



99TH GENERAL ASSEMBLY

State of Illinois

2015 and 2016

HB5681

by Rep. Elaine Nekritz

SYNOPSIS AS INTRODUCED:

40 ILCS 5/17-142.1

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

Amends the Chicago Teacher Article of the Illinois Pension Code. Creates the Chicago Teachers' Pension Fund Health Insurance Task Force to study and consider the program of health insurance coverage for pensioners that is currently administered by the Fund. Includes specific subjects of inquiry, relating to the future administration of the insurance program. Specifies Task Force membership and excludes payment for service. Provides for clerical support from the Fund. Requires a report of its findings and recommendations and provides for its abolishment upon conclusion of its business. Effective immediately.

LRB099 17090 EFG 41448 b

FISCAL NOTE ACT
MAY APPLY

PENSION IMPACT
NOTE ACT MAY
APPLY

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 \$65,000,000 plus any amount that was authorized to be
3 paid under this Section in the preceding year but was not
4 actually paid by the Board, including any interest earned
5 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 (5) There is hereby created the Chicago Teachers' Pension
11 Fund Health Insurance Task Force. The Task Force shall consist
12 of 12 members appointed as follows:

13 (a) Eight members, 2 of whom shall be appointed by each
14 of the 4 legislative leaders.

15 (b) One member, who shall be appointed by the board of
16 trustees of the Fund.

17 (c) One member, who shall be appointed by the executive
18 director of the Retired Teachers Association of Chicago.

19 (d) One member, who shall be appointed by the president
20 of the Chicago Teachers Union.

21 (e) One member, who shall be appointed by the chairman
22 of the Chicago Board of Education.

23 The Task force shall study and consider the program of
24 health insurance coverage for pensioners that is currently
25 administered by the Fund, and shall present its findings and
26 recommendations concerning the following specified matters:

1 (i) the need for increasing the \$65,000,000 limitation
2 on annual payments under subsection (3) of this Section;

3 (ii) moving the administration of the retiree health
4 plan to another appropriate public or private entity;

5 (iii) suggestions for an exit strategy and transition;

6 (iv) consideration of alternative funding mechanisms;

7 and

8 (v) consideration of the proper role of fiduciaries in
9 administering the health insurance program.

10 Members of the Task Force shall serve without compensation.

11 The Fund shall provide a meeting place and clerical support for
12 the Task Force.

13 The Task Force shall present a final report of its findings
14 and recommendations to the Governor of Illinois, the Mayor of
15 Chicago, the Illinois General Assembly, and the Illinois State
16 Library no later than January 31, 2017. Upon the filing of its
17 report and the conclusion of its business, the Task Force is
18 abolished.

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

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