



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