



96TH GENERAL ASSEMBLY

State of Illinois

2009 and 2010

SB3978

Introduced 1/10/2011, by Sen. William R. Haine

SYNOPSIS AS INTRODUCED:

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. Increases, beginning February 1, 2011, the required contributions for every active contributor of the State Universities Retirement System (established under Article 15 of the Illinois Pension Code) who (1) is a full-time employee of a community college district (other than a community college district subject to Article VII of the Public Community College Act) or an association of community college boards and (2) is not an employee as defined in a separate provision of the Act. Increases, beginning February 1, 2011, the required contribution every community college district (other than a community college district subject to Article VII of the Public Community College Act) or association of community college boards that is an employer under the State Universities Retirement System must contribute toward the cost of community college health benefits. Amends the State Pension Funds Continuing Appropriation Act. In provisions concerning the Community College Health Insurance Security Fund, prohibits the transfer of funds from the Community College Health Insurance Security Fund by any constitutional officer or legislative body for any other purpose or program. Amends the State Mandates Act to require implementation without reimbursement. Effective immediately.

LRB096 24767 JDS 44859 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 Section 6.10 as follows:

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 February 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 February 1, 2011, the contribution rate under this
20 subsection (a) shall be 0.66% of salary. Beginning July 1,
21 2011, the contribution rate under this subsection (a) shall be
22 0.82% of salary. Beginning July 1, 2012, the contribution rate
23 under this subsection (a) shall be 0.97% of salary. Beginning

1 July 1, 2013, the contribution rate under this subsection (a)
2 shall be a percentage of salary and determined by the
3 Department of Central Management Services, or its successor, by
4 rule, which in each fiscal year shall not exceed 105% of the
5 percentage of salary actually required to be contributed in the
6 previous fiscal year.

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

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

1 (b) Beginning January 1, 1999 and until February 1, 2011,
2 every community college district (other than a community
3 college district subject to Article VII of the Public Community
4 College Act) or association of community college boards that is
5 an employer under the State Universities Retirement System
6 shall contribute toward the cost of the community college
7 health benefits provided under Section 6.9 of this Act an
8 amount equal to 0.50% of the salary paid to its full-time
9 employees who participate in the State Universities Retirement
10 System and are not members as defined in Section 3 of this Act.
11 Beginning February 1, 2011, the contribution rate under this
12 subsection (b) shall be 0.66% of salary. Beginning July 1,
13 2011, the contribution rate under this subsection (b) shall be
14 0.82% of salary. Beginning July 1, 2012, the contribution rate
15 under this subsection (b) shall be 0.97% of salary. Beginning
16 July 1, 2013, the contribution rate under this subsection (b)
17 shall be a percentage of salary and determined by the
18 Department of Central Management Services, or its successor, by
19 rule, which in each fiscal year shall not exceed 105% of the
20 percentage of salary actually required to be contributed in the
21 previous fiscal year.

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

1 received from those employers under Section 15-155 of the
2 Illinois Pension Code.

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

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

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

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

1 of the methods and information that the Board relied upon in
2 preparing its estimate. As soon as possible after the effective
3 date of this Section, the Board shall submit its estimate for
4 fiscal year 1999.

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

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

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

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

20 (40 ILCS 15/1.4)

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

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

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

15 Section 90. The State Mandates Act is amended by adding
16 Section 8.34 as follows:

17 (30 ILCS 805/8.34 new)

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

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