

1 AN ACT concerning insurance.

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 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).

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

10 (b-6) "New SURS annuitant" means a person who (1) on or  
11 after January 1, 1998, becomes an annuitant, as defined in  
12 subsection (b), by virtue of beginning to receive a retirement  
13 annuity under Article 15 of the Illinois Pension Code, (2) has  
14 not made the election authorized under Section 15-135.1 of the  
15 Illinois Pension Code, and (3) is eligible to participate in  
16 the basic program of group health benefits provided for  
17 annuitants under this Act.

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

26 (c) "Carrier" means (1) an insurance company, a corporation

1 organized under the Limited Health Service Organization Act or  
2 the Voluntary Health Services Plan Act, a partnership, or other  
3 nongovernmental organization, which is authorized to do group  
4 life or group health insurance business in Illinois, or (2) the  
5 State of Illinois as a self-insurer.

6 (d) "Compensation" means salary or wages payable on a  
7 regular payroll by the State Treasurer on a warrant of the  
8 State Comptroller out of any State, trust or federal fund, or  
9 by the Governor of the State through a disbursing officer of  
10 the State out of a trust or out of federal funds, or by any  
11 Department out of State, trust, federal or other funds held by  
12 the State Treasurer or the Department, to any person for  
13 personal services currently performed, and ordinary or  
14 accidental disability benefits under Articles 2, 14, 15  
15 (including ordinary or accidental disability benefits under  
16 the optional retirement program established under Section  
17 15-158.2), paragraphs (2), (3), or (5) of Section 16-106, or  
18 Article 18 of the Illinois Pension Code, for disability  
19 incurred after January 1, 1966, or benefits payable under the  
20 Workers' Compensation or Occupational Diseases Act or benefits  
21 payable under a sick pay plan established in accordance with  
22 Section 36 of the State Finance Act. "Compensation" also means  
23 salary or wages paid to an employee of any qualified local  
24 government, qualified rehabilitation facility, qualified  
25 domestic violence shelter or service, or qualified child  
26 advocacy center.

1           (e) "Commission" means the State Employees Group Insurance  
2 Advisory Commission authorized by this Act. Commencing July 1,  
3 1984, "Commission" as used in this Act means the Commission on  
4 Government Forecasting and Accountability as established by  
5 the Legislative Commission Reorganization Act of 1984.

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

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

26           (h) "Dependent", when the term is used in the context of

1 the health and life plan, means a member's spouse and any  
2 ~~unmarried~~ child (1) from birth to age 24, ~~19~~ including an  
3 adopted child, a child who lives with the member from the time  
4 of the filing of a petition for adoption until entry of an  
5 order of adoption, a stepchild or recognized child who lives  
6 with the member in a parent-child relationship, or a child who  
7 lives with the member if such member is a court appointed  
8 guardian of the child, or (2) ~~age 19 to 23 enrolled as a~~  
9 ~~full time student in any accredited school, financially~~  
10 ~~dependent upon the member, and eligible to be claimed as a~~  
11 ~~dependent for income tax purposes, or (3) age 19 or over who is~~  
12 ~~mentally or physically handicapped. For the purposes of item~~  
13 ~~(2), an unmarried child age 19 to 23 who is a member of the~~  
14 ~~United States Armed Services, including the Illinois National~~  
15 ~~Guard, and is mobilized to active duty shall qualify as a~~  
16 ~~dependent beyond the age of 23 and until the age of 25 and~~  
17 ~~while a full time student for the amount of time spent on~~  
18 ~~active duty between the ages of 19 and 23. The individual~~  
19 ~~attempting to qualify for this additional time must submit~~  
20 ~~written documentation of active duty service to the Director.~~  
21 ~~The changes made by this amendatory Act of the 94th General~~  
22 ~~Assembly apply only to individuals mobilized to active duty in~~  
23 ~~the United States Armed Services, including the Illinois~~  
24 ~~National Guard, on or after January 1, 2002.~~ For the health  
25 plan only, the term "dependent" also includes any person  
26 enrolled prior to the effective date of this Section who is

1 dependent upon the member to the extent that the member may  
2 claim such person as a dependent for income tax deduction  
3 purposes; no other such person may be enrolled. For the health  
4 plan only, the term "dependent" also includes any person who  
5 has received after June 30, 2000 an organ transplant and who is  
6 financially dependent upon the member and eligible to be  
7 claimed as a dependent for income tax purposes.

8 (i) "Director" means the Director of the Illinois  
9 Department of Central Management Services.

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

13 (k) "Employee" means and includes each officer or employee  
14 in the service of a department who (1) receives his  
15 compensation for service rendered to the department on a  
16 warrant issued pursuant to a payroll certified by a department  
17 or on a warrant or check issued and drawn by a department upon  
18 a trust, federal or other fund or on a warrant issued pursuant  
19 to a payroll certified by an elected or duly appointed officer  
20 of the State or who receives payment of the performance of  
21 personal services on a warrant issued pursuant to a payroll  
22 certified by a Department and drawn by the Comptroller upon the  
23 State Treasurer against appropriations made by the General  
24 Assembly from any fund or against trust funds held by the State  
25 Treasurer, and (2) is employed full-time or part-time in a  
26 position normally requiring actual performance of duty during

