



Sen. Scott M. Bennett

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LRB099 03095 MLM 51729 a

1 AMENDMENT TO SENATE BILL 443

2 AMENDMENT NO. _____. Amend Senate Bill 443 by replacing
3 everything after the enacting clause with the following:

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

1 administration executed with the Department.

2 (b) "Annuitant" means (1) an employee who retires, or has
3 retired, on or after January 1, 1966 on an immediate annuity
4 under the provisions of Articles 2, 14 (including an employee
5 who has elected to receive an alternative retirement
6 cancellation payment under Section 14-108.5 of the Illinois
7 Pension Code in lieu of an annuity), 15 (including an employee
8 who has retired under the optional retirement program
9 established under Section 15-158.2), paragraphs (2), (3), or
10 (5) of Section 16-106, or Article 18 of the Illinois Pension
11 Code; (2) any person who was receiving group insurance coverage
12 under this Act as of March 31, 1978 by reason of his status as
13 an annuitant, even though the annuity in relation to which such
14 coverage was provided is a proportional annuity based on less
15 than the minimum period of service required for a retirement
16 annuity in the system involved; (3) any person not otherwise
17 covered by this Act who has retired as a participating member
18 under Article 2 of the Illinois Pension Code but is ineligible
19 for the retirement annuity under Section 2-119 of the Illinois
20 Pension Code; (4) the spouse of any person who is receiving a
21 retirement annuity under Article 18 of the Illinois Pension
22 Code and who is covered under a group health insurance program
23 sponsored by a governmental employer other than the State of
24 Illinois and who has irrevocably elected to waive his or her
25 coverage under this Act and to have his or her spouse
26 considered as the "annuitant" under this Act and not as a

1 "dependent"; or (5) an employee who retires, or has retired,
2 from a qualified position, as determined according to rules
3 promulgated by the Director, under a qualified local
4 government, a qualified rehabilitation facility, a qualified
5 domestic violence shelter or service, or a qualified child
6 advocacy center. (For definition of "retired employee", see (p)
7 post).

8 "Annuitant" does not include any member of the General
9 Assembly, or the surviving spouse of such a person, who is
10 sworn into office on or after the effective date of this
11 amendatory Act of the 99th General Assembly, and retires as a
12 participating member under Article 2 of the Illinois Pension
13 Code.

14 (b-5) (Blank).

15 (b-6) (Blank).

16 (b-7) (Blank).

17 (c) "Carrier" means (1) an insurance company, a corporation
18 organized under the Limited Health Service Organization Act or
19 the Voluntary Health Services Plan Act, a partnership, or other
20 nongovernmental organization, which is authorized to do group
21 life or group health insurance business in Illinois, or (2) the
22 State of Illinois as a self-insurer.

23 (d) "Compensation" means salary or wages payable on a
24 regular payroll by the State Treasurer on a warrant of the
25 State Comptroller out of any State, trust or federal fund, or
26 by the Governor of the State through a disbursing officer of

1 the State out of a trust or out of federal funds, or by any
2 Department out of State, trust, federal or other funds held by
3 the State Treasurer or the Department, to any person for
4 personal services currently performed, and ordinary or
5 accidental disability benefits under Articles 2, 14, 15
6 (including ordinary or accidental disability benefits under
7 the optional retirement program established under Section
8 15-158.2), paragraphs (2), (3), or (5) of Section 16-106, or
9 Article 18 of the Illinois Pension Code, for disability
10 incurred after January 1, 1966, or benefits payable under the
11 Workers' Compensation or Occupational Diseases Act or benefits
12 payable under a sick pay plan established in accordance with
13 Section 36 of the State Finance Act. "Compensation" also means
14 salary or wages paid to an employee of any qualified local
15 government, qualified rehabilitation facility, qualified
16 domestic violence shelter or service, or qualified child
17 advocacy center.

18 (e) "Commission" means the State Employees Group Insurance
19 Advisory Commission authorized by this Act. Commencing July 1,
20 1984, "Commission" as used in this Act means the Commission on
21 Government Forecasting and Accountability as established by
22 the Legislative Commission Reorganization Act of 1984.

23 (f) "Contributory", when referred to as contributory
24 coverage, shall mean optional coverages or benefits elected by
25 the member toward the cost of which such member makes
26 contribution, or which are funded in whole or in part through

1 the acceptance of a reduction in earnings or the foregoing of
2 an increase in earnings by an employee, as distinguished from
3 noncontributory coverage or benefits which are paid entirely by
4 the State of Illinois without reduction of the member's salary.

