



Rep. Lee A. Daniels

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1 AMENDMENT TO HOUSE BILL 3174

2 AMENDMENT NO. _____. Amend House Bill 3174 by replacing
3 everything after the enacting clause with the following:

4 "Section 5. The State Employees Group Insurance Act of 1971
5 is amended by changing Section 3 as follows:

6 (5 ILCS 375/3) (from Ch. 127, par. 523)

7 Sec. 3. Definitions. Unless the context otherwise
8 requires, the following words and phrases as used in this Act
9 shall have the following meanings. The Department may define
10 these and other words and phrases separately for the purpose of
11 implementing specific programs providing benefits under this
12 Act.

13 (a) "Administrative service organization" means any
14 person, firm or corporation experienced in the handling of
15 claims which is fully qualified, financially sound and capable
16 of meeting the service requirements of a contract of
17 administration executed with the Department.

18 (b) "Annuitant" means (1) an employee who retires, or has
19 retired, on or after January 1, 1966 on an immediate annuity
20 under the provisions of Articles 2, 14 (including an employee
21 who has elected to receive an alternative retirement
22 cancellation payment under Section 14-108.5 of the Illinois
23 Pension Code in lieu of an annuity), 15 (including an employee
24 who has retired under the optional retirement program

1 established under Section 15-158.2), paragraphs (2), (3), or
2 (5) of Section 16-106, or Article 18 of the Illinois Pension
3 Code; (2) any person who was receiving group insurance coverage
4 under this Act as of March 31, 1978 by reason of his status as
5 an annuitant, even though the annuity in relation to which such
6 coverage was provided is a proportional annuity based on less
7 than the minimum period of service required for a retirement
8 annuity in the system involved; (3) any person not otherwise
9 covered by this Act who has retired as a participating member
10 under Article 2 of the Illinois Pension Code but is ineligible
11 for the retirement annuity under Section 2-119 of the Illinois
12 Pension Code; (4) the spouse of any person who is receiving a
13 retirement annuity under Article 18 of the Illinois Pension
14 Code and who is covered under a group health insurance program
15 sponsored by a governmental employer other than the State of
16 Illinois and who has irrevocably elected to waive his or her
17 coverage under this Act and to have his or her spouse
18 considered as the "annuitant" under this Act and not as a
19 "dependent"; or (5) an employee who retires, or has retired,
20 from a qualified position, as determined according to rules
21 promulgated by the Director, under a qualified local government
22 or a qualified rehabilitation facility or a qualified domestic
23 violence shelter or service. (For definition of "retired
24 employee", see (p) post).

25 (b-5) "New SERS annuitant" means a person who, on or after
26 January 1, 1998, becomes an annuitant, as defined in subsection
27 (b), by virtue of beginning to receive a retirement annuity
28 under Article 14 of the Illinois Pension Code (including an
29 employee who has elected to receive an alternative retirement
30 cancellation payment under Section 14-108.5 of that Code in
31 lieu of an annuity), and is eligible to participate in the
32 basic program of group health benefits provided for annuitants
33 under this Act.

34 (b-6) "New SURS annuitant" means a person who (1) on or

1 after January 1, 1998, becomes an annuitant, as defined in
2 subsection (b), by virtue of beginning to receive a retirement
3 annuity under Article 15 of the Illinois Pension Code, (2) has
4 not made the election authorized under Section 15-135.1 of the
5 Illinois Pension Code, and (3) is eligible to participate in
6 the basic program of group health benefits provided for
7 annuitants under this Act.

8 (b-7) "New TRS State annuitant" means a person who, on or
9 after July 1, 1998, becomes an annuitant, as defined in
10 subsection (b), by virtue of beginning to receive a retirement
11 annuity under Article 16 of the Illinois Pension Code based on
12 service as a teacher as defined in paragraph (2), (3), or (5)
13 of Section 16-106 of that Code, and is eligible to participate
14 in the basic program of group health benefits provided for
15 annuitants under this Act.

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

22 (d) "Compensation" means salary or wages payable on a
23 regular payroll by the State Treasurer on a warrant of the
24 State Comptroller out of any State, trust or federal fund, or
25 by the Governor of the State through a disbursing officer of
26 the State out of a trust or out of federal funds, or by any
27 Department out of State, trust, federal or other funds held by
28 the State Treasurer or the Department, to any person for
29 personal services currently performed, and ordinary or
30 accidental disability benefits under Articles 2, 14, 15
31 (including ordinary or accidental disability benefits under
32 the optional retirement program established under Section
33 15-158.2), paragraphs (2), (3), or (5) of Section 16-106, or
34 Article 18 of the Illinois Pension Code, for disability

