

AN ACT concerning State government.

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

Section 5. The State Employees Group Insurance Act of 1971 is amended by changing Section 8 as follows:

(5 ILCS 375/8) (from Ch. 127, par. 528)

Sec. 8. Eligibility.

(a) Each member eligible under the provisions of this Act and any rules and regulations promulgated and adopted hereunder by the Director shall become immediately eligible and covered for all benefits available under the programs. Members electing coverage for eligible dependents shall have the coverage effective immediately, provided that the election is properly filed in accordance with required filing dates and procedures specified by the Director.

(1) Every member originally eligible to elect dependent coverage, but not electing it during the original eligibility period, may subsequently obtain dependent coverage only in the event of a qualifying change in status, special enrollment, special circumstance as defined by the Director, or during the annual Benefit Choice Period.

(2) Members described above being transferred from previous coverage towards which the State has been contributing shall be transferred regardless of preexisting conditions, waiting periods, or other requirements that might jeopardize claim payments to which they would otherwise have been entitled.

(3) Eligible and covered members that are eligible for coverage as dependents except for the fact of being members shall be transferred to, and covered under, dependent status regardless of preexisting conditions, waiting

periods, or other requirements that might jeopardize claim payments to which they would otherwise have been entitled upon cessation of member status and the election of dependent coverage by a member eligible to elect that coverage.

(b) New employees shall be immediately insured for the basic group life insurance and covered by the program of health benefits on the first day of active State service. Optional coverages or benefits, if elected during the relevant eligibility period, will become effective on the date of employment. Optional coverages or benefits applied for after the eligibility period will be effective, subject to satisfactory evidence of insurability when applicable, or other necessary qualifications, pursuant to the requirements of the applicable benefit program, unless there is a change in status that would confer new eligibility for change of enrollment under rules established supplementing this Act, in which event application must be made within the new eligibility period.

(c) As to the group health benefits program contracted to begin or continue after June 30, 1973, each retired employee shall become immediately eligible and covered for all benefits available under that program. Retired employees may elect coverage for eligible dependents and shall have the coverage effective immediately, provided that the election is properly filed in accordance with required filing dates and procedures specified by the Director.

Except as otherwise provided in this Act, where husband and wife are both eligible members, each shall be enrolled as a member and coverage on their eligible dependent children, if any, may be under the enrollment and election of either.

Regardless of other provisions herein regarding late enrollment or other qualifications, as appropriate, the Director may periodically authorize open enrollment periods for each of the benefit programs at which time each member may elect enrollment or change of enrollment without regard to age,

sex, health, or other qualification under the conditions as may be prescribed in rules and regulations supplementing this Act. Special open enrollment periods may be declared by the Director for certain members only when special circumstances occur that affect only those members.

(d) Beginning with fiscal year 2003 and for all subsequent years, eligible members may elect not to participate in the program of health benefits as defined in this Act. The election must be made during the annual benefit choice period, subject to the conditions in this subsection.

(1) Members must furnish proof of health benefit coverage, either comprehensive major medical coverage or comprehensive managed care plan, from a source other than the Department of Central Management Services in order to elect not to participate in the program.

(2) Members may re-enroll in the Department of Central Management Services program of health benefits upon showing a qualifying change in status, as defined in the U.S. Internal Revenue Code, without evidence of insurability and with no limitations on coverage for pre-existing conditions, provided that there was not a break in coverage of more than 63 days.

(3) Members may also re-enroll in the program of health benefits during any annual benefit choice period, without evidence of insurability.

(4) Members who elect not to participate in the program of health benefits shall be furnished a written explanation of the requirements and limitations for the election not to participate in the program and for re-enrolling in the program. The explanation shall also be included in the annual benefit choice options booklets furnished to members.

(d-5) Beginning July 1, 2005, the Director may establish a program of financial incentives to encourage annuitants receiving a retirement annuity from the State Employees Retirement System, but who are not eligible for benefits under

the federal Medicare health insurance program (Title XVIII of the Social Security Act, as added by Public Law 89-97) to elect not to participate in the program of health benefits provided under this Act. The election by an annuitant not to participate under this program must be made in accordance with the requirements set forth under subsection (d). The financial incentives provided to these annuitants under the program may not exceed \$150 per month for each annuitant electing not to participate in the program of health benefits provided under this Act.

