



96TH GENERAL ASSEMBLY

State of Illinois

2009 and 2010

SB3532

Introduced 2/10/2010, 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 805/8.34 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. Effective immediately.

LRB096 19251 JAM 34642 b

FISCAL NOTE ACT
MAY APPLY

A BILL FOR

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, (2) age 19 to 24 enrolled as a full-time student in
9 any accredited school, financially dependent upon the member,
10 and eligible to be claimed as a dependent for income tax
11 purposes, (2.1) age 19 to 24 on a medical leave of absence as
12 described in Section 356z.11 of the Illinois Insurance Code
13 (215 ILCS 5/356z.11), or (3) age 19 or over who is mentally or
14 physically handicapped. For the purposes of item (2), an
15 unmarried child age 19 to 24 who is a member of the United
16 States Armed Services, including the Illinois National Guard,
17 and is mobilized to active duty shall qualify as a dependent
18 beyond the age of 24 and until the age of 25 and while a
19 full-time student for the amount of time spent on active duty
20 between the ages of 19 and 24. The individual attempting to
21 qualify for this additional time must submit written
22 documentation of active duty service to the Director. The
23 changes made by this amendatory Act of the 94th General
24 Assembly apply only to individuals mobilized to active duty in
25 the United States Armed Services, including the Illinois
26 National Guard, on or after January 1, 2002. For the health

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

10 (i) "Director" means the Director of the Illinois
11 Department of Central Management Services or of any successor
12 agency designated to administer this Act.

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

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

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

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

23 (l) "Member" means an employee, annuitant, retired
24 employee or survivor.

25 (m) "Optional coverages or benefits" means those coverages
26 or benefits available to the member on his or her voluntary

1 election, and at his or her own expense.

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

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

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

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

1 clause (4) of subsection (a) of Section 15-107 of the Illinois
2 Pension Code; and (3) the surviving dependent of a person who
3 was an annuitant under this Act by virtue of receiving an
4 alternative retirement cancellation payment under Section
5 14-108.5 of the Illinois Pension Code.

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

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

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

14 (q-5) "New SERS survivor" means a survivor, as defined in
15 subsection (q), whose annuity is paid under Article 14 of the
16 Illinois Pension Code and is based on the death of (i) an
17 employee whose death occurs on or after January 1, 1998, or
18 (ii) a new SERS annuitant as defined in subsection (b-5). "New
19 SERS survivor" includes the surviving dependent of a person who
20 was an annuitant under this Act by virtue of receiving an
21 alternative retirement cancellation payment under Section
22 14-108.5 of the Illinois Pension Code.

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

1 (ii) a new SURS annuitant as defined in subsection (b-6).

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

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

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

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

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

23 (u) "Qualified domestic violence shelter or service" means
24 any Illinois domestic violence shelter or service and its
25 administrative offices funded by the Department of Human
26 Services (as successor to the Illinois Department of Public

1 Aid), approved by the Director and participating in a program
2 created under subsection (k) of Section 10.

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

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

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

7 (3) either (i) has at least 8 years of creditable
8 service under Article 16 of the Illinois Pension Code, or

9 (ii) was enrolled in the health insurance program offered
10 under that Article on January 1, 1996, or (iii) is the

11 survivor of a benefit recipient who had at least 8 years of
12 creditable service under Article 16 of the Illinois Pension

13 Code or was enrolled in the health insurance program
14 offered under that Article on the effective date of this

15 amendatory Act of 1995, or (iv) is a recipient or survivor
16 of a recipient of a disability benefit under Article 16 of

17 the Illinois Pension Code.

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

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

21 (2) is a TRS benefit recipient's: (A) spouse, (B)
22 dependent parent who is receiving at least half of his or

23 her support from the TRS benefit recipient, or (C)
24 unmarried natural or adopted child who is (i) under age 19,

25 or (ii) enrolled as a full-time student in an accredited
26 school, financially dependent upon the TRS benefit

1 recipient, eligible to be claimed as a dependent for income
2 tax purposes, and either is under age 24 or was, on January
3 1, 1996, participating as a dependent beneficiary in the
4 health insurance program offered under Article 16 of the
5 Illinois Pension Code, or (iii) age 19 or over who is
6 mentally or physically handicapped.

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

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

16 (z) "Community college benefit recipient" means a person
17 who:

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

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

22 (3) either (i) was a full-time employee of a community
23 college district or an association of community college
24 boards created under the Public Community College Act
25 (other than, until July 1, 2011, an employee whose last
26 employer under Article 15 of the Illinois Pension Code was

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

10 (aa) "Community college dependent beneficiary" means a
11 person who:

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

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

24 (bb) "Qualified child advocacy center" means any Illinois
25 child advocacy center and its administrative offices funded by
26 the Department of Children and Family Services, as defined by

1 the Children's Advocacy Center Act (55 ILCS 80/), approved by
2 the Director and participating in a program created under
3 subsection (n) of Section 10.

4 (Source: P.A. 95-331, eff. 8-21-07; 95-632, eff. 9-25-07;
5 96-756, eff. 1-1-10.)

