



Weekly Legislative Report

ILLINOIS STATE EMPLOYEES ASSOCIATION RETIREES

By: Jessica Nardulli & Tom Ryder

April 16, 2018

Attached is a shorter list of bills. Those bills that failed to pass out of committee before the April 13 committee deadline have been removed - for now. The General Assembly can revive a bill they deem worthy, and many bills will likely receive an extended deadline. We are still watching them.

Two weeks remain to pass the rest of these bills out of their house of origin. Long hours will be devoted to presenting bills, asking questions, and floor debate – which is then followed by a vote. If a bill needs additional work, the sponsor may draft an amendment which may need to be sent to committee which causes the committee to have another hearing or the amendment may be sent straight to the floor for a vote by the entire chamber.

April 27, the next deadline (and the half way point in the spring session), again reduces the number of bills under consideration. Legislation must pass out of the chamber of origin prior to the deadline. After that, Senate bills passed out of the Senate will be heard in House committees and vice versa.

None of this process includes the giant issue of the budget. While appropriation committees hear testimony from executive agencies and departments, the real question is will we have a budget approved by the General Assembly by the adjournment date of May 31. That is an entirely different process, most of which is behind closed doors.

ILLINOIS STATE EMPLOYEES ASSOCIATION

RETIREES

HB 4165 CMS-DHFS-ACA PROTECTIONS **Sponsor** Rep. G. Harris

Synopsis As Introduced

Amends the State Employees Group Insurance Act of 1971. Prohibits the Director of the Illinois Department of Central Management Services and the State from applying for any federal waiver that would reduce or eliminate any protection or coverage required under the Patient Protection and Affordable Care Act (ACA) that was in effect on January 1, 2017, including, but not limited to, any protection for persons with pre-existing conditions and coverage for services identified as essential health benefits under the ACA. Provides that the Director may apply for such a waiver only if granted authorization by the General Assembly through a joint resolution. Amends the Illinois Insurance Code. Prohibits the State from applying for any federal waiver that would permit an individual or group health insurance plan to reduce or eliminate any protection or coverage required under the ACA that was in effect on January 1, 2017, including, but not limited to, any protection for persons with pre-existing conditions and coverage for services identified as essential health benefits under the ACA. Provides that the State may apply for such a waiver only if granted authorization by the General Assembly through a joint resolution. Amends the Illinois Public Aid Code. Prohibits the State from applying for any waiver of federal Medicaid requirements that would reduce or eliminate any protection or coverage required under the ACA that was in effect on January 1, 2017. Provides that the State may apply for such a waiver only if granted authorization by the General Assembly through a joint resolution. Effective immediately.

House Committee Amendment No. 1

Replaces everything after the enacting clause. Amends the State Employees Group Insurance Act of 1971. Prohibits the State from applying for any federal waiver that would reduce or eliminate any protection or coverage required under the Patient Protection and Affordable Care Act (ACA) that was in effect on January 1, 2017, including, but not limited to, any protection for persons with pre-existing conditions and coverage for services identified as essential health benefits under the ACA. Provides that the State or an agency of the executive branch may apply for such a waiver only if granted authorization by the General Assembly through joint resolution. Amends the Illinois Insurance Code. Prohibits the State from applying for any federal waiver that would permit an individual or group health insurance plan to reduce or eliminate any protection or coverage required under the ACA that was in effect on January 1, 2017, including, but not limited to, any protection for persons with pre-existing conditions and coverage for services identified as essential health benefits under the ACA. Provides that the State or an agency of the executive branch may apply for such a waiver only if granted authorization by the General Assembly through joint resolution. Amends the Illinois Public Aid Code. Prohibits the State or an agency of the executive branch from applying for any federal Medicaid waiver that would result in more restrictive standards, methodologies, procedures, or other requirements than those that were in effect in Illinois as of January 1, 2017 for the Medical Assistance Program, the Children's Health Insurance Program, or any other medical assistance program in Illinois operating under any existing federal waiver authorized by specified provisions of the Social Security Act. Provides that the State or an agency of the executive branch may apply for such a waiver only if granted authorization by the General Assembly through joint

KEY

LEGISLATION

- HB 4371: Martwick - \$107 Billion Pension Bond Proposal

resolution. Effective immediately.

