

HB0817



100TH GENERAL ASSEMBLY

State of Illinois

2017 and 2018

HB0817

by Rep. Peter Breen

SYNOPSIS AS INTRODUCED:

5 ILCS 375/3

from Ch. 127, par. 523

Amends the State Employees Group Insurance Act of 1971. Defines the term "placement for adoption" under the Act, and for the purpose of "dependent" when that term is used in the context of the health and life plan. Makes conforming changes.

LRB100 07376 RJF 17440 b

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 Section 3 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) (Blank).

2 (b-6) (Blank).

3 (b-7) (Blank).

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

10 (d) "Compensation" means salary or wages payable on a
11 regular payroll by the State Treasurer on a warrant of the
12 State Comptroller out of any State, trust or federal fund, or
13 by the Governor of the State through a disbursing officer of
14 the State out of a trust or out of federal funds, or by any
15 Department out of State, trust, federal or other funds held by
16 the State Treasurer or the Department, to any person for
17 personal services currently performed, and ordinary or
18 accidental disability benefits under Articles 2, 14, 15
19 (including ordinary or accidental disability benefits under
20 the optional retirement program established under Section
21 15-158.2), paragraphs (2), (3), or (5) of Section 16-106, or
22 Article 18 of the Illinois Pension Code, for disability
23 incurred after January 1, 1966, or benefits payable under the
24 Workers' Compensation or Occupational Diseases Act or benefits
25 payable under a sick pay plan established in accordance with
26 Section 36 of the State Finance Act. "Compensation" also means

1 salary or wages paid to an employee of any qualified local
2 government, qualified rehabilitation facility, qualified
3 domestic violence shelter or service, or qualified child
4 advocacy center.

5 (e) "Commission" means the State Employees Group Insurance
6 Advisory Commission authorized by this Act. Commencing July 1,
7 1984, "Commission" as used in this Act means the Commission on
8 Government Forecasting and Accountability as established by
9 the Legislative Commission Reorganization Act of 1984.

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

18 (g) "Department" means any department, institution, board,
19 commission, officer, court or any agency of the State
20 government receiving appropriations and having power to
21 certify payrolls to the Comptroller authorizing payments of
22 salary and wages against such appropriations as are made by the
23 General Assembly from any State fund, or against trust funds
24 held by the State Treasurer and includes boards of trustees of
25 the retirement systems created by Articles 2, 14, 15, 16 and 18
26 of the Illinois Pension Code. "Department" also includes the

1 Illinois Comprehensive Health Insurance Board, the Board of
2 Examiners established under the Illinois Public Accounting
3 Act, and the Illinois Finance Authority.

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

25 (i) "Director" means the Director of the Illinois
26 Department of Central Management Services.

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

4 (k) "Employee" means and includes each officer or employee
5 in the service of a department who (1) receives his
6 compensation for service rendered to the department on a
7 warrant issued pursuant to a payroll certified by a department
8 or on a warrant or check issued and drawn by a department upon
9 a trust, federal or other fund or on a warrant issued pursuant
10 to a payroll certified by an elected or duly appointed officer
11 of the State or who receives payment of the performance of
12 personal services on a warrant issued pursuant to a payroll
13 certified by a Department and drawn by the Comptroller upon the
14 State Treasurer against appropriations made by the General
15 Assembly from any fund or against trust funds held by the State
16 Treasurer, and (2) is employed full-time or part-time in a
17 position normally requiring actual performance of duty during
18 not less than 1/2 of a normal work period, as established by
19 the Director in cooperation with each department, except that
20 persons elected by popular vote will be considered employees
21 during the entire term for which they are elected regardless of
22 hours devoted to the service of the State, and (3) except that
23 "employee" does not include any person who is not eligible by
24 reason of such person's employment to participate in one of the
25 State retirement systems under Articles 2, 14, 15 (either the
26 regular Article 15 system or the optional retirement program

