

HB2972



101ST GENERAL ASSEMBLY

State of Illinois

2019 and 2020

HB2972

by Rep. Mark L. Walker

SYNOPSIS AS INTRODUCED:

5 ILCS 375/3

from Ch. 127, par. 523

Amends the State Employees Group Insurance Act of 1971. Modifies the term "annuitant" to not include any member of the General Assembly, or any person serving as Governor, Lieutenant Governor, Secretary of State, Treasurer, Comptroller, or Attorney General, or the surviving spouse of such a person, who is sworn into office for the first time on or after the effective date of this amendatory Act, and retires as a participating member under the General Assembly Retirement System, for the purpose of administering health benefits under the Act. Effective immediately.

LRB101 07587 RJF 52634 b

FISCAL NOTE ACT
MAY APPLY

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 or who meets the criteria

1 for retirement, but in lieu of receiving an annuity under that
2 Article has elected to receive an accelerated pension benefit
3 payment under Section 14-147.5 of that Article), 15 (including
4 an employee who has retired under the optional retirement
5 program established under Section 15-158.2 or who meets the
6 criteria for retirement but in lieu of receiving an annuity
7 under that Article has elected to receive an accelerated
8 pension benefit payment under Section 15-185.5 of the Article),
9 paragraphs (2), (3), or (5) of Section 16-106 (including an
10 employee who meets the criteria for retirement, but in lieu of
11 receiving an annuity under that Article has elected to receive
12 an accelerated pension benefit payment under Section 16-190.5
13 of the Illinois Pension Code), or Article 18 of the Illinois
14 Pension Code; (2) any person who was receiving group insurance
15 coverage under this Act as of March 31, 1978 by reason of his
16 status as an annuitant, even though the annuity in relation to
17 which such coverage was provided is a proportional annuity
18 based on less than the minimum period of service required for a
19 retirement annuity in the system involved; (3) any person not
20 otherwise covered by this Act who has retired as a
21 participating member under Article 2 of the Illinois Pension
22 Code but is ineligible for the retirement annuity under Section
23 2-119 of the Illinois Pension Code; (4) the spouse of any
24 person who is receiving a retirement annuity under Article 18
25 of the Illinois Pension Code and who is covered under a group
26 health insurance program sponsored by a governmental employer

1 other than the State of Illinois and who has irrevocably
2 elected to waive his or her coverage under this Act and to have
3 his or her spouse considered as the "annuitant" under this Act
4 and not as a "dependent"; or (5) an employee who retires, or
5 has retired, from a qualified position, as determined according
6 to rules promulgated by the Director, under a qualified local
7 government, a qualified rehabilitation facility, a qualified
8 domestic violence shelter or service, or a qualified child
9 advocacy center. (For definition of "retired employee", see (p)
10 post). "Annuitant" does not include any member, as defined in
11 Article 2 of the Illinois Pension Code, or the surviving spouse
12 of such a person, who is sworn into office for the first time
13 on or after the effective date of this amendatory Act of the
14 101st General Assembly, and retires as a participating member
15 under Article 2 of the Illinois Pension Code. For the purposes
16 of this subsection (b), "member" as used in this paragraph does
17 not include a Clerk or Assistant Clerk of the House of
18 Representatives or a Secretary or Assistant Secretary of the
19 Senate who may become a member under Article 2 of the Illinois
20 Pension Code.

21 (b-5) (Blank).

22 (b-6) (Blank).

23 (b-7) (Blank).

24 (c) "Carrier" means (1) an insurance company, a corporation
25 organized under the Limited Health Service Organization Act or
26 the Voluntary Health Services Plan Act, a partnership, or other

1 nongovernmental organization, which is authorized to do group
2 life or group health insurance business in Illinois, or (2) the
3 State of Illinois as a self-insurer.

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

25 (e) "Commission" means the State Employees Group Insurance
26 Advisory Commission authorized by this Act. Commencing July 1,

1 1984, "Commission" as used in this Act means the Commission on
2 Government Forecasting and Accountability as established by
3 the Legislative Commission Reorganization Act of 1984.

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

12 (g) "Department" means any department, institution, board,
13 commission, officer, court or any agency of the State
14 government receiving appropriations and having power to
15 certify payrolls to the Comptroller authorizing payments of
16 salary and wages against such appropriations as are made by the
17 General Assembly from any State fund, or against trust funds
18 held by the State Treasurer and includes boards of trustees of
19 the retirement systems created by Articles 2, 14, 15, 16 and 18
20 of the Illinois Pension Code. "Department" also includes the
21 Illinois Comprehensive Health Insurance Board, the Board of
22 Examiners established under the Illinois Public Accounting
23 Act, and the Illinois Finance Authority.

