Exhibit A-4:
Relevant Pension Codes
AN ACT in relation to public employee benefits.

Be it enacted by the People of the State of Illinois, represented in the General Assembly:

Section 5. The Illinois Pension Code is amended by changing Sections 5-167.5, 6-142.2, 8-164.1, and 11-160.1 and adding Sections 8-164.2 and 11-160.2 as follows:

(40 ILCS 5/5-167.5) (from Ch. 108 1/2, par. 5-167.5)
Sec. 5-167.5. Payments to city group-health-benefit.
(a) For the purposes of this Section, "city annuitant" means a person receiving an age and service annuity, a widow's annuity, a child's annuity, or a minimum annuity under this Article as a direct result of previous employment by the City of Chicago ("the city").
(b) The board shall pay to the city, on behalf of the board's city annuitants who participate in any of the city's health care plans, the following amounts:

(1) From July 1, 2003 through June 30, 2008, $85 per month for each such annuitant who is not eligible to receive Medicare benefits and $55 per month for each such annuitant who is eligible to receive Medicare benefits.

(2) From July 1, 2008 through June 30, 2013, $95 per month for each such annuitant who is not eligible to receive Medicare benefits and $65 per month for each such annuitant who is eligible to receive Medicare benefits.

The payments described in this subsection shall be paid from the tax levy authorized under Section 5-168; such amounts shall be credited to the reserve for group hospital care and group medical and surgical plan benefits, and all payments to the city required under this subsection shall be charged against it.

(c) The city health care plans referred to in this
Section and the board's payments to the city under this
Section are not and shall not be construed to be pension or
retirement benefits for the purposes of Section 5 of Article
(a)--For--the--purposes--of--this--Section.--(1)--"annuitant"
means--a--person--receiving--an--age--and--service--annuity.--a--prior
service--annuity;--a--widow's--annuity;--a--widow's--prior--service
annuity;--or--a--minimum--annuity;--under--Article--5,--6,--7--or--11;
by--reason--of--previous--employment--by--the--City--of--Chicago
(hereinafter--in--this--Section;--"the--city");--(2)--"Medicare
Plan--annuitant":--means--an--annuitant--described--in--item--(1)--who
is--eligible--for--Medicare--benefits;--and--(3)--"non-Medicare--Plan
annuitant":--means--an--annuitant--described--in--item--(1)--who--is
not--eligible--for--Medicare--benefits.
(b)--The--city--shall--offer--group--health--benefits--to
annuitants--and--their--eligible--dependents--through--June--30;
2003.--The--basic--City--Health--Care--Plan--available--as--of--June
30,--1988--(hereinafter--called--the--basic--City--Plan)--shall--cease
to--be--a--plan--offered--by--the--City,--except--as--specified--in
subparagraphs--(4)--and--(5)--below,--and--shall--be--closed--to--new
enrollment--or--transfer--of--coverage--for--any--non-Medicare--Plan
annuitant--as--of--June--27,--1997.--The--City--shall--offer
non-Medicare--Plan--annuitants--and--their--eligible--dependents
the--option--of--enrolling--in--its--Annuitant--Preferred--Provider
Plan--and--may--offer--additional--plans--for--any--annuitant.--The
City--may--amend,--modify,--or--terminate--any--of--its--additional
plans--at--its--sole--discretion.--If--the--City--offers--more--than
one--annuitant--plan,--the--City--shall--allow--annuitants--to
convert--coverage--from--one--City--annuitant--plan--to--another,
except--the--basic--City--Plan,--during--times--designated--by--the
City,--which--periods--of--time--shall--occur--at--least--annually.
For--the--period--dating--from--June--27,--1997--through--June--30;
2003,--monthly--premium--rates--may--be--increased--for--annuitants
during--the--time--of--their--participation--in--non-Medicare--plans,
except as provided in subparagraphs (1) through (4) of this subsection:

(1) For non-Medicare Plan annuitants who retired prior to January 1, 1998, the annuitant's share of monthly premium for non-Medicare Plan coverage only shall not exceed the highest premium rate chargeable under any city non-Medicare Plan annuitant coverage as of December 1, 1996.

(2) For non-Medicare Plan annuitants who retire on or after January 1, 1998, the annuitant's share of monthly premium for non-Medicare Plan coverage only shall be the rate in effect on December 1, 1996, with monthly premium increases to take effect no sooner than April 1, 1998 at the lower of (i) the premium rate determined pursuant to subsection (g) or (ii) 10% of the immediately previous month's rate for similar coverage.

