

1 AN ACT concerning State 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 and 8 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 child  
2 (1) from birth to age 26 including an adopted child, a child  
3 who lives with the member from the time of the filing of a  
4 petition for adoption until entry of an order of adoption, a  
5 stepchild or adjudicated child, or a child who lives with the  
6 member if such member is a court appointed guardian of the  
7 child or (2) age 19 or over who is mentally or physically  
8 disabled from a cause originating prior to the age of 19 (age  
9 26 if enrolled as an adult child dependent). For the health  
10 plan only, the term "dependent" also includes (1) any person  
11 enrolled prior to the effective date of this Section who is  
12 dependent upon the member to the extent that the member may  
13 claim such person as a dependent for income tax deduction  
14 purposes and (2) any person who has received after June 30,  
15 2000 an organ transplant and who is financially dependent upon  
16 the member and eligible to be claimed as a dependent for income  
17 tax purposes. A member requesting to cover any dependent must  
18 provide documentation as requested by the Department of Central  
19 Management Services and file with the Department any and all  
20 forms required by the Department.

21 (i) "Director" means the Director of the Illinois  
22 Department of Central Management Services or of any successor  
23 agency designated to administer this Act.

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

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

1 during the 6 month qualifying period under Article 14 of the  
2 Illinois Pension Code. Such term also includes any person who  
3 (1) after January 1, 1966, is receiving ordinary or accidental  
4 disability benefits under Articles 2, 14, 15 (including  
5 ordinary or accidental disability benefits under the optional  
6 retirement program established under Section 15-158.2),  
7 paragraphs (2), (3), or (5) of Section 16-106, or Article 18 of  
8 the Illinois Pension Code, for disability incurred after  
9 January 1, 1966, (2) receives total permanent or total  
10 temporary disability under the Workers' Compensation Act or  
11 Occupational Disease Act as a result of injuries sustained or  
12 illness contracted in the course of employment with the State  
13 of Illinois, or (3) is not otherwise covered under this Act and  
14 has retired as a participating member under Article 2 of the  
15 Illinois Pension Code but is ineligible for the retirement  
16 annuity under Section 2-119 of the Illinois Pension Code.  
17 However, a person who satisfies the criteria of the foregoing  
18 definition of "employee" except that such person is made  
19 ineligible to participate in the State Universities Retirement  
20 System by clause (4) of subsection (a) of Section 15-107 of the  
21 Illinois Pension Code is also an "employee" for the purposes of  
22 this Act. "Employee" also includes any person receiving or  
23 eligible for benefits under a sick pay plan established in  
24 accordance with Section 36 of the State Finance Act. "Employee"  
25 also includes (i) each officer or employee in the service of a  
26 qualified local government, including persons appointed as



1 trustees of sanitary districts regardless of hours devoted to  
2 the service of the sanitary district, (ii) each employee in the  
3 service of a qualified rehabilitation facility, (iii) each  
4 full-time employee in the service of a qualified domestic  
5 violence shelter or service, and (iv) each full-time employee  
6 in the service of a qualified child advocacy center, as  
7 determined according to rules promulgated by the Director.

8 (l) "Member" means an employee, annuitant, retired  
9 employee or survivor. In the case of an annuitant or retired  
10 employee who first becomes an annuitant or retired employee on  
11 or after the effective date of this amendatory Act of the 97th  
12 General Assembly, the individual must meet the minimum vesting  
13 requirements of the applicable retirement system in order to be  
14 eligible for group insurance benefits under that system. In the  
15 case of a survivor who first becomes a survivor on or after the  
16 effective date of this amendatory Act of the 97th General  
17 Assembly, the deceased employee, annuitant, or retired  
18 employee upon whom the annuity is based must have been eligible  
19 to participate in the group insurance system under the  
20 applicable retirement system in order for the survivor to be  
21 eligible for group insurance benefits under that system.

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

25 (n) "Program" means the group life insurance, health  
26 benefits and other employee benefits designed and contracted

1 for by the Director under this Act.