24 (h) "Dependent", when the term is used in the context of
25 the health and life plan, means a member's spouse and any child
26 (1) from birth to age 26 including an adopted child, a child

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

19 (i) "Director" means the Director of the Illinois
20 Department of Central Management Services.

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

24 (k) "Employee" means and includes each officer or employee
25 in the service of a department who (1) receives his
26 compensation for service rendered to the department on a

1 warrant issued pursuant to a payroll certified by a department
2 or on a warrant or check issued and drawn by a department upon
3 a trust, federal or other fund or on a warrant issued pursuant
4 to a payroll certified by an elected or duly appointed officer
5 of the State or who receives payment of the performance of
6 personal services on a warrant issued pursuant to a payroll
7 certified by a Department and drawn by the Comptroller upon the
8 State Treasurer against appropriations made by the General
9 Assembly from any fund or against trust funds held by the State
10 Treasurer, and (2) is employed full-time or part-time in a
11 position normally requiring actual performance of duty during
12 not less than 1/2 of a normal work period, as established by
13 the Director in cooperation with each department, except that
14 persons elected by popular vote will be considered employees
15 during the entire term for which they are elected regardless of
16 hours devoted to the service of the State, and (3) except that
17 "employee" does not include any person who is not eligible by
18 reason of such person's employment to participate in one of the
19 State retirement systems under Articles 2, 14, 15 (either the
20 regular Article 15 system or the optional retirement program
21 established under Section 15-158.2) or 18, or under paragraph
22 (2), (3), or (5) of Section 16-106, of the Illinois Pension
23 Code, but such term does include persons who are employed
24 during the 6 month qualifying period under Article 14 of the
25 Illinois Pension Code. Such term also includes any person who
26 (1) after January 1, 1966, is receiving ordinary or accidental

1 disability benefits under Articles 2, 14, 15 (including
2 ordinary or accidental disability benefits under the optional
3 retirement program established under Section 15-158.2),
4 paragraphs (2), (3), or (5) of Section 16-106, or Article 18 of
5 the Illinois Pension Code, for disability incurred after
6 January 1, 1966, (2) receives total permanent or total
7 temporary disability under the Workers' Compensation Act or
8 Occupational Disease Act as a result of injuries sustained or
9 illness contracted in the course of employment with the State
10 of Illinois, or (3) is not otherwise covered under this Act and
11 has retired as a participating member under Article 2 of the
12 Illinois Pension Code but is ineligible for the retirement
13 annuity under Section 2-119 of the Illinois Pension Code.
14 However, a person who satisfies the criteria of the foregoing
15 definition of "employee" except that such person is made
16 ineligible to participate in the State Universities Retirement
17 System by clause (4) of subsection (a) of Section 15-107 of the
18 Illinois Pension Code is also an "employee" for the purposes of
19 this Act. "Employee" also includes any person receiving or
20 eligible for benefits under a sick pay plan established in
21 accordance with Section 36 of the State Finance Act. "Employee"
22 also includes (i) each officer or employee in the service of a
23 qualified local government, including persons appointed as
24 trustees of sanitary districts regardless of hours devoted to
25 the service of the sanitary district, (ii) each employee in the
26 service of a qualified rehabilitation facility, (iii) each

1 full-time employee in the service of a qualified domestic
2 violence shelter or service, and (iv) each full-time employee
3 in the service of a qualified child advocacy center, as
4 determined according to rules promulgated by the Director.

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

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

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

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

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

10 (q) "Survivor" means a person receiving an annuity as a
11 survivor of an employee or of an annuitant. "Survivor" also
12 includes: (1) the surviving dependent of a person who satisfies
13 the definition of "employee" except that such person is made
14 ineligible to participate in the State Universities Retirement
15 System by clause (4) of subsection (a) of Section 15-107 of the
16 Illinois Pension Code; (2) the surviving dependent of any
17 person formerly employed by the University of Illinois in the
18 Cooperative Extension Service who would be an annuitant except
19 for the fact that such person was made ineligible to
20 participate in the State Universities Retirement System by
21 clause (4) of subsection (a) of Section 15-107 of the Illinois
22 Pension Code; and (3) the surviving dependent of a person who
23 was an annuitant under this Act by virtue of receiving an
24 alternative retirement cancellation payment under Section
25 14-108.5 of the Illinois Pension Code.

