



Sen. Donne E. Trotter

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1 AMENDMENT TO SENATE BILL 2595

2 AMENDMENT NO. _____. Amend Senate Bill 2595 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 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

1 administration executed with the Department.

2 (b) "Annuitant" means (1) an employee who retires, or has
3 retired, on or after January 1, 1966 on an immediate annuity
4 under the provisions of Articles 2, 14 (including an employee
5 who has elected to receive an alternative retirement
6 cancellation payment under Section 14-108.5 of the Illinois
7 Pension Code in lieu of an annuity), 15 (including an employee
8 who has retired under the optional retirement program
9 established under Section 15-158.2), paragraphs (2), (3), or
10 (5) of Section 16-106, or Article 18 of the Illinois Pension
11 Code; (2) any person who was receiving group insurance coverage
12 under this Act as of March 31, 1978 by reason of his status as
13 an annuitant, even though the annuity in relation to which such
14 coverage was provided is a proportional annuity based on less
15 than the minimum period of service required for a retirement
16 annuity in the system involved; (3) any person not otherwise
17 covered by this Act who has retired as a participating member
18 under Article 2 of the Illinois Pension Code but is ineligible
19 for the retirement annuity under Section 2-119 of the Illinois
20 Pension Code; (4) the spouse of any person who is receiving a
21 retirement annuity under Article 18 of the Illinois Pension
22 Code and who is covered under a group health insurance program
23 sponsored by a governmental employer other than the State of
24 Illinois and who has irrevocably elected to waive his or her
25 coverage under this Act and to have his or her spouse
26 considered as the "annuitant" under this Act and not as a

1 "dependent"; or (5) an employee who retires, or has retired,
2 from a qualified position, as determined according to rules
3 promulgated by the Director, under a qualified local
4 government, a qualified rehabilitation facility, a qualified
5 domestic violence shelter or service, or a qualified child
6 advocacy center. (For definition of "retired employee", see (p)
7 post).

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

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

25 (b-7) "New TRS State annuitant" means a person who, on or
26 after July 1, 1998, becomes an annuitant, as defined in

1 subsection (b), by virtue of beginning to receive a retirement
2 annuity under Article 16 of the Illinois Pension Code based on
3 service as a teacher as defined in paragraph (2), (3), or (5)
4 of Section 16-106 of that Code, and is eligible to participate
5 in the basic program of group health benefits provided for
6 annuitants under this Act.

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

13 (d) "Compensation" means salary or wages payable on a
14 regular payroll by the State Treasurer on a warrant of the
15 State Comptroller out of any State, trust or federal fund, or
16 by the Governor of the State through a disbursing officer of
17 the State out of a trust or out of federal funds, or by any
18 Department out of State, trust, federal or other funds held by
19 the State Treasurer or the Department, to any person for
20 personal services currently performed, and ordinary or
21 accidental disability benefits under Articles 2, 14, 15
22 (including ordinary or accidental disability benefits under
23 the optional retirement program established under Section
24 15-158.2), paragraphs (2), (3), or (5) of Section 16-106, or
25 Article 18 of the Illinois Pension Code, for disability
26 incurred after January 1, 1966, or benefits payable under the

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

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

1 held by the State Treasurer and includes boards of trustees of
2 the retirement systems created by Articles 2, 14, 15, 16 and 18
3 of the Illinois Pension Code. "Department" also includes the
4 Illinois Comprehensive Health Insurance Board, the Board of
5 Examiners established under the Illinois Public Accounting
6 Act, and the Illinois Finance Authority.

7 (h) "Dependent", when the term is used in the context of
8 the health and life plan, means a member's spouse and any
9 unmarried child (1) from birth to age 19 including an adopted
10 child, a child who lives with the member from the time of the
11 filing of a petition for adoption until entry of an order of
12 adoption, a stepchild or recognized child who lives with the
13 member in a parent-child relationship, or a child who lives
14 with the member if such member is a court appointed guardian of
15 the child, or (2) age 19 to 23 enrolled as a full-time student
16 in any accredited school, financially dependent upon the
17 member, and eligible to be claimed as a dependent for income
18 tax purposes, or (3) age 19 or over who is mentally or
19 physically handicapped. For the purposes of item (2), an
20 unmarried child age 19 to 23 who is a member of the United
21 States Armed Services, including the Illinois National Guard,
22 and is mobilized to active duty shall qualify as a dependent
23 beyond the age of 23 and until the age of 25 and while a
24 full-time student for the amount of time spent on active duty
25 between the ages of 19 and 23. The individual attempting to
26 qualify for this additional time must submit written

