



96TH GENERAL ASSEMBLY

State of Illinois

2009 and 2010

SB1638

Introduced 2/19/2009, by Sen. Donne E. Trotter

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 805/8.33 new

Amends the State Employees Group Insurance Act of 1971 and the State Pension Funds Continuing Appropriation Act. Beginning July 1, 2011, 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. Beginning January 1, 2011, provides for the collection and use of contributions. Beginning July 1, 2010, 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.

LRB096 03006 JAM 13020 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, until July 1, 2011, an employee whose last
24 employer under Article 15 of the Illinois Pension Code was
25 a community college district subject to Article VII of the
26 Public Community College Act) and was eligible to

1 participate in a group health benefit plan as an employee
2 during the time of employment with a community college
3 district (other than, until July 1, 2011, a community
4 college district subject to Article VII of the Public
5 Community College Act) or an association of community
6 college boards, or (ii) is the survivor of a person
7 described in item (i).

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

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

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

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

1 subsection (n) of Section 10.

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

4 (5 ILCS 375/6.9)

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

7 (a) Purpose. It is the purpose of these ~~this~~ amendatory
8 Acts Act of 1997 and 2009 to establish a uniform program of
9 health benefits for community college benefit recipients and
10 their dependent beneficiaries under the administration of the
11 Department of Central Management Services.

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

20 Beginning July 1, 2011, the Department of Central
21 Management Services shall be responsible for administering a
22 program of health benefits for community college benefit
23 recipients and community college dependent beneficiaries
24 subject to Article VII of the Public Community College Act. The
25 State Universities Retirement System and the boards of trustees

1 of the community college districts shall cooperate with the
2 Department in this endeavor.

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

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

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

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

1 establishment of an actuarially sound reserve for this program.

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

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

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

1 of the State Universities Retirement System.

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

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

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

1 the costs of the benefits.

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

9 (i) Other health benefit plans. A health benefit plan
10 provided by a community college district (other than, until
11 July 1, 2011, a community college district subject to Article
12 VII of the Public Community College Act) under the terms of a
13 collective bargaining agreement in effect on or prior to the
14 effective date of this amendatory Act of 1997 shall continue in
15 force according to the terms of that agreement, unless
16 otherwise mutually agreed by the parties to that agreement and
17 the affected retiree. A community college benefit recipient or
18 community college dependent beneficiary whose coverage under
19 such a plan expires shall be eligible to begin participating in
20 the program established under this Section without any
21 interruption or delay in coverage or limitation as to
22 pre-existing medical conditions.

23 A health benefit plan provided by a community college
24 district subject to Article VII of the Public Community College
25 Act under the terms of a collective bargaining agreement in
26 effect on or prior to July 1, 2011, shall continue in force

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

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

12 (j) This subsection applies beginning July 1, 2010. The
13 Community College Health Insurance Security Fund Committee is
14 established. The Committee shall consist of 11 members
15 appointed as follows:

16 (1) One member appointed by the Governor.

17 (2) One member appointed by the President of the
18 Senate.

19 (3) One member appointed by the Minority Leader of the
20 Senate.

21 (4) One member appointed by the Speaker of the House of
22 Representatives.

23 (5) One member appointed by the Minority Leader of the
24 House of Representatives.

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

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

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

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

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

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

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

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

22 The Committee chair shall be selected by the Committee from
23 among the members.

24 If the Community College Health Insurance Security Fund
25 experiences a deficit balance based upon the contribution and
26 subsidy rates established in Section 6.10 of this Act and

1 Section 1.4 of the State Pension Funds Continuing Appropriation
2 Act for fiscal year 2012 and thereafter, the Committee shall
3 make recommendations for adjustments to the funding sources
4 established under those Sections.

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

6 (5 ILCS 375/6.10)

7 Sec. 6.10. Contributions to the Community College Health
8 Insurance Security Fund.

9 (a) Beginning January 1, 1999, and until January 1, 2011,
10 every active contributor of the State Universities Retirement
11 System (established under Article 15 of the Illinois Pension
12 Code) who (1) is a full-time employee of a community college
13 district (other than a community college district subject to
14 Article VII of the Public Community College Act) or an
15 association of community college boards and (2) is not an
16 employee as defined in Section 3 of this Act shall make
17 contributions toward the cost of community college annuitant
18 and survivor health benefits at the rate of 0.50% of salary.

