

1 AMENDMENT TO SENATE BILL 314

2 AMENDMENT NO. _____. Amend Senate Bill 314 by replacing
3 the title with the following:

4 "AN ACT in relation to public employee benefits."; and
5 by replacing everything after the enacting clause with the
6 following:

7 "Section 5. The Illinois Pension Code is amended by
8 changing Sections 5-167.5, 6-164.2, 8-164.1, and 11-160.1 as
9 follows:

10 (40 ILCS 5/5-167.5) (from Ch. 108 1/2, par. 5-167.5)
11 Sec. 5-167.5. Group health benefit.

12 (a) For the purposes of this Section: (1) "annuitant"
13 means a person receiving an age and service annuity, a prior
14 service annuity, a widow's annuity, a widow's prior service
15 annuity, or a minimum annuity, under Article 5, 6, 8 or 11,
16 by reason of previous employment by the City of Chicago
17 (hereinafter, in this Section, "the city"); (2) "Medicare
18 Plan annuitant" means an annuitant described in item (1) who
19 is eligible for Medicare benefits; and (3) "non-Medicare Plan
20 annuitant" means an annuitant described in item (1) who is
21 not eligible for Medicare benefits.

1 (b) The city shall offer group health benefits to
 2 annuitants and their eligible dependents through June 30,
 3 2003 2002. The basic city health care plan available as of
 4 June 30, 1988 (hereinafter called the basic city plan) shall
 5 cease to be a plan offered by the city, except as specified
 6 in subparagraphs (4) and (5) below, and shall be closed to
 7 new enrollment or transfer of coverage for any non-Medicare
 8 Plan annuitant as of June 27, ~~the--effective--date--of--this~~
 9 ~~amendatory--Act--of~~ 1997. The city shall offer non-Medicare
 10 Plan annuitants and their eligible dependents the option of
 11 enrolling in its Annuitant Preferred Provider Plan and may
 12 offer additional plans for any annuitant. The city may
 13 amend, modify, or terminate any of its additional plans at
 14 its sole discretion. If the city offers more than one
 15 annuitant plan, the city shall allow annuitants to convert
 16 coverage from one city annuitant plan to another, except the
 17 basic city plan, during times designated by the city, which
 18 periods of time shall occur at least annually. For the
 19 period dating from June 27, ~~the--effective--date--of--this~~
 20 ~~amendatory--Act--of~~ 1997 through June 30, 2003 2002, monthly
 21 premium rates may be increased for annuitants during the time
 22 of their participation in non-Medicare plans, except as
 23 provided in subparagraphs (1) through (4) of this subsection.

24 (1) For non-Medicare Plan annuitants who retired
 25 prior to January 1, 1988, the annuitant's share of
 26 monthly premium for non-Medicare Plan coverage only shall
 27 not exceed the highest premium rate chargeable under any
 28 city non-Medicare Plan annuitant coverage as of December
 29 1, 1996.

30 (2) For non-Medicare Plan annuitants who retire on
 31 or after January 1, 1988, the annuitant's share of
 32 monthly premium for non-Medicare Plan coverage only shall
 33 be the rate in effect on December 1, 1996, with monthly
 34 premium increases to take effect no sooner than April 1,

1 1998 at the lower of (i) the premium rate determined
2 pursuant to subsection (g) or (ii) 10% of the immediately
3 previous month's rate for similar coverage.

4 (3) In no event shall any non-Medicare Plan
5 annuitant's share of monthly premium for non-Medicare
6 Plan coverage exceed 10% of the annuitant's monthly
7 annuity.

8 (4) Non-Medicare Plan annuitants who are enrolled
9 in the basic city plan as of July 1, 1998 may remain in
10 the basic city plan, if they so choose, on the condition
11 that they are not entitled to the caps on rates set forth
12 in subparagraphs (1) through (3), and their premium rate
13 shall be the rate determined in accordance with
14 subsections (c) and (g).