Last Action

Date	Chamber	Action
4/10/2018	House	Held on Calendar Order of Second Reading - Short Debate

HB 4413 PEN CD-BROADCAST MEETINGS

Sponsor Rep. Ammons

Synopsis As Introduced

Amends the General Provisions Article of the Illinois Pension Code. Provides that any open meeting of the board of trustees of a retirement system or pension fund or any committee established by a retirement system or pension fund must be broadcast to the public and maintained in real-time on the retirement system's or pension fund's website using a high-speed Internet connection. Amends the State Mandates Act to require implementation without reimbursement by the State. Effective immediately.

House Committee Amendment No. 1

Provides that a retirement system or pension fund must make audio and video available for an open meeting broadcast to the public and maintained on the retirement system or pension fund's website. Changes the effective date to January 31, 2019 (rather than upon becoming law).

Last Action

Date	Chamber	Action
4/13/2018	House	Placed on Calendar 2nd Reading - Short Debate

HB 4684 PEN CD-SURS-EMPLOYER CONTRIB

Sponsor Rep. Martwick; Sen. Aquino

Synopsis As Introduced

Amends the State Universities Article of the Illinois Pension Code. Provides that if an employer fails to transmit required contributions to the System for more than 120 days after the payment of those contributions is due, the Board may certify to the State Comptroller the amount of those delinquent employer contributions and the State Comptroller shall deduct the certified amount from State funds to the employer and remit the amount deducted to the System. Provides that if State funds from which those deductions may be made are not available or if deductions are delayed for longer than 120 days after the date of the certification to the Comptroller, the Board may proceed against the employer to recover the amounts of such delinquent payments in the appropriate circuit court. Adds similar provisions if the employer is a community college district. Makes other changes. Effective immediately.

Last Action

Date	Chamber	Action
3/9/2018	Senate	Referred to Assignments

HB 5019 COMPTROLLER-DEDUCT & VET PREF

Sponsor Rep. Natalie A. Manley

Synopsis As Introduced

Amends the State Salary and Annuity Withholding Act. Provides that an employee or annuitant may authorize the withholding of a portion of his salary, wages, or annuity, among other purposes, for investment purchases made as a participant in College Savings Programs established under the federal Internal Revenue Code. Amends the State Comptroller Act. Provides that no request for an amount to be deducted from pension annuity payments made under the Illinois Pension Code shall exceed 25% of the net amount of such payment. Provides

that notice given by the Comptroller to a person upon a deduction for delinquent obligations owed to a specified government entity may inform the person that, in lieu of protest, he or she may provide written authority to the Comptroller to process the deduction immediately. Amends the Comptroller Merit Employment Code. Provides for a veteran's preference of 3 points if the person has served in the armed forces of the United States, the Illinois National Guard, or any reserve component of the armed forces of the United States, and the person, among other qualifying factors, has served a minimum of 4 years in the Illinois National Guard or reserve component of the armed forces of the United States, regardless of whether or not the person was mobilized to active duty. Amends the Illinois State Collection Act of 1986. Provides that upon processing a deduction to satisfy a debt owed to a university or a State agency, the Comptroller may provide notice informing a person that, in lieu of protest, he or she may provide written authority to the Comptroller to process the deduction immediately. Effective immediately.

House Committee Amendment No. 1

Replaces everything after the enacting clause. Reinserts the provisions of the introduced bill with changes. Further amends the State Salary and Annuity Withholding Act. Provides that an employee or annuitant may authorize the withholding of a portion of his or her salary, wages, or annuity, among other purposes, for investment purchases made as a participant or contributor to qualified tuition programs and qualified ABLE programs (rather than College Savings Programs) established under the Internal Revenue Code. Further amends the State Comptroller Act. Makes changes concerning the Comptroller's "Warehouse" and the Comptroller's "Online Ledger".

Last Action

Date	Chamber	Action
4/13/2018	House	Placed on Calendar 2nd Reading - Short Debate

HB 5814 PROMPT PAYMNT-INTEREST PENALTY **Sponsor** Rep. David McSweeney

Synopsis As Introduced

Amends the State Employees Group Insurance Act of 1971. Provides that interest penalties that may be payable under the Act, as provided under specified Sections of the Illinois Insurance Code, shall be paid from a separate appropriation from each fund for such purpose and for each appropriated agency. Amends the State Budget Law. Provides that for the fiscal year beginning July 1, 2018, and for each fiscal year thereafter, the budget shall include a separate line item request appropriating moneys to each State agency for estimated costs for each fund under the State Prompt Payment Act and specified Sections of the Illinois Insurance Code. Amends the State Finance Act. Provides that the sum of transfers among line item appropriations for an agency in a fiscal year shall not exceed 2% of the aggregate amount appropriated to it within the same treasury fund for, among other objects, late interest penalties under the State Prompt Payment Act and specified Sections of the Illinois Insurance Code. Provides that if lump sum appropriations are enacted with a separate line item for late interest penalties under the State Prompt Payment Act and the Illinois Insurance Code, the 2% transfer authority shall apply to the aggregate amount of these appropriations. Amends the State Prompt Payment Act to provide that interest penalties that may be payable under the Act and under specified Sections of the Illinois Insurance Code shall be paid from a separate appropriation from each fund for such purpose and for each appropriated agency. Effective immediately.