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

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

13 (q) "Survivor" means a person receiving an annuity as a  
14 survivor of an employee or of an annuitant. "Survivor" also  
15 includes: (1) the surviving dependent of a person who satisfies  
16 the definition of "employee" except that such person is made  
17 ineligible to participate in the State Universities Retirement  
18 System by clause (4) of subsection (a) of Section 15-107 of the  
19 Illinois Pension Code; (2) the surviving dependent of any  
20 person formerly employed by the University of Illinois in the  
21 Cooperative Extension Service who would be an annuitant except  
22 for the fact that such person was made ineligible to  
23 participate in the State Universities Retirement System by  
24 clause (4) of subsection (a) of Section 15-107 of the Illinois  
25 Pension Code; and (3) the surviving dependent of a person who  
26 was an annuitant under this Act by virtue of receiving an

1 alternative retirement cancellation payment under Section  
2 14-108.5 of the Illinois Pension Code.

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

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

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

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

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

25 (q-7) "New TRS State survivor" means a survivor, as defined  
26 in subsection (q), whose annuity is paid under Article 16 of

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

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

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

1 and purposes of its membership; the Southern Illinois  
2 Collegiate Common Market, which is a consortium of higher  
3 education institutions in Southern Illinois; the Illinois  
4 Association of Park Districts; and any hospital provider that  
5 is owned by a county that has 100 or fewer hospital beds and  
6 has not already joined the program. "Qualified local  
7 government" means a unit of local government approved by the  
8 Director and participating in a program created under  
9 subsection (i) of Section 10 of this Act.

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

20 (u) "Qualified domestic violence shelter or service" means  
21 any Illinois domestic violence shelter or service and its  
22 administrative offices funded by the Department of Human  
23 Services (as successor to the Illinois Department of Public  
24 Aid), approved by the Director and participating in a program  
25 created under subsection (k) of Section 10.

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

1           (1) is not a "member" as defined in this Section; and  
2           (2) is receiving a monthly benefit or retirement  
3 annuity under Article 16 of the Illinois Pension Code; and  
4           (3) either (i) has at least 8 years of creditable  
5 service under Article 16 of the Illinois Pension Code, or  
6 (ii) was enrolled in the health insurance program offered  
7 under that Article on January 1, 1996, or (iii) is the  
8 survivor of a benefit recipient who had at least 8 years of  
9 creditable service under Article 16 of the Illinois Pension  
10 Code or was enrolled in the health insurance program  
11 offered under that Article on the effective date of this  
12 amendatory Act of 1995, or (iv) is a recipient or survivor  
13 of a recipient of a disability benefit under Article 16 of  
14 the Illinois Pension Code.

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

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

18           (2) is a TRS benefit recipient's: (A) spouse, (B)  
19 dependent parent who is receiving at least half of his or  
20 her support from the TRS benefit recipient, or (C) natural,  
21 step, adjudicated, or adopted child who is (i) under age  
22 26, (ii) was, on January 1, 1996, participating as a  
23 dependent beneficiary in the health insurance program  
24 offered under Article 16 of the Illinois Pension Code, or  
25 (iii) age 19 or over who is mentally or physically disabled  
26 from a cause originating prior to the age of 19 (age 26 if

1 enrolled as an adult child).

2 "TRS dependent beneficiary" does not include, as indicated  
3 under paragraph (2) of this subsection (w), a dependent of the  
4 survivor of a TRS benefit recipient who first becomes a  
5 dependent of a survivor of a TRS benefit recipient on or after  
6 the effective date of this amendatory Act of the 97th General  
7 Assembly unless that dependent would have been eligible for  
8 coverage as a dependent of the deceased TRS benefit recipient  
9 upon whom the survivor benefit is based.

10 (x) "Military leave" refers to individuals in basic  
11 training for reserves, special/advanced training, annual  
12 training, emergency call up, activation by the President of the  
13 United States, or any other training or duty in service to the  
14 United States Armed Forces.

15 (y) (Blank).

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 an employee whose last employer under Article  
26 15 of the Illinois Pension Code was a community college

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

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

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

13 (2) is a community college benefit recipient's: (A)  
14 spouse, (B) dependent parent who is receiving at least half  
15 of his or her support from the community college benefit  
16 recipient, or (C) natural, step, adjudicated, or adopted  
17 child who is (i) under age 26, or (ii) age 19 or over and  
18 mentally or physically disabled from a cause originating  
19 prior to the age of 19 (age 26 if enrolled as an adult  
20 child).