1 documentation of active duty service to the Director. The
2 changes made by this amendatory Act of the 94th General
3 Assembly apply only to individuals mobilized to active duty in
4 the United States Armed Services, including the Illinois
5 National Guard, on or after January 1, 2002. For the health
6 plan only, the term "dependent" also includes any person
7 enrolled prior to the effective date of this Section who is
8 dependent upon the member to the extent that the member may
9 claim such person as a dependent for income tax deduction
10 purposes; no other such person may be enrolled. For the health
11 plan only, the term "dependent" also includes any person who
12 has received after June 30, 2000 an organ transplant and who is
13 financially dependent upon the member and eligible to be
14 claimed as a dependent for income tax purposes.

15 (i) "Director" means the Director of the Illinois
16 Department of Central Management Services or of any successor
17 agency designated to administer this Act.

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

21 (k) "Employee" means and includes each officer or employee
22 in the service of a department who (1) receives his
23 compensation for service rendered to the department on a
24 warrant issued pursuant to a payroll certified by a department
25 or on a warrant or check issued and drawn by a department upon
26 a trust, federal or other fund or on a warrant issued pursuant

1 to a payroll certified by an elected or duly appointed officer
2 of the State or who receives payment of the performance of
3 personal services on a warrant issued pursuant to a payroll
4 certified by a Department and drawn by the Comptroller upon the
5 State Treasurer against appropriations made by the General
6 Assembly from any fund or against trust funds held by the State
7 Treasurer, and (2) is employed full-time or part-time in a
8 position normally requiring actual performance of duty during
9 not less than 1/2 of a normal work period, as established by
10 the Director in cooperation with each department, except that
11 persons elected by popular vote will be considered employees
12 during the entire term for which they are elected regardless of
13 hours devoted to the service of the State, and (3) except that
14 "employee" does not include any person who is not eligible by
15 reason of such person's employment to participate in one of the
16 State retirement systems under Articles 2, 14, 15 (either the
17 regular Article 15 system or the optional retirement program
18 established under Section 15-158.2) or 18, or under paragraph
19 (2), (3), or (5) of Section 16-106, of the Illinois Pension
20 Code, but such term does include persons who are employed
21 during the 6 month qualifying period under Article 14 of the
22 Illinois Pension Code. Such term also includes any person who
23 (1) after January 1, 1966, is receiving ordinary or accidental
24 disability benefits under Articles 2, 14, 15 (including
25 ordinary or accidental disability benefits under the optional
26 retirement program established under Section 15-158.2),

1 paragraphs (2), (3), or (5) of Section 16-106, or Article 18 of
2 the Illinois Pension Code, for disability incurred after
3 January 1, 1966, (2) receives total permanent or total
4 temporary disability under the Workers' Compensation Act or
5 Occupational Disease Act as a result of injuries sustained or
6 illness contracted in the course of employment with the State
7 of Illinois, or (3) is not otherwise covered under this Act and
8 has retired as a participating member under Article 2 of the
9 Illinois Pension Code but is ineligible for the retirement
10 annuity under Section 2-119 of the Illinois Pension Code.
11 However, a person who satisfies the criteria of the foregoing
12 definition of "employee" except that such person is made
13 ineligible to participate in the State Universities Retirement
14 System by clause (4) of subsection (a) of Section 15-107 of the
15 Illinois Pension Code is also an "employee" for the purposes of
16 this Act. "Employee" also includes any person receiving or
17 eligible for benefits under a sick pay plan established in
18 accordance with Section 36 of the State Finance Act. "Employee"
19 also includes (i) each officer or employee in the service of a
20 qualified local government, including persons appointed as
21 trustees of sanitary districts regardless of hours devoted to
22 the service of the sanitary district, (ii) each employee in the
23 service of a qualified rehabilitation facility, (iii) each
24 full-time employee in the service of a qualified domestic
25 violence shelter or service, and (iv) each full-time employee
26 in the service of a qualified child advocacy center, as

1 determined according to rules promulgated by the Director.

