



## 95TH GENERAL ASSEMBLY

### State of Illinois

### 2007 and 2008

### HB5361

by Rep. Daniel J. Burke

#### SYNOPSIS AS INTRODUCED:

5 ILCS 375/3 from Ch. 127, par. 523  
5 ILCS 375/6.9  
5 ILCS 375/6.10  
40 ILCS 15/1.4  
30 ILCS 805/8.32 new

Amends the State Employees Group Insurance Act of 1971 and the State Pension Funds Continuing Appropriation Act. Beginning July 1, 2009, requires the Department of Central Management Services to administer a program of health benefits coverage for retirees, and their dependents, of certain community college districts previously not participating in the Community College Health Insurance Security Fund. Provides for the collection and use of contributions. Establishes a committee to advise the State on the program and necessary adjustments in funding sources. Amends the State Mandates Act to require implementation without reimbursement. Effective immediately.

LRB095 16880 JAM 42923 b

FISCAL NOTE ACT  
MAY APPLY

STATE MANDATES  
ACT MAY REQUIRE  
REIMBURSEMENT

1 AN ACT concerning government.

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 Sections 3, 6.9, and 6.10 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 19 including an adopted  
3 child, a child who lives with the member from the time of the  
4 filing of a petition for adoption until entry of an order of  
5 adoption, a stepchild or recognized child who lives with the  
6 member in a parent-child relationship, or a child who lives  
7 with the member if such member is a court appointed guardian of  
8 the child, or (2) age 19 to 23 enrolled as a full-time student  
9 in any accredited school, financially dependent upon the  
10 member, and eligible to be claimed as a dependent for income  
11 tax purposes, or (3) age 19 or over who is mentally or  
12 physically handicapped. For the purposes of item (2), an  
13 unmarried child age 19 to 23 who is a member of the United  
14 States Armed Services, including the Illinois National Guard,  
15 and is mobilized to active duty shall qualify as a dependent  
16 beyond the age of 23 and until the age of 25 and while a  
17 full-time student for the amount of time spent on active duty  
18 between the ages of 19 and 23. The individual attempting to  
19 qualify for this additional time must submit written  
20 documentation of active duty service to the Director. The  
21 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 or of any successor  
10 agency designated to administer this Act.

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

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



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

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

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

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

26 (n) "Program" means the group life insurance, health

1 benefits and other employee benefits designed and contracted  
2 for by the Director under this Act.

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

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

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

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

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

12 (q-5) "New SERS survivor" means a survivor, as defined in  
13 subsection (q), whose annuity is paid under Article 14 of the  
14 Illinois Pension Code and is based on the death of (i) an  
15 employee whose death occurs on or after January 1, 1998, or  
16 (ii) a new SERS annuitant as defined in subsection (b-5). "New  
17 SERS survivor" includes 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-6) "New SURS survivor" means a survivor, as defined in  
22 subsection (q), whose annuity is paid under Article 15 of the  
23 Illinois Pension Code and is based on the death of (i) an  
24 employee whose death occurs on or after January 1, 1998, or  
25 (ii) a new SURS annuitant as defined in subsection (b-6).

26 (q-7) "New TRS State survivor" means a survivor, as defined

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

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

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

1 provide utility services and for the advancement of the goals  
2 and purposes of its membership; the Southern Illinois  
3 Collegiate Common Market, which is a consortium of higher  
4 education institutions in Southern Illinois; the Illinois  
5 Association of Park Districts; and any hospital provider that  
6 is owned by a county that has 100 or fewer hospital beds and  
7 has not already joined the program. "Qualified local  
8 government" means a unit of local government approved by the  
9 Director and participating in a program created under  
10 subsection (i) of Section 10 of this Act.

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

21 (u) "Qualified domestic violence shelter or service" means  
22 any Illinois domestic violence shelter or service and its  
23 administrative offices funded by the Department of Human  
24 Services (as successor to the Illinois Department of Public  
25 Aid), approved by the Director and participating in a program  
26 created under subsection (k) of Section 10.

