

1 AN ACT concerning employment.

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

1 sponsored by a governmental employer other than the State of
2 Illinois and who has irrevocably elected to waive his or her
3 coverage under this Act and to have his or her spouse
4 considered as the "annuitant" under this Act and not as a
5 "dependent"; or (5) an employee who retires, or has retired,
6 from a qualified position, as determined according to rules
7 promulgated by the Director, under a qualified local
8 government, a qualified rehabilitation facility, a qualified
9 domestic violence shelter or service, or a qualified child
10 advocacy center. (For definition of "retired employee", see
11 (p) post).

12 (b-5) (Blank).

13 (b-6) (Blank).

14 (b-7) (Blank).

15 (c) "Carrier" means (1) an insurance company, a
16 corporation organized under the Limited Health Service
17 Organization Act or the Voluntary Health Services Plans Act, a
18 partnership, or other nongovernmental organization, which is
19 authorized to do group life or group health insurance business
20 in Illinois, or (2) the State of Illinois as a self-insurer.

21 (d) "Compensation" means salary or wages payable on a
22 regular payroll by the State Treasurer on a warrant of the
23 State Comptroller out of any State, trust or federal fund, or
24 by the Governor of the State through a disbursing officer of
25 the State out of a trust or out of federal funds, or by any
26 Department out of State, trust, federal or other funds held by

1 the State Treasurer or the Department, to any person for
2 personal services currently performed, and ordinary or
3 accidental disability benefits under Articles 2, 14, 15
4 (including ordinary or accidental disability benefits under
5 the optional retirement program established under Section
6 15-158.2), ~~paragraph paragraphs~~ (2), (3), or (5) of Section
7 16-106, or Article 18 of the Illinois Pension Code, for
8 disability incurred after January 1, 1966, or benefits payable
9 under the Workers' Compensation or Occupational Diseases Act
10 or benefits payable under a sick pay plan established in
11 accordance with Section 36 of the State Finance Act.
12 "Compensation" also means salary or wages paid to an employee
13 of any qualified local government, qualified rehabilitation
14 facility, qualified domestic violence shelter or service, or
15 qualified child advocacy center.

16 (e) "Commission" means the State Employees Group Insurance
17 Advisory Commission authorized by this Act. Commencing July 1,
18 1984, "Commission" as used in this Act means the Commission on
19 Government Forecasting and Accountability as established by
20 the Legislative Commission Reorganization Act of 1984.

21 (f) "Contributory", when referred to as contributory
22 coverage, shall mean optional coverages or benefits elected by
23 the member toward the cost of which such member makes
24 contribution, or which are funded in whole or in part through
25 the acceptance of a reduction in earnings or the foregoing of
26 an increase in earnings by an employee, as distinguished from

1 noncontributory coverage or benefits which are paid entirely
2 by the State of Illinois without reduction of the member's
3 salary.

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

16 (h) "Dependent", when the term is used in the context of
17 the health and life plan, means a member's spouse and any child
18 (1) from birth to age 26 including an adopted child, a child
19 who lives with the member from the time of the placement for
20 adoption until entry of an order of adoption, a stepchild or
21 adjudicated child, or a child who lives with the member if such
22 member is a court appointed guardian of the child or (2) age 19
23 or over who has a mental or physical disability from a cause
24 originating prior to the age of 19 (age 26 if enrolled as an
25 adult child dependent). For the health plan only, the term
26 "dependent" also includes (1) any person enrolled prior to the

1 effective date of this Section who is dependent upon the
2 member to the extent that the member may claim such person as a
3 dependent for income tax deduction purposes and (2) any person
4 who has received after June 30, 2000 an organ transplant and
5 who is financially dependent upon the member and eligible to
6 be claimed as a dependent for income tax purposes. A member
7 requesting to cover any dependent must provide documentation
8 as requested by the Department of Central Management Services
9 and file with the Department any and all forms required by the
10 Department.

11 (i) "Director" means the Director of the Illinois
12 Department of Central Management Services.