House Committee Amendment No. 2

Replaces everything after the enacting clause. Reinserts the provisions of the introduced bill with changes. Removes a provision concerning payment for services and interest penalties under the State Employees Group Insurance Act of 1971. Provides that for the fiscal year beginning July 1, 2019 (rather than July 1, 2018), and for each fiscal year thereafter, the State budget shall include a separate line item request appropriating moneys to each State agency for specified costs. Removes a provision concerning the enactment of lump sum appropriations with a separate line item for late interest penalties. Amends the Governor's Office of Management and Budget Act. Provides that the annual economic and fiscal policy report must include: (1) an estimate of Late Interest Penalties under the State Prompt Payment Act for the upcoming fiscal year and projections of the same for each of the following 4 fiscal years; and (2) an estimate of interest penalties under Sections 368a and 370a of the Illinois Insurance Code for the upcoming fiscal year and projections of the same for each of the following 4 fiscal years. Further amends the State Prompt Payment Act. Provides that notwithstanding any provision to the

contrary, interest may not be paid under the Act when: (1) a Chief Procurement Officer has voided the underlying contract for goods or services under the Illinois Procurement Code; or (2) the Auditor General is conducting a performance or program audit, and the Comptroller has held or is holding for review a related contract or vouchers for payment of goods or services in the exercise of duties under the State Comptroller Act. Removes a provision concerning interest penalties paid from separate appropriations. Makes conforming and other changes. Effective July 1, 2018.

Last Action

Date	Chamber	Action
4/13/2018	House	Placed on Calendar 2nd Reading - Short Debate

SB 2284 PEN CD-GARS SELF-DIRECTED PLAN **Sponsor** Sen. Chuck Weaver

Committee Hearing: Licensed Activities and Pensions Hearing Apr 18 2018 3:00PM Capitol 400 Springfield, IL

Synopsis As Introduced

Amends the General Assembly Article of the Illinois Pension Code. Requires the General Assembly Retirement System to establish a self-directed retirement plan. Provides that for persons who become a participant on or after the effective date of the amendatory Act, participation in the System shall be limited to participation in the self-directed retirement plan. Allows a Tier 1 or Tier 2 participant to make an irrevocable election to participate in the self-directed retirement plan instead of the defined benefit plan. Makes changes to the pensionable salary for active participants. Provides that upon a participant's first day of participation in the self-directed retirement plan, the participant becomes vested in his or her contributions to the self-directed retirement plan, the employer's contributions to the self-directed retirement plan, and the investment returns attributable to those contributions credited to his or her account. Provides that a member who has filed notice of an election not to participate may become a Tier 3 participant without making a specified required contribution by filing with the board a written rescission of the election not to participate if he or she elects to participate in the self-directed retirement plan. Provides that a member who files the written rescission without making the required contribution and only participates in the self-directed retirement plan may not receive credit for service as a member prior to the date of the rescission. Repeals a provision added by Public Act 98-599, which has been held unconstitutional, that defines "Tier 1 participant" and "Tier 2 participant".

Last Action

Date	Chamber	Action
3/1/2018	Senate	Assigned to Licensed Activities and Pensions

SB 2292 RETIRED GA-HEALTH INSURANCE **Sponsors** Sen. Tim Bivins

Synopsis As Introduced

Amends the State Employees Group Insurance Act of 1971. Provides that any member of the General Assembly sworn into office on and after the second Wednesday in January of 2019, and who retires a participating member under the General Assembly Retirement System, shall be responsible for exactly 50% of the applicable premiums, charges, or other fees for the basic program of group health benefits. Provides that, subject to a reduction based upon Medicare coverage, the State's contribution towards the basic program of group health benefits for such General Assembly members shall be exactly 50% of the applicable premiums, charges, or other fees owed. Provides that the provisions requiring 50% contribution for retired General Assembly member health benefits do not apply to any person who previously served as a member of the General Assembly in either house prior to the second Wednesday of January of 2019. Makes conforming changes. Effective immediately.