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

16 (w) "TRS dependent beneficiary" means a person who:  
17 (1) is not a "member" or "dependent" as defined in this  
18 Section; and  
19 (2) is a TRS benefit recipient's: (A) spouse, (B)  
20 dependent parent who is receiving at least half of his or  
21 her support from the TRS benefit recipient, or (C)  
22 unmarried natural or adopted child who is (i) under age 19,  
23 or (ii) enrolled as a full-time student in an accredited  
24 school, financially dependent upon the TRS benefit  
25 recipient, eligible to be claimed as a dependent for income  
26 tax purposes, and either is under age 24 or was, on January

1           1, 1996, participating as a dependent beneficiary in the  
2           health insurance program offered under Article 16 of the  
3           Illinois Pension Code, or (iii) age 19 or over who is  
4           mentally or physically handicapped.

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

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

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

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

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

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



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

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

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

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

21 (bb) "Qualified child advocacy center" means any Illinois  
22 child advocacy center and its administrative offices funded by  
23 the Department of Children and Family Services, as defined by  
24 the Children's Advocacy Center Act (55 ILCS 80/), approved by  
25 the Director and participating in a program created under  
26 subsection (n) of Section 10.

1 (Source: P.A. 94-32, eff. 6-15-05; 94-82, eff. 1-1-06; 94-860,  
2 eff. 6-16-06; 95-331, eff. 8-21-07; 95-632, eff. 9-25-07.)

3 (5 ILCS 375/6.9)

4 Sec. 6.9. Health benefits for community college benefit  
5 recipients and community college dependent beneficiaries.

6 (a) Purpose. It is the purpose of these ~~this~~ amendatory  
7 Acts Act of 1997 and 2008 to establish a uniform program of  
8 health benefits for community college benefit recipients and  
9 their dependent beneficiaries under the administration of the  
10 Department of Central Management Services.

11 (b) Creation of program. Beginning July 1, 1999, the  
12 Department of Central Management Services shall be responsible  
13 for administering a program of health benefits for community  
14 college benefit recipients and community college dependent  
15 beneficiaries under this Section. The State Universities  
16 Retirement System and the boards of trustees of the various  
17 community college districts shall cooperate with the  
18 Department in this endeavor.

19 Beginning July 1, 2009, the Department of Central  
20 Management Services shall be responsible for administering a  
21 program of health benefits for community college benefit  
22 recipients and community college dependent beneficiaries  
23 subject to Article VII of the Public Community College Act. The  
24 State Universities Retirement System and the boards of trustees  
25 of the community college districts shall cooperate with the

1 Department in this endeavor.

2 (c) Eligibility. All community college benefit recipients  
3 and community college dependent beneficiaries shall be  
4 eligible to participate in the program established under this  
5 Section, without any interruption or delay in coverage or  
6 limitation as to pre-existing medical conditions. Eligibility  
7 to participate shall be determined by the State Universities  
8 Retirement System. Eligibility information shall be  
9 communicated to the Department of Central Management Services  
10 in a format acceptable to the Department.

11 (d) Coverage. The health benefit coverage provided under  
12 this Section shall be a program of health, dental, and vision  
13 benefits.

14 The program of health benefits under this Section may  
15 include any or all of the benefit limitations, including but  
16 not limited to a reduction in benefits based on eligibility for  
17 federal medicare benefits, that are provided under subsection  
18 (a) of Section 6 of this Act for other health benefit programs  
19 under this Act.

20 (e) Insurance rates and premiums. The Director shall  
21 determine the insurance rates and premiums for community  
22 college benefit recipients and community college dependent  
23 beneficiaries. Rates and premiums may be based in part on age  
24 and eligibility for federal Medicare coverage. The Director  
25 shall also determine premiums that will allow for the  
26 establishment of an actuarially sound reserve for this program.

1           The cost of health benefits under the program shall be paid  
2 as follows:

3           (1) For a community college benefit recipient, up to  
4 75% of the total insurance rate shall be paid from the  
5 Community College Health Insurance Security Fund.

6           (2) The balance of the rate of insurance, including the  
7 entire premium for any coverage for community college  
8 dependent beneficiaries that has been elected, shall be  
9 paid by deductions authorized by the community college  
10 benefit recipient to be withheld from his or her monthly  
11 annuity or benefit payment from the State Universities  
12 Retirement System; except that (i) if the balance of the  
13 cost of coverage exceeds the amount of the monthly annuity  
14 or benefit payment, the difference shall be paid directly  
15 to the State Universities Retirement System by the  
16 community college benefit recipient, and (ii) all or part  
17 of the balance of the cost of coverage may, at the option  
18 of the board of trustees of the community college district,  
19 be paid to the State Universities Retirement System by the  
20 board of the community college district from which the  
21 community college benefit recipient retired. The State  
22 Universities Retirement System shall promptly deposit all  
23 moneys withheld by or paid to it under this subdivision  
24 (e)(2) into the Community College Health Insurance  
25 Security Fund. These moneys shall not be considered assets  
26 of the State Universities Retirement System.

