contribution rate determined by the Department or its successor
6 under this subsection (a) shall equal the required contribution
7 rate determined by the Department or its successor under
8 subsection (b) of this Section.

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

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

1 other pension funds or retirement systems and are not
2 refundable upon termination of service.

3 (b) Beginning January 1, 1999, every community college
4 district (other than, until January 1, 2012, a community
5 college district subject to Article VII of the Public Community
6 College Act) or association of community college boards that is
7 an employer under the State Universities Retirement System
8 shall contribute toward the cost of the community college
9 health benefits provided under Section 6.9 of this Act an
10 amount equal to 0.50% of the salary paid to its full-time
11 employees who participate in the State Universities Retirement
12 System and are not members as defined in Section 3 of this Act.
13 Beginning July 1, 2011, the contribution rate under this
14 subsection (b) shall be 0.82% of salary. Beginning July 1,
15 2012, the contribution rate under this subsection (b) shall be
16 0.97% of salary. Beginning July 1, 2013, the contribution rate
17 under this subsection (b) shall be a percentage of salary
18 determined by the Department of Central Management Services, or
19 its successor, by rule, which in each fiscal year shall not
20 exceed 105% of the percentage of salary actually required to be
21 contributed in the previous fiscal year. However, the required
22 contribution rate determined by the Department or its successor
23 under this subsection (b) shall equal the required contribution
24 rate determined by the Department or its successor under
25 subsection (a) of this Section.

26 These contributions shall be paid by the employer to the

1 State Universities Retirement System as service agent for the
2 Department of Central Management Services. The System may use
3 the same processes for collecting the contributions required by
4 this subsection that it uses to collect the contributions
5 received from those employers under Section 15-155 of the
6 Illinois Pension Code.

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

17 The Department of Healthcare and Family Services, or any
18 successor agency designated to procure healthcare contracts
19 pursuant to this Act, is authorized to establish funds,
20 separate accounts provided by any bank or banks as defined by
21 the Illinois Banking Act, or separate accounts provided by any
22 savings and loan association or associations as defined by the
23 Illinois Savings and Loan Act of 1985 to be held by the
24 Director, outside the State treasury, for the purpose of
25 receiving the transfer of moneys from the Community College
26 Health Insurance Security Fund. The Department may promulgate

1 rules further defining the methodology for the transfers. Any
2 interest earned by moneys in the funds or accounts shall inure
3 to the Community College Health Insurance Security Fund. The
4 transferred moneys, and interest accrued thereon, shall be used
5 exclusively for transfers to administrative service
6 organizations or their financial institutions for payments of
7 claims to claimants and providers under the self-insurance
8 health plan. The transferred moneys, and interest accrued
9 thereon, shall not be used for any other purpose including, but
10 not limited to, reimbursement of administration fees due the
11 administrative service organization pursuant to its contract
12 or contracts with the Department.

13 (b-5) On or before March 30, 2012, a community college
14 district subject to Article VII of the Public Community College
15 Act shall contribute an amount equal to \$10 million toward the
16 cost of the community college health benefits provided under
17 Section 6.9 of this Act. One-half of this amount shall be
18 contributed on or before September 1, 2011, and the balance of
19 that amount shall be contributed on or before March 30, 2012.
20 The contribution shall be in addition to any percentage of
21 salary contribution paid pursuant to subsection (b) of Section
22 6.10 of this Act.

23 (b-10) On or before September 1, 2012, a community college
24 district subject to Article VII of the Public Community College
25 Act shall contribute an amount equal to 3 times the product
26 resulting from multiplying (i) the difference between the

1 fiscal year 2013 per annuitant cost of the community college
2 health benefits provided under Section 6.9 of this Act and the
3 fiscal year 2013 per annuitant premium paid by the annuitant by
4 (ii) the number of annuitants enrolled in the community college
5 health benefits program under Section 6.9 of this Act who
6 became annuitants on or before the effective date of this
7 amendatory date of the 97th General Assembly and who, prior to
8 that date, opted not to participate in the health benefits
9 program provided by the community college district subject to
10 Article VII of the Public Community College Act. The
11 calculation of the contribution created under this subsection
12 (b-10) shall be subject to review and approval by the
13 Commission on Governmental Forecasting and Accountability.

14 (c) On or before November 15 of each year, the Board of
15 Trustees of the State Universities Retirement System shall
16 certify to the Governor, the Director of Central Management
17 Services, and the State Comptroller its estimate of the total
18 amount of contributions to be paid under subsection (a) of this
19 Section for the next fiscal year. Beginning in fiscal year
20 2008, the amount certified shall be decreased or increased each
21 year by the amount that the actual active employee
22 contributions either fell short of or exceeded the estimate
23 used by the Board in making the certification for the previous
24 fiscal year. The State Universities Retirement System shall
25 calculate the amount of actual active employee contributions in
26 fiscal years 1999 through 2005. Based upon this calculation,

1 the fiscal year 2008 certification shall include an amount
2 equal to the cumulative amount that the actual active employee
3 contributions either fell short of or exceeded the estimate
4 used by the Board in making the certification for those fiscal
5 years. The certification shall include a detailed explanation
6 of the methods and information that the Board relied upon in
7 preparing its estimate. As soon as possible after the effective
8 date of this Section, the Board shall submit its estimate for
9 fiscal year 1999.

10 (d) Beginning in fiscal year 1999, on the first day of each
11 month, or as soon thereafter as may be practical, the State
12 Treasurer and the State Comptroller shall transfer from the
13 General Revenue Fund to the Community College Health Insurance
14 Security Fund 1/12 of the annual amount appropriated for that
15 fiscal year to the State Comptroller for deposit into the
16 Community College Health Insurance Security Fund under Section
17 1.4 of the State Pension Funds Continuing Appropriation Act.

18 (e) Except where otherwise specified in this Section, the
19 definitions that apply to Article 15 of the Illinois Pension
20 Code apply to this Section.

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

22 Section 90. The State Mandates Act is amended by adding
23 Section 8.35 as follows:

24 (30 ILCS 805/8.35 new)

1 Sec. 8.35. Exempt mandate. Notwithstanding Sections 6 and 8
2 of this Act, no reimbursement by the State is required for the
3 implementation of any mandate created by this amendatory Act of
4 the 97th General Assembly.

5 Section 99. Effective date. This Act takes effect upon
6 becoming law.".