(e) Notwithstanding any other provision of this Act or the rules adopted under this Act, if a person participating in the program of health benefits as the dependent spouse of an eligible member becomes an annuitant, the person may elect, at the time of becoming an annuitant or during any subsequent annual benefit choice period, to continue participation as a dependent rather than as an eligible member for as long as the person continues to be an eligible dependent.

An eligible member who has elected to participate as a dependent may re-enroll in the program of health benefits as an eligible member (i) during any subsequent annual benefit choice period or (ii) upon showing a qualifying change in status, as defined in the U.S. Internal Revenue Code, without evidence of insurability and with no limitations on coverage for pre-existing conditions.

A person who elects to participate in the program of health benefits as a dependent rather than as an eligible member shall be furnished a written explanation of the consequences of electing to participate as a dependent and the conditions and procedures for re-enrolling as an eligible member. The explanation shall also be included in the annual benefit choice options booklet furnished to members.

(Source: P.A. 92-600, eff. 6-28-02; 93-553, eff. 8-20-03.)

Section 10. The Illinois Pension Code is amended by adding Section 14-108.6 as follows:

(40 ILCS 5/14-108.6 new)

Sec. 14-108.6. Alternative retirement cancellation payment.

(a) To be eligible for the alternative retirement cancellation payment provided in this Section, a person must:

(1) be a member of this System who, as of July 1, 2005, was (i) in active payroll status as an employee in a position listed in subsection (b) of this Section and continuously employed in a position listed in subsection (b) on and after January 1, 2005 and (ii) an active contributor to this System with respect to that employment;

(2) have not previously received any retirement annuity under this Article;

(3) in the case of persons employed in a position title listed under paragraph (1) of subsection (b), be among the first 500 persons to file with the Board on or before September 30, 2005 a written application requesting the alternative retirement cancellation payment provided in this Section;

(4) in the case of persons employed in a position title listed under paragraph (2) of subsection (b), have received written authorization from the director or other head of his or her department and filed that authorization with the system on or before September 1, 2005;

(5) if there is a QILDRO in effect against the person, file with the Board the written consent of all alternate payees under the QILDRO to the election of an alternative retirement cancellation payment under this Section; and

(6) terminate employment under this Article within one month after approval of the person's application requesting the alternative retirement cancellation payment, but in no event later than October 31, 2005.

(b)(1) Position titles eligible for the alternative retirement cancellation payment provided in this Section are:

911 Analyst III; Brickmason; Account Clerk I and II;

Budget Analyst I and II; Account Technician I and II;  
Budget Operations Director; Accountant; Budget Principal;  
Accountant Advanced; Building Services Worker; Accountant  
Supervisor; Building/Grounds Laborer; Accounting Fiscal  
Administrative Career Trainee; Building/Grounds Lead 1 and  
2; Accounts Payable Processing Analyst; Building/Grounds  
Maintenance Worker; Accounts Payable Specialist;  
Building/Grounds Supervisor; Accounts Processing Analyst;  
Bureau Chief; Actuarial Assistant; Business Administrative  
Specialist; Administrative and Technology Director;  
Business Analyst I through IV; Administrative Assistant I  
through III; Business Manager; Administrative Clerk;  
Buyer; Administrative Coordinator; Buyer Assistant;  
Administrator; Capital Budget Analyst I and II;  
Administrator of Capital Programs; Capital Budget  
Director; Administrator of Construction Administration;  
Capital Programs Analyst I and II; Administrator of  
Contract Administration; Capital Programs Technician;  
Administrator of Fair Employment Practices; Carpenter;  
Administrator of Fiscal; Carpenter Foreman; Administrator  
of Information Management; Cartographer I through III;  
Administrator of Information Systems; Chief - Police;  
Administrator of Personnel; Chief Veterans Technician;  
Administrator of Professional Services; Circuit  
Provisioning Specialist; Administrator of Public Affairs;  
Civil Engineer I through IX; Administrator of  
Quality-Based Selection; Civil Engineer Trainee;  
Administrator of Strategic Planning and Training; Clerical  
Trainee; Appeals & Orders Coordinator; Communications  
Director; Appraisal Specialist 1 through 3; Community  
Planner 3; Assignment Coordinator; Commander; Assistant  
Art-in-Architecture Coordinator; Compliance Specialist;  
Assistant Chief - Police; Conservation Education  
Representative; Assistant Internal Auditor; Conservation  
Grant Administrator 1 through 3; Assistant Manager;  
Construction Supervisor I and II; Assistant Personnel