21 "Community college dependent beneficiary" does not  
22 include, as indicated under paragraph (2) of this subsection  
23 (aa), a dependent of the survivor of a community college  
24 benefit recipient who first becomes a dependent of a survivor  
25 of a community college benefit recipient on or after the  
26 effective date of this amendatory Act of the 97th General



1 Assembly unless that dependent would have been eligible for  
2 coverage as a dependent of the deceased community college  
3 benefit recipient upon whom the survivor annuity is based.

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

10 (Source: P.A. 95-331, eff. 8-21-07; 95-632, eff. 9-25-07;  
11 96-756, eff. 1-1-10; 96-1519, eff. 2-4-11.)

12 (5 ILCS 375/8) (from Ch. 127, par. 528)

13 Sec. 8. Eligibility.

14 (a) Each employee member eligible under the provisions of  
15 this Act and any rules and regulations promulgated and adopted  
16 hereunder by the Director shall become immediately eligible and  
17 covered for all benefits available under the programs.  
18 Employees ~~Members~~ electing coverage for eligible dependents  
19 shall have the coverage effective immediately, provided that  
20 the election is properly filed in accordance with required  
21 filing dates and procedures specified by the Director,  
22 including the completion and submission of all documentation  
23 and forms required by the Director.

24 (1) Every member originally eligible to elect  
25 dependent coverage, but not electing it during the original

1 eligibility period, may subsequently obtain dependent  
2 coverage only in the event of a qualifying change in  
3 status, special enrollment, special circumstance as  
4 defined by the Director, or during the annual Benefit  
5 Choice Period.

6 (2) Members described above being transferred from  
7 previous coverage towards which the State has been  
8 contributing shall be transferred regardless of  
9 preexisting conditions, waiting periods, or other  
10 requirements that might jeopardize claim payments to which  
11 they would otherwise have been entitled.

12 (3) Eligible and covered members that are eligible for  
13 coverage as dependents except for the fact of being members  
14 shall be transferred to, and covered under, dependent  
15 status regardless of preexisting conditions, waiting  
16 periods, or other requirements that might jeopardize claim  
17 payments to which they would otherwise have been entitled  
18 upon cessation of member status and the election of  
19 dependent coverage by a member eligible to elect that  
20 coverage.

21 (b) New employees shall be immediately insured for the  
22 basic group life insurance and covered by the program of health  
23 benefits on the first day of active State service. Optional  
24 life insurance coverage one to 4 times the basic amount, if  
25 elected during the relevant eligibility period, will become  
26 effective on the date of employment. Optional life insurance

1 coverage exceeding 4 times the basic amount and all life  
2 insurance amounts applied for after the eligibility period will  
3 be effective, subject to satisfactory evidence of insurability  
4 when applicable, or other necessary qualifications, pursuant  
5 to the requirements of the applicable benefit program, unless  
6 there is a change in status that would confer new eligibility  
7 for change of enrollment under rules established supplementing  
8 this Act, in which event application must be made within the  
9 new eligibility period.

10 (c) As to the group health benefits program contracted to  
11 begin or continue after June 30, 1973, each annuitant,  
12 survivor, and retired employee shall become immediately  
13 eligible ~~and covered~~ for all benefits available under that  
14 program. Each annuitant, survivor, and retired employee shall  
15 have coverage effective immediately, provided that the  
16 election is properly filed in accordance with the required  
17 filing dates and procedures specified by the Director,  
18 including the completion and submission of all documentation  
19 and forms required by the Director. Annuitants, survivors, and  
20 retired ~~Retired~~ employees may elect coverage for eligible  
21 dependents and shall have the coverage effective immediately,  
22 provided that the election is properly filed in accordance with  
23 required filing dates and procedures specified by the Director,  
24 except that, for a survivor, the dependent sought to be added  
25 on or after the effective date of this amendatory Act of the  
26 97th General Assembly must have been eligible for coverage as a

1 dependent under the deceased member upon whom the survivor's  
2 annuity is based in order to be eligible for coverage under the  
3 survivor.