1           (f)    Financing.   All   revenues   arising   from   the  
2   administration of the health benefit program established under  
3   this Section shall be deposited into the Community College  
4   Health Insurance Security Fund, which is hereby created as a  
5   nonappropriated trust fund to be held outside the State  
6   Treasury, with the State Treasurer as custodian. Any interest  
7   earned on moneys in the Community College Health Insurance  
8   Security Fund shall be deposited into the Fund.

9           Moneys in the Community College Health Insurance Security  
10   Fund shall be used only to pay the costs of the health benefit  
11   program established under this Section, including associated  
12   administrative costs and the establishment of a program  
13   reserve. Beginning January 1, 1999, the Department of Central  
14   Management Services may make expenditures from the Community  
15   College Health Insurance Security Fund for those costs.

16           (g)   Contract for benefits. The Director shall by contract,  
17   self-insurance, or otherwise make available the program of  
18   health benefits for community college benefit recipients and  
19   their community college dependent beneficiaries that is  
20   provided for in this Section. The contract or other arrangement  
21   for the provision of these health benefits shall be on terms  
22   deemed by the Director to be in the best interest of the State  
23   of Illinois and the community college benefit recipients based  
24   on, but not limited to, such criteria as administrative cost,  
25   service capabilities of the carrier or other contractor, and  
26   the costs of the benefits.

1 (h) Continuation of program. It is the intention of the  
2 General Assembly that the program of health benefits provided  
3 under this Section be maintained on an ongoing, affordable  
4 basis. The program of health benefits provided under this  
5 Section may be amended by the State and is not intended to be a  
6 pension or retirement benefit subject to protection under  
7 Article XIII, Section 5 of the Illinois Constitution.

8 (i) Other health benefit plans. A health benefit plan  
9 provided by a community college district ~~(other than a~~  
10 ~~community college district subject to Article VII of the Public~~  
11 ~~Community College Act)~~ under the terms of a collective  
12 bargaining agreement in effect on or prior to the effective  
13 date of this amendatory Act of 1997 shall continue in force  
14 according to the terms of that agreement, unless otherwise  
15 mutually agreed by the parties to that agreement and the  
16 affected retiree. A community college benefit recipient or  
17 community college dependent beneficiary whose coverage under  
18 such a plan expires shall be eligible to begin participating in  
19 the program established under this Section without any  
20 interruption or delay in coverage or limitation as to  
21 pre-existing medical conditions.

22 A health benefit plan provided by a community college  
23 district subject to Article VII of the Public Community College  
24 Act under the terms of a collective bargaining agreement in  
25 effect on or prior to the effective date of this amendatory Act  
26 of 2008 shall continue in force according to the terms of that

1 agreement, unless otherwise mutually agreed by the parties to  
2 that agreement and the affected retiree. A community college  
3 benefit recipient or community college dependent beneficiary  
4 whose coverage under such a plan expires shall be eligible to  
5 begin participating in the program established under this  
6 Section without any interruption or delay in coverage or  
7 limitation as to pre-existing medical conditions.

8 This Act does not prohibit any community college district  
9 from offering additional health benefits for its retirees or  
10 their dependents or survivors.

11 (j) The Community College Health Insurance Security Fund  
12 Committee is established. The Committee shall consist of 11  
13 members appointed as follows:

14 (1) One member appointed by the Governor.

15 (2) One member appointed by the President of the  
16 Senate.

17 (3) One member appointed by the Minority Leader of the  
18 Senate.

19 (4) One member appointed by the Speaker of the House of  
20 Representatives.

21 (5) One member appointed by the Minority Leader of the  
22 House of Representatives.

23 (6) One member appointed by and representing an  
24 education labor organization in Cook County.

25 (7) One member appointed by and representing an  
26 education labor organization in the counties of DuPage,

1 Lake, Kane, and Will.

2 (8) One member appointed by and representing an  
3 education labor organization primarily outside of Cook  
4 County and the counties of DuPage, Lake, Kane, and Will.