2 (l) "Member" means an employee, annuitant, retired
3 employee or survivor.

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

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

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

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

21 (q) "Survivor" means a person receiving an annuity as a
22 survivor of an employee or of an annuitant. "Survivor" also
23 includes: (1) the surviving dependent of a person who satisfies
24 the definition of "employee" except that such person is made
25 ineligible to participate in the State Universities Retirement
26 System by clause (4) of subsection (a) of Section 15-107 of the

1 Illinois Pension Code; (2) the surviving dependent of any
2 person formerly employed by the University of Illinois in the
3 Cooperative Extension Service who would be an annuitant except
4 for the fact that such person was made ineligible to
5 participate in the State Universities Retirement System by
6 clause (4) of subsection (a) of Section 15-107 of the Illinois
7 Pension Code; and (3) the surviving dependent of a person who
8 was an annuitant under this Act by virtue of receiving an
9 alternative retirement cancellation payment under Section
10 14-108.5 of the Illinois Pension Code.

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

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

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

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

1 14-108.5 of the Illinois Pension Code.

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

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

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

17 (s) "Unit of local government" means any county,
18 municipality, township, school district (including a
19 combination of school districts under the Intergovernmental
20 Cooperation Act), special district or other unit, designated as
21 a unit of local government by law, which exercises limited
22 governmental powers or powers in respect to limited
23 governmental subjects, any not-for-profit association with a
24 membership that primarily includes townships and township
25 officials, that has duties that include provision of research
26 service, dissemination of information, and other acts for the

1 purpose of improving township government, and that is funded
2 wholly or partly in accordance with Section 85-15 of the
3 Township Code; any not-for-profit corporation or association,
4 with a membership consisting primarily of municipalities, that
5 operates its own utility system, and provides research,
6 training, dissemination of information, or other acts to
7 promote cooperation between and among municipalities that
8 provide utility services and for the advancement of the goals
9 and purposes of its membership; the Southern Illinois
10 Collegiate Common Market, which is a consortium of higher
11 education institutions in Southern Illinois; the Illinois
12 Association of Park Districts; and any hospital provider that
13 is owned by a county that has 100 or fewer hospital beds and
14 has not already joined the program. "Qualified local
15 government" means a unit of local government approved by the
16 Director and participating in a program created under
17 subsection (i) of Section 10 of this Act.

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

1 Section 10 of this Act.

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

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

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

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

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

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

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

26 (2) is a TRS benefit recipient's: (A) spouse, (B)

1 dependent parent who is receiving at least half of his or
2 her support from the TRS benefit recipient, or (C)
3 unmarried natural or adopted child who is (i) under age 19,
4 or (ii) enrolled as a full-time student in an accredited
5 school, financially dependent upon the TRS benefit
6 recipient, eligible to be claimed as a dependent for income
7 tax purposes, and either is under age 24 or was, on January
8 1, 1996, participating as a dependent beneficiary in the
9 health insurance program offered under Article 16 of the
10 Illinois Pension Code, or (iii) age 19 or over who is
11 mentally or physically handicapped.

12 (x) "Military leave with pay and benefits" refers to
13 individuals in basic training for reserves, special/advanced
14 training, annual training, emergency call up, or activation by
15 the President of the United States with approved pay and
16 benefits.

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

21 (z) "Community college benefit recipient" means a person
22 who:

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

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

1 (3) either (i) was a full-time employee of a community
2 college district or an association of community college
3 boards created under the Public Community College Act
4 ~~(other than an employee whose last employer under Article~~
5 ~~15 of the Illinois Pension Code was a community college~~
6 ~~district subject to Article VII of the Public Community~~
7 ~~College Act)~~ and was eligible to participate in a group
8 health benefit plan as an employee during the time of
9 employment with a community college district ~~(other than a~~
10 ~~community college district subject to Article VII of the~~
11 ~~Public Community College Act)~~ or an association of
12 community college boards, or (ii) is the survivor of a
13 person described in item (i).

14 (aa) "Community college dependent beneficiary" means a
15 person who:

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

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

1 handicapped.