15 (5) Medicare Plan annuitants who are currently
16 enrolled in the basic city plan for Medicare eligible
17 annuitants may remain in that plan, if they so choose,
18 through June 30, 2003 2002. Annuitants shall not be
19 allowed to enroll in or transfer into the basic city plan
20 for Medicare eligible annuitants on or after July 1,
21 1999. The city shall continue to offer annuitants a
22 supplemental Medicare Plan for Medicare eligible
23 annuitants through June 30, 2003 2002, and the city may
24 offer additional plans to Medicare eligible annuitants in
25 its sole discretion. All Medicare Plan annuitant monthly
26 rates shall be determined in accordance with subsections
27 (c) and (g).

28 (c) The city shall pay 50% of the aggregated costs of
29 the claims or premiums, whichever is applicable, as
30 determined in accordance with subsection (g), of annuitants
31 and their dependents under all health care plans offered by
32 the city. The city may reduce its obligation by application
33 of price reductions obtained as a result of financial
34 arrangements with providers or plan administrators.

1 (d) From January 1, 1993 until June 30, 2003 ~~2002~~, the
2 board shall pay to the city on behalf of each of the board's
3 annuitants who chooses to participate in any of the city's
4 plans the following amounts: up to a maximum of \$75 per month
5 for each such annuitant who is not qualified to receive
6 medicare benefits, and up to a maximum of \$45 per month for
7 each such annuitant who is qualified to receive medicare
8 benefits.

9 The payments described in this subsection shall be paid
10 from the tax levy authorized under Section 5-168; such
11 amounts shall be credited to the reserve for group hospital
12 care and group medical and surgical plan benefits, and all
13 payments to the city required under this subsection shall be
14 charged against it.

15 (e) The city's obligations under subsections (b) and (c)
16 shall terminate on June 30, 2003 ~~2002~~, except with regard to
17 covered expenses incurred but not paid as of that date. This
18 subsection shall not affect other obligations that may be
19 imposed by law.

20 (f) The group coverage plans described in this Section
21 are not and shall not be construed to be pension or
22 retirement benefits for purposes of Section 5 of Article XIII
23 of the Illinois Constitution of 1970.

24 (g) For each annuitant plan offered by the city, the
25 aggregate cost of claims, as reflected in the claim records
26 of the plan administrator, shall be estimated by the city,
27 based upon a written determination by a qualified independent
28 actuary to be appointed and paid by the city and the board.
29 If the estimated annual cost for each annuitant plan offered
30 by the city is more than the estimated amount to be
31 contributed by the city for that plan pursuant to subsections
32 (b) and (c) during that year plus the estimated amounts to be
33 paid pursuant to subsection (d) and by the other pension
34 boards on behalf of other participating annuitants, the

1 difference shall be paid by all annuitants participating in
2 the plan, except as provided in subsection (b). The city,
3 based upon the determination of the independent actuary,
4 shall set the monthly amounts to be paid by the participating
5 annuitants. The board may deduct the amounts to be paid by
6 its annuitants from the participating annuitants' monthly
7 annuities.

8 If it is determined from the city's annual audit, or from
9 audited experience data, that the total amount paid by all
10 participating annuitants was more or less than the difference
11 between (1) the cost of providing the group health care
12 plans, and (2) the sum of the amount to be paid by the city
13 as determined under subsection (c) and the amounts paid by
14 all the pension boards, then the independent actuary and the
15 city shall account for the excess or shortfall in the next
16 year's payments by annuitants, except as provided in
17 subsection (b).

18 (h) An annuitant may elect to terminate coverage in a
19 plan at the end of any month, which election shall terminate
20 the annuitant's obligation to contribute toward payment of
21 the excess described in subsection (g).

22 (i) The city shall advise the board of all proposed
23 premium increases for health care at least 75 days prior to
24 the effective date of the change, and any increase shall be
25 prospective only.