(3) In the event shall any non-Medicare Plan annuitant's share of monthly premium for non-Medicare Plan coverage exceed 10% of the annuitant's monthly annuity.

(4) Non-Medicare Plan annuitants who are enrolled in the basic city plan as of July 1, 1993 may remain in the basic city plan, if they so choose, on the condition that they are not entitled to the caps on rates set forth in subparagraphs (1) through (3), and their premium rate shall be the rate determined in accordance with subsections (e) and (g).

(5) Medicare Plan annuitants who are currently enrolled in the basic city plan for Medicare eligible annuitants may remain in that plan, if they so choose, through June 30, 2003. Annuittants shall not be allowed to enroll in or transfer into the basic city plan for Medicare eligible annuitants on or after July 1, 1999. The city shall continue to offer annuitants a
supplemental--Medicare---Plan---for---Medicare---eligible
annuitants-through-June-30,-2003,-and-the-city-may-offer
additional--plans--to-Medicare-eligible-annuitants-in-its
sole-discretion;---All-Medicare---Plan---annuitant---monthly
rates---shall-be-determined-in-accordance-with-subsections
\{c\}-and-{g}:
\{c\}--The-city-shall-pay-50%-of-the-aggregated-costs-of
the-claims-or-premiums,-whichever-is-applicable,-as
determined-in-accordance-with-subsection-{g},-of-annuitants
and-their-dependents-under-all-health-care-plans-offered-by
the-city;--The-city-may-reduce-its-obligation-by-application
of-price-reductions-obtained-as-a-result-of-financial
arrangements-with-providers-or-plan-administrators.
\{d\}--From-January-1,-1993-until-June-30,-2003,-the-board
shall-pay-to-the-city-on-behalf-of-each-of-the-board's
annuitants--who-chooses-to-participate-in-any-of-the-city's
plans-the-following-amounts:--up-to-a-maximum-of-$75-per-month
for-each-such-annuitant-who-is-not-qualified-to-receive
medicare-benefits,-and-up-to-a-maximum-of-$45-per-month-for
each-such-annuitant-who-is-qualified-to-receive-medicare
benefits:
The-payments-described-in-this-subsection-shall-be-paid
from-the-tax-levy-authorized-under-Section-5.168,-such
amounts-shall-be-credited-to-the-reserve-for-group-hospital
care-and-group-medical-and-surgical-plan-benefits,-and--all
payments--to-the-city-required-under-this-subsection-shall-be
charged-against-it.
\{e\}--The-city's-obligations-under-subsections--\{b\}-and--\{c\}
shall-terminate-on-June-30,-2003,-except--with-regard-to
covered-expenses-incurred-but-not-paid-as-of-that-date.--This
subsection--shall-not-affect--other-obligations-that-may-be
imposed-by-law:
\{f\}--The-group-coverage-plans-described-in-this-section
are-not-and-shall-not-be-construed-to-be-pension-or
retirement-benefits-for-purposes-of-Section-5-of-Article-XIII
of-the-Illinois-Constitution-of-1976:
(g)--For-each-annuitant-plan-offered-by-the-city,-the
aggregate-cost-of-claims,-as-reflected-in-the-claim-records
of-the-plan-administrator,-shall-be-estimated-by-the-city,
based-upon-a-written-determination-by-a-qualified-independent
If-the-estimated-annual-cost-for-each-annuitant-plan-offered
by-the-city-is-more-than-the-estimated-amount-to-be
contributed-by-the-city-for-that-plan-pursuant-to-subsections
(b)-and-(c)-during-that-year-plus-the-estimated-amounts-to-be
paid-pursuant-to-subsection-(d)--and--by-the-other-pension
boards-on-behalf-of-other-participating-annuitants;--the
difference-shall-be-paid-by-all-annuitants--participating--in
the-plan,-except-as-provided-in-subsection-(b).--The-city;
based-upon-the-determination--of-the-independent-actuary;
shall-set-the-monthly-amounts-to-be-paid-by-the-participating
annuitants.----The-board-may-deduct-the-amounts-to-be-paid-by
its-annuitants-from-the--participating--annuitants'--monthly
annuities:

If-it-is-determined-from-the-city's-annual-audit,-or-from
audited--experience-data,-that-the-total-amount-paid-by-all
participating-annuitants-was-more-or-less-than-the-difference
between-(1)---the-cost--of--providing--the--group--health--care
plans,--and--(2)---the-sum-of-the-amount-to-be-paid-by-the-city
as-determined-under-subsection-(e)--and-the-amounts-paid-by
all-the-pension-boards,--then-the-independent-actuary-and-the
city-shall-account-for-the-excess-or-shortfall--in-the--next
year's--payments--by--annuitants,-except--as--provided-in
subsection-(b):
(h)--An-annuitant-may-elect-to-terminate--coverage--in--a
plan--at-the-end-of-any-month,-which-election-shall-terminate
the-annuitant's-obligation-to-contribute--toward--payment--of
the-excess-described-in-subsection-(g).:
(a) The city shall advise the board of all proposed premium increases for health care at least 75 days prior to the effective date of the change, and any increase shall be prospective only.