Senate Committee Amendment No. 1

Replaces everything after the enacting clause. Reinserts the provisions of the bill as introduced, and provides



that a current or retired member of the General Assembly who was sworn into or retired from office prior to the second Wednesday of January of 2019 may elect to be responsible for exactly 50% the applicable premiums, charges, or other fees for the basic program of group health benefits.

Last Action

Date	Chamber	Action
4/10/2018	Senate	Placed on Calendar Order of 3rd Reading April 11, 2018

SB 2608 PEN CD-SERS-STATE POLICE

Sponsor Sen. John G. Mulroe

Synopsis As Introduced

Amends the State Employee Article of the Illinois Pension Code. Authorizes a State policeman to elect to establish eligible creditable service for up to 5 years of service as a full-time law enforcement officer employed by the federal government or by a state or local government located outside of Illinois for which credit is not held in any other public employee pension fund or retirement system. Provides that to obtain that credit, the applicant must file a written application with the Board, accompanied by evidence of eligibility acceptable to the Board and payment of a specified amount to be determined by the Board. Excludes a benefit increase resulting from the amendatory Act from the definition of "new benefit increase". Effective immediately.

Last Action

Date	Chamber	Action
2/22/2018	Senate	Placed on Calendar Order of 3rd Reading February 27, 2018

SB 2954 PEN CD-SURS-EMPLOYER CONTRIB

Sponsor Sen. Omar Aquino

Synopsis As Introduced

Amends the State Universities Article of the Illinois Pension Code. Provides that if an employer fails to transmit required contributions to the System for more than 120 days after the payment of those contributions is due, the Board may certify to the State Comptroller the amount of those delinquent employer contributions and the State Comptroller shall deduct the certified amount from State funds to the employer and remit the amount deducted to the System. Provides that if State funds from which those deductions may be made are not available or if deductions are delayed for longer than 120 days after the date of the certification to the Comptroller, the Board may proceed against the employer to recover the amounts of such delinquent payments in the appropriate circuit court. Adds similar provisions if the employer is a community college district. Makes other changes. Effective immediately.

Last Action

Date	Chamber	Action
4/10/2018	Senate	Placed on Calendar Order of 3rd Reading April 11, 2018

SB 3073 PEN CD-ACCEL BENEFIT PAYMENT

Sponsor Sen. Paul Schimpf

Committee Hearing: Licensed Activities and Pensions Hearing Apr 18 2018 3:00PM Capitol 400 Springfield, IL

Synopsis As Introduced

Amends the State Employee, State Universities, and Downstate Teachers Articles of the Illinois Pension Code. Requires those Systems to offer certain inactive members the opportunity to elect to receive an accelerated

pension benefit payment equal to 70% of the net present value of their pension benefits in lieu of receiving any pension benefit. Provides that if a person elects to receive an accelerated pension benefit payment, his or her credits and creditable service under that Article shall be terminated upon receipt of the accelerated pension benefit payment; except that the terminated service credit shall be used for the purposes of determining participation and benefits under the State Employees Group Insurance Act of 1971. Provides that a person who receives an accelerated pension benefit payment must direct the System to pay all of that payment as a rollover into another qualified retirement plan or account. Contains provisions concerning return to active service; rulemaking; and qualified plan status. Amends the State Employees Group Insurance Act of 1971 to make related changes. Requires the Authority to issue bonds if the amount of the accelerated pension benefit payments exceed the amount appropriated to each System for those payments. Amends the General Obligation Bond Act. Authorizes \$250,000,000 in State Pension Obligation Acceleration Bonds to be sold to pay for accelerated pension benefit payments to eligible persons. Amends the State Pension Funds Continuing Appropriation Act to create a continuing appropriation for payments on those Bonds. Amends the State Finance Act to create the State Pension Obligation Acceleration Bond Fund. Effective immediately.

Last Action

Date	Chamber	Action
2/21/2018	Senate	Assigned to Licensed Activities and Pensions

HJR 106 NO TAXES ON RETIREMENT INCOME **Sponsor** Rep. David McSweeney

Committee Hearing: Revenue & Finance Committee Hearing Apr 19 2018 8:30AM Stratton Building Room C-1 Springfield, IL

Synopsis As Introduced

States the belief that the Illinois Income Tax Act should not be amended to permit taxing retirement income.

Last Action

Date	Chamber	Action
4/3/2018	House	Assigned to Revenue & Finance Committee