6 (5 ILCS 375/6.9)

7 Sec. 6.9. Health benefits for community college benefit
8 recipients and community college dependent beneficiaries.

9 (a) Purpose. It is the purpose of these ~~this~~ amendatory
10 Acts Act of 1997 and 2010 to establish a uniform program of
11 health benefits for community college benefit recipients and
12 their dependent beneficiaries under the administration of the
13 Department of Central Management Services.

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

22 Beginning July 1, 2011, the Department of Central
23 Management Services shall be responsible for administering a
24 program of health benefits for community college benefit
25 recipients and community college dependent beneficiaries

1 subject to Article VII of the Public Community College Act. The
2 State Universities Retirement System and the boards of trustees
3 of the community college districts shall cooperate with the
4 Department in this endeavor.

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

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

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

23 (e) Insurance rates and premiums. The Director shall
24 determine the insurance rates and premiums for community
25 college benefit recipients and community college dependent
26 beneficiaries. Rates and premiums may be based in part on age

1 and eligibility for federal Medicare coverage. The Director
2 shall also determine premiums that will allow for the
3 establishment of an actuarially sound reserve for this program.

4 The cost of health benefits under the program shall be paid
5 as follows:

6 (1) For a community college benefit recipient, up to
7 75% of the total insurance rate shall be paid from the
8 Community College Health Insurance Security Fund.

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

1 (e)(2) into the Community College Health Insurance
2 Security Fund. These moneys shall not be considered assets
3 of the State Universities Retirement System.

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

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

19 (g) Contract for benefits. The Director shall by contract,
20 self-insurance, or otherwise make available the program of
21 health benefits for community college benefit recipients and
22 their community college dependent beneficiaries that is
23 provided for in this Section. The contract or other arrangement
24 for the provision of these health benefits shall be on terms
25 deemed by the Director to be in the best interest of the State
26 of Illinois and the community college benefit recipients based

1 on, but not limited to, such criteria as administrative cost,
2 service capabilities of the carrier or other contractor, and
3 the costs of the benefits.

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

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

25 A health benefit plan provided by a community college
26 district subject to Article VII of the Public Community College

1 Act under the terms of a collective bargaining agreement in
2 effect on or prior to July 1, 2011, shall continue in force
3 according to the terms of that agreement, unless otherwise
4 mutually agreed by the parties to that agreement and the
5 affected retiree. A community college benefit recipient or
6 community college dependent beneficiary whose coverage under
7 such a plan expires shall be eligible to begin participating in
8 the program established under this Section without any
9 interruption or delay in coverage or limitation as to
10 pre-existing medical conditions.

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

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

18 (1) One member appointed by the Governor.

19 (2) One member appointed by the President of the
20 Senate.

21 (3) One member appointed by the Minority Leader of the
22 Senate.

23 (4) One member appointed by the Speaker of the House of
24 Representatives.

25 (5) One member appointed by the Minority Leader of the
26 House of Representatives.

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

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

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

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

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

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

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

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

24 The Committee chair shall be selected by the Committee from
25 among the members.

26 If the Community College Health Insurance Security Fund

1 experiences a deficit balance based upon the contribution and
2 subsidy rates established in Section 6.10 of this Act and
3 Section 1.4 of the State Pension Funds Continuing Appropriation
4 Act for fiscal year 2012 and thereafter, the Committee shall
5 make recommendations for adjustments to the funding sources
6 established under those Sections.

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

8 (5 ILCS 375/6.10)

9 Sec. 6.10. Contributions to the Community College Health
10 Insurance Security Fund.

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

21 Beginning January 1, 2011, every active contributor of the
22 State Universities Retirement System established under Article
23 15 of the Illinois Pension Code who (1) is a full-time employee
24 of a community college district, including a community college
25 district subject to Article VII of the Public Community College

1 Act, or an association of community college boards and (2) is
2 not an employee as defined in Section 3 of this Act shall make
3 contributions toward the cost of community college annuitant
4 and survivor health benefits at the rate of 0.75% of salary.

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

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

25 (b) Beginning January 1, 1999, and until January 1, 2011,
26 every community college district (other than a community

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

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

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

26 The State Universities Retirement System shall promptly

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

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

1 health plan. The transferred moneys, and interest accrued
2 thereon, shall not be used for any other purpose including, but
3 not limited to, reimbursement of administration fees due the
4 administrative service organization pursuant to its contract
5 or contracts with the Department.

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

1 fiscal year 1999.

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

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

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

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

17 (40 ILCS 15/1.4)

18 Sec. 1.4. Appropriations for the Community College Health
19 Insurance Security Fund. Beginning in State fiscal year 1999,
20 there is hereby appropriated, on a continuing annual basis,
21 from the General Revenue Fund to the State Comptroller for
22 deposit into the Community College Health Insurance Security
23 Fund, an amount equal to the amount certified by the Board of
24 Trustees of the State Universities Retirement System under

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

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

12 Section 90. The State Mandates Act is amended by adding
13 Section 8.34 as follows:

14 (30 ILCS 805/8.34 new)

15 Sec. 8.34. Exempt mandate. Notwithstanding Sections 6 and 8
16 of this Act, no reimbursement by the State is required for the
17 implementation of any mandate created by this amendatory Act of
18 the 96th General Assembly.

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