



Sen. Jeffrey M. Schoenberg

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1 AMENDMENT TO SENATE BILL 1449

2 AMENDMENT NO. \_\_\_\_\_. Amend Senate Bill 1449 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". The  
20 changes made to this subsection (k) by this amendatory Act of  
21 the 94th General Assembly are inoperative after December 31,  
22 2009.

23 (l) "Member" means an employee, annuitant, retired  
24 employee or survivor.

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

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

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

33 (p) "Retired employee" means any person who would be an  
34 annuitant as that term is defined herein but for the fact that

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

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

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

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

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

32 (q-5) "New SERS survivor" means a survivor, as defined in  
33 subsection (q), whose annuity is paid under Article 14 of the  
34 Illinois Pension Code and is based on the death of (i) an



1 employee whose death occurs on or after January 1, 1998, or  
2 (ii) a new SERS annuitant as defined in subsection (b-5). "New  
3 SERS survivor" includes the surviving dependent of a person who  
4 was an annuitant under this Act by virtue of receiving an  
5 alternative retirement cancellation payment under Section  
6 14-108.5 of the Illinois Pension Code.

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

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

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

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

1 with a membership consisting primarily of municipalities, that  
2 operates its own utility system, and provides research,  
3 training, dissemination of information, or other acts to  
4 promote cooperation between and among municipalities that  
5 provide utility services and for the advancement of the goals  
6 and purposes of its membership; the Southern Illinois  
7 Collegiate Common Market, which is a consortium of higher  
8 education institutions in Southern Illinois; and the Illinois  
9 Association of Park Districts. "Qualified local government"  
10 means a unit of local government approved by the Director and  
11 participating in a program created under subsection (i) of  
12 Section 10 of this Act.

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

23 (t-1) "Qualified human services provider" means any  
24 provider of human services that is certified by the Department  
25 of Human Services to provide human services; that receives an  
26 average of at least 51% of its operating funds from the State  
27 of Illinois for providing those services for the 3 fiscal years  
28 prior to the provider's application for coverage, approved by  
29 the Director; and that has employees within the definition of  
30 "employee" under subsection (k) of this Section. Qualified  
31 human service providers opting for inclusion of their employees  
32 within the term "employee" are responsible for paying the  
33 employer share of premiums under the program. The provisions of  
34 this subsection (t-1) are inoperative after December 31, 2009.

1 (u) "Qualified domestic violence shelter or service" means  
2 any Illinois domestic violence shelter or service and its  
3 administrative offices funded by the Department of Human  
4 Services (as successor to the Illinois Department of Public  
5 Aid), approved by the Director and participating in a program  
6 created under subsection (k) of Section 10.

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

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

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

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

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

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

25 (2) is a TRS benefit recipient's: (A) spouse, (B)  
26 dependent parent who is receiving at least half of his or  
27 her support from the TRS benefit recipient, or (C)  
28 unmarried natural or adopted child who is (i) under age 19,  
29 or (ii) enrolled as a full-time student in an accredited  
30 school, financially dependent upon the TRS benefit  
31 recipient, eligible to be claimed as a dependent for income  
32 tax purposes, and either is under age 24 or was, on January  
33 1, 1996, participating as a dependent beneficiary in the  
34 health insurance program offered under Article 16 of the

1 Illinois Pension Code, or (iii) age 19 or over who is  
2 mentally or physically handicapped.

3 (x) "Military leave with pay and benefits" refers to  
4 individuals in basic training for reserves, special/advanced  
5 training, annual training, emergency call up, or activation by  
6 the President of the United States with approved pay and  
7 benefits.

8 (y) "Military leave without pay and benefits" refers to  
9 individuals who enlist for active duty in a regular component  
10 of the U.S. Armed Forces or other duty not specified or  
11 authorized under military leave with pay and benefits.

12 (z) "Community college benefit recipient" means a person  
13 who:

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

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

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

31 (aa) "Community college dependent beneficiary" means a  
32 person who:

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

1           (2) is a community college benefit recipient's: (A)  
2 spouse, (B) dependent parent who is receiving at least half  
3 of his or her support from the community college benefit  
4 recipient, or (C) unmarried natural or adopted child who is  
5 (i) under age 19, or (ii) enrolled as a full-time student  
6 in an accredited school, financially dependent upon the  
7 community college benefit recipient, eligible to be  
8 claimed as a dependent for income tax purposes and under  
9 age 23, or (iii) age 19 or over and mentally or physically  
10 handicapped.

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

14           Section 99. Effective date. This Act takes effect January  
15 1, 2006."