(Source: P.A. 92-599, eff. 6-28-02.)

(40 ILCS 5/6-164.2) (from Ch. 108 1/2, par. 6-164.2)

Sec. 6-164.2. Payments to city group health benefit.

(a) For the purposes of this Section, "city annuitant" means a person receiving an age and service annuity, a widow's annuity, a child's annuity, or a minimum annuity under this Article as a direct result of previous employment by the City of Chicago ("the city").

(b) The board shall pay to the city, on behalf of the board's city annuitants who participate in any of the city's health care plans, the following amounts:

(1) From July 1, 2003 through June 30, 2008, $85 per month for each such annuitant who is not eligible to receive Medicare benefits and $55 per month for each such annuitant who is eligible to receive Medicare benefits.

(2) From July 1, 2008 through June 30, 2013, $95 per month for each such annuitant who is not eligible to receive Medicare benefits and $65 per month for each such annuitant who is eligible to receive Medicare benefits.

The payments described in this subsection shall be paid from the tax levy authorized under Section 6-165; such amounts shall be credited to the reserve for group hospital care and group medical and surgical plan benefits, and all payments to the city required under this subsection shall be charged against it.

(c) The city health care plans referred to in this Section and the board's payments to the city under this Section are not and shall not be construed to be pension or retirement benefits for the purposes of Section 5 of Article

(a)--For--the--purposes--of--this--Section--{(1)}--"annuitant"
means--a--person--receiving--an--age--and--service--annuity--a--prior
service--annuity--a--widow's--annuity--a--widow's--prior--service
annuity--or--a--minimum--annuity.--under--Article--5,--6,--8--or--11,
by--reason--of--previous--employment--by--the--City--of--Chicago
(hereinafter--in--this--Section,--"the--City"),--{(2)}--"Medicare
Plan--annuitant"--means--an--annuitant--described--in--item--{(1)}--who
is--eligible--for--Medicare--benefits;--and--{(3)}--"non-Medicare--Plan
annuitant"--means--an--annuitant--described--in--item--{(1)}--who--is
not--eligible--for--Medicare--benefits--

(b)--The--City--shall--offer--group--health--benefits--to
annuitants--and--their--eligible--dependents--through--June--30,
2002.--The--basic--City--health--care--plan--available--as--of--June
30,--1998--(hereinafter--called--the--basic--City--plan)--shall--cease
to--be--a--plan--offered--by--the--City,--except--as--specified--in
subparagraphs--{(4)}--and--{(5)}--below,--and--shall--be--closed--to--new
enrollment--or--transfer--of--coverage--for--any--non--Medicare--Plan
annuitant--as--of--June--27,--1997.--The--City--shall--offer
non-Medicare--Plan--annuitants--and--their--eligible--dependents
the--option--of--enrolling--in--its--Annuitant--Preferred--Provider
Plan--and--may--offer--additional--plans--for--any--annuitant.--The
City--may--amend,--modify,--or--terminate--any--of--its--additional
plans--at--its--sole--discretion.--If--the--City--offers--more--than
one--annuitant--plan;--the--City--shall--allow--annuitants--to
convert--coverage--from--one--City--annuitant--plan--to--another,
except--the--basic--City--plan,--during--times--designated--by--the
City,--which--periods--of--time--shall--occur--at--least--annually.
For--the--period--dating--from--June--27,--1997--through--June--30,
2003,--monthly--premium--rates--may--be--increased--for--annuitants
during--the--time--of--their--participation--in--non-Medicare--plans;
except--as--provided--in--subparagraphs--{(1)}--through--{(4)}--of--this
subsection.

{(1)}--For--non-Medicare--Plan--annuitants--who--retired
prior to January 1, 1998, the annuitant's share of the monthly premium for non-Medicare Plan coverage only shall not exceed the highest premium rate chargeable under any city non-Medicare Plan annuitant coverage as of December 1, 1996.