5 (9) One member appointed by and representing the  
6 Community College President's Council.

7 (10) One member appointed by and representing the  
8 Community College Trustees Association.

9 (11) One member appointed by and representing a  
10 statewide retiree organization.

11 Committee members shall not be compensated. Nothing in this  
12 Act shall prevent a Committee member from also being a member  
13 of the Board of Trustees of a community college district. The  
14 Committee shall convene at least 2 times each year and more  
15 frequently as needed.

16 The Committee shall consider and make recommendations on  
17 issues affecting the program of health benefits provided under  
18 this Section. Recommendations of the Committee shall be based  
19 on the majority vote of the members of the Committee.

20 The Committee chair shall be selected by the Committee from  
21 among the members.

22 If the Community College Health Insurance Security Fund  
23 experiences a deficit balance based upon the contribution and  
24 subsidy rates established in Section 6.10 of this Act and  
25 Section 1.4 of the State Pension Funds Continuing Appropriation  
26 Act for fiscal year 2009 and thereafter, the Committee shall



1 make recommendations for adjustments to the funding sources  
2 established under those Sections.

3 (Source: P.A. 90-497, eff. 8-18-97; 90-655, eff. 7-30-98.)

4 (5 ILCS 375/6.10)

5 Sec. 6.10. Contributions to the Community College Health  
6 Insurance Security Fund.

7 (a) Beginning January 1, 1999, every active contributor of  
8 the State Universities Retirement System (established under  
9 Article 15 of the Illinois Pension Code) who (1) is a full-time  
10 employee of a community college district ~~(other than a~~  
11 ~~community college district subject to Article VII of the Public~~  
12 ~~Community College Act)~~ or an association of community college  
13 boards and (2) is not an employee as defined in Section 3 of  
14 this Act shall make contributions toward the cost of community  
15 college annuitant and survivor health benefits at the rate of  
16 0.50% of salary.

17 These contributions shall be deducted by the employer and  
18 paid to the State Universities Retirement System as service  
19 agent for the Department of Central Management Services. The  
20 System may use the same processes for collecting the  
21 contributions required by this subsection that it uses to  
22 collect the contributions received from those employees under  
23 Section 15-157 of the Illinois Pension Code. An employer may  
24 agree to pick up or pay the contributions required under this  
25 subsection on behalf of the employee; such contributions shall

1 be deemed to have been paid by the employee.

2 The State Universities Retirement System shall promptly  
3 deposit all moneys collected under this subsection (a) into the  
4 Community College Health Insurance Security Fund created in  
5 Section 6.9 of this Act. The moneys collected under this  
6 Section shall be used only for the purposes authorized in  
7 Section 6.9 of this Act and shall not be considered to be  
8 assets of the State Universities Retirement System.  
9 Contributions made under this Section are not transferable to  
10 other pension funds or retirement systems and are not  
11 refundable upon termination of service.

12 (a-5) Beginning January 1, 2009, every active contributor  
13 of the State Universities Retirement System (established under  
14 Article 15 of the Illinois Pension Code) who (1) is a full-time  
15 employee of a community college district subject to Article VII  
16 of the Public Community College Act and (2) is not an employee  
17 as defined in Section 3 of this Act shall make contributions  
18 toward the cost of community college annuitant and survivor  
19 health benefits at the rate of 0.50% of salary.

20 These contributions shall be deducted by the employer and  
21 paid to the State Universities Retirement System as service  
22 agent for the Department of Central Management Services. The  
23 System may use the same processes for collecting the  
24 contributions required by this subsection that it uses to  
25 collect the contributions received from those employees under  
26 Section 15-157 of the Illinois Pension Code. An employer may

1 agree to pick up or pay the contributions required under this  
2 subsection on behalf of the employee; such contributions shall  
3 be deemed to have been paid by the employee.

4 The State Universities Retirement System shall promptly  
5 deposit all moneys collected under this subsection (a-5) into  
6 the Community College Health Insurance Security Fund created in  
7 Section 6.9 of this Act. The moneys collected under this  
8 Section shall be used only for the purposes authorized in  
9 Section 6.9 of this Act and shall not be considered to be  
10 assets of the State Universities Retirement System.  
11 Contributions made under this Section are not transferable to  
12 other pension funds or retirement systems and are not  
13 refundable upon termination of service.