Officer; Consumer Policy Analyst; Assistant Professor  
Scientist; Consumer Program Coordinator; Assistant  
Reimbursement Officer; Contract Executive; Assistant  
Steward; Coordinator of Administrative Services; Associate  
Director for Administrative Services; Coordinator of  
Art-in-Architecture; Associate Museum Director;  
Corrections Clerk I through III; Associate Professor  
Scientist; Corrections Maintenance Supervisor; Corrections  
Caseworker Supervisor; Corrections Food Service  
Supervisor; Auto Parts Warehouse Specialist; Corrections  
Maintenance Worker; Auto Parts Warehouse; Curator I  
through III; Automotive Attendant I and II; Data Processing  
Administrative Specialist; Automotive Mechanic; Data  
Processing Assistant; Automotive Shop Supervisor; Data  
Processing Operator; Baker; Data Processing Specialist;  
Barber; Data Processing Supervisor 1 through 3;  
Beautician; Data Processing Technician; Brickmason; Deputy  
Chief Counsel; Director of Licensing; Desktop Technician;  
Director of Security; Human Resources Officer; Division  
Chief; Human Resources Representative; Division Director;  
Human Resources Specialist; Economic Analyst I through IV;  
Human Resources Trainee; Electrical Engineer; Human  
Services Casework Manager; Electrical Engineer I through  
V; Human Services Grant Coordinator 2 and 3; Electrical  
Equipment Installer/Repairer; Iconographer; Electrical  
Equipment Installer/Repairer Lead Worker; Industry and  
Commercial Development Representative 1 and 2;  
Electrician; Industry Services Consultant 1 and 2;  
Electronics Technician; Information Services Intern;  
Elevator Operator; Information Services Specialist I and  
II; Endangered Species Secretary; Information Systems  
Analyst I through III; Engineering Aide; Information  
Systems Manager; Engineering Analyst I through IV;  
Information Systems Planner; Engineering Manager I and II;  
Institutional Maintenance Worker; Engineering Technician I  
through V; Instrument Designer; Environmental Scientist I

and II; Insurance Analyst I through IV; Executive I through VI; Executive Assistant; Intermittent Clerk; Executive Assistant I through IV; Intermittent Laborer Maintenance; Executive Secretary 1 through 3; Intern; Federal Funding and Public Safety Director; Internal Auditor 1; Financial & Budget Assistant; Internal Communications Officer; Financial & Budget Supervisor; International Marketing Representative 1; Financial Management Director; IT Manager; Fiscal Executive; Janitor I and II; Fiscal Officer; Junior State Veterinarian; Gas Engineer I through IV; Junior Supervisor Scientist; General Counsel and Regulatory Director; Laboratory Manager II; General Services Administrator I; Labor Maintenance Lead Worker; General Services Technician; Laborer; Geographic Information Specialist 1 and 2; Laborer (Building); Geologist I through IV; Laborer (Maintenance); Graphic Arts Design Supervisor; Landscape Architect; Graphic Arts Designer; Landscape Architect I through IV; Graphic Arts Technician; Landscape Planner; Grounds Supervisor; Laundry Manager I; Highway Construction Supervisor I; Legislative Liaison I and II; Historical Research Editor 2; Liability Claims Adjuster 1 and 2; Historical Research Specialist; Librarian 1 and 2; Horse Custodian; Library Aide I through III; Horse Identifier; Library Associate; Hourly Assistant; Library Technical Assistant; Human Resource Coordinator; Licensing Assistant; Human Resources Analyst; Line Technician I through II; Human Resources Assistant; Local History Service Representative; Human Resources Associate; Local Housing Advisor 2 and 3; Human Resources Manager; Local Revenue and Fiscal Advisor 3; Machinist; Locksmith; Maintenance Equipment Operator; Operations Communications Specialist Trainee; Maintenance Worker; Operations Technician; Maintenance Worker Power Plant; Painter; Management Information Technician; Paralegal Assistant; Management Operations Analyst 1 and 2; Performance Management Analyst; Management Secretary I;



