



PA91-395: State Health Insurance

General Information

On July 7, 1997, Governor Jim Edgar signed into law [Public Act 90-65](#) (a.k.a. House Bill 110). This act directed state employees with less than 20 years of service credit, who retired on or after 1/1/98, to share in the cost of health insurance premiums based upon years of service credit. The State of Illinois agreed to pay 5% of the retiree's premiums for each year of service up to 20 years. Consequently, a member who achieves 20 or more years of service credit and qualifies for state insurance benefits in retirement receives premium-free retiree health insurance benefits.

Prior to this act, members who qualified for state health insurance were not responsible for any part of the health insurance premium—regardless of service credit.

On July 30, 1999, Governor George Ryan signed [Public Act 91-395](#) (a.k.a. Senate Bill 211). This act states that qualifying state members with less than 20 years of service credit who were actively working for a SURS employer on July 7, 1997 and retire after July 30, 1999 may choose state-paid health insurance at retirement by waiving the current law, Public Act 90-65. They may elect to participate in the rules that were in effect prior to July 7, 1997. This would allow them to receive state-paid health insurance and use the old retirement calculation for General Formula (1.67% step rate) instead of 2.2%. The Money Purchase Formula does not change.

To be eligible for this choice, a qualifying member must:

- Have been a SURS participant who was an employee on July 7, 1997;
- Retire on or after July 30, 1999;
- Qualify for state health insurance coverage at retirement (e.g., 5 years of service of qualifying State of Illinois service);
- Have less than 20 years of qualified service credit;
- Receive a monthly retirement annuity under any of the 3 retirement plans;
- Abide by applicable maximum annuity limitations (75%, 76%, 78%, or 80% depending on member's age at retirement); and
- Make a one-time **irrevocable** choice at retirement

The choice does not apply to members who:

- Retired before July 30, 1999;
- Were hired after July 7, 1997; or
- Were not active employees on July 7, 1997

For more information

- Call SURS at (800) 275-7877, or
- visit our website at www.surs.org