

FACULTY AND ACADEMIC STAFF BENEFITS COMMITTEE
CURRENT BENEFITS ISSUES & EVENTS
(FINAL; INFORMATION)

PENDING LEGISLATION:

Following are brief summaries of some pension reform bills that are pending before the Illinois legislature. See full text of bills at <http://www.ilga.gov/>. Detailed descriptions of many pension bills are also available from SURS at <http://www.surs.org/legislation>. **Faculty and staff who want more complete information, or wish to provide their opinion, about these bill proposals should contact their own local representatives in the State General Assembly or the bill sponsors, find them at <http://www.elections.il.gov/DistrictLocator/DistrictOfficialSearchByAddress.aspx>**

A few stand-alone reform measures passed the House and have been sent to the Senate for consideration. It is impossible to predict how likely these or any other pension bills are to pass or not pass. Following are on first reading in the Senate:

1. HB1154 – Pensionable earnings may not exceed the Social Security Wage Base (\$113,700 for 2013).
2. HB1165 – COLA reforms: lesser of \$750 (if annuity over \$25,000) or 3% (if annuity under \$25,000); no COLA until Jan 1 following age 67 or delay for 5 years from annuity start date. Applies to current and future retirees.
3. HB1166 – Increases minimum and regular retirement age for members under age 45. Age 40-44 plus 1 year; age 39-35 plus 3 years; under age 35 plus 5 years.

HB3411 REFORM STATE SYSTEMS (Sponsors: Cross/Nekritz)

- Includes provisions of HB1154, HB1165, and HB1166 noted above.
- Increases employee contribution by an additional 1% of pay in FY2014, plus an additional 1% in FY2015, for a total increase of 2% of pay.
- Transfers a portion of normal cost to employers such as the University of Illinois.
- For new hires after Jan 1, 2014, creates a Tier 3 hybrid model (a combined defined benefit and defined contribution) plan.
- Current status: As of 4/19/2013, held on second reading in the House, referred to Rules committee.

PASSED LEGISLATION:

PA97-0695 RETIREE HEALTH INSURANCE

Effective July 1, 2012, amended the State Employees Group Insurance Act of 1971. Provided that CMS will determine annually the amount of the State's contribution to retiree health care. Retiree premiums will be calculated as they are now; plus, retirees will pay an additional amount (based on all state system annuities) on top of their current premium depending on Medicare eligibility:

- If Medicare eligible: additional 1% of annuity beginning 7/1/2013 and additional 1% on top of that beginning 7/1/2014.
- If non-Medicare eligible: additional 2% of annuity beginning 7/1/2013 and additional 2% on top of that beginning 7/1/2014.

- 5% Rule still applies, example: If paying \$0 now, then the retiree will pay just the 1% or 2% of annuity beginning 7/1/2013. If paying \$X now, then the retiree will pay \$X plus the 1% or 2% of annuity.
- *Illinois Supreme Court will hear retiree health insurance case*: State Journal-Register, 4/11/2013, <http://www.sj-r.com/breaking/x1545200752/Illinois-Supreme-Court-will-hear-retiree-health-insurance-case>
The Illinois' high court has agreed to hear a direct appeal of four lawsuits filed trying to block the new insurance premiums from taking effect.

HEALTH & WELLNESS BENEFITS

1. Benefit Choice information, including FY2014 rates and premiums, will not be released until May 1. The Benefit Choice period is May 1 through May 31 with changes effective on July 1, 2013.
2. Benefit Fair on the Urbana campus is May 14 10:00 a.m. to 2:00 p.m. at the Illini Union Rooms A, B, and C. CMS representatives will be present for questions.
3. Increases in employee and dependent premiums, copays, deductibles, and other costs expected for all plans; specifics are not yet available.
4. Reminder: Review your Benefit Statement (announcement sent on April 9). See NESSIE at <http://nessie.uihr.uillinois.edu/> or direct link: <http://illinois.edu/blog/view/1418/91390?count=1&ACTION=DIALOG&sort=asc>
5. Quality Care Health Plan Payment Delay FAQ available. See NESSIE at <http://nessie.uihr.uillinois.edu/> or direct link: <http://illinois.edu/blog/view/1418/90794?count=1&ACTION=DIALOG&sort=asc>

PENDING LEGISLATION: TUITION WAIVER FOR CHILD OF EMPLOYEE

1. HB1032 – referred to rules committee on 3/22/2013 – Considered inactive.
2. HB509 – amendment 1 filed to shell bill on 3/19/2013 – As of 4/19/2013, held on second reading in the House, referred to Rules committee.

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