Personnel Manager; Management Systems Specialist;  
Photogrammetrist I through IV; Management Technician I  
through IV; Physician; Manager; Physician Specialist  
Operations A through D; Manpower Planner 1 through 3;  
Planning Director; Medical Administrator III and V; Plant  
Maintenance Engineer 1 and 2; Methods & Processes Advisor  
1, 2 and III; Plumber; Methods & Processes Career Associate  
1 and 2; Policy Advisor; Microfilm Operator I through III;  
Policy Analyst I through IV; Military Administrative  
Assistant I; Power Shovel Operator (Maintenance); Military  
Administrative Clerk; Principal Economist; Military  
Administrative Officer-Legal; Principal Scientist;  
Military Administrative Specialist; Private Secretary 1  
and 2; Military Community Relations Specialist; Private  
Secretary I and II; Military Cooperative Agreement  
Specialist; Procurement Representative; Military Crash,  
Fire, Rescue I through III; Professor & Scientist; Military  
Energy Manager; Program Manager; Military Engineer  
Technician; Program Specialist; Military Environmental  
Specialist I through III; Project Coordinator; Military  
Facilities Engineer; Project Designer; Military Facilities  
Officer I; Project Manager I through III; Military  
Maintenance Engineer; Project Manager; Military Museum  
Director; Project Manager/Technical Specialist I thru III;  
Military Program Supervisor; Project Specialist I through  
IV; Military Property Custodian II; Projects Director;  
Military Real Property Clerk; Property & Supply Clerk I  
through III; Motorist Assistance Specialist; Property  
Control Officer; Museum Director; Public Administration  
Intern; Museum Security Head I through III; Public  
Information Coordinator; Museum Technician I through III;  
Public Information Officer; Network Control Center  
Specialist; Public Information Officer 2 through 4;  
Network Control Center Technician 2; Public Service  
Administrator; Network Engineer I through IV; Race Track  
Maintenance 1 and 2; Office Administration Specialist;

Radio Technician Program Coordinator; Office Administrator  
1 through 5; Realty Specialist I through V; Office Aide;  
Receptionist; Office Assistant; Regional Manager; Office  
Associate; Regulatory Accountant IV; Office Clerk;  
Reimbursement Officer 1 and 2; Office Coordinator;  
Representative I and II; Office Manager; Representative  
Trainee; Office Occupations Trainee; School Construction  
Manager; Office Specialist; Secretary I and IV; Operations  
Communications Specialist I and II; Security Guard; Senior  
Economic Analyst; Security Supervisor; Senior Editor;  
Systems Developer I through IV; Senior Electrical  
Engineer; Systems Developer Trainee; Senior Financial &  
Budget Assistant; Systems Engineer I through IV; Senior Gas  
Engineer; Systems Engineer Trainee; Senior Policy Analyst;  
Tariff & Order Coordinator; Senior Programs Analyst;  
Tariff Administrator III; Senior Project Consultant;  
Tariff Analyst IV; Senior Project Manager; Teacher of  
Barbering; Senior Public Information Officer; Teacher of  
Beauty Culture; Senior Public Service Administrator;  
Technical Advisor 2 and 3; Senior Rate Analyst; Technical  
Advisor I through VII; Senior Technical Assistant;  
Technical Analyst; Technical Manager I through IX; Senior  
Technical Supervisor; Technical Assistant; Senior  
Technology Specialist; Technical Manager 1; Senior  
Transportation Industry Analyst; Technical Manager I  
through X; Sewage Plant Operator; Technical Specialist;  
Sign Hanger; Technical Support Specialist; Sign Hanger  
Foreman; Technical Specialist I thru III; Sign Painter;  
Technician Trainee; Sign Shop Foreman; Telecom Systems  
Analyst; Silk Screen Operator; Telecom Systems Consultant;  
Senior Administrative Assistant; Telecom Systems  
Technician 1 and 2; Site Superintendent; Telecommunication  
Supervisor; Software Architect; Tinsmith; Special  
Assistant; Trades Tender; Special Assistant to the  
Executive Director; Training Coordinator; Staff  
Development Specialist I; Transportation Counsel; Staff