26 (Source: P.A. 90-32, eff. 6-27-97.)

27 (40 ILCS 5/6-164.2) (from Ch. 108 1/2, par. 6-164.2)

28 Sec. 6-164.2. Group health benefit.

29 (a) For the purposes of this Section: (1) "annuitant"
30 means a person receiving an age and service annuity, a prior
31 service annuity, a widow's annuity, a widow's prior service
32 annuity, or a minimum annuity, under Article 5, 6, 8 or 11,
33 by reason of previous employment by the City of Chicago

1 (hereinafter, in this Section, "the city"); (2) "Medicare
 2 Plan annuitant" means an annuitant described in item (1) who
 3 is eligible for Medicare benefits; and (3) "non-Medicare Plan
 4 annuitant" means an annuitant described in item (1) who is
 5 not eligible for Medicare benefits.

6 (b) The city shall offer group health benefits to
 7 annuitants and their eligible dependents through June 30,
 8 2003 2002. The basic city health care plan available as of
 9 June 30, 1988 (hereinafter called the basic city plan) shall
 10 cease to be a plan offered by the city, except as specified
 11 in subparagraphs (4) and (5) below, and shall be closed to
 12 new enrollment or transfer of coverage for any non-Medicare
 13 Plan annuitant as of June 27, ~~the effective date of this~~
 14 ~~amendatory Act of~~ 1997. The city shall offer non-Medicare
 15 Plan annuitants and their eligible dependents the option of
 16 enrolling in its Annuitant Preferred Provider Plan and may
 17 offer additional plans for any annuitant. The city may
 18 amend, modify, or terminate any of its additional plans at
 19 its sole discretion. If the city offers more than one
 20 annuitant plan, the city shall allow annuitants to convert
 21 coverage from one city annuitant plan to another, except the
 22 basic city plan, during times designated by the city, which
 23 periods of time shall occur at least annually. For the
 24 period dating from June 27, ~~the effective date of this~~
 25 ~~amendatory Act of~~ 1997 through June 30, 2003 2002, monthly
 26 premium rates may be increased for annuitants during the time
 27 of their participation in non-Medicare plans, except as
 28 provided in subparagraphs (1) through (4) of this subsection.

29 (1) For non-Medicare Plan annuitants who retired
 30 prior to January 1, 1988, the annuitant's share of
 31 monthly premium for non-Medicare Plan coverage only shall
 32 not exceed the highest premium rate chargeable under any
 33 city non-Medicare Plan annuitant coverage as of December
 34 1, 1996.

1 (2) For non-Medicare Plan annuitants who retire on
2 or after January 1, 1988, the annuitant's share of
3 monthly premium for non-Medicare Plan coverage only shall
4 be the rate in effect on December 1, 1996, with monthly
5 premium increases to take effect no sooner than April 1,
6 1998 at the lower of (i) the premium rate determined
7 pursuant to subsection (g) or (ii) 10% of the immediately
8 previous month's rate for similar coverage.

9 (3) In no event shall any non-Medicare Plan
10 annuitant's share of monthly premium for non-Medicare
11 Plan coverage exceed 10% of the annuitant's monthly
12 annuity.

13 (4) Non-Medicare Plan annuitants who are enrolled
14 in the basic city plan as of July 1, 1998 may remain in
15 the basic city plan, if they so choose, on the condition
16 that they are not entitled to the caps on rates set forth
17 in subparagraphs (1) through (3), and their premium rate
18 shall be the rate determined in accordance with
19 subsections (c) and (g).

20 (5) Medicare Plan annuitants who are currently
21 enrolled in the basic city plan for Medicare eligible
22 annuitants may remain in that plan, if they so choose,
23 through June 30, 2003 2002. Annuitants shall not be
24 allowed to enroll in or transfer into the basic city plan
25 for Medicare eligible annuitants on or after July 1,
26 1999. The city shall continue to offer annuitants a
27 supplemental Medicare Plan for Medicare eligible
28 annuitants through June 30, 2003 2002, and the city may
29 offer additional plans to Medicare eligible annuitants in
30 its sole discretion. All Medicare Plan annuitant monthly
31 rates shall be determined in accordance with subsections
32 (c) and (g).

