



Rep. Rosemary Mulligan

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LRB095 09186 JAM 50887 a

1 AMENDMENT TO HOUSE BILL 3177

2 AMENDMENT NO. _____. Amend House Bill 3177 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 6.6 as follows:

6 (5 ILCS 375/6.6)

7 Sec. 6.6. Contributions to the Teacher Health Insurance
8 Security Fund.

9 (a) Beginning July 1, 1995, all active contributors of the
10 Teachers' Retirement System (established under Article 16 of
11 the Illinois Pension Code) who are not employees of a
12 department as defined in Section 3 of this Act shall make
13 contributions toward the cost of annuitant and survivor health
14 benefits. These contributions shall be at the following rates:
15 until January 1, 2002, 0.5% of salary; beginning January 1,
16 2002, 0.65% of salary; beginning July 1, 2003, 0.75% of salary;

1 beginning July 1, 2005, 0.80% of salary; beginning July 1,
2 2007, a percentage of salary to be determined by the Department
3 of Central Management Services by rule, which in each fiscal
4 year shall not exceed 105% of the percentage of salary actually
5 required to be paid in the previous fiscal year.

6 These contributions shall be deducted by the employer and
7 paid to the System as service agent for the Department of
8 Central Management Services. The System may use the same
9 processes for collecting the contributions required by this
10 subsection that it uses to collect contributions received from
11 school districts and other covered employers under Sections
12 16-154 and 16-155 of the Illinois Pension Code.

13 An employer may agree to pick up or pay the contributions
14 required under this subsection on behalf of the teacher; such
15 contributions shall be deemed to have to have been paid by the
16 teacher. Beginning January 1, 2002, if the employer does not
17 directly pay the required member contribution, then the
18 employer shall reduce the member's salary by an amount equal to
19 the required contribution and shall then pay the contribution
20 on behalf of the member. This reduction shall not change the
21 amounts reported as creditable earnings to the Teachers'
22 Retirement System.

23 A person who purchases optional service credit under
24 Article 16 of the Illinois Pension Code for a period after June
25 30, 1995 must also make a contribution under this subsection
26 for that optional credit, at the rate provided in subsection

1 (a), based on the salary used in computing the optional service
2 credit, plus interest on this employee contribution. This
3 contribution shall be collected by the System as service agent
4 for the Department of Central Management Services. The
5 contribution required under this subsection for the optional
6 service credit must be paid in full before any annuity based on
7 that credit begins.

8 (a-5) Beginning January 1, 2002, every employer of a
9 teacher (other than an employer that is a department as defined
10 in Section 3 of this Act) shall pay an employer contribution
11 toward the cost of annuitant and survivor health benefits.
12 These contributions shall be computed as follows:

13 (1) Beginning January 1, 2002 through June 30, 2003,
14 the employer contribution shall be equal to 0.4% of each
15 teacher's salary.

16 (2) Beginning July 1, 2003, the employer contribution
17 shall be equal to 0.5% of each teacher's salary.

18 (3) Beginning July 1, 2005, the employer contribution
19 shall be equal to 0.6% of each teacher's salary.

20 (4) Beginning July 1, 2007, the employer contribution
21 shall be a percentage of each teacher's salary to be
22 determined by the Department of Central Management
23 Services by rule, which in each fiscal year shall not
24 exceed 105% of the percentage of each teacher's salary
25 actually required to be paid in the previous fiscal year.

26 These contributions shall be paid by the employer to the

1 System as service agent for the Department of Central
2 Management Services. The System may use the same processes for
3 collecting the contributions required by this subsection that
4 it uses to collect contributions received from school districts
5 and other covered employers under the Illinois Pension Code.

6 The school district or other employing unit may pay these
7 employer contributions out of any source of funding available
8 for that purpose and shall forward the contributions to the
9 System on the schedule established for the payment of member
10 contributions.

11 (b) The Teachers' Retirement System shall promptly deposit
12 all moneys collected under subsections (a) and (a-5) of this
13 Section into the Teacher Health Insurance Security Fund created
14 in Section 6.5 of this Act. The moneys collected under this
15 Section shall be used only for the purposes authorized in
16 Section 6.5 of this Act and shall not be considered to be
17 assets of the Teachers' Retirement System. Contributions made
18 under this Section are not transferable to other pension funds
19 or retirement systems and are not refundable upon termination
20 of service.

21 (c) On or before November 15 of each year, the Board of
22 Trustees of the Teachers' Retirement System shall certify to
23 the Governor, the Director of Central Management Services, and
24 the State Comptroller its estimate of the total amount of
25 contributions to be paid under subsection (a) of this Section
26 6.6 for the next fiscal year. The amount certified shall be

1 decreased or increased each year by the amount that the actual
2 active teacher contributions either fell short of or exceeded
3 the estimate used by the Board in making the certification for
4 the previous fiscal year. The certification shall include a
5 detailed explanation of the methods and information that the
6 Board relied upon in preparing its estimate. As soon as
7 possible after the effective date of this amendatory Act of the
8 92nd General Assembly, the Board shall recalculate and
9 recertify its certifications for fiscal years 2002 and 2003.

10 (d) Beginning in fiscal year 1996, on the first day of each
11 month, or as soon thereafter as may be practical, the State
12 Treasurer and the State Comptroller shall transfer from the
13 General Revenue Fund to the Teacher Health Insurance Security
14 Fund 1/12 of the annual amount appropriated for that fiscal
15 year to the State Comptroller for deposit into the Teacher
16 Health Insurance Security Fund under Section 1.3 of the State
17 Pension Funds Continuing Appropriation Act.

18 (e) Except where otherwise specified in this Section, the
19 definitions that apply to Article 16 of the Illinois Pension
20 Code apply to this Section.

21 (f) Notwithstanding any other law to the contrary, the
22 Teachers Health Insurance Security Fund is not subject to
23 sweeps, administrative charge-backs, or any other fiscal or
24 budgetary maneuver that would in any way transfer any amounts
25 from the Teachers Health Insurance Security Fund into any other
26 fund of the State. (Blank).

1 (Source: P.A. 92-505, eff. 12-20-01; 93-679, eff. 6-30-04.)

2 Section 99. Effective date. This Act takes effect upon
3 becoming law.".