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

16 (k) "Employee" means and includes each officer or employee
17 in the service of a department who (1) receives his
18 compensation for service rendered to the department on a
19 warrant issued pursuant to a payroll certified by a department
20 or on a warrant or check issued and drawn by a department upon
21 a trust, federal or other fund or on a warrant issued pursuant
22 to a payroll certified by an elected or duly appointed officer
23 of the State or who receives payment of the performance of
24 personal services on a warrant issued pursuant to a payroll
25 certified by a Department and drawn by the Comptroller upon
26 the State Treasurer against appropriations made by the General

1 Assembly from any fund or against trust funds held by the State
2 Treasurer, and (2) is employed full-time or part-time in a
3 position normally requiring actual performance of duty during
4 not less than 1/2 of a normal work period, as established by
5 the Director in cooperation with each department, except that
6 persons elected by popular vote will be considered employees
7 during the entire term for which they are elected regardless
8 of hours devoted to the service of the State, and (3) except
9 that "employee" does not include any person who is not
10 eligible by reason of such person's employment to participate
11 in one of the State retirement systems under Articles 2, 14, 15
12 (either the regular Article 15 system or the optional
13 retirement program established under Section 15-158.2), or 18,
14 or under paragraph (2), (3), or (5) of Section 16-106, of the
15 Illinois Pension Code, but such term does include persons who
16 are employed during the 6-month ~~6-month~~ qualifying period
17 under Article 14 of the Illinois Pension Code. Such term also
18 includes any person who (1) after January 1, 1966, is
19 receiving ordinary or accidental disability benefits under
20 Articles 2, 14, 15 (including ordinary or accidental
21 disability benefits under the optional retirement program
22 established under Section 15-158.2), paragraph ~~paragraphs~~ (2),
23 (3), or (5) of Section 16-106, or Article 18 of the Illinois
24 Pension Code, for disability incurred after January 1, 1966,
25 (2) receives total permanent or total temporary disability
26 under the Workers' Compensation Act or Occupational Disease

1 Act as a result of injuries sustained or illness contracted in
2 the course of employment with the State of Illinois, or (3) is
3 not otherwise covered under this Act and has retired as a
4 participating member under Article 2 of the Illinois Pension
5 Code but is ineligible for the retirement annuity under
6 Section 2-119 of the Illinois Pension Code. However, a person
7 who satisfies the criteria of the foregoing definition of
8 "employee" except that such person is made ineligible to
9 participate in the State Universities Retirement System by
10 clause (4) of subsection (a) of Section 15-107 of the Illinois
11 Pension Code is also an "employee" for the purposes of this
12 Act. "Employee" also includes any person receiving or eligible
13 for benefits under a sick pay plan established in accordance
14 with Section 36 of the State Finance Act. "Employee" also
15 includes (i) each officer or employee in the service of a
16 qualified local government, including persons appointed as
17 trustees of sanitary districts regardless of hours devoted to
18 the service of the sanitary district, (ii) each employee in
19 the service of a qualified rehabilitation facility, (iii) each
20 full-time employee in the service of a qualified domestic
21 violence shelter or service, and (iv) each full-time employee
22 in the service of a qualified child advocacy center, as
23 determined according to rules promulgated by the Director.

24 (1) "Member" means an employee, annuitant, retired
25 employee, or survivor. In the case of an annuitant or retired
26 employee who first becomes an annuitant or retired employee on

1 or after January 13, 2012 (the effective date of Public Act
2 97-668), the individual must meet the minimum vesting
3 requirements of the applicable retirement system in order to
4 be eligible for group insurance benefits under that system. In
5 the case of a survivor who is not entitled to occupational
6 death benefits pursuant to an applicable retirement system or
7 death benefits pursuant to the Illinois Workers' Compensation
8 Act, and who first becomes a survivor on or after January 13,
9 2012 (the effective date of Public Act 97-668), the deceased
10 employee, annuitant, or retired employee upon whom the annuity
11 is based must have been eligible to participate in the group
12 insurance system under the applicable retirement system in
13 order for the survivor to be eligible for group insurance
14 benefits under that system.

15 In the case of a survivor who is entitled to occupational
16 death benefits pursuant to the deceased employee's applicable
17 retirement system or death benefits pursuant to the Illinois
18 Workers' Compensation Act, and first becomes a survivor on or
19 after January 1, 2022, the survivor is eligible for group
20 health insurance benefits regardless of the deceased
21 employee's minimum vesting requirements under the applicable
22 retirement system, with a State contribution rate of 100%,
23 until an unmarried child dependent reaches the age of 18, or
24 the age of 22 if the dependent child is a full-time student, or
25 until the adult survivor becomes eligible for benefits under
26 the federal Medicare health insurance program (Title XVIII of

1 the Social Security Act, as added by Public Law 89-97). In the
2 case of a survivor currently receiving occupational death
3 benefits pursuant to the deceased employee's applicable
4 retirement system or has received death benefits pursuant to
5 the Illinois Workers' Compensation Act, who first became a
6 survivor prior to January 1, 2022, the survivor is eligible
7 for group health insurance benefits regardless of the deceased
8 employee's minimum vesting requirements under the applicable
9 retirement system, with a State contribution rate of 100%,
10 until an unmarried child dependent reaches the age of 18, or
11 the age of 22 if the dependent child is a full-time student, or
12 until the adult survivor becomes eligible for benefits under
13 the federal Medicare health insurance program (Title XVIII of
14 the Social Security Act, as added by Public Law 89-97). The
15 changes made by this amendatory Act of the 102nd General
16 Assembly with respect to survivors who first became survivors
17 prior to January 1, 2022 shall apply upon request of the
18 survivor on or after the effective date of this amendatory Act
19 of the 102nd General Assembly.