33 (c) The city shall pay 50% of the aggregated costs of
34 the claims or premiums, whichever is applicable, as

1 determined in accordance with subsection (g), of annuitants
2 and their dependents under all health care plans offered by
3 the city. The city may reduce its obligation by application
4 of price reductions obtained as a result of financial
5 arrangements with providers or plan administrators.

6 (d) From January 1, 1993 until June 30, 2003 2002, the
7 board shall pay to the city on behalf of each of the board's
8 annuitants who chooses to participate in any of the city's
9 plans the following amounts: up to a maximum of \$75 per month
10 for each such annuitant who is not qualified to receive
11 medicare benefits, and up to a maximum of \$45 per month for
12 each such annuitant who is qualified to receive medicare
13 benefits.

14 The payments described in this subsection shall be paid
15 from the tax levy authorized under Section 6-165; such
16 amounts shall be credited to the reserve for group hospital
17 care and group medical and surgical plan benefits, and all
18 payments to the city required under this subsection shall be
19 charged against it.

20 (e) The city's obligations under subsections (b) and (c)
21 shall terminate on June 30, 2003 2002, except with regard to
22 covered expenses incurred but not paid as of that date. This
23 subsection shall not affect other obligations that may be
24 imposed by law.

25 (f) The group coverage plans described in this Section
26 are not and shall not be construed to be pension or
27 retirement benefits for purposes of Section 5 of Article XIII
28 of the Illinois Constitution of 1970.

29 (g) For each annuitant plan offered by the city, the
30 aggregate cost of claims, as reflected in the claim records
31 of the plan administrator, shall be estimated by the city,
32 based upon a written determination by a qualified independent
33 actuary to be appointed and paid by the city and the board.
34 If the estimated annual cost for each annuitant plan offered

1 by the city is more than the estimated amount to be
2 contributed by the city for that plan pursuant to subsections
3 (b) and (c) during that year plus the estimated amounts to be
4 paid pursuant to subsection (d) and by the other pension
5 boards on behalf of other participating annuitants, the
6 difference shall be paid by all annuitants participating in
7 the plan, except as provided in subsection (b). The city,
8 based upon the determination of the independent actuary,
9 shall set the monthly amounts to be paid by the participating
10 annuitants. The board may deduct the amounts to be paid by
11 its annuitants from the participating annuitants' monthly
12 annuities.

13 If it is determined from the city's annual audit, or from
14 audited experience data, that the total amount paid by all
15 participating annuitants was more or less than the difference
16 between (1) the cost of providing the group health care
17 plans, and (2) the sum of the amount to be paid by the city
18 as determined under subsection (c) and the amounts paid by
19 all the pension boards, then the independent actuary and the
20 city shall account for the excess or shortfall in the next
21 year's payments by annuitants, except as provided in
22 subsection (b).

23 (h) An annuitant may elect to terminate coverage in a
24 plan at the end of any month, which election shall terminate
25 the annuitant's obligation to contribute toward payment of
26 the excess described in subsection (g).

27 (i) The city shall advise the board of all proposed
28 premium increases for health care at least 75 days prior to
29 the effective date of the change, and any increase shall be
30 prospective only.

31 (Source: P.A. 90-32, eff. 6-27-97.)

32 (40 ILCS 5/8-164.1) (from Ch. 108 1/2, par. 8-164.1)
33 Sec. 8-164.1. Group health benefit.

