

# SB1873



## 97TH GENERAL ASSEMBLY

### State of Illinois

2011 and 2012

SB1873

Introduced 2/10/2011, by Sen. Kwame Raoul

#### SYNOPSIS AS INTRODUCED:

40 ILCS 5/17-142.1  
30 ILCS 805/8.35 new

from Ch. 108 1/2, par. 17-142.1

Amends the Chicago Teacher Article of the Illinois Pension Code. In provisions concerning the Board of Trustees of the Public School Teachers' Pension and Retirement Fund of Chicago's power to defray health insurance costs, increases the maximum total payments for that purpose to \$75,000,000 (from \$65,000,000) plus any amount authorized to be paid in the preceding year that was not actually paid by the Board, including interest earned thereon. Amends the State Mandates Act to require implementation without reimbursement. Effective immediately.

LRB097 05685 JDS 45748 b

FISCAL NOTE ACT  
MAY APPLY

PENSION IMPACT  
NOTE ACT MAY  
APPLY

STATE MANDATES  
ACT MAY REQUIRE  
REIMBURSEMENT

A BILL FOR

1 AN ACT concerning public employee benefits.

2 **Be it enacted by the People of the State of Illinois,**  
3 **represented in the General Assembly:**

4 Section 5. The Illinois Pension Code is amended by changing  
5 Section 17-142.1 as follows:

6 (40 ILCS 5/17-142.1) (from Ch. 108 1/2, par. 17-142.1)

7 Sec. 17-142.1. To defray health insurance costs. To provide  
8 for the partial reimbursement of health insurance costs.

9 (1) On the first day of September of each year, beginning  
10 in 1988, the Board may, by separate warrant, pay to each  
11 recipient of a service retirement, disability retirement or  
12 survivor's pension an amount to be determined by the Board,  
13 which shall represent partial reimbursement for the cost of the  
14 recipient's health insurance coverage.

15 (2) In lieu of the annual payment authorized in subdivision  
16 (1), for pensioners enrolled in the Fund's regular health care  
17 deduction plans, the Fund may pay the health insurance premium  
18 reimbursement on a monthly rather than annual basis, at the  
19 percentage rate established from time to time by the Board. If  
20 the Board so directs, these monthly payments may be made in the  
21 form of a direct payment of premium and a reduction in the  
22 amount deducted from the annuity, rather than in the form of  
23 reimbursement by separate warrant.

1           (3) Total payments under this Section in any year may not  
2 exceed \$75,000,000 ~~\$65,000,000~~ plus any amount that was  
3 authorized to be paid under this Section in the preceding year  
4 but was not actually paid by the Board, including any interest  
5 earned thereon.

6           (4) The total amount of payments under this Section in any  
7 year may not exceed 75% of the total cost of health insurance  
8 coverage in that year for all the recipients who receive  
9 payments authorized by this Section in that year.

10         (Source: P.A. 93-677, eff. 6-28-04.)

11           Section 90. The State Mandates Act is amended by adding  
12 Section 8.35 as follows:

13           (30 ILCS 805/8.35 new)

14           Sec. 8.35. Exempt mandate. Notwithstanding Sections 6 and 8  
15 of this Act, no reimbursement by the State is required for the  
16 implementation of any mandate created by this amendatory Act of  
17 the 97th General Assembly.

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