



## 100TH GENERAL ASSEMBLY

### State of Illinois

2017 and 2018

SB1317

Introduced 2/9/2017, by Sen. Scott M. Bennett

#### SYNOPSIS AS INTRODUCED:

5 ILCS 375/3  
5 ILCS 375/8

from Ch. 127, par. 523  
from Ch. 127, par. 528

Amends the State Employees Group Insurance Act of 1971. Modifies the term "annuitant" to not include any member of the General Assembly, 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. Provides that eligible members who are members of the General Assembly before the effective date of this amendatory Act may, upon or during retirement from the General Assembly, make an irrevocable election not to participate in the program of health benefits as defined in this Act. Provides that any election not to participate in the program of health benefits made by a member prior to this amendatory Act shall not be considered irrevocable. Provides that the election to not participate must be made during the annual benefit choice period, or upon showing a qualifying change in status, subject to certain specified conditions. Effective immediately.

LRB100 07948 RJF 18022 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 Sections 3 and 8 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). "Annuitant" does not include any member of the General

1 Assembly, or the surviving spouse of such a person, who is  
2 sworn into office for the first time on or after the effective  
3 date of this amendatory Act of the 100th General Assembly, and  
4 retires as a participating member under Article 2 of the  
5 Illinois Pension Code.

6 (b-5) (Blank).

7 (b-6) (Blank).

8 (b-7) (Blank).

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

15 (d) "Compensation" means salary or wages payable on a  
16 regular payroll by the State Treasurer on a warrant of the  
17 State Comptroller out of any State, trust or federal fund, or  
18 by the Governor of the State through a disbursing officer of  
19 the State out of a trust or out of federal funds, or by any  
20 Department out of State, trust, federal or other funds held by  
21 the State Treasurer or the Department, to any person for  
22 personal services currently performed, and ordinary or  
23 accidental disability benefits under Articles 2, 14, 15  
24 (including ordinary or accidental disability benefits under  
25 the optional retirement program established under Section  
26 15-158.2), paragraphs (2), (3), or (5) of Section 16-106, or

1 Article 18 of the Illinois Pension Code, for disability  
2 incurred after January 1, 1966, or benefits payable under the  
3 Workers' Compensation or Occupational Diseases Act or benefits  
4 payable under a sick pay plan established in accordance with  
5 Section 36 of the State Finance Act. "Compensation" also means  
6 salary or wages paid to an employee of any qualified local  
7 government, qualified rehabilitation facility, qualified  
8 domestic violence shelter or service, or qualified child  
9 advocacy center.

10 (e) "Commission" means the State Employees Group Insurance  
11 Advisory Commission authorized by this Act. Commencing July 1,  
12 1984, "Commission" as used in this Act means the Commission on  
13 Government Forecasting and Accountability as established by  
14 the Legislative Commission Reorganization Act of 1984.

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

23 (g) "Department" means any department, institution, board,  
24 commission, officer, court or any agency of the State  
25 government receiving appropriations and having power to  
26 certify payrolls to the Comptroller authorizing payments of

1 salary and wages against such appropriations as are made by the  
2 General Assembly from any State fund, or against trust funds  
3 held by the State Treasurer and includes boards of trustees of  
4 the retirement systems created by Articles 2, 14, 15, 16 and 18  
5 of the Illinois Pension Code. "Department" also includes the  
6 Illinois Comprehensive Health Insurance Board, the Board of  
7 Examiners established under the Illinois Public Accounting  
8 Act, and the Illinois Finance Authority.

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

1 provide documentation as requested by the Department of Central  
2 Management Services and file with the Department any and all  
3 forms required by the Department.

4 (i) "Director" means the Director of the Illinois  
5 Department of Central Management Services.

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

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

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



1 ineligible to participate in the State Universities Retirement  
2 System by clause (4) of subsection (a) of Section 15-107 of the  
3 Illinois Pension Code is also an "employee" for the purposes of  
4 this Act. "Employee" also includes any person receiving or  
5 eligible for benefits under a sick pay plan established in  
6 accordance with Section 36 of the State Finance Act. "Employee"  
7 also includes (i) each officer or employee in the service of a  
8 qualified local government, including persons appointed as  
9 trustees of sanitary districts regardless of hours devoted to  
10 the service of the sanitary district, (ii) each employee in the  
11 service of a qualified rehabilitation facility, (iii) each  
12 full-time employee in the service of a qualified domestic  
13 violence shelter or service, and (iv) each full-time employee  
14 in the service of a qualified child advocacy center, as  
15 determined according to rules promulgated by the Director.

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

1 to participate in the group insurance system under the  
2 applicable retirement system in order for the survivor to be  
3 eligible for group insurance benefits under that system.