1 (a) For the purposes of this Section: (1) "annuitant"
 2 means a person receiving an age and service annuity, a prior
 3 service annuity, a widow's annuity, a widow's prior service
 4 annuity, or a minimum annuity, under Article 5, 6, 8 or 11,
 5 by reason of previous employment by the City of Chicago
 6 (hereinafter, in this Section, "the city"); (2) "Medicare
 7 Plan annuitant" means an annuitant described in item (1) who
 8 is eligible for Medicare benefits; and (3) "non-Medicare Plan
 9 annuitant" means an annuitant described in item (1) who is
 10 not eligible for Medicare benefits.

11 (b) The city shall offer group health benefits to
 12 annuitants and their eligible dependents through June 30,
 13 2003 2002. The basic city health care plan available as of
 14 June 30, 1988 (hereinafter called the basic city plan) shall
 15 cease to be a plan offered by the city, except as specified
 16 in subparagraphs (4) and (5) below, and shall be closed to
 17 new enrollment or transfer of coverage for any non-Medicare
 18 Plan annuitant as of June 27, ~~the--effective--date--of--this~~
 19 ~~amendatory--Act--of~~ 1997. The city shall offer non-Medicare
 20 Plan annuitants and their eligible dependents the option of
 21 enrolling in its Annuitant Preferred Provider Plan and may
 22 offer additional plans for any annuitant. The city may
 23 amend, modify, or terminate any of its additional plans at
 24 its sole discretion. If the city offers more than one
 25 annuitant plan, the city shall allow annuitants to convert
 26 coverage from one city annuitant plan to another, except the
 27 basic city plan, during times designated by the city, which
 28 periods of time shall occur at least annually. For the
 29 period dating from June 27, ~~the--effective--date--of--this~~
 30 ~~amendatory--Act--of~~ 1997 through June 30, 2003 2002, monthly
 31 premium rates may be increased for annuitants during the time
 32 of their participation in non-Medicare plans, except as
 33 provided in subparagraphs (1) through (4) of this subsection.

34 (1) For non-Medicare Plan annuitants who retired

1 prior to January 1, 1988, the annuitant's share of
2 monthly premium for non-Medicare Plan coverage only shall
3 not exceed the highest premium rate chargeable under any
4 city non-Medicare Plan annuitant coverage as of December
5 1, 1996.

6 (2) For non-Medicare Plan annuitants who retire on
7 or after January 1, 1988, the annuitant's share of
8 monthly premium for non-Medicare Plan coverage only shall
9 be the rate in effect on December 1, 1996, with monthly
10 premium increases to take effect no sooner than April 1,
11 1998 at the lower of (i) the premium rate determined
12 pursuant to subsection (g) or (ii) 10% of the immediately
13 previous month's rate for similar coverage.

14 (3) In no event shall any non-Medicare Plan
15 annuitant's share of monthly premium for non-Medicare
16 Plan coverage exceed 10% of the annuitant's monthly
17 annuity.

18 (4) Non-Medicare Plan annuitants who are enrolled
19 in the basic city plan as of July 1, 1998 may remain in
20 the basic city plan, if they so choose, on the condition
21 that they are not entitled to the caps on rates set forth
22 in subparagraphs (1) through (3), and their premium rate
23 shall be the rate determined in accordance with
24 subsections (c) and (g).

25 (5) Medicare Plan annuitants who are currently
26 enrolled in the basic city plan for Medicare eligible
27 annuitants may remain in that plan, if they so choose,
28 through June 30, 2003 2002. Annuitants shall not be
29 allowed to enroll in or transfer into the basic city plan
30 for Medicare eligible annuitants on or after July 1,
31 1999. The city shall continue to offer annuitants a
32 supplemental Medicare Plan for Medicare eligible
33 annuitants through June 30, 2003 2002, and the city may
34 offer additional plans to Medicare eligible annuitants in

1 its sole discretion. All Medicare Plan annuitant monthly
 2 rates shall be determined in accordance with subsections
 3 (c) and (g).

