



## 98TH GENERAL ASSEMBLY

### State of Illinois

### 2013 and 2014

### HB2789

by Rep. Elgie R. Sims, Jr.

#### SYNOPSIS AS INTRODUCED:

40 ILCS 5/17-142.1  
30 ILCS 805/8.37 new

from Ch. 108 1/2, par. 17-142.1

Amends the Chicago Teacher Article of the Illinois Pension Code. In a Section on reimbursement of health insurance costs: (1) deletes a provision limiting total payments in any year to \$65,000,000, plus past-due amounts; (2) changes a provision limiting total payments in any year from 75% to 50% of the total cost of health insurance for all recipients, plus past-due amounts; and (iii) adds a provision limiting each recipient to an amount equal to 2.2% of health insurance costs for each year of service credit. Amends the State Mandates Act to require implementation without reimbursement. Effective January 1, 2014.

LRB098 08741 EFG 38866 b

FISCAL NOTE ACT  
MAY APPLY

PENSION IMPACT  
NOTE ACT MAY  
APPLY

STATE MANDATES  
ACT MAY REQUIRE  
REIMBURSEMENT

1 AN ACT concerning public employee benefits.

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

4 Section 5. The Illinois Pension Code is amended by changing  
5 Section 17-142.1 as follows:

6 (40 ILCS 5/17-142.1) (from Ch. 108 1/2, par. 17-142.1)

7 Sec. 17-142.1. To defray health insurance costs. To provide  
8 for the partial reimbursement of health insurance costs.

9 (1) On the first day of September of each year, beginning  
10 in 1988, the Board may, by separate warrant, pay to each  
11 recipient of a service retirement, disability retirement or  
12 survivor's pension an amount to be determined by the Board,  
13 which shall represent partial reimbursement for the cost of the  
14 recipient's health insurance coverage.

15 (2) In lieu of the annual payment authorized in subdivision  
16 (1), for pensioners enrolled in the Fund's regular health care  
17 deduction plans, the Fund may pay the health insurance premium  
18 reimbursement on a monthly rather than annual basis, at the  
19 percentage rate established from time to time by the Board. If  
20 the Board so directs, these monthly payments may be made in the  
21 form of a direct payment of premium and a reduction in the  
22 amount deducted from the annuity, rather than in the form of  
23 reimbursement by separate warrant.

1           (3) (Blank). ~~Total payments under this Section in any year~~  
2 ~~may not exceed \$65,000,000 plus any amount that was authorized~~  
3 ~~to be paid under this Section in the preceding year but was not~~  
4 ~~actually paid by the Board, including any interest earned~~  
5 ~~thereon.~~

6           (4) The total amount of payments under this Section in any  
7 year may not exceed 50% ~~75%~~ of the total cost of health  
8 insurance coverage in that year for all the recipients who  
9 receive payments authorized by this Section in that year, plus  
10 any amount that was authorized to be paid under this Section in  
11 the preceding year but was not actually paid by the Board,  
12 including any interest earned thereon. A recipient shall not  
13 receive reimbursement for the cost of health insurance coverage  
14 in excess of 2.2% for each year of service credit.

15           (Source: P.A. 93-677, eff. 6-28-04.)

16           Section 90. The State Mandates Act is amended by adding  
17 Section 8.37 as follows:

18           (30 ILCS 805/8.37 new)

19           Sec. 8.37. Exempt mandate. Notwithstanding Sections 6 and 8  
20 of this Act, no reimbursement by the State is required for the  
21 implementation of any mandate created by this amendatory Act of  
22 the 98th General Assembly.

23           Section 99. Effective date. This Act takes effect January  
24 1, 2014.