Development Technician II; Transportation Industry Analyst III; State Police Captain; Transportation Industry Customer Service; State Police Lieutenant; Transportation Officer; State Police Major; Transportation Policy Analyst III and IV; State Police Master Sergeant; Urban Planner I through VI; Stationary Engineer; Utility Engineer I and II; Stationary Engineer Assistant Chief; Veteran Secretary; Stationary Engineer Chief; Veteran Technician; Stationary Fireman; Water Engineer I through IV; Statistical Research Specialist 1 through 3; Water Plant Operator; Statistical Research Supervisor; Web and Publications Manager; Statistical Research Technician; Steamfitter; Steward; Steward Secretary; Storekeeper I through III; Stores Clerk; Student Intern; Student Worker; Supervisor; Supervisor & Assistant Scientist; Supervisor & Associate Scientist; Switchboard Operator 1 through 3; Administrative Assistant to the Superintendent; Assistant Legal Advisor; Legal Assistant; Senior Human Resources Specialist; Principal Internal Auditor; Division Administrator; Division Supervisor; and Private Secretary I through III.

(2) In addition, any position titles with the Speaker of the House of Representatives, the Minority Leader of the House of Representatives, the President of the Senate, the Minority Leader of the Senate, the Attorney General, the Secretary of State, the Comptroller, the Treasurer, the Auditor General, the Supreme Court, the Court of Claims, and each legislative agency are eligible for the alternative retirement cancellation payment provided in this Section.

(c) In lieu of any retirement annuity or other benefit provided under this Article, a person who qualifies for and elects to receive the alternative retirement cancellation payment under this Section shall be entitled to receive a one-time lump sum retirement cancellation payment equal to the amount of his or her contributions to the System (including any

employee contributions for optional service credit and including any employee contributions paid by the employer or credited to the employee during disability) as of the date of termination, with regular interest, multiplied by 2.

(d) Notwithstanding any other provision of this Article, a person who receives an alternative retirement cancellation payment under this Section thereby forfeits the right to any other retirement or disability benefit or refund under this Article, and no widow's, survivor's, or death benefit deriving from that person shall be payable under this Article. Upon accepting an alternative retirement cancellation payment under this Section, the person's creditable service and all other rights in the System are terminated for all purposes, except for the purpose of determining State group life and health benefits for the person and his or her survivors as provided under the State Employees Group Insurance Act of 1971.

(e) To the extent permitted by federal law, a person who receives an alternative retirement cancellation payment under this Section may direct the System to pay all or a portion of that payment as a rollover into another retirement plan or account qualified under the Internal Revenue Code of 1986, as amended.

(f) Notwithstanding Section 14-111, a person who has received an alternative retirement cancellation payment under this Section and who reenters service under this Article other than as a temporary employee must repay to the System the amount by which that alternative retirement cancellation payment exceeded the amount of his or her refundable employee contributions within 60 days of resuming employment under this System. For the purposes of re-establishing creditable service that was terminated upon election of the alternative retirement cancellation payment, the portion of the alternative retirement cancellation payment representing refundable employee contributions shall be deemed a refund repayable in accordance with Section 14-130.

(g) The Commission on Government Forecasting and

Accountability shall determine and report to the Governor and the General Assembly, on or before January 1, 2007, its estimate of (1) the annual amount of payroll savings likely to be realized by the State as a result of the early termination of persons receiving the alternative retirement cancellation payment under this Section and (2) the net annual savings or cost to the State from the program of alternative retirement cancellation payments under this Section.

The System, the Department of Central Management Services, the Governor's Office of Management and Budget, and all other departments shall provide to the Commission any assistance that the Commission may request with respect to its report under this Section. The Commission may require departments to provide it with any information that it deems necessary or useful with respect to its reports under this Section, including without limitation information about (1) the final earnings of former department employees who elected to receive alternative retirement cancellation payments under this Section, (2) the earnings of current department employees holding the positions vacated by persons who elected to receive alternative retirement cancellation payments under this Section, and (3) positions vacated by persons who elected to receive alternative retirement cancellation payments under this Section that have not yet been refilled.

Section 99. Effective date. This Act takes effect July 1, 2005.