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

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

10 (5 ILCS 375/6.9)

11 Sec. 6.9. Health benefits for community college benefit
12 recipients and community college dependent beneficiaries.

13 (a) Purpose. It is the purpose of these ~~this~~ amendatory
14 Acts Act of 1997 and 2008 to establish a uniform program of
15 health benefits for community college benefit recipients and
16 their dependent beneficiaries under the administration of the
17 Department of Central Management Services.

18 (b) Creation of program. Beginning July 1, 1999, the
19 Department of Central Management Services shall be responsible
20 for administering a program of health benefits for community
21 college benefit recipients and community college dependent
22 beneficiaries under this Section. The State Universities
23 Retirement System and the boards of trustees of the various
24 community college districts shall cooperate with the
25 Department in this endeavor.

1 Beginning July 1, 2009, the Department of Central
2 Management Services shall be responsible for administering a
3 program of health benefits for community college benefit
4 recipients and community college dependent beneficiaries
5 subject to Article VII of the Public Community College Act. The
6 State Universities Retirement System and the boards of trustees
7 of the community college districts shall cooperate with the
8 Department in this endeavor.

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

18 (d) Coverage. The health benefit coverage provided under
19 this Section shall be a program of health, dental, and vision
20 benefits.

21 The program of health benefits under this Section may
22 include any or all of the benefit limitations, including but
23 not limited to a reduction in benefits based on eligibility for
24 federal medicare benefits, that are provided under subsection
25 (a) of Section 6 of this Act for other health benefit programs
26 under this Act.

1 (e) Insurance rates and premiums. The Director shall
2 determine the insurance rates and premiums for community
3 college benefit recipients and community college dependent
4 beneficiaries. Rates and premiums may be based in part on age
5 and eligibility for federal Medicare coverage. The Director
6 shall also determine premiums that will allow for the
7 establishment of an actuarially sound reserve for this program.

8 The cost of health benefits under the program shall be paid
9 as follows:

10 (1) For a community college benefit recipient, up to
11 75% of the total insurance rate shall be paid from the
12 Community College Health Insurance Security Fund.

13 (2) The balance of the rate of insurance, including the
14 entire premium for any coverage for community college
15 dependent beneficiaries that has been elected, shall be
16 paid by deductions authorized by the community college
17 benefit recipient to be withheld from his or her monthly
18 annuity or benefit payment from the State Universities
19 Retirement System; except that (i) if the balance of the
20 cost of coverage exceeds the amount of the monthly annuity
21 or benefit payment, the difference shall be paid directly
22 to the State Universities Retirement System by the
23 community college benefit recipient, and (ii) all or part
24 of the balance of the cost of coverage may, at the option
25 of the board of trustees of the community college district,
26 be paid to the State Universities Retirement System by the

1 board of the community college district from which the
2 community college benefit recipient retired. The State
3 Universities Retirement System shall promptly deposit all
4 moneys withheld by or paid to it under this subdivision
5 (e) (2) into the Community College Health Insurance
6 Security Fund. These moneys shall not be considered assets
7 of the State Universities Retirement System.

8 (f) Financing. All revenues arising from the
9 administration of the health benefit program established under
10 this Section shall be deposited into the Community College
11 Health Insurance Security Fund, which is hereby created as a
12 nonappropriated trust fund to be held outside the State
13 Treasury, with the State Treasurer as custodian. Any interest
14 earned on moneys in the Community College Health Insurance
15 Security Fund shall be deposited into the Fund.

16 Moneys in the Community College Health Insurance Security
17 Fund shall be used only to pay the costs of the health benefit
18 program established under this Section, including associated
19 administrative costs and the establishment of a program
20 reserve. Beginning January 1, 1999, the Department of Central
21 Management Services may make expenditures from the Community
22 College Health Insurance Security Fund for those costs.

23 (g) Contract for benefits. The Director shall by contract,
24 self-insurance, or otherwise make available the program of
25 health benefits for community college benefit recipients and
26 their community college dependent beneficiaries that is

1 provided for in this Section. The contract or other arrangement
2 for the provision of these health benefits shall be on terms
3 deemed by the Director to be in the best interest of the State
4 of Illinois and the community college benefit recipients based
5 on, but not limited to, such criteria as administrative cost,
6 service capabilities of the carrier or other contractor, and
7 the costs of the benefits.