26 (q-2) "SERS" means the State Employees' Retirement System

1 of Illinois, created under Article 14 of the Illinois Pension
2 Code.

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

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

8 (q-5) (Blank).

9 (q-6) (Blank).

10 (q-7) (Blank).

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

14 (s) "Unit of local government" means any county,
15 municipality, township, school district (including a
16 combination of school districts under the Intergovernmental
17 Cooperation Act), special district or other unit, designated as
18 a unit of local government by law, which exercises limited
19 governmental powers or powers in respect to limited
20 governmental subjects, any not-for-profit association with a
21 membership that primarily includes townships and township
22 officials, that has duties that include provision of research
23 service, dissemination of information, and other acts for the
24 purpose of improving township government, and that is funded
25 wholly or partly in accordance with Section 85-15 of the
26 Township Code; any not-for-profit corporation or association,

1 with a membership consisting primarily of municipalities, that
2 operates its own utility system, and provides research,
3 training, dissemination of information, or other acts to
4 promote cooperation between and among municipalities that
5 provide utility services and for the advancement of the goals
6 and purposes of its membership; the Southern Illinois
7 Collegiate Common Market, which is a consortium of higher
8 education institutions in Southern Illinois; the Illinois
9 Association of Park Districts; and any hospital provider that
10 is owned by a county that has 100 or fewer hospital beds and
11 has not already joined the program. "Qualified local
12 government" means a unit of local government approved by the
13 Director and participating in a program created under
14 subsection (i) of Section 10 of this Act.

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

25 (u) "Qualified domestic violence shelter or service" means
26 any Illinois domestic violence shelter or service and its

1 administrative offices funded by the Department of Human
2 Services (as successor to the Illinois Department of Public
3 Aid), approved by the Director and participating in a program
4 created under subsection (k) of Section 10.

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

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

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

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

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

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

23 (2) is a TRS benefit recipient's: (A) spouse, (B)
24 dependent parent who is receiving at least half of his or
25 her support from the TRS benefit recipient, or (C) natural,
26 step, adjudicated, or adopted child who is (i) under age

1 26, (ii) was, on January 1, 1996, participating as a
2 dependent beneficiary in the health insurance program
3 offered under Article 16 of the Illinois Pension Code, or
4 (iii) age 19 or over who has a mental or physical
5 disability from a cause originating prior to the age of 19
6 (age 26 if enrolled as an adult child).

7 "TRS dependent beneficiary" does not include, as indicated
8 under paragraph (2) of this subsection (w), a dependent of the
9 survivor of a TRS benefit recipient who first becomes a
10 dependent of a survivor of a TRS benefit recipient on or after
11 the 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 TRS benefit recipient
14 upon whom the survivor benefit is based.

15 (x) "Military leave" refers to individuals in basic
16 training for reserves, special/advanced training, annual
17 training, emergency call up, activation by the President of the
18 United States, or any other training or duty in service to the
19 United States Armed Forces.

20 (y) (Blank).

21 (z) "Community college benefit recipient" means a person
22 who:

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

24 (2) is receiving a monthly survivor's annuity or
25 retirement annuity under Article 15 of the Illinois Pension
26 Code; and

1 (3) either (i) was a full-time employee of a community
2 college district or an association of community college
3 boards created under the Public Community College Act
4 (other than an employee whose last employer under Article
5 15 of the Illinois Pension Code was a community college
6 district subject to Article VII of the Public Community
7 College Act) and was eligible to participate in a group
8 health benefit plan as an employee during the time of
9 employment with a community college district (other than a
10 community college district subject to Article VII of the
11 Public Community College Act) or an association of
12 community college boards, or (ii) is the survivor of a
13 person described in item (i).

14 (aa) "Community college dependent beneficiary" means a
15 person who:

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

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

26 "Community college dependent beneficiary" does not

1 include, as indicated under paragraph (2) of this subsection
2 (aa), a dependent of the survivor of a community college
3 benefit recipient who first becomes a dependent of a survivor
4 of a community college benefit recipient on or after the
5 effective date of this amendatory Act of the 97th General
6 Assembly unless that dependent would have been eligible for
7 coverage as a dependent of the deceased community college
8 benefit recipient upon whom the survivor annuity is based.

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

15 (cc) "Placement for adoption" means the assumption and
16 retention by a member of a legal obligation for total or
17 partial support of a child in anticipation of adoption of the
18 child. The child's placement with the member terminates upon
19 the termination of such legal obligation.

20 (Source: P.A. 99-143, eff. 7-27-15; 100-355, eff. 1-1-18;
21 100-587, eff. 6-4-18.)

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