5 (g) "Department" means any department, institution, board,
6 commission, officer, court or any agency of the State
7 government receiving appropriations and having power to
8 certify payrolls to the Comptroller authorizing payments of
9 salary and wages against such appropriations as are made by the
10 General Assembly from any State fund, or against trust funds
11 held by the State Treasurer and includes boards of trustees of
12 the retirement systems created by Articles 2, 14, 15, 16 and 18
13 of the Illinois Pension Code. "Department" also includes the
14 Illinois Comprehensive Health Insurance Board, the Board of
15 Examiners established under the Illinois Public Accounting
16 Act, and the Illinois Finance Authority.

17 (h) "Dependent", when the term is used in the context of
18 the health and life plan, means a member's spouse and any child
19 (1) from birth to age 26 including an adopted child, a child
20 who lives with the member from the time of the filing of a
21 petition for adoption until entry of an order of adoption, a
22 stepchild or adjudicated child, or a child who lives with the
23 member if such member is a court appointed guardian of the
24 child or (2) age 19 or over who has a mental or physical
25 disability from a cause originating prior to the age of 19 (age
26 26 if enrolled as an adult child dependent). For the health

1 plan only, the term "dependent" also includes (1) any person
2 enrolled prior to the effective date of this Section who is
3 dependent upon the member to the extent that the member may
4 claim such person as a dependent for income tax deduction
5 purposes and (2) any person who has received after June 30,
6 2000 an organ transplant and who is financially dependent upon
7 the member and eligible to be claimed as a dependent for income
8 tax purposes. A member requesting to cover any dependent must
9 provide documentation as requested by the Department of Central
10 Management Services and file with the Department any and all
11 forms required by the Department.

12 (i) "Director" means the Director of the Illinois
13 Department of Central Management Services.

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

17 (k) "Employee" means and includes each officer or employee
18 in the service of a department who (1) receives his
19 compensation for service rendered to the department on a
20 warrant issued pursuant to a payroll certified by a department
21 or on a warrant or check issued and drawn by a department upon
22 a trust, federal or other fund or on a warrant issued pursuant
23 to a payroll certified by an elected or duly appointed officer
24 of the State or who receives payment of the performance of
25 personal services on a warrant issued pursuant to a payroll
26 certified by a Department and drawn by the Comptroller upon the

1 State Treasurer against appropriations made by the General
2 Assembly from any fund or against trust funds held by the State
3 Treasurer, and (2) is employed full-time or part-time in a
4 position normally requiring actual performance of duty during
5 not less than 1/2 of a normal work period, as established by
6 the Director in cooperation with each department, except that
7 persons elected by popular vote will be considered employees
8 during the entire term for which they are elected regardless of
9 hours devoted to the service of the State, and (3) except that
10 "employee" does not include any person who is not eligible by
11 reason of such person's employment to participate in one of the
12 State retirement systems under Articles 2, 14, 15 (either the
13 regular Article 15 system or the optional retirement program
14 established under Section 15-158.2) or 18, or under paragraph
15 (2), (3), or (5) of Section 16-106, of the Illinois Pension
16 Code, but such term does include persons who are employed
17 during the 6 month qualifying period under Article 14 of the
18 Illinois Pension Code. Such term also includes any person who
19 (1) after January 1, 1966, is receiving ordinary or accidental
20 disability benefits under Articles 2, 14, 15 (including
21 ordinary or accidental disability benefits under the optional
22 retirement program established under Section 15-158.2),
23 paragraphs (2), (3), or (5) of Section 16-106, or Article 18 of
24 the Illinois Pension Code, for disability incurred after
25 January 1, 1966, (2) receives total permanent or total
26 temporary disability under the Workers' Compensation Act or

1 Occupational Disease Act as a result of injuries sustained or
2 illness contracted in the course of employment with the State
3 of Illinois, or (3) is not otherwise covered under this Act and
4 has retired as a participating member under Article 2 of the
5 Illinois Pension Code but is ineligible for the retirement
6 annuity under Section 2-119 of the Illinois Pension Code.
7 However, a person who satisfies the criteria of the foregoing
8 definition of "employee" except that such person is made
9 ineligible to participate in the State Universities Retirement
10 System by clause (4) of subsection (a) of Section 15-107 of the
11 Illinois Pension Code is also an "employee" for the purposes of
12 this Act. "Employee" also includes any person receiving or
13 eligible for benefits under a sick pay plan established in
14 accordance with Section 36 of the State Finance Act. "Employee"
15 also includes (i) each officer or employee in the service of a
16 qualified local government, including persons appointed as
17 trustees of sanitary districts regardless of hours devoted to
18 the service of the sanitary district, (ii) each employee in the
19 service of a qualified rehabilitation facility, (iii) each
20 full-time employee in the service of a qualified domestic
21 violence shelter or service, and (iv) each full-time employee
22 in the service of a qualified child advocacy center, as
23 determined according to rules promulgated by the Director.

