

**FACULTY AND ACADEMIC STAFF BENEFITS COMMITTEE
CURRENT BENEFITS ISSUES & EVENTS
(Final; Information)**

MANAGED CARE/HEALTH PLANS

Health Plan Update

- Special Enrollment Period, limited to health plan vendor changes only, closed 11:59 PM on October 28, 2011.
- Approximately 1,500 employees made a health plan change as of morning October 28.
- Plan changes will be effective December 1, 2011.

SURS

Money Purchase Factors Change

- See SURS Fact Sheet and Decision Tree at <http://www.surs.com/pdfs/forms/MoneyPurchaseFacts.pdf>

Pension Reform Updates

- State legislative working group meetings were held in September & October to discuss pension topics, including structure, funding, actuarial data, and benefits.
- IGPA held State Summit on Pension, Oct 3 & 4; themes were establishing trust and dialogue, hybrid or stacked pension models, and constitutional protection clause.
 - See <http://igpa.uillinois.edu/state-summit-2011> for IGPA's Public Pension Report and articles about hybrid pension models and implementation in Orange County, CA.
 - See <http://igpa.uillinois.edu/state-summit-2011/report> for speaker's notes and analysis from the Summit.

STATE LEGISLATION UPDATE - Bills to watch as of Oct 28, 2011

Old Bills

- SB512 (Cullerton) – Requires current SURS participants (members prior to Jan 1, 2011) to make a new plan election: (i) Traditional Plan with increased employee contribution, (ii) Tier 2 benefit package, or (iii) Self-Managed Plan. Authorizes persons who became SURS participants on or after Jan 1, 2011 to elect either: (i) Tier 2 benefit package or (ii) Self-Managed Plan. Decreases state contribution; makes other changes. *(Note: a new or amended version might include various different provisions, such as a "hybrid" or "stacked" plan option, pushing the state-paid employer contribution to the responsibility of the University, elimination or reduction of COLA, increase in employee contribution amount, or other changes.)*
- SB175 (Schoenberg) – Amends the State Employees Group Insurance Act; revises the amount retirees pay for health insurance based on the retiree's age when benefits commenced, total years of service, and annual State pension income.

New Bills

- HB3873 (Arroyo) - Repeals provisions that permit the children of employees of a State university who have been employed by any one or by more than one State university for an aggregate period of at least 7 years to receive a 50% tuition waiver.
- HB3813 (Cross) – Amends SURS among other retirement systems; provides (i) for specified leaves of absence any pension credit earned must be based on the participant's salary immediately before the leave of absence, (ii) that the participant must contribute an amount equal to the actuarially determined

normal cost of the leave-of-absence benefit as calculated by the fund, (iii) that every 3 years, beginning on or as soon as practical after the effective date of the amendatory Act, each affected fund must determine if credit earned under specified leave of absence provisions has created any additional unfunded liability to the fund, (iv) that if it is determined by the fund that an additional unfunded liability has been created, then the participant (or his or her employer) must remit the total cost to the fund, as determined by the fund, within one year, and (v) that, for any participant who, on or after the effective date of the amendatory Act, takes one of the specified leaves of absence, his or her average salary shall be based upon the regular salary rate received by the participant for his or her employment immediately prior to that leave of absence.

- HB3815 (May) – Amends SURS among other retirement systems; provides that leaves of absence without pay during employment with the specified organizations are not to be included in computing the term of service of persons who first become participants under those Articles on or after the effective date of the amendatory Act.

This document compiled by University Human Resources (UHR), contact Katie Ross in UHR at katross@uillinois.edu with inquiries. Contact UPB-Benefits Services at 217-333-3111 for benefit plan questions specific to a faculty or staff member's own situation. Contact SURS at 217-378-8800. All other questions can be sent to uihr@uillinois.edu