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

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

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

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

33 (h) "Dependent", when the term is used in the context of
34 the health and life plan, means a member's spouse and any

1 unmarried child (1) from birth to age 19 including an adopted
2 child, a child who lives with the member from the time of the
3 filing of a petition for adoption until entry of an order of
4 adoption, a stepchild or recognized child who lives with the
5 member in a parent-child relationship, or a child who lives
6 with the member if such member is a court appointed guardian of
7 the child, or (2) age 19 to 23 enrolled as a full-time student
8 in any accredited school, financially dependent upon the
9 member, and eligible to be claimed as a dependent for income
10 tax purposes, or (3) age 19 or over who is mentally or
11 physically handicapped. For the health plan only, the term
12 "dependent" also includes any person enrolled prior to the
13 effective date of this Section who is dependent upon the member
14 to the extent that the member may claim such person as a
15 dependent for income tax deduction purposes; no other such
16 person may be enrolled. For the health plan only, the term
17 "dependent" also includes any person who has received after
18 June 30, 2000 an organ transplant and who is financially
19 dependent upon the member and eligible to be claimed as a
20 dependent for income tax purposes.

21 (i) "Director" means the Director of the Illinois
22 Department of Central Management Services.

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

26 (k) "Employee" means and includes each officer or employee
27 in the service of a department who (1) receives his
28 compensation for service rendered to the department on a
29 warrant issued pursuant to a payroll certified by a department
30 or on a warrant or check issued and drawn by a department upon
31 a trust, federal or other fund or on a warrant issued pursuant
32 to a payroll certified by an elected or duly appointed officer
33 of the State or who receives payment of the performance of
34 personal services on a warrant issued pursuant to a payroll

1 certified by a Department and drawn by the Comptroller upon the
2 State Treasurer against appropriations made by the General
3 Assembly from any fund or against trust funds held by the State
4 Treasurer, and (2) is employed full-time or part-time in a
5 position normally requiring actual performance of duty during
6 not less than 1/2 of a normal work period, as established by
7 the Director in cooperation with each department, except that
8 persons elected by popular vote will be considered employees
9 during the entire term for which they are elected regardless of
10 hours devoted to the service of the State, and (3) except that
11 "employee" does not include any person who is not eligible by
12 reason of such person's employment to participate in one of the
13 State retirement systems under Articles 2, 14, 15 (either the
14 regular Article 15 system or the optional retirement program
15 established under Section 15-158.2) or 18, or under paragraph
16 (2), (3), or (5) of Section 16-106, of the Illinois Pension
17 Code, but such term does include persons who are employed
18 during the 6 month qualifying period under Article 14 of the
19 Illinois Pension Code. Such term also includes any person who
20 (1) after January 1, 1966, is receiving ordinary or accidental
21 disability benefits under Articles 2, 14, 15 (including
22 ordinary or accidental disability benefits under the optional
23 retirement program established under Section 15-158.2),
24 paragraphs (2), (3), or (5) of Section 16-106, or Article 18 of
25 the Illinois Pension Code, for disability incurred after
26 January 1, 1966, (2) receives total permanent or total
27 temporary disability under the Workers' Compensation Act or
28 Occupational Disease Act as a result of injuries sustained or
29 illness contracted in the course of employment with the State
30 of Illinois, or (3) is not otherwise covered under this Act and
31 has retired as a participating member under Article 2 of the
32 Illinois Pension Code but is ineligible for the retirement
33 annuity under Section 2-119 of the Illinois Pension Code.
34 However, a person who satisfies the criteria of the foregoing

1 definition of "employee" except that such person is made
2 ineligible to participate in the State Universities Retirement
3 System by clause (4) of subsection (a) of Section 15-107 of the
4 Illinois Pension Code is also an "employee" for the purposes of
5 this Act. "Employee" also includes any person receiving or
6 eligible for benefits under a sick pay plan established in
7 accordance with Section 36 of the State Finance Act. "Employee"
8 also includes each officer or employee in the service of a
9 qualified local government, including persons appointed as
10 trustees of sanitary districts regardless of hours devoted to
11 the service of the sanitary district, and each employee in the
12 service of a qualified rehabilitation facility and each
13 full-time employee in the service of a qualified domestic
14 violence shelter or service, as determined according to rules
15 promulgated by the Director. "Employee" also includes each
16 employee in the service of a qualified human services provider,
17 as determined by rules promulgated by the Director; provided
18 that the qualified human services provider has opted for the
19 inclusion of its employees within the term "employee".

20 (l) "Member" means an employee, annuitant, retired
21 employee or survivor.