1 established under Section 15-158.2) or 18, or under paragraph
2 (2), (3), or (5) of Section 16-106, of the Illinois Pension
3 Code, but such term does include persons who are employed
4 during the 6 month qualifying period under Article 14 of the
5 Illinois Pension Code. Such term also includes any person who
6 (1) after January 1, 1966, is receiving ordinary or accidental
7 disability benefits under Articles 2, 14, 15 (including
8 ordinary or accidental disability benefits under the optional
9 retirement program established under Section 15-158.2),
10 paragraphs (2), (3), or (5) of Section 16-106, or Article 18 of
11 the Illinois Pension Code, for disability incurred after
12 January 1, 1966, (2) receives total permanent or total
13 temporary disability under the Workers' Compensation Act or
14 Occupational Disease Act as a result of injuries sustained or
15 illness contracted in the course of employment with the State
16 of Illinois, or (3) is not otherwise covered under this Act and
17 has retired as a participating member under Article 2 of the
18 Illinois Pension Code but is ineligible for the retirement
19 annuity under Section 2-119 of the Illinois Pension Code.
20 However, a person who satisfies the criteria of the foregoing
21 definition of "employee" except that such person is made
22 ineligible to participate in the State Universities Retirement
23 System by clause (4) of subsection (a) of Section 15-107 of the
24 Illinois Pension Code is also an "employee" for the purposes of
25 this Act. "Employee" also includes any person receiving or
26 eligible for benefits under a sick pay plan established in

1 accordance with Section 36 of the State Finance Act. "Employee"
2 also includes (i) each officer or employee in the service of a
3 qualified local government, including persons appointed as
4 trustees of sanitary districts regardless of hours devoted to
5 the service of the sanitary district, (ii) each employee in the
6 service of a qualified rehabilitation facility, (iii) each
7 full-time employee in the service of a qualified domestic
8 violence shelter or service, and (iv) each full-time employee
9 in the service of a qualified child advocacy center, as
10 determined according to rules promulgated by the Director.

11 (l) "Member" means an employee, annuitant, retired
12 employee or survivor. In the case of an annuitant or retired
13 employee who first becomes an annuitant or retired employee on
14 or after the effective date of this amendatory Act of the 97th
15 General Assembly, the individual must meet the minimum vesting
16 requirements of the applicable retirement system in order to be
17 eligible for group insurance benefits under that system. In the
18 case of a survivor who first becomes a survivor on or after the
19 effective date of this amendatory Act of the 97th General
20 Assembly, the deceased employee, annuitant, or retired
21 employee upon whom the annuity is based must have been eligible
22 to participate in the group insurance system under the
23 applicable retirement system in order for the survivor to be
24 eligible for group insurance benefits under that system.

25 (m) "Optional coverages or benefits" means those coverages
26 or benefits available to the member on his or her voluntary

1 election, and at his or her own expense.

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

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

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

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

1 clause (4) of subsection (a) of Section 15-107 of the Illinois
2 Pension Code; and (3) the surviving dependent of a person who
3 was an annuitant under this Act by virtue of receiving an
4 alternative retirement cancellation payment under Section
5 14-108.5 of the Illinois Pension Code.

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

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

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

14 (q-5) (Blank).

15 (q-6) (Blank).

16 (q-7) (Blank).

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

20 (s) "Unit of local government" means any county,
21 municipality, township, school district (including a
22 combination of school districts under the Intergovernmental
23 Cooperation Act), special district or other unit, designated as
24 a unit of local government by law, which exercises limited
25 governmental powers or powers in respect to limited
26 governmental subjects, any not-for-profit association with a

1 membership that primarily includes townships and township
2 officials, that has duties that include provision of research
3 service, dissemination of information, and other acts for the
4 purpose of improving township government, and that is funded
5 wholly or partly in accordance with Section 85-15 of the
6 Township Code; any not-for-profit corporation or association,
7 with a membership consisting primarily of municipalities, that
8 operates its own utility system, and provides research,
9 training, dissemination of information, or other acts to
10 promote cooperation between and among municipalities that
11 provide utility services and for the advancement of the goals
12 and purposes of its membership; the Southern Illinois
13 Collegiate Common Market, which is a consortium of higher
14 education institutions in Southern Illinois; the Illinois
15 Association of Park Districts; and any hospital provider that
16 is owned by a county that has 100 or fewer hospital beds and
17 has not already joined the program. "Qualified local
18 government" means a unit of local government approved by the
19 Director and participating in a program created under
20 subsection (i) of Section 10 of this Act.

