



Rep. Frank J. Mautino

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LRB097 03238 JDS 59077 a

1 AMENDMENT TO HOUSE BILL 355

2 AMENDMENT NO. \_\_\_\_\_. Amend House Bill 355 by replacing  
3 everything after the enacting clause with the following:

4 "Section 5. The State Employee Health Savings Account Law  
5 is amended by changing Sections 10-5 and 10-10 as follows:

6 (5 ILCS 377/10-5)

7 Sec. 10-5. Definitions. As used in this Law:

8 (a) "Deductible" means the total deductible of a high  
9 deductible health plan for an eligible individual and all the  
10 dependents of that eligible individual for a calendar year.

11 (b) "Dependent" means a dependent as defined in Section 3  
12 of the State Employee Group Insurance Act of 1971, provided  
13 that any dependent age 26 or above, as defined under that  
14 Section, is eligible to be claimed by the eligible individual  
15 as a tax dependent under Section 152(a) of the Internal Revenue  
16 Code of 1986 ~~an eligible individual's spouse or child, as~~

1 ~~defined in Section 152 of the Internal Revenue Code of 1986.~~  
2 "Dependent" also includes a party to or the child of a party to  
3 a civil union, as defined under Section 10 of the Illinois  
4 Religious Freedom Protection and Civil Union Act, provided that  
5 the party to, or the child of a party to, the civil union is  
6 eligible to be claimed by the eligible individual as a tax  
7 dependent under Section 152(a) of the Internal Revenue Code of  
8 1986.

9 (c) "Eligible individual" means an employee, as defined in  
10 Section 3 of the State Employees Group Insurance Act of 1971,  
11 who contributes to health savings accounts on the employees'  
12 behalf, who:

13 (1) is covered by a high deductible health plan  
14 individually or with dependents; ~~and~~

15 (2) is not covered under any health plan that is not a  
16 high deductible health plan, except for:

17 (i) coverage for accidents;

18 (ii) workers' compensation insurance;

19 (iii) insurance for a specified disease or  
20 illness;

21 (iv) insurance paying a fixed amount per day per  
22 hospitalization; and

23 (v) tort liabilities; ~~and~~

24 (3) establishes a health savings account or on whose  
25 behalf the health savings account is established; ~~and~~

26 (4) is not entitled to Medicare; and

1           (5) cannot be claimed as a dependent on another  
2           person's tax return.

3           (d) "Employer" means a State agency, department, or other  
4           entity that employs an eligible individual.

5           (e) "Health savings account" or "account" means a trust or  
6           custodial account established under a State program  
7           exclusively to pay the qualified medical expenses of an  
8           eligible individual, or his or her dependents, that meets all  
9           of the following requirements:

10           (1) Except in the case of a rollover contribution, no  
11           contribution may be accepted:

12                   (A) unless it is in cash; or

13                   (B) to the extent that the contribution, when added  
14           to the previous contributions to the Account for the  
15           calendar year, exceeds the ~~lesser of (i) 100% of the~~  
16           ~~eligible individual's deductible or (ii) the~~  
17           contribution level set for that year by the Internal  
18           Revenue Service.

19           (2) The trustee or custodian is a bank, an insurance  
20           company, or another person approved by the Director of  
21           Insurance.

22           (3) No part of the trust assets shall be invested in  
23           life insurance contracts.

24           (4) The assets of the account shall not be commingled  
25           with other property except as allowed for under Individual  
26           Retirement Accounts.

1 (5) Eligible individual's interest in the account is  
2 nonforfeitable.

3 (f) "Health savings account program" or "program" means a  
4 program that includes all of the following:

5 (1) Participation ~~The purchase~~ by an eligible  
6 individual in an employer-sponsored ~~or by an employer of a~~  
7 high deductible health plan.

8 (2) The contribution into a health savings account by  
9 an eligible individual or on behalf of an employee or by  
10 his or her employer. The total annual contribution may not  
11 exceed the amount ~~of the deductible or the amounts~~ listed  
12 in sub-item (B) of item (1) of subsection (e) ~~(f)~~ of this  
13 Section.

14 (g) "High deductible" means:

15 (1) In the case of self-only coverage, an annual  
16 deductible that is not less than the level set by the  
17 Internal Revenue Service and that, when added to the other  
18 annual out-of-pocket expenses required to be paid under the  
19 plan for covered benefits, does not exceed the maximum  
20 level set by the Internal Revenue Service ~~\$5,000~~; and

21 (2) In the case of family coverage, an annual  
22 deductible of not less than the level set by the Internal  
23 Revenue Service and that, when added to the other annual  
24 out-of-pocket expenses required to be paid under the plan  
25 for covered benefits, does not exceed the maximum level set  
26 by the Internal Revenue Service ~~\$10,000~~.

1 A plan shall not fail to be treated as a high deductible  
2 plan by reason of a failure to have a deductible for preventive  
3 care or, in the case of network plans, for having out-of-pocket  
4 expenses that exceed these limits on an annual deductible for  
5 services that are provided outside the network.

6 (h) "High deductible health plan" means ~~a~~ health coverage  
7 ~~policy, certificate, or contract~~ that provides for payments for  
8 covered benefits that exceed the high deductible.

9 (i) "Qualified medical expense" means an expense paid by  
10 the eligible individual for medical care described in Section  
11 213(d) of the Internal Revenue Code of 1986.

12 (Source: P.A. 97-142, eff. 7-14-11.)

13 (5 ILCS 377/10-10)

14 Sec. 10-10. Application; authorized contributions.

15 (a) Beginning in calendar taxable year 2012 2011, each  
16 employer shall make available to each eligible individual a  
17 health savings account program, if that individual chooses to  
18 enroll in the program except that, for an employer who provides  
19 coverage pursuant to any one or more of subsections (i) through  
20 (n) of Section 10 of the State Employee Group Insurance Act,  
21 that employer may make available a health savings account  
22 program. An employer who makes a health savings account program  
23 available shall annually deposit an amount equal to one-third  
24 of the annual deductible ~~\$2,750 annually~~ into an eligible  
25 individual's health savings account. Unused funds in a health

1 savings account shall become the property of the account holder  
2 at the end of a taxable year.

3 (b) Beginning in calendar ~~taxable~~ year 2012 ~~2011~~, an  
4 eligible individual may deposit contributions into a health  
5 savings account in accordance with the restrictions set forth  
6 in subsection (e) of Section 10-5. ~~The amount of deposit may~~  
7 ~~not exceed the amount of the deductible for the policy.~~

8 (Source: P.A. 97-142, eff. 7-14-11.)

9 Section 99. Effective date. This Act takes effect upon  
10 becoming law.".