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

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

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

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

21 (q) "Survivor" means a person receiving an annuity as a  
22 survivor of an employee or of an annuitant. "Survivor" also  
23 includes: (1) the surviving dependent of a person who satisfies  
24 the definition of "employee" except that such person is made  
25 ineligible to participate in the State Universities Retirement  
26 System by clause (4) of subsection (a) of Section 15-107 of the

1 Illinois Pension Code; (2) the surviving dependent of any  
2 person formerly employed by the University of Illinois in the  
3 Cooperative Extension Service who would be an annuitant except  
4 for the fact that such person was made ineligible to  
5 participate in the State Universities Retirement System by  
6 clause (4) of subsection (a) of Section 15-107 of the Illinois  
7 Pension Code; and (3) the surviving dependent of a person who  
8 was an annuitant under this Act by virtue of receiving an  
9 alternative retirement cancellation payment under Section  
10 14-108.5 of the Illinois Pension Code.

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

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

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

19 (q-5) (Blank).

20 (q-6) (Blank).

21 (q-7) (Blank).

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

25 (s) "Unit of local government" means any county,  
26 municipality, township, school district (including a

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

26 (t) "Qualified rehabilitation facility" means any

1 not-for-profit organization that is accredited by the  
2 Commission on Accreditation of Rehabilitation Facilities or  
3 certified by the Department of Human Services (as successor to  
4 the Department of Mental Health and Developmental  
5 Disabilities) to provide services to persons with disabilities  
6 and which receives funds from the State of Illinois for  
7 providing those services, approved by the Director and  
8 participating in a program created under subsection (j) of  
9 Section 10 of this Act.

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

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

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

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

20 (3) either (i) has at least 8 years of creditable  
21 service under Article 16 of the Illinois Pension Code, or  
22 (ii) was enrolled in the health insurance program offered  
23 under that Article on January 1, 1996, or (iii) is the  
24 survivor of a benefit recipient who had at least 8 years of  
25 creditable service under Article 16 of the Illinois Pension  
26 Code or was enrolled in the health insurance program

1 offered under that Article on the effective date of this  
2 amendatory Act of 1995, or (iv) is a recipient or survivor  
3 of a recipient of a disability benefit under Article 16 of  
4 the Illinois Pension Code.

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

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

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

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

26 (x) "Military leave" refers to individuals in basic

1 training for reserves, special/advanced training, annual  
2 training, emergency call up, activation by the President of the  
3 United States, or any other training or duty in service to the  
4 United States Armed Forces.

5 (y) (Blank).

6 (z) "Community college benefit recipient" means a person  
7 who:

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

9 (2) is receiving a monthly survivor's annuity or  
10 retirement annuity under Article 15 of the Illinois Pension  
11 Code; and

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

25 (aa) "Community college dependent beneficiary" means a  
26 person who:

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

3           (2) is a community college benefit recipient's: (A)  
4           spouse, (B) dependent parent who is receiving at least half  
5           of his or her support from the community college benefit  
6           recipient, or (C) natural, step, adjudicated, or adopted  
7           child who is (i) under age 26, or (ii) age 19 or over and  
8           has a mental or physical disability from a cause  
9           originating prior to the age of 19 (age 26 if enrolled as  
10          an adult child).

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

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

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



1 (5 ILCS 375/8) (from Ch. 127, par. 528)

2 Sec. 8. Eligibility.

3 (a) Each employee eligible under the provisions of this Act  
4 and any rules and regulations promulgated and adopted hereunder  
5 by the Director shall become immediately eligible and covered  
6 for all benefits available under the programs. Employees  
7 electing coverage for eligible dependents shall have the  
8 coverage effective immediately, provided that the election is  
9 properly filed in accordance with required filing dates and  
10 procedures specified by the Director, including the completion  
11 and submission of all documentation and forms required by the  
12 Director.

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

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

1           (3) Eligible and covered members that are eligible for  
2 coverage as dependents except for the fact of being members  
3 shall be transferred to, and covered under, dependent  
4 status regardless of preexisting conditions, waiting  
5 periods, or other requirements that might jeopardize claim  
6 payments to which they would otherwise have been entitled  
7 upon cessation of member status and the election of  
8 dependent coverage by a member eligible to elect that  
9 coverage.

10          (b) New employees shall be immediately insured for the  
11 basic group life insurance and covered by the program of health  
12 benefits on the first day of active State service. Optional  
13 life insurance coverage one to 4 times the basic amount, if  
14 elected during the relevant eligibility period, will become  
15 effective on the date of employment. Optional life insurance  
16 coverage exceeding 4 times the basic amount and all life  
17 insurance amounts applied for after the eligibility period will  
18 be effective, subject to satisfactory evidence of insurability  
19 when applicable, or other necessary qualifications, pursuant  
20 to the requirements of the applicable benefit program, unless  
21 there is a change in status that would confer new eligibility  
22 for change of enrollment under rules established supplementing  
23 this Act, in which event application must be made within the  
24 new eligibility period.