8 (h) Continuation of program. It is the intention of the
9 General Assembly that the program of health benefits provided
10 under this Section be maintained on an ongoing, affordable
11 basis. The program of health benefits provided under this
12 Section may be amended by the State and is not intended to be a
13 pension or retirement benefit subject to protection under
14 Article XIII, Section 5 of the Illinois Constitution.

15 (i) Other health benefit plans. A health benefit plan
16 provided by a community college district ~~(other than a~~
17 ~~community college district subject to Article VII of the Public~~
18 ~~Community College Act)~~ under the terms of a collective
19 bargaining agreement in effect on or prior to the effective
20 date of this amendatory Act of 1997 shall continue in force
21 according to the terms of that agreement, unless otherwise
22 mutually agreed by the parties to that agreement and the
23 affected retiree. A community college benefit recipient or
24 community college dependent beneficiary whose coverage under
25 such a plan expires shall be eligible to begin participating in
26 the program established under this Section without any

1 interruption or delay in coverage or limitation as to
2 pre-existing medical conditions.

3 A health benefit plan provided by a community college
4 district subject to Article VII of the Public Community College
5 Act under the terms of a collective bargaining agreement in
6 effect on or prior to the effective date of this amendatory Act
7 of 2008 shall continue in force according to the terms of that
8 agreement, unless otherwise mutually agreed by the parties to
9 that agreement and the affected retiree. A community college
10 benefit recipient or community college dependent beneficiary
11 whose coverage under such a plan expires shall be eligible to
12 begin participating in the program established under this
13 Section without any interruption or delay in coverage or
14 limitation as to pre-existing medical conditions.

15 This Act does not prohibit any community college district
16 from offering additional health benefits for its retirees or
17 their dependents or survivors.

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

21 (1) One member appointed by the Governor.

22 (2) One member appointed by the President of the
23 Senate.

24 (3) One member appointed by the Minority Leader of the
25 Senate.

26 (4) One member appointed by the Speaker of the House of

1 Representatives.

2 (5) One member appointed by the Minority Leader of the
3 House of Representatives.

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

6 (7) One member appointed by and representing an
7 education labor organization in the counties of DuPage,
8 Lake, Kane, and Will.

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

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

14 (10) One member appointed by and representing the
15 Community College Trustees Association.

16 (11) One member appointed by and representing a
17 statewide retiree organization.

18 Committee members shall not be compensated. Nothing in this
19 Act shall prevent a Committee member from also being a member
20 of the Board of Trustees of a community college district. The
21 Committee shall convene at least 2 times each year and more
22 frequently as needed.

23 The Committee shall consider and make recommendations on
24 issues affecting the program of health benefits provided under
25 this Section. Recommendations of the Committee shall be based
26 on the majority vote of the members of the Committee.

1 The Committee chair shall be selected by the Committee from
2 among the members.

3 If the Community College Health Insurance Security Fund
4 experiences a deficit balance based upon the contribution and
5 subsidy rates established in Section 6.10 of this Act and
6 Section 1.4 of the State Pension Funds Continuing Appropriation
7 Act for fiscal year 2009 and thereafter, the Committee shall
8 make recommendations for adjustments to the funding sources
9 established under those Sections.

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

11 (5 ILCS 375/6.10)

12 Sec. 6.10. Contributions to the Community College Health
13 Insurance Security Fund.

14 (a) Beginning January 1, 1999, every active contributor of
15 the State Universities Retirement System (established under
16 Article 15 of the Illinois Pension Code) who (1) is a full-time
17 employee of a community college district (other than a
18 community college district subject to Article VII of the Public
19 Community College Act) or an association of community college
20 boards and (2) is not an employee as defined in Section 3 of
21 this Act shall make contributions toward the cost of community
22 college annuitant and survivor health benefits at the rate of
23 0.75% ~~0.50%~~ of salary.

24 Beginning January 1, 2009, every active contributor of the
25 State Universities Retirement System established under Article

1 15 of the Illinois Pension Code who (1) is a full-time employee
2 of a community college district, including a community college
3 district subject to Article VII of the Public Community College
4 Act, or an association of community college boards and (2) is
5 not an employee as defined in Section 3 of this Act shall make
6 contributions toward the cost of community college annuitant
7 and survivor health benefits at the rate of 0.75% of salary.