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

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

26 (o) "Health plan" means a health benefits program offered

1 by the State of Illinois for persons eligible for the plan.

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

11 (q) "Survivor" means a person receiving an annuity as a
12 survivor of an employee or of an annuitant. "Survivor" also
13 includes: (1) the surviving dependent of a person who
14 satisfies the definition of "employee" except that such person
15 is made ineligible to participate in the State Universities
16 Retirement System by clause (4) of subsection (a) of Section
17 15-107 of the Illinois Pension Code; (2) the surviving
18 dependent of any person formerly employed by the University of
19 Illinois in the Cooperative Extension Service who would be an
20 annuitant except for the fact that such person was made
21 ineligible to participate in the State Universities Retirement
22 System by clause (4) of subsection (a) of Section 15-107 of the
23 Illinois Pension Code; (3) the surviving dependent of a person
24 who was an annuitant under this Act by virtue of receiving an
25 alternative retirement cancellation payment under Section
26 14-108.5 of the Illinois Pension Code; and (4) a person who

1 would be receiving an annuity as a survivor of an annuitant
2 except that the annuitant elected on or after June 4, 2018 to
3 receive an accelerated pension benefit payment under Section
4 14-147.5, 15-185.5, or 16-190.5 of the Illinois Pension Code
5 in lieu of receiving an annuity.

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
24 as 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 or
15 would be receiving such monthly benefit or retirement
16 annuity except that the benefit recipient elected on or
17 after June 4, 2018 to receive an accelerated pension
18 benefit payment under Section 16-190.5 of the Illinois
19 Pension Code in lieu of receiving an annuity; 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
26 Pension Code or was enrolled in the health insurance

1 program offered under that Article on June 21, 1995 (the
2 effective date of Public Act 89-25), or (iv) is a
3 recipient or survivor of a recipient of a disability
4 benefit under Article 16 of the Illinois Pension Code.

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

6 (1) is not a "member" or "dependent" as defined in
7 this 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)
11 natural, step, adjudicated, or adopted child who is (i)
12 under age 26, (ii) was, on January 1, 1996, participating
13 as a 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 January 13, 2012 (the effective date of Public Act 97-668)
23 unless that dependent would have been eligible for coverage as
24 a dependent of the deceased TRS benefit recipient upon whom
25 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
3 the United States, or any other training or duty in service to
4 the 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
11 Pension Code or would be receiving such monthly survivor's
12 annuity or retirement annuity except that the benefit
13 recipient elected on or after June 4, 2018 to receive an
14 accelerated pension benefit payment under Section 15-185.5
15 of the Illinois Pension Code in lieu of receiving an
16 annuity; and

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

1 Public Community College Act) or an association of
2 community college boards, or (ii) is the survivor of a
3 person described in item (i).

4 (aa) "Community college dependent beneficiary" means a
5 person who:

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

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

16 "Community college dependent beneficiary" does not
17 include, as indicated under paragraph (2) of this subsection
18 (aa), a dependent of the survivor of a community college
19 benefit recipient who first becomes a dependent of a survivor
20 of a community college benefit recipient on or after January
21 13, 2012 (the effective date of Public Act 97-668) unless that
22 dependent would have been eligible for coverage as a dependent
23 of the deceased community college benefit recipient upon whom
24 the survivor annuity is based.

25 (bb) "Qualified child advocacy center" means any Illinois
26 child advocacy center and its administrative offices funded by

1 the Department of Children and Family Services, as defined by
2 the Children's Advocacy Center Act (55 ILCS 80/), approved by
3 the Director and participating in a program created under
4 subsection (n) of Section 10.

5 (cc) "Placement for adoption" means the assumption and
6 retention by a member of a legal obligation for total or
7 partial support of a child in anticipation of adoption of the
8 child. The child's placement with the member terminates upon
9 the termination of such legal obligation.

10 (Source: P.A. 101-242, eff. 8-9-19; 102-558, eff. 8-20-21;
11 revised 12-2-21.)

12 Section 99. Effective date. This Act takes effect upon
13 becoming law.