25          (c) As to the group health benefits program contracted to  
26 begin or continue after June 30, 1973, each annuitant,

1 survivor, and retired employee shall become immediately  
2 eligible for all benefits available under that program. Each  
3 annuitant, survivor, and retired employee shall have coverage  
4 effective immediately, provided that the election is properly  
5 filed in accordance with the required filing dates and  
6 procedures specified by the Director, including the completion  
7 and submission of all documentation and forms required by the  
8 Director. Annuitants, survivors, and retired employees may  
9 elect coverage for eligible dependents and shall have the  
10 coverage effective immediately, provided that the election is  
11 properly filed in accordance with required filing dates and  
12 procedures specified by the Director, except that, for a  
13 survivor, the dependent sought to be added on or after the  
14 effective date of this amendatory Act of the 97th General  
15 Assembly must have been eligible for coverage as a dependent  
16 under the deceased member upon whom the survivor's annuity is  
17 based in order to be eligible for coverage under the survivor.

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

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

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

6 (d) Except as provided in subsection (d-3), beginning  
7 ~~Beginning~~ with fiscal year 2003 and for all subsequent years,  
8 eligible members may elect not to participate in the program of  
9 health benefits as defined in this Act. The election must be  
10 made during the annual benefit choice period, subject to the  
11 conditions in this subsection.

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

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

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

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

8           (d-3) Eligible members who are members of the General  
9           Assembly before the effective date of this amendatory Act of  
10           the 100th General Assembly may, upon or during retirement from  
11           the General Assembly, make an irrevocable election not to  
12           participate in the program of health benefits as defined in  
13           this Act, which shall be effective either upon retirement from  
14           the General Assembly or immediately upon election not to  
15           participate, whichever is later. Any election not to  
16           participate in the program of health benefits made by a member  
17           under subsection (d) prior to this amendatory Act of the 100th  
18           General Assembly shall not be considered irrevocable. The  
19           election not to participate under this subsection (d-3) must be  
20           made during the annual benefit choice period, or upon showing a  
21           qualifying change in status, as defined in the U.S. Internal  
22           Revenue Code, subject to the conditions in this subsection  
23           (d-3).

24           (1) Upon retirement, members must furnish proof of  
25           health benefit coverage, either comprehensive major  
26           medical coverage, a comprehensive managed care plan, or

1       eligibility for and enrollment in Medicare, from a source  
2       other than the Department of Central Management Services in  
3       order to elect not to participate in the program.

4       (2) Members who elect not to participate in the program  
5       of health benefits shall be furnished a written explanation  
6       of the requirements, limitations, and irrevocability for  
7       the election not to participate in the program. The  
8       explanation shall also be included in the annual benefit  
9       choice options booklets or any other comparable means of  
10       notification furnished to members.

11       (d-5) Beginning July 1, 2005, the Director may establish a  
12       program of financial incentives to encourage annuitants  
13       receiving a retirement annuity, but who are not eligible for  
14       benefits under the federal Medicare health insurance program  
15       (Title XVIII of the Social Security Act, as added by Public Law  
16       89-97) to elect not to participate in the program of health  
17       benefits provided under this Act. The election by an annuitant  
18       not to participate under this program must be made in  
19       accordance with the requirements set forth under subsection  
20       (d). The financial incentives provided to these annuitants  
21       under the program may not exceed \$150 per month for each  
22       annuitant electing not to participate in the program of health  
23       benefits provided under this Act.

24       (d-6) Beginning July 1, 2013, the Director may establish a  
25       program of financial incentives to encourage annuitants with 20  
26       or more years of creditable service but who are not eligible

1 for benefits under the federal Medicare health insurance  
2 program (Title XVIII of the Social Security Act, as added by  
3 Public Law 89-97) to elect not to participate in the program of  
4 health benefits provided under this Act. The election by an  
5 annuitant not to participate under this program must be made in  
6 accordance with the requirements set forth under subsection  
7 (d). The program established under this subsection (d-6) may  
8 include a prorated incentive for annuitants with fewer than 20  
9 years of creditable service, as determined by the Director. The  
10 financial incentives provided to these annuitants under this  
11 program may not exceed \$500 per month for each annuitant  
12 electing not to participate in the program of health benefits  
13 provided under this Act.

14 (e) Notwithstanding any other provision of this Act or the  
15 rules adopted under this Act, if a person participating in the  
16 program of health benefits as the dependent spouse of an  
17 eligible member becomes an annuitant, the person may elect, at  
18 the time of becoming an annuitant or during any subsequent  
19 annual benefit choice period, to continue participation as a  
20 dependent rather than as an eligible member for as long as the  
21 person continues to be an eligible dependent. In order to be  
22 eligible to make such an election, the person must have been  
23 enrolled as a dependent under the program of health benefits  
24 for no less than one year prior to becoming an annuitant.

25 An eligible member who has elected to participate as a  
26 dependent may re-enroll in the program of health benefits as an

1 eligible member (i) during any subsequent annual benefit choice  
2 period or (ii) upon showing a qualifying change in status, as  
3 defined in the U.S. Internal Revenue Code, without evidence of  
4 insurability and with no limitations on coverage for  
5 pre-existing conditions.

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

13 (Source: P.A. 97-668, eff. 1-13-12; 98-19, eff. 6-10-13.)

14 Section 99. Effective date. This Act takes effect upon  
15 becoming law.