24 (1) "Member" means an employee, annuitant, retired
25 employee or survivor. In the case of an annuitant or retired
26 employee who first becomes an annuitant or retired employee on

1 or after the effective date of this amendatory Act of the 97th
2 General Assembly, the individual must meet the minimum vesting
3 requirements of the applicable retirement system in order to be
4 eligible for group insurance benefits under that system. In the
5 case of a survivor who first becomes a survivor on or after the
6 effective date of this amendatory Act of the 97th General
7 Assembly, the deceased employee, annuitant, or retired
8 employee upon whom the annuity is based must have been eligible
9 to participate in the group insurance system under the
10 applicable retirement system in order for the survivor to be
11 eligible for group insurance benefits under that system.

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

15 (n) "Program" means the group life insurance, health
16 benefits and other employee benefits designed and contracted
17 for by the Director under this Act.

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

20 (p) "Retired employee" means any person who would be an
21 annuitant as that term is defined herein but for the fact that
22 such person retired prior to January 1, 1966. Such term also
23 includes any person formerly employed by the University of
24 Illinois in the Cooperative Extension Service who would be an
25 annuitant but for the fact that such person was made ineligible
26 to participate in the State Universities Retirement System by

1 clause (4) of subsection (a) of Section 15-107 of the Illinois
2 Pension Code.

3 (q) "Survivor" means a person receiving an annuity as a
4 survivor of an employee or of an annuitant. "Survivor" also
5 includes: (1) the surviving dependent of a person who satisfies
6 the definition of "employee" except that such person is made
7 ineligible to participate in the State Universities Retirement
8 System by clause (4) of subsection (a) of Section 15-107 of the
9 Illinois Pension Code; (2) the surviving dependent of any
10 person formerly employed by the University of Illinois in the
11 Cooperative Extension Service who would be an annuitant except
12 for the fact that such person was made ineligible to
13 participate in the State Universities Retirement System by
14 clause (4) of subsection (a) of Section 15-107 of the Illinois
15 Pension Code; and (3) the surviving dependent of a person who
16 was an annuitant under this Act by virtue of receiving an
17 alternative retirement cancellation payment under Section
18 14-108.5 of the Illinois Pension Code.

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

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

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

1 (q-5) (Blank).

2 (q-6) (Blank).

3 (q-7) (Blank).

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

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

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

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

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

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

25 (1) is not a "member" as defined in this Section; and

26 (2) is receiving a monthly benefit or retirement

1 annuity under Article 16 of the Illinois Pension Code; and

2 (3) either (i) has at least 8 years of creditable
3 service under Article 16 of the Illinois Pension Code, or
4 (ii) was enrolled in the health insurance program offered
5 under that Article on January 1, 1996, or (iii) is the
6 survivor of a benefit recipient who had at least 8 years of
7 creditable service under Article 16 of the Illinois Pension
8 Code or was enrolled in the health insurance program
9 offered under that Article on the effective date of this
10 amendatory Act of 1995, or (iv) is a recipient or survivor
11 of a recipient of a disability benefit under Article 16 of
12 the Illinois Pension Code.

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

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

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

26 "TRS dependent beneficiary" does not include, as indicated

1 under paragraph (2) of this subsection (w), a dependent of the
2 survivor of a TRS benefit recipient who first becomes a
3 dependent of a survivor of a TRS benefit recipient on or after
4 the effective date of this amendatory Act of the 97th General
5 Assembly unless that dependent would have been eligible for
6 coverage as a dependent of the deceased TRS benefit recipient
7 upon whom the survivor benefit is based.

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

13 (y) (Blank).

14 (z) "Community college benefit recipient" means a person
15 who:

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

17 (2) is receiving a monthly survivor's annuity or
18 retirement annuity under Article 15 of the Illinois Pension
19 Code; and

20 (3) either (i) was a full-time employee of a community
21 college district or an association of community college
22 boards created under the Public Community College Act
23 (other than an employee whose last employer under Article
24 15 of the Illinois Pension Code was a community college
25 district subject to Article VII of the Public Community
26 College Act) and was eligible to participate in a group

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

7 (aa) "Community college dependent beneficiary" means a
8 person who:

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

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

19 "Community college dependent beneficiary" does not
20 include, as indicated under paragraph (2) of this subsection
21 (aa), a dependent of the survivor of a community college
22 benefit recipient who first becomes a dependent of a survivor
23 of a community college benefit recipient on or after the
24 effective date of this amendatory Act of the 97th General
25 Assembly unless that dependent would have been eligible for
26 coverage as a dependent of the deceased community college

1 benefit recipient upon whom the survivor annuity is based.

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

8 (Source: P.A. 98-488, eff. 8-16-13; 99-143, eff. 7-27-15.)