14 (b) Beginning January 1, 1999, every community college  
15 district ~~(other than a community college district subject to~~  
16 ~~Article VII of the Public Community College Act)~~ or association  
17 of community college boards that is an employer under the State  
18 Universities Retirement System shall contribute toward the  
19 cost of the community college health benefits provided under  
20 Section 6.9 of this Act an amount equal to 0.50% of the salary  
21 paid to its full-time employees who participate in the State  
22 Universities Retirement System and are not members as defined  
23 in Section 3 of this Act.

24 These contributions shall be paid by the employer to the  
25 State Universities Retirement System as service agent for the  
26 Department of Central Management Services. The System may use

1 the same processes for collecting the contributions required by  
2 this subsection that it uses to collect the contributions  
3 received from those employers under Section 15-155 of the  
4 Illinois Pension Code.

5 The State Universities Retirement System shall promptly  
6 deposit all moneys collected under this subsection (b) into the  
7 Community College Health Insurance Security Fund created in  
8 Section 6.9 of this Act. The moneys collected under this  
9 Section shall be used only for the purposes authorized in  
10 Section 6.9 of this Act and shall not be considered to be  
11 assets of the State Universities Retirement System.  
12 Contributions made under this Section are not transferable to  
13 other pension funds or retirement systems and are not  
14 refundable upon termination of service.

15 The Department of Healthcare and Family Services, or any  
16 successor agency designated to procure healthcare contracts  
17 pursuant to this Act, is authorized to establish funds,  
18 separate accounts provided by any bank or banks as defined by  
19 the Illinois Banking Act, or separate accounts provided by any  
20 savings and loan association or associations as defined by the  
21 Illinois Savings and Loan Act of 1985 to be held by the  
22 Director, outside the State treasury, for the purpose of  
23 receiving the transfer of moneys from the Community College  
24 Health Insurance Security Fund. The Department may promulgate  
25 rules further defining the methodology for the transfers. Any  
26 interest earned by moneys in the funds or accounts shall inure

1 to the Community College Health Insurance Security Fund. The  
2 transferred moneys, and interest accrued thereon, shall be used  
3 exclusively for transfers to administrative service  
4 organizations or their financial institutions for payments of  
5 claims to claimants and providers under the self-insurance  
6 health plan. The transferred moneys, and interest accrued  
7 thereon, shall not be used for any other purpose including, but  
8 not limited to, reimbursement of administration fees due the  
9 administrative service organization pursuant to its contract  
10 or contracts with the Department.

11 (b-5) Beginning January 1, 2009, every community college  
12 district subject to Article VII of the Public Community College  
13 Act shall contribute toward the cost of the community college  
14 health benefits provided under Section 6.9 of this Act an  
15 amount equal to 0.50% of the salary paid to its full-time  
16 employees who participate in the State Universities Retirement  
17 System and are not members as defined in Section 3 of this Act.

18 These contributions shall be paid by the employer to the  
19 State Universities Retirement System as service agent for the  
20 Department of Central Management Services. The System may use  
21 the same processes for collecting the contributions required by  
22 this subsection that it uses to collect the contributions  
23 received from those employers under Section 15-155 of the  
24 Illinois Pension Code.

25 The State Universities Retirement System shall promptly  
26 deposit all moneys collected under this subsection (b-5) into

1 the Community College Health Insurance Security Fund created in  
2 Section 6.9 of this Act. The moneys collected under this  
3 Section shall be used only for the purposes authorized in  
4 Section 6.9 of this Act and shall not be considered to be  
5 assets of the State Universities Retirement System.  
6 Contributions made under this Section are not transferable to  
7 other pension funds or retirement systems and are not  
8 refundable upon termination of service.