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

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

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

30 (p) "Retired employee" means any person who would be an
31 annuitant as that term is defined herein but for the fact that
32 such person retired prior to January 1, 1966. Such term also
33 includes any person formerly employed by the University of
34 Illinois in the Cooperative Extension Service who would be an

1 annuitant but for the fact that such person was made ineligible
2 to participate in the State Universities Retirement System by
3 clause (4) of subsection (a) of Section 15-107 of the Illinois
4 Pension Code.

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

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

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

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

29 (q-5) "New SERS survivor" means a survivor, as defined in
30 subsection (q), whose annuity is paid under Article 14 of the
31 Illinois Pension Code and is based on the death of (i) an
32 employee whose death occurs on or after January 1, 1998, or
33 (ii) a new SERS annuitant as defined in subsection (b-5). "New
34 SERS survivor" includes the surviving dependent of a person who

1 was an annuitant under this Act by virtue of receiving an
2 alternative retirement cancellation payment under Section
3 14-108.5 of the Illinois Pension Code.

4 (q-6) "New SURS survivor" means a survivor, as defined in
5 subsection (q), whose annuity is paid under Article 15 of the
6 Illinois Pension Code and is based on the death of (i) an
7 employee whose death occurs on or after January 1, 1998, or
8 (ii) a new SURS annuitant as defined in subsection (b-6).

9 (q-7) "New TRS State survivor" means a survivor, as defined
10 in subsection (q), whose annuity is paid under Article 16 of
11 the Illinois Pension Code and is based on the death of (i) an
12 employee who is a teacher as defined in paragraph (2), (3), or
13 (5) of Section 16-106 of that Code and whose death occurs on or
14 after July 1, 1998, or (ii) a new TRS State annuitant as
15 defined in subsection (b-7).

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

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

1 promote cooperation between and among municipalities that
2 provide utility services and for the advancement of the goals
3 and purposes of its membership; the Southern Illinois
4 Collegiate Common Market, which is a consortium of higher
5 education institutions in Southern Illinois; and the Illinois
6 Association of Park Districts. "Qualified local government"
7 means a unit of local government approved by the Director and
8 participating in a program created under subsection (i) of
9 Section 10 of this Act.

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

20 (t-1) "Qualified human services provider" means any
21 provider of human services that is certified by the Department
22 of Human Services to provide human services; that receives at
23 least 51% of its operating funds from the State of Illinois for
24 providing those services, approved by the Director; and that
25 has employees within the definition of "employee" under
26 subsection (k) of this Section.

27 (u) "Qualified domestic violence shelter or service" means
28 any Illinois domestic violence shelter or service and its
29 administrative offices funded by the Department of Human
30 Services (as successor to the Illinois Department of Public
31 Aid), approved by the Director and participating in a program
32 created under subsection (k) of Section 10.

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

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

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

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

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

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

17 (2) is a TRS benefit recipient's: (A) spouse, (B)
18 dependent parent who is receiving at least half of his or
19 her support from the TRS benefit recipient, or (C)
20 unmarried natural or adopted child who is (i) under age 19,
21 or (ii) enrolled as a full-time student in an accredited
22 school, financially dependent upon the TRS benefit
23 recipient, eligible to be claimed as a dependent for income
24 tax purposes, and either is under age 24 or was, on January
25 1, 1996, participating as a dependent beneficiary in the
26 health insurance program offered under Article 16 of the
27 Illinois Pension Code, or (iii) age 19 or over who is
28 mentally or physically handicapped.

29 (x) "Military leave with pay and benefits" refers to
30 individuals in basic training for reserves, special/advanced
31 training, annual training, emergency call up, or activation by
32 the President of the United States with approved pay and
33 benefits.

34 (y) "Military leave without pay and benefits" refers to

1 individuals who enlist for active duty in a regular component
2 of the U.S. Armed Forces or other duty not specified or
3 authorized under military leave with pay and benefits.

4 (z) "Community college benefit recipient" means a person
5 who:

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

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

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

23 (aa) "Community college dependent beneficiary" means a
24 person who:

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

27 (2) is a community college benefit recipient's: (A)
28 spouse, (B) dependent parent who is receiving at least half
29 of his or her support from the community college benefit
30 recipient, or (C) unmarried natural or adopted child who is
31 (i) under age 19, or (ii) enrolled as a full-time student
32 in an accredited school, financially dependent upon the
33 community college benefit recipient, eligible to be
34 claimed as a dependent for income tax purposes and under

1 age 23, or (iii) age 19 or over and mentally or physically
2 handicapped.

3 (Source: P.A. 92-16, eff. 6-28-01; 92-186, eff. 1-1-02; 92-204,
4 eff. 8-1-01; 92-651, eff. 7-11-02; 93-205, eff. 1-1-04; 93-839,
5 eff. 7-30-04; 93-1067, eff. 1-15-05.)".