4 Except as otherwise provided in this Act, where husband and  
5 wife are both eligible members, each shall be enrolled as a  
6 member and coverage on their eligible dependent children, if  
7 any, may be under the enrollment and election of either.

8 Regardless of other provisions herein regarding late  
9 enrollment or other qualifications, as appropriate, the  
10 Director may periodically authorize open enrollment periods  
11 for each of the benefit programs at which time each member may  
12 elect enrollment or change of enrollment without regard to age,  
13 sex, health, or other qualification under the conditions as may  
14 be prescribed in rules and regulations supplementing this Act.  
15 Special open enrollment periods may be declared by the Director  
16 for certain members only when special circumstances occur that  
17 affect only those members.

18 (d) Beginning with fiscal year 2003 and for all subsequent  
19 years, eligible members may elect not to participate in the  
20 program of health benefits as defined in this Act. The election  
21 must be made during the annual benefit choice period, subject  
22 to the conditions in this subsection.

23 (1) Members must furnish proof of health benefit  
24 coverage, either comprehensive major medical coverage or  
25 comprehensive managed care plan, from a source other than  
26 the Department of Central Management Services in order to

1 elect not to participate in the program.

2 (2) Members may re-enroll in the Department of Central  
3 Management Services program of health benefits upon  
4 showing a qualifying change in status, as defined in the  
5 U.S. Internal Revenue Code, without evidence of  
6 insurability and with no limitations on coverage for  
7 pre-existing conditions, provided that there was not a  
8 break in coverage of more than 63 days.

9 (3) Members may also re-enroll in the program of health  
10 benefits during any annual benefit choice period, without  
11 evidence of insurability.

12 (4) Members who elect not to participate in the program  
13 of health benefits shall be furnished a written explanation  
14 of the requirements and limitations for the election not to  
15 participate in the program and for re-enrolling in the  
16 program. The explanation shall also be included in the  
17 annual benefit choice options booklets furnished to  
18 members.

19 (d-5) Beginning July 1, 2005, the Director may establish a  
20 program of financial incentives to encourage annuitants  
21 receiving a retirement annuity from the State Employees  
22 Retirement System, but who are not eligible for benefits under  
23 the federal Medicare health insurance program (Title XVIII of  
24 the Social Security Act, as added by Public Law 89-97) to elect  
25 not to participate in the program of health benefits provided  
26 under this Act. The election by an annuitant not to participate

1 under this program must be made in accordance with the  
2 requirements set forth under subsection (d). The financial  
3 incentives provided to these annuitants under the program may  
4 not exceed \$150 per month for each annuitant electing not to  
5 participate in the program of health benefits provided under  
6 this Act.

7 (e) Notwithstanding any other provision of this Act or the  
8 rules adopted under this Act, if a person participating in the  
9 program of health benefits as the dependent spouse of an  
10 eligible member becomes an annuitant, the person may elect, at  
11 the time of becoming an annuitant or during any subsequent  
12 annual benefit choice period, to continue participation as a  
13 dependent rather than as an eligible member for as long as the  
14 person continues to be an eligible dependent. In order to be  
15 eligible to make such an election, the person must have been  
16 enrolled as a dependent under the program of health benefits  
17 for no less than one year prior to becoming an annuitant.

18 An eligible member who has elected to participate as a  
19 dependent may re-enroll in the program of health benefits as an  
20 eligible member (i) during any subsequent annual benefit choice  
21 period or (ii) upon showing a qualifying change in status, as  
22 defined in the U.S. Internal Revenue Code, without evidence of  
23 insurability and with no limitations on coverage for  
24 pre-existing conditions.

25 A person who elects to participate in the program of health  
26 benefits as a dependent rather than as an eligible member shall

1 be furnished a written explanation of the consequences of  
2 electing to participate as a dependent and the conditions and  
3 procedures for re-enrolling as an eligible member. The  
4 explanation shall also be included in the annual benefit choice  
5 options booklet furnished to members.

6 (Source: P.A. 94-95, eff. 7-1-05; 94-109, eff. 7-1-05; 95-331,  
7 eff. 8-21-07.)

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