9 The Department of Healthcare and Family Services, or any  
10 successor agency designated to procure healthcare contracts  
11 pursuant to this Act, is authorized to establish funds,  
12 separate accounts provided by any bank or banks as defined by  
13 the Illinois Banking Act, or separate accounts provided by any  
14 savings and loan association or associations as defined by the  
15 Illinois Savings and Loan Act of 1985 to be held by the  
16 Director, outside the State treasury, for the purpose of  
17 receiving the transfer of moneys from the Community College  
18 Health Insurance Security Fund. The Department may promulgate  
19 rules further defining the methodology for the transfers. Any  
20 interest earned by moneys in the funds or accounts shall inure  
21 to the Community College Health Insurance Security Fund. The  
22 transferred moneys, and interest accrued for thereon, shall be  
23 used exclusively for transfers to administrative service  
24 organizations or their financial institutions for payments of  
25 claims to claimants and providers under the self-insurance  
26 health plan. The transferred moneys, and interest accrued

1 thereon, shall not be used for any other purpose including, but  
2 not limited to, reimbursement of administration fees due the  
3 administrative service organization pursuant to its contract  
4 or contracts with the Department.

5 (c) On or before November 15 of each year, the Board of  
6 Trustees of the State Universities Retirement System shall  
7 certify to the Governor, the Director of Central Management  
8 Services, and the State Comptroller its estimate of the total  
9 amount of contributions to be paid under subsection (a) of this  
10 Section for the next fiscal year. Beginning in fiscal year  
11 2008, the amount certified shall be decreased or increased each  
12 year by the amount that the actual active employee  
13 contributions either fell short of or exceeded the estimate  
14 used by the Board in making the certification for the previous  
15 fiscal year. The State Universities Retirement System shall  
16 calculate the amount of actual active employee contributions in  
17 fiscal years 1999 through 2005. Based upon this calculation,  
18 the fiscal year 2008 certification shall include an amount  
19 equal to the cumulative amount that the actual active employee  
20 contributions either fell short of or exceeded the estimate  
21 used by the Board in making the certification for those fiscal  
22 years. The certification shall include a detailed explanation  
23 of the methods and information that the Board relied upon in  
24 preparing its estimate. As soon as possible after the effective  
25 date of this Section, the Board shall submit its estimate for  
26 fiscal year 1999.

1 (d) Beginning in fiscal year 1999, on the first day of each  
2 month, or as soon thereafter as may be practical, the State  
3 Treasurer and the State Comptroller shall transfer from the  
4 General Revenue Fund to the Community College Health Insurance  
5 Security Fund 1/12 of the annual amount appropriated for that  
6 fiscal year to the State Comptroller for deposit into the  
7 Community College Health Insurance Security Fund under Section  
8 1.4 of the State Pension Funds Continuing Appropriation Act.

9 (e) Except where otherwise specified in this Section, the  
10 definitions that apply to Article 15 of the Illinois Pension  
11 Code apply to this Section.

12 (Source: P.A. 94-839, eff. 6-6-06; 95-632, eff. 9-25-07.)

13 Section 10. The State Pension Funds Continuing  
14 Appropriation Act is amended by changing Section 1.4 as  
15 follows:

16 (40 ILCS 15/1.4)

17 Sec. 1.4. Appropriations for the Community College Health  
18 Insurance Security Fund. Beginning in State fiscal year 2009  
19 ~~1999~~, there is hereby appropriated, on a continuing annual  
20 basis, from the General Revenue Fund to the State Comptroller  
21 for deposit into the Community College Health Insurance  
22 Security Fund, an amount equal to 2.15 times the sum of  
23 subsections (a), (a-5), (b), and (b-5) as the amount certified  
24 by the Board of Trustees of the State Universities Retirement



1 System under subsection (c) of Section 6.10 of the State  
2 Employees Group Insurance Act of 1971 as the estimated total  
3 amount of contributions to be paid under subsections (a) and  
4 (a-5) ~~subsection (a)~~ of that Section 6.10 in that fiscal year.  
5 The moneys appropriated under this Section 1.4 shall be  
6 deposited into the Community College Health Insurance Security  
7 Fund and used only for the purposes authorized in Section 6.9  
8 of the State Employees Group Insurance Act of 1971. The  
9 transfer of funds by any constitutional officer or legislative  
10 body for any other purpose or program is specifically  
11 prohibited.

12 (Source: P.A. 90-497, eff. 8-18-97.)

13 Section 90. The State Mandates Act is amended by adding  
14 Section 8.32 as follows:

15 (30 ILCS 805/8.32 new)

16 Sec. 8.32. Exempt mandate. Notwithstanding Sections 6 and 8  
17 of this Act, no reimbursement by the State is required for the  
18 implementation of any mandate created by this amendatory Act of  
19 the 95th General Assembly.

20 Section 99. Effective date. This Act takes effect upon  
21 becoming law.