19 Beginning January 1, 2011, every active contributor of the
20 State Universities Retirement System established under Article
21 15 of the Illinois Pension Code who (1) is a full-time employee
22 of a community college district, including a community college
23 district subject to Article VII of the Public Community College
24 Act, or an association of community college boards and (2) is
25 not an employee as defined in Section 3 of this Act shall make

1 contributions toward the cost of community college annuitant
2 and survivor health benefits at the rate of 0.75% of salary.

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

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

23 (b) Beginning January 1, 1999, and until January 1, 2011,
24 every community college district (other than a community
25 college district subject to Article VII of the Public Community
26 College Act) or association of community college boards that is

1 an employer under the State Universities Retirement System
2 shall contribute toward the cost of the community college
3 health benefits provided under Section 6.9 of this Act an
4 amount equal to 0.50% of the salary paid to its full-time
5 employees who participate in the State Universities Retirement
6 System and are not members as defined in Section 3 of this Act.

7 Beginning January 1, 2011, every community college
8 district, including a community college district subject to
9 Article VII of the Public Community College Act, or association
10 of community college boards that is an employer under the State
11 Universities Retirement System shall contribute toward the
12 cost of the community college health benefits provided under
13 Section 6.9 of this Act an amount equal to 0.75% of the salary
14 paid to its full-time employees who participate in the State
15 Universities Retirement System and are not members as defined
16 in Section 3 of this Act.

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

24 The State Universities Retirement System shall promptly
25 deposit all moneys collected under this subsection (b) into the
26 Community College Health Insurance Security Fund created in

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

8 The Department of Healthcare and Family Services, or any
9 successor agency designated to procure healthcare contracts
10 pursuant to this Act, is authorized to establish funds,
11 separate accounts provided by any bank or banks as defined by
12 the Illinois Banking Act, or separate accounts provided by any
13 savings and loan association or associations as defined by the
14 Illinois Savings and Loan Act of 1985 to be held by the
15 Director, outside the State treasury, for the purpose of
16 receiving the transfer of moneys from the Community College
17 Health Insurance Security Fund. The Department may promulgate
18 rules further defining the methodology for the transfers. Any
19 interest earned by moneys in the funds or accounts shall inure
20 to the Community College Health Insurance Security Fund. The
21 transferred moneys, and interest accrued thereon, shall be used
22 exclusively for transfers to administrative service
23 organizations or their financial institutions for payments of
24 claims to claimants and providers under the self-insurance
25 health plan. The transferred moneys, and interest accrued
26 thereon, shall not be used for any other purpose including, but

1 not limited to, reimbursement of administration fees due the
2 administrative service organization pursuant to its contract
3 or contracts with the Department.

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

26 (d) Beginning in fiscal year 1999, on the first day of each

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

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

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

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

15 (40 ILCS 15/1.4)

16 Sec. 1.4. Appropriations for the Community College Health
17 Insurance Security Fund. Beginning in State fiscal year 1999,
18 there is hereby appropriated, on a continuing annual basis,
19 from the General Revenue Fund to the State Comptroller for
20 deposit into the Community College Health Insurance Security
21 Fund, an amount equal to the amount certified by the Board of
22 Trustees of the State Universities Retirement System under
23 subsection (c) of Section 6.10 of the State Employees Group
24 Insurance Act of 1971 as the estimated total amount of

1 contributions to be paid under subsection (a) of that Section
2 6.10 in that fiscal year. The moneys appropriated under this
3 Section 1.4 shall be deposited into the Community College
4 Health Insurance Security Fund and used only for the purposes
5 authorized in Section 6.9 of the State Employees Group
6 Insurance Act of 1971. Beginning January 1, 2011, the transfer
7 of funds by any constitutional officer or legislative body for
8 any other purpose or program is specifically prohibited.

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

10 Section 90. The State Mandates Act is amended by adding
11 Section 8.33 as follows:

12 (30 ILCS 805/8.33 new)

13 Sec. 8.33. Exempt mandate. Notwithstanding Sections 6 and 8
14 of this Act, no reimbursement by the State is required for the
15 implementation of any mandate created by this amendatory Act of
16 the 96th General Assembly.