4 (c) The city shall pay 50% of the aggregated costs of
 5 the claims or premiums, whichever is applicable, as
 6 determined in accordance with subsection (g), of annuitants
 7 and their dependents under all health care plans offered by
 8 the city. The city may reduce its obligation by application
 9 of price reductions obtained as a result of financial
 10 arrangements with providers or plan administrators.

11 (d) From January 1, 1993 until June 30, 2003 ~~2002~~, the
 12 board shall pay to the city on behalf of each of the board's
 13 annuitants who chooses to participate in any of the city's
 14 plans the following amounts: up to a maximum of \$75 per month
 15 for each such annuitant who is not qualified to receive
 16 medicare benefits, and up to a maximum of \$45 per month for
 17 each such annuitant who is qualified to receive medicare
 18 benefits.

19 Commencing on August 23, ~~the--effective--date--of--this~~
 20 ~~amendatory--Act--of~~ 1989, the board is authorized to pay to the
 21 board of education on behalf of each person who chooses to
 22 participate in the board of education's plan the amounts
 23 specified in this subsection (d) during the years indicated.
 24 For the period January 1, 1988 through August 23, ~~the~~
 25 ~~effective--date--of--this--amendatory--Act--of~~ 1989, the board
 26 shall pay to the board of education annuitants who
 27 participate in the board of education's health benefits plan
 28 for annuitants the following amounts: \$10 per month to each
 29 annuitant who is not qualified to receive medicare benefits,
 30 and \$14 per month to each annuitant who is qualified to
 31 receive medicare benefits.

32 The payments described in this subsection shall be paid
 33 from the tax levy authorized under Section 8-189; such
 34 amounts shall be credited to the reserve for group hospital

1 care and group medical and surgical plan benefits, and all
2 payments to the city required under this subsection shall be
3 charged against it.

4 (e) The city's obligations under subsections (b) and (c)
5 shall terminate on June 30, 2003 2002, except with regard to
6 covered expenses incurred but not paid as of that date. This
7 subsection shall not affect other obligations that may be
8 imposed by law.

9 (f) The group coverage plans described in this Section
10 are not and shall not be construed to be pension or
11 retirement benefits for purposes of Section 5 of Article XIII
12 of the Illinois Constitution of 1970.

13 (g) For each annuitant plan offered by the city, the
14 aggregate cost of claims, as reflected in the claim records
15 of the plan administrator, shall be estimated by the city,
16 based upon a written determination by a qualified independent
17 actuary to be appointed and paid by the city and the board.
18 If the estimated annual cost for each annuitant plan offered
19 by the city is more than the estimated amount to be
20 contributed by the city for that plan pursuant to subsections
21 (b) and (c) during that year plus the estimated amounts to be
22 paid pursuant to subsection (d) and by the other pension
23 boards on behalf of other participating annuitants, the
24 difference shall be paid by all annuitants participating in
25 the plan, except as provided in subsection (b). The city,
26 based upon the determination of the independent actuary,
27 shall set the monthly amounts to be paid by the participating
28 annuitants. The board may deduct the amounts to be paid by
29 its annuitants from the participating annuitants' monthly
30 annuities.

31 If it is determined from the city's annual audit, or from
32 audited experience data, that the total amount paid by all
33 participating annuitants was more or less than the difference
34 between (1) the cost of providing the group health care

1 plans, and (2) the sum of the amount to be paid by the city
 2 as determined under subsection (c) and the amounts paid by
 3 all the pension boards, then the independent actuary and the
 4 city shall account for the excess or shortfall in the next
 5 year's payments by annuitants, except as provided in
 6 subsection (b).

7 (h) An annuitant may elect to terminate coverage in a
 8 plan at the end of any month, which election shall terminate
 9 the annuitant's obligation to contribute toward payment of
 10 the excess described in subsection (g).

11 (i) The city shall advise the board of all proposed
 12 premium increases for health care at least 75 days prior to
 13 the effective date of the change, and any increase shall be
 14 prospective only.

15 (Source: P.A. 90-32, eff. 6-27-97.)