8 These contributions shall be deducted by the employer and
9 paid to the State Universities Retirement System as service
10 agent for the Department of Central Management Services. The
11 System may use the same processes for collecting the
12 contributions required by this subsection that it uses to
13 collect the contributions received from those employees under
14 Section 15-157 of the Illinois Pension Code. An employer may
15 agree to pick up or pay the contributions required under this
16 subsection on behalf of the employee; such contributions shall
17 be deemed to have been paid by the employee.

18 The State Universities Retirement System shall promptly
19 deposit all moneys collected under this subsection (a) into the
20 Community College Health Insurance Security Fund created in
21 Section 6.9 of this Act. The moneys collected under this
22 Section shall be used only for the purposes authorized in
23 Section 6.9 of this Act and shall not be considered to be
24 assets of the State Universities Retirement System.
25 Contributions made under this Section are not transferable to
26 other pension funds or retirement systems and are not

1 refundable upon termination of service.

2 (b) Beginning January 1, 1999, every community college
3 district (other than a community college district subject to
4 Article VII of the Public Community College Act) or association
5 of community college boards that is an employer under the State
6 Universities Retirement System shall contribute toward the
7 cost of the community college health benefits provided under
8 Section 6.9 of this Act an amount equal to 0.50% of the salary
9 paid to its full-time employees who participate in the State
10 Universities Retirement System and are not members as defined
11 in Section 3 of this Act.

12 Beginning January 1, 2009, every community college
13 district subject to Article VII of the Public Community College
14 Act or association of community college boards that is an
15 employer under the State Universities Retirement System shall
16 contribute toward the cost of the community college health
17 benefits provided under Section 6.9 of this Act an amount equal
18 to 0.75% of the salary paid to its full-time employees who
19 participate in the State Universities Retirement System and are
20 not members as defined in Section 3 of this Act.

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

1 Illinois Pension Code.

2 The State Universities Retirement System shall promptly
3 deposit all moneys collected under this subsection (b) 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 The Department of Healthcare and Family Services, or any
13 successor agency designated to procure healthcare contracts
14 pursuant to this Act, is authorized to establish funds,
15 separate accounts provided by any bank or banks as defined by
16 the Illinois Banking Act, or separate accounts provided by any
17 savings and loan association or associations as defined by the
18 Illinois Savings and Loan Act of 1985 to be held by the
19 Director, outside the State treasury, for the purpose of
20 receiving the transfer of moneys from the Community College
21 Health Insurance Security Fund. The Department may promulgate
22 rules further defining the methodology for the transfers. Any
23 interest earned by moneys in the funds or accounts shall inure
24 to the Community College Health Insurance Security Fund. The
25 transferred moneys, and interest accrued thereon, shall be used
26 exclusively for transfers to administrative service

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

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

1 preparing its estimate. As soon as possible after the effective
2 date of this Section, the Board shall submit its estimate for
3 fiscal year 1999.

4 (d) Beginning in fiscal year 1999, on the first day of each
5 month, or as soon thereafter as may be practical, the State
6 Treasurer and the State Comptroller shall transfer from the
7 General Revenue Fund to the Community College Health Insurance
8 Security Fund 1/12 of the annual amount appropriated for that
9 fiscal year to the State Comptroller for deposit into the
10 Community College Health Insurance Security Fund under Section
11 1.4 of the State Pension Funds Continuing Appropriation Act.

12 (e) Except where otherwise specified in this Section, the
13 definitions that apply to Article 15 of the Illinois Pension
14 Code apply to this Section.

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

16 Section 10. The State Pension Funds Continuing
17 Appropriation Act is amended by changing Section 1.4 as
18 follows:

19 (40 ILCS 15/1.4)

20 Sec. 1.4. Appropriations for the Community College Health
21 Insurance Security Fund. Beginning in State fiscal year 1999,
22 there is hereby appropriated, on a continuing annual basis,
23 from the General Revenue Fund to the State Comptroller for
24 deposit into the Community College Health Insurance Security

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

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

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

16 (30 ILCS 805/8.32 new)

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

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