9 (5 ILCS 375/8) (from Ch. 127, par. 528)

10 Sec. 8. Eligibility.

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

21 (1) Every member originally eligible to elect
22 dependent coverage, but not electing it during the original
23 eligibility period, may subsequently obtain dependent
24 coverage only in the event of a qualifying change in
25 status, special enrollment, special circumstance as

1 defined by the Director, or during the annual Benefit
2 Choice Period.

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

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

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

1 when applicable, or other necessary qualifications, pursuant
2 to the requirements of the applicable benefit program, unless
3 there is a change in status that would confer new eligibility
4 for change of enrollment under rules established supplementing
5 this Act, in which event application must be made within the
6 new eligibility period.

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

26 Except as otherwise provided in this Act, where husband and

1 wife are both eligible members, each shall be enrolled as a
2 member and coverage on their eligible dependent children, if
3 any, may be under the enrollment and election of either.

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

14 (d) Except as provided in subsection (d-3), beginning
15 ~~Beginning~~ with fiscal year 2003 and for all subsequent years,
16 eligible members may elect not to participate in the program of
17 health benefits as defined in this Act. The election must be
18 made during the annual benefit choice period, subject to the
19 conditions in this subsection.

20 (1) Members must furnish proof of health benefit
21 coverage, either comprehensive major medical coverage or
22 comprehensive managed care plan, from a source other than
23 the Department of Central Management Services in order to
24 elect not to participate in the program.

25 (2) Members may re-enroll in the Department of Central
26 Management Services program of health benefits upon

1 showing a qualifying change in status, as defined in the
2 U.S. Internal Revenue Code, without evidence of
3 insurability and with no limitations on coverage for
4 pre-existing conditions, provided that there was not a
5 break in coverage of more than 63 days.

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

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

16 (d-3) Eligible members who are members of the General
17 Assembly before the effective date of this amendatory Act of
18 the 99th General Assembly may, at any time, including upon or
19 during retirement from the General Assembly, make an
20 irrevocable election not to participate in the program of
21 health benefits as defined in this Act, which shall be
22 effective either upon retirement from the General Assembly or
23 immediately upon election not to participate, whichever is
24 later. The election must be made during the annual benefit
25 choice period, subject to the conditions in this subsection.

26 (1) Upon retirement, members must furnish proof of

1 health benefit coverage, either comprehensive major
2 medical coverage, a comprehensive managed care plan, or
3 eligibility for Medicare, from a source other than the
4 Department of Central Management Services in order to elect
5 not to participate in the program.

6 (2) Members who elect not to participate in the program
7 of health benefits shall be furnished a written explanation
8 of the requirements, limitations, and irrevocability for
9 the election not to participate in the program. The
10 explanation shall also be included in the annual benefit
11 choice options booklets furnished to members.

12 (d-5) Beginning July 1, 2005, the Director may establish a
13 program of financial incentives to encourage annuitants
14 receiving a retirement annuity, but who are not eligible for
15 benefits under the federal Medicare health insurance program
16 (Title XVIII of the Social Security Act, as added by Public Law
17 89-97) to elect not to participate in the program of health
18 benefits provided under this Act. The election by an annuitant
19 not to participate under this program must be made in
20 accordance with the requirements set forth under subsection
21 (d). The financial incentives provided to these annuitants
22 under the program may not exceed \$150 per month for each
23 annuitant electing not to participate in the program of health
24 benefits provided under this Act.

25 (d-6) Beginning July 1, 2013, the Director may establish a
26 program of financial incentives to encourage annuitants with 20

1 or more years of creditable service but who are not eligible
2 for benefits under the federal Medicare health insurance
3 program (Title XVIII of the Social Security Act, as added by
4 Public Law 89-97) to elect not to participate in the program of
5 health benefits provided under this Act. The election by an
6 annuitant not to participate under this program must be made in
7 accordance with the requirements set forth under subsection
8 (d). The program established under this subsection (d-6) may
9 include a prorated incentive for annuitants with fewer than 20
10 years of creditable service, as determined by the Director. The
11 financial incentives provided to these annuitants under this
12 program may not exceed \$500 per month for each annuitant
13 electing not to participate in the program of health benefits
14 provided under this Act.

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

26 An eligible member who has elected to participate as a

1 dependent may re-enroll in the program of health benefits as an
2 eligible member (i) during any subsequent annual benefit choice
3 period or (ii) upon showing a qualifying change in status, as
4 defined in the U.S. Internal Revenue Code, without evidence of
5 insurability and with no limitations on coverage for
6 pre-existing conditions.

7 A person who elects to participate in the program of health
8 benefits as a dependent rather than as an eligible member shall
9 be furnished a written explanation of the consequences of
10 electing to participate as a dependent and the conditions and
11 procedures for re-enrolling as an eligible member. The
12 explanation shall also be included in the annual benefit choice
13 options booklet furnished to members.

14 (Source: P.A. 97-668, eff. 1-13-12; 98-19, eff. 6-10-13.)".