



## 97TH GENERAL ASSEMBLY

### State of Illinois

### 2011 and 2012

### SB1711

Introduced 2/9/2011, by Sen. William R. Haine

#### SYNOPSIS AS INTRODUCED:

5 ILCS 375/6.10  
40 ILCS 15/1.4  
30 ILCS 805/8.35 new

Amends the State Employees Group Insurance Act of 1971. Increases, beginning April 1, 2011, the required contributions for every active contributor of the State Universities Retirement System (established under Article 15 of the Illinois Pension Code) who (1) is a full-time employee of a community college district (other than a community college district subject to Article VII of the Public Community College Act) or an association of community college boards and (2) is not an employee as defined in a separate provision of the Act. Increases, beginning April 1, 2011, the required contribution every community college district (other than a community college district subject to Article VII of the Public Community College Act) or association of community college boards that is an employer under the State Universities Retirement System must contribute toward the cost of community college health benefits. Amends the State Pension Funds Continuing Appropriation Act. In provisions concerning the Community College Health Insurance Security Fund, prohibits the transfer of funds from the Community College Health Insurance Security Fund by any constitutional officer or legislative body for any other purpose or program. Amends the State Mandates Act to require implementation without reimbursement. Effective immediately.

LRB097 09976 JDS 50145 b

FISCAL NOTE ACT  
MAY APPLY

PENSION IMPACT  
NOTE ACT MAY  
APPLY

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 6.10 as follows:

6 (5 ILCS 375/6.10)

7 Sec. 6.10. Contributions to the Community College Health  
8 Insurance Security Fund.

9 (a) Beginning January 1, 1999 and until April 1, 2011,  
10 every active contributor of the State Universities Retirement  
11 System (established under Article 15 of the Illinois Pension  
12 Code) who (1) is a full-time employee of a community college  
13 district (other than a community college district subject to  
14 Article VII of the Public Community College Act) or an  
15 association of community college boards and (2) is not an  
16 employee as defined in Section 3 of this Act shall make  
17 contributions toward the cost of community college annuitant  
18 and survivor health benefits at the rate of 0.50% of salary.  
19 Beginning April 1, 2011, the contribution rate under this  
20 subsection (a) shall be 0.66% of salary. Beginning July 1,  
21 2011, the contribution rate under this subsection (a) shall be  
22 0.82% of salary. Beginning July 1, 2012, the contribution rate  
23 under this subsection (a) shall be 0.97% of salary. Beginning

1 July 1, 2013, the contribution rate under this subsection (a)  
2 shall be a percentage of salary determined by the Department of  
3 Central Management Services, or its successor, by rule, which  
4 in each fiscal year shall not exceed 105% of the percentage of  
5 salary actually required to be contributed in the previous  
6 fiscal year. However, the required contribution rate  
7 determined by the Department or its successor under this  
8 subsection (a) shall equal the required contribution rate  
9 determined by the Department or its successor under subsection  
10 (b) of this Section.

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

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

1 assets of the State Universities Retirement System.  
2 Contributions made under this Section are not transferable to  
3 other pension funds or retirement systems and are not  
4 refundable upon termination of service.

5 (b) Beginning January 1, 1999 and until April 1, 2011,  
6 every community college district (other than a community  
7 college district subject to Article VII of the Public Community  
8 College Act) or association of community college boards that is  
9 an employer under the State Universities Retirement System  
10 shall contribute toward the cost of the community college  
11 health benefits provided under Section 6.9 of this Act an  
12 amount equal to 0.50% of the salary paid to its full-time  
13 employees who participate in the State Universities Retirement  
14 System and are not members as defined in Section 3 of this Act.  
15 Beginning April 1, 2011, the contribution rate under this  
16 subsection (b) shall be 0.66% of salary. Beginning July 1,  
17 2011, the contribution rate under this subsection (b) shall be  
18 0.82% of salary. Beginning July 1, 2012, the contribution rate  
19 under this subsection (b) shall be 0.97% of salary. Beginning  
20 July 1, 2013, the contribution rate under this subsection (b)  
21 shall be a percentage of salary determined by the Department of  
22 Central Management Services, or its successor, by rule, which  
23 in each fiscal year shall not exceed 105% of the percentage of  
24 salary actually required to be contributed in the previous  
25 fiscal year. However, the required contribution rate  
26 determined by the Department or its successor under this

1 subsection (b) shall equal the required contribution rate  
2 determined by the Department or its successor under subsection  
3 (a) of this Section.