16 (40 ILCS 5/11-160.1) (from Ch. 108 1/2, par. 11-160.1)
 17 Sec. 11-160.1. Group health benefit.

18 (a) For the purposes of this Section: (1) "annuitant"
 19 means a person receiving an age and service annuity, a prior
 20 service annuity, a widow's annuity, a widow's prior service
 21 annuity, or a minimum annuity, under Article 5, 6, 8 or 11,
 22 by reason of previous employment by the City of Chicago
 23 (hereinafter, in this Section, "the city"); (2) "Medicare
 24 Plan annuitant" means an annuitant described in item (1) who
 25 is eligible for Medicare benefits; and (3) "non-Medicare Plan
 26 annuitant" means an annuitant described in item (1) who is
 27 not eligible for Medicare benefits.

28 (b) The city shall offer group health benefits to
 29 annuitants and their eligible dependents through June 30,
 30 2003 2002. The basic city health care plan available as of
 31 June 30, 1988 (hereinafter called the basic city plan) shall
 32 cease to be a plan offered by the city, except as specified
 33 in subparagraphs (4) and (5) below, and shall be closed to

1 new enrollment or transfer of coverage for any non-Medicare
 2 Plan annuitant as of June 27, the--effective--date--of--this
 3 amendatory--Act--of 1997. The city shall offer non-Medicare
 4 Plan annuitants and their eligible dependents the option of
 5 enrolling in its Annuitant Preferred Provider Plan and may
 6 offer additional plans for any annuitant. The city may
 7 amend, modify, or terminate any of its additional plans at
 8 its sole discretion. If the city offers more than one
 9 annuitant plan, the city shall allow annuitants to convert
 10 coverage from one city annuitant plan to another, except the
 11 basic city plan, during times designated by the city, which
 12 periods of time shall occur at least annually. For the
 13 period dating from June 27, the--effective--date--of--this
 14 amendatory--Act--of 1997 through June 30, 2003 2002, monthly
 15 premium rates may be increased for annuitants during the time
 16 of their participation in non-Medicare plans, except as
 17 provided in subparagraphs (1) through (4) of this subsection.

18 (1) For non-Medicare Plan annuitants who retired
 19 prior to January 1, 1988, the annuitant's share of
 20 monthly premium for non-Medicare Plan coverage only shall
 21 not exceed the highest premium rate chargeable under any
 22 city non-Medicare Plan annuitant coverage as of December
 23 1, 1996.

24 (2) For non-Medicare Plan annuitants who retire on
 25 or after January 1, 1988, the annuitant's share of
 26 monthly premium for non-Medicare Plan coverage only shall
 27 be the rate in effect on December 1, 1996, with monthly
 28 premium increases to take effect no sooner than April 1,
 29 1998 at the lower of (i) the premium rate determined
 30 pursuant to subsection (g) or (ii) 10% of the immediately
 31 previous month's rate for similar coverage.

32 (3) In no event shall any non-Medicare Plan
 33 annuitant's share of monthly premium for non-Medicare
 34 Plan coverage exceed 10% of the annuitant's monthly

1 annuity.

2 (4) Non-Medicare Plan annuitants who are enrolled
3 in the basic city plan as of July 1, 1998 may remain in
4 the basic city plan, if they so choose, on the condition
5 that they are not entitled to the caps on rates set forth
6 in subparagraphs (1) through (3), and their premium rate
7 shall be the rate determined in accordance with
8 subsections (c) and (g).

9 (5) Medicare Plan annuitants who are currently
10 enrolled in the basic city plan for Medicare eligible
11 annuitants may remain in that plan, if they so choose,
12 through June 30, 2003 2002. Annuitants shall not be
13 allowed to enroll in or transfer into the basic city plan
14 for Medicare eligible annuitants on or after July 1,
15 1999. The city shall continue to offer annuitants a
16 supplemental Medicare Plan for Medicare eligible
17 annuitants through June 30, 2003 2002, and the city may
18 offer additional plans to Medicare eligible annuitants in
19 its sole discretion. All Medicare Plan annuitant monthly
20 rates shall be determined in accordance with subsections
21 (c) and (g).