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



1 Illinois Pension Code but is ineligible for the retirement  
2 annuity under Section 2-119 of the Illinois Pension Code.  
3 However, a person who satisfies the criteria of the foregoing  
4 definition of "employee" except that such person is made  
5 ineligible to participate in the State Universities Retirement  
6 System by clause (4) of subsection (a) of Section 15-107 of the  
7 Illinois Pension Code is also an "employee" for the purposes of  
8 this Act. "Employee" also includes any person receiving or  
9 eligible for benefits under a sick pay plan established in  
10 accordance with Section 36 of the State Finance Act. "Employee"  
11 also includes (i) each officer or employee in the service of a  
12 qualified local government, including persons appointed as  
13 trustees of sanitary districts regardless of hours devoted to  
14 the service of the sanitary district, (ii) each employee in the  
15 service of a qualified rehabilitation facility, (iii) each  
16 full-time employee in the service of a qualified domestic  
17 violence shelter or service, and (iv) each full-time employee  
18 in the service of a qualified child advocacy center, as  
19 determined according to rules promulgated by the Director.

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

1 for by the Director under this Act.

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

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

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

1 alternative retirement cancellation payment under Section  
2 14-108.5 of the Illinois Pension Code.

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

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

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

11 (q-5) "New SERS survivor" means a survivor, as defined in  
12 subsection (q), whose annuity is paid under Article 14 of the  
13 Illinois Pension Code and is based on the death of (i) an  
14 employee whose death occurs on or after January 1, 1998, or  
15 (ii) a new SERS annuitant as defined in subsection (b-5). "New  
16 SERS survivor" includes the surviving dependent of a person who  
17 was an annuitant under this Act by virtue of receiving an  
18 alternative retirement cancellation payment under Section  
19 14-108.5 of the Illinois Pension Code.

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

25 (q-7) "New TRS State survivor" means a survivor, as defined  
26 in subsection (q), whose annuity is paid under Article 16 of

1 the Illinois Pension Code and is based on the death of (i) an  
2 employee who is a teacher as defined in paragraph (2), (3), or  
3 (5) of Section 16-106 of that Code and whose death occurs on or  
4 after July 1, 1998, or (ii) a new TRS State annuitant as  
5 defined in subsection (b-7).

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

9 (s) "Unit of local government" means any county,  
10 municipality, township, school district (including a  
11 combination of school districts under the Intergovernmental  
12 Cooperation Act), special district or other unit, designated as  
13 a unit of local government by law, which exercises limited  
14 governmental powers or powers in respect to limited  
15 governmental subjects, any not-for-profit association with a  
16 membership that primarily includes townships and township  
17 officials, that has duties that include provision of research  
18 service, dissemination of information, and other acts for the  
19 purpose of improving township government, and that is funded  
20 wholly or partly in accordance with Section 85-15 of the  
21 Township Code; any not-for-profit corporation or association,  
22 with a membership consisting primarily of municipalities, that  
23 operates its own utility system, and provides research,  
24 training, dissemination of information, or other acts to  
25 promote cooperation between and among municipalities that  
26 provide utility services and for the advancement of the goals

1 and purposes of its membership; the Southern Illinois  
2 Collegiate Common Market, which is a consortium of higher  
3 education institutions in Southern Illinois; the Illinois  
4 Association of Park Districts; and any hospital provider that  
5 is owned by a county that has 100 or fewer hospital beds and  
6 has not already joined the program. "Qualified local  
7 government" means a unit of local government approved by the  
8 Director and participating in a program created under  
9 subsection (i) of 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 (u) "Qualified domestic violence shelter or service" means  
21 any Illinois domestic violence shelter or service and its  
22 administrative offices funded by the Department of Human  
23 Services (as successor to the Illinois Department of Public  
24 Aid), approved by the Director and participating in a program  
25 created under subsection (k) of Section 10.

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

1           (1) is not a "member" as defined in this Section; and  
2           (2) is receiving a monthly benefit or retirement  
3 annuity under Article 16 of the Illinois Pension Code; and  
4           (3) either (i) has at least 8 years of creditable  
5 service under Article 16 of the Illinois Pension Code, or  
6 (ii) was enrolled in the health insurance program offered  
7 under that Article on January 1, 1996, or (iii) is the  
8 survivor of a benefit recipient who had at least 8 years of  
9 creditable service under Article 16 of the Illinois Pension  
10 Code or was enrolled in the health insurance program  
11 offered under that Article on the effective date of this  
12 amendatory Act of 1995, or (iv) is a recipient or survivor  
13 of a recipient of a disability benefit under Article 16 of  
14 the Illinois Pension Code.

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

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

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

1 health insurance program offered under Article 16 of the  
2 Illinois Pension Code, or (iii) age 19 or over who is  
3 mentally or physically handicapped.

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

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

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

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

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

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

1 employment with a community college district (other than a  
2 community college district subject to Article VII of the  
3 Public Community College Act) or an association of  
4 community college boards, or (ii) is the survivor of a  
5 person described in item (i).

6 (aa) "Community college dependent beneficiary" means a  
7 person who:

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

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

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. 93-205, eff. 1-1-04; 93-839, eff. 7-30-04;



- 1 93-1067, eff. 1-15-05; 94-32, eff. 6-15-05; 94-82, eff. 1-1-06;
- 2 94-860, eff. 6-16-06; revised 8-3-06.)