4       These contributions shall be paid by the employer to the  
5 State Universities Retirement System as service agent for the  
6 Department of Central Management Services. The System may use  
7 the same processes for collecting the contributions required by  
8 this subsection that it uses to collect the contributions  
9 received from those employers under Section 15-155 of the  
10 Illinois Pension Code.

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

21       The Department of Healthcare and Family Services, or any  
22 successor agency designated to procure healthcare contracts  
23 pursuant to this Act, is authorized to establish funds,  
24 separate accounts provided by any bank or banks as defined by  
25 the Illinois Banking Act, or separate accounts provided by any  
26 savings and loan association or associations as defined by the

1 Illinois Savings and Loan Act of 1985 to be held by the  
2 Director, outside the State treasury, for the purpose of  
3 receiving the transfer of moneys from the Community College  
4 Health Insurance Security Fund. The Department may promulgate  
5 rules further defining the methodology for the transfers. Any  
6 interest earned by moneys in the funds or accounts shall inure  
7 to the Community College Health Insurance Security Fund. The  
8 transferred moneys, and interest accrued thereon, shall be used  
9 exclusively for transfers to administrative service  
10 organizations or their financial institutions for payments of  
11 claims to claimants and providers under the self-insurance  
12 health plan. The transferred moneys, and interest accrued  
13 thereon, shall not be used for any other purpose including, but  
14 not limited to, reimbursement of administration fees due the  
15 administrative service organization pursuant to its contract  
16 or contracts with the Department.

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

1 fiscal year. The State Universities Retirement System shall  
2 calculate the amount of actual active employee contributions in  
3 fiscal years 1999 through 2005. Based upon this calculation,  
4 the fiscal year 2008 certification shall include an amount  
5 equal to the cumulative amount that the actual active employee  
6 contributions either fell short of or exceeded the estimate  
7 used by the Board in making the certification for those fiscal  
8 years. The certification shall include a detailed explanation  
9 of the methods and information that the Board relied upon in  
10 preparing its estimate. As soon as possible after the effective  
11 date of this Section, the Board shall submit its estimate for  
12 fiscal year 1999.

13 (d) Beginning in fiscal year 1999, on the first day of each  
14 month, or as soon thereafter as may be practical, the State  
15 Treasurer and the State Comptroller shall transfer from the  
16 General Revenue Fund to the Community College Health Insurance  
17 Security Fund 1/12 of the annual amount appropriated for that  
18 fiscal year to the State Comptroller for deposit into the  
19 Community College Health Insurance Security Fund under Section  
20 1.4 of the State Pension Funds Continuing Appropriation Act.

21 (e) Except where otherwise specified in this Section, the  
22 definitions that apply to Article 15 of the Illinois Pension  
23 Code apply to this Section.

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

25 Section 10. The State Pension Funds Continuing

1 Appropriation Act is amended by changing Section 1.4 as  
2 follows:

3 (40 ILCS 15/1.4)

4 Sec. 1.4. Appropriations for the Community College Health  
5 Insurance Security Fund. Beginning in State fiscal year 1999,  
6 there is hereby appropriated, on a continuing annual basis,  
7 from the General Revenue Fund to the State Comptroller for  
8 deposit into the Community College Health Insurance Security  
9 Fund, an amount equal to the amount certified by the Board of  
10 Trustees of the State Universities Retirement System under  
11 subsection (c) of Section 6.10 of the State Employees Group  
12 Insurance Act of 1971 as the estimated total amount of  
13 contributions to be paid under subsection (a) of that Section  
14 6.10 in that fiscal year. The moneys appropriated under this  
15 Section 1.4 shall be deposited into the Community College  
16 Health Insurance Security Fund and used only for the purposes  
17 authorized in Section 6.9 of the State Employees Group  
18 Insurance Act of 1971. Beginning April 1, 2011, the transfer of  
19 funds by any constitutional officer or legislative body for any  
20 other purpose or program is specifically prohibited.

21 (Source: P.A. 90-497, eff. 8-18-97.)

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



1 (30 ILCS 805/8.35 new)

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

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