21 (t) "Qualified rehabilitation facility" means any
22 not-for-profit organization that is accredited by the
23 Commission on Accreditation of Rehabilitation Facilities or
24 certified by the Department of Human Services (as successor to
25 the Department of Mental Health and Developmental
26 Disabilities) to provide services to persons with disabilities

1 and which receives funds from the State of Illinois for
2 providing those services, approved by the Director and
3 participating in a program created under subsection (j) of
4 Section 10 of this Act.

5 (u) "Qualified domestic violence shelter or service" means
6 any Illinois domestic violence shelter or service and its
7 administrative offices funded by the Department of Human
8 Services (as successor to the Illinois Department of Public
9 Aid), approved by the Director and participating in a program
10 created under subsection (k) of Section 10.

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

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

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

15 (3) either (i) has at least 8 years of creditable
16 service under Article 16 of the Illinois Pension Code, or
17 (ii) was enrolled in the health insurance program offered
18 under that Article on January 1, 1996, or (iii) is the
19 survivor of a benefit recipient who had at least 8 years of
20 creditable service under Article 16 of the Illinois Pension
21 Code or was enrolled in the health insurance program
22 offered under that Article on the effective date of this
23 amendatory Act of 1995, or (iv) is a recipient or survivor
24 of a recipient of a disability benefit under Article 16 of
25 the Illinois Pension Code.

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

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

3 (2) is a TRS benefit recipient's: (A) spouse, (B)
4 dependent parent who is receiving at least half of his or
5 her support from the TRS benefit recipient, or (C) natural,
6 step, adjudicated, or adopted child who is (i) under age
7 26, (ii) was, on January 1, 1996, participating as a
8 dependent beneficiary in the health insurance program
9 offered under Article 16 of the Illinois Pension Code, or
10 (iii) age 19 or over who has a mental or physical
11 disability from a cause originating prior to the age of 19
12 (age 26 if enrolled as an adult child).

13 "TRS dependent beneficiary" does not include, as indicated
14 under paragraph (2) of this subsection (w), a dependent of the
15 survivor of a TRS benefit recipient who first becomes a
16 dependent of a survivor of a TRS benefit recipient on or after
17 the effective date of this amendatory Act of the 97th General
18 Assembly unless that dependent would have been eligible for
19 coverage as a dependent of the deceased TRS benefit recipient
20 upon whom the survivor benefit is based.

21 (x) "Military leave" refers to individuals in basic
22 training for reserves, special/advanced training, annual
23 training, emergency call up, activation by the President of the
24 United States, or any other training or duty in service to the
25 United States Armed Forces.

26 (y) (Blank).

1 (z) "Community college benefit recipient" means a person
2 who:

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

4 (2) is receiving a monthly survivor's annuity or
5 retirement annuity under Article 15 of the Illinois Pension
6 Code; and

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

20 (aa) "Community college dependent beneficiary" means a
21 person who:

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

24 (2) is a community college benefit recipient's: (A)
25 spouse, (B) dependent parent who is receiving at least half
26 of his or her support from the community college benefit

1 recipient, or (C) natural, step, adjudicated, or adopted
2 child who is (i) under age 26, or (ii) age 19 or over and
3 has a mental or physical disability from a cause
4 originating prior to the age of 19 (age 26 if enrolled as
5 an adult child).

6 "Community college dependent beneficiary" does not
7 include, as indicated under paragraph (2) of this subsection
8 (aa), a dependent of the survivor of a community college
9 benefit recipient who first becomes a dependent of a survivor
10 of a community college benefit recipient on or after the
11 effective date of this amendatory Act of the 97th General
12 Assembly unless that dependent would have been eligible for
13 coverage as a dependent of the deceased community college
14 benefit recipient upon whom the survivor annuity is based.

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

21 (cc) "Placement for adoption" means the assumption and
22 retention by a member of a legal obligation for total or
23 partial support of a child in anticipation of adoption of the
24 child. The child's placement with the member terminates upon
25 the termination of such legal obligation.

26 (Source: P.A. 98-488, eff. 8-16-13; 99-143, eff. 7-27-15.)