22 (c) The city shall pay 50% of the aggregated costs of
23 the claims or premiums, whichever is applicable, as
24 determined in accordance with subsection (g), of annuitants
25 and their dependents under all health care plans offered by
26 the city. The city may reduce its obligation by application
27 of price reductions obtained as a result of financial
28 arrangements with providers or plan administrators.

29 (d) From January 1, 1993 until June 30, 2003 2002, the
30 board shall pay to the city on behalf of each of the board's
31 annuitants who chooses to participate in any of the city's
32 plans the following amounts: up to a maximum of \$75 per month
33 for each such annuitant who is not qualified to receive
34 medicare benefits, and up to a maximum of \$45 per month for

1 each such annuitant who is qualified to receive medicare
2 benefits.

3 The payments described in this subsection shall be paid
4 from the tax levy authorized under Section 11-178; such
5 amounts shall be credited to the reserve for group hospital
6 care and group medical and surgical plan benefits, and all
7 payments to the city required under this subsection shall be
8 charged against it.

9 (e) The city's obligations under subsections (b) and (c)
10 shall terminate on June 30, 2003 2002, except with regard to
11 covered expenses incurred but not paid as of that date. This
12 subsection shall not affect other obligations that may be
13 imposed by law.

14 (f) The group coverage plans described in this Section
15 are not and shall not be construed to be pension or
16 retirement benefits for purposes of Section 5 of Article XIII
17 of the Illinois Constitution of 1970.

18 (g) For each annuitant plan offered by the city, the
19 aggregate cost of claims, as reflected in the claim records
20 of the plan administrator, shall be estimated by the city,
21 based upon a written determination by a qualified independent
22 actuary to be appointed and paid by the city and the board.
23 If the estimated annual cost for each annuitant plan offered
24 by the city is more than the estimated amount to be
25 contributed by the city for that plan pursuant to subsections
26 (b) and (c) during that year plus the estimated amounts to be
27 paid pursuant to subsection (d) and by the other pension
28 boards on behalf of other participating annuitants, the
29 difference shall be paid by all annuitants participating in
30 the plan, except as provided in subsection (b). The city,
31 based upon the determination of the independent actuary,
32 shall set the monthly amounts to be paid by the participating
33 annuitants. The board may deduct the amounts to be paid by
34 its annuitants from the participating annuitants' monthly

1 annuities.

2 If it is determined from the city's annual audit, or from
3 audited experience data, that the total amount paid by all
4 participating annuitants was more or less than the difference
5 between (1) the cost of providing the group health care
6 plans, and (2) the sum of the amount to be paid by the city
7 as determined under subsection (c) and the amounts paid by
8 all the pension boards, then the independent actuary and the
9 city shall account for the excess or shortfall in the next
10 year's payments by annuitants, except as provided in
11 subsection (b).

12 (h) An annuitant may elect to terminate coverage in a
13 plan at the end of any month, which election shall terminate
14 the annuitant's obligation to contribute toward payment of
15 the excess described in subsection (g).

16 (i) The city shall advise the board of all proposed
17 premium increases for health care at least 75 days prior to
18 the effective date of the change, and any increase shall be
19 prospective only.

20 (Source: P.A. 90-32, eff. 6-27-97.)

21 Section 90. The State Mandates Act is amended by adding
22 Section 8.26 as follows:

23 (30 ILCS 805/8.26 new)

24 Sec. 8.26. Exempt mandate. Notwithstanding Sections 6
25 and 8 of this Act, no reimbursement by the State is required
26 for the implementation of any mandate created by this
27 amendatory Act of the 92nd General Assembly.

28 Section 99. Effective date. This Act takes effect upon
29 becoming law."