(2) For non-Medicare Plan annuitants who retire on or after January 1, 1998, the annuitant's share of the monthly premium for non-Medicare Plan coverage only shall be the rate in effect on December 1, 1996, with the monthly premium increasing to take effect no sooner than April 1, 1998 at the lower of (i) the premium rate determined pursuant to subsection (g) or (ii) 10% of the immediately previous month's rate for similar coverage.

(3) In no event shall any non-Medicare Plan annuitant's share of the monthly premium for non-Medicare Plan coverage exceed 10% of the annuitant's monthly annuity.

(4) Non-Medicare Plan annuitants who are enrolled in the basic city plan as of July 1, 1998 may remain in the basic city plan if they so choose, on the condition that they are not entitled to the caps on rates set forth in subparagraphs (i) through (3) and their premium rate shall be the rate determined in accordance with subsections (e) and (g).

(5) Medicare Plan annuitants who are currently enrolled in the basic city plan for Medicare eligible annuitants may remain in that plan if they so choose, through June 30, 2003. Annuitants shall not be allowed to enroll in or transfer into the basic city plan for Medicare eligible annuitants on or after July 1, 1999. The city shall continue to offer annuitants a supplemental Medicare Plan for Medicare eligible annuitants through June 30, 2003, and the city may offer additional plans to Medicare eligible annuitants in its
sole discretion.--All Medicare Plan annuitant--monthly rates--shall--be--determined--in--accordance--with--subsections (c) and (g).

(c)--The city shall pay 50% of the aggregated costs of the claims or premiums, whichever is applicable, as determined in accordance with subsection (g) of annuitants and their dependents under all health care plans offered by the city. The city may reduce its obligation by application of price reductions obtained as a result of financial arrangements with providers or plan administrators.

(d)--From January 1, 1993 until June 30, 2003, the board shall pay to the city on behalf of each of the board's annuitants who chooses to participate in any of the city's plans the following amounts: up to a maximum of $75 per month for each such annuitant who is not qualified to receive Medicare benefits, and up to a maximum of $45 per month for each such annuitant who is qualified to receive Medicare benefits.

The payments described in this subsection shall be paid from the tax levy authorized under Section 6-165, such amounts shall be credited to the reserve for group hospital care and group medical and surgical plan benefits, and all payments to the city required under this subsection shall be charged against it.

(e)--The city's obligations under subsections (b) and (c) shall terminate on June 30, 2003, except with regard to covered expenses incurred but not paid as of that date. This subsection shall not affect other obligations that may be imposed by law.

(f)--The group coverage plans described in this section are not and shall not be construed to be pension or retirement benefits for purposes of Section 5 of Article XIII of the Illinois Constitution of 1970.

(g)--For each annuitant plan offered by the city, the
aggregate-cost-of-claims, as-reflected-in-the-claim-records
of-the-plan-administrator, shall-be-estimated-by-the-city;
based-upon-a-written-determination-by-a-qualified-independent
If-the-estimated-annual-cost-for-each-annuitant-plan-offered
by-the-city-is-more-than-the-estimated-amount-to-be
contributed-by-the-city-for-that-plan-pursuant-to-subsections
(b) and (c), during that year, plus the estimated amounts to be
paid-pursuant-to-subsection (d), and by the other pension
boards-on-behalf-of-other-participating-annuitants, the
difference-shall-be-paid-by-all-annuitants-participating-in
the-plan, except as-provided-in-subsection (b); the city;
based-upon-the-determination-of-the-independent-actuary,
shall-set-the-monthly-amounts-to-be-paid-by-the-participating
annuitants. The board may deduct the amounts to be paid by
its-annuitants-from-the-participating-annuitants'--monthly
annuities.

If-it-is-determined-from-the-city's-annual-audit, or-from
audited-experience-data, that the total amount paid by all
participating-annuitants was more or less than the difference
between (1) the cost of providing the group health-care
plans, and (2) the sum of the amount to be paid by the city
as-determined-under-subsection (c) and the amounts paid by
all-the-pension-boards, then the independent actuary and the
city shall account for the excess or shortfall in the next
year's payments by--annuitants, except as-provided-in
subsection (b);

(h) An annuitant may elect to terminate coverage in a
plan--at-the-end-of-any-month, which election shall terminate
the-annuitant's-obligation-to-contribute-toward-payment-of
the-excess-described-in-subsection {g};

(i) The city shall advise the board of all-preposed
premium-increases for health-care at least 75-days prior to
the-effective-date-of-the-change, and any increase shall be
prespective-only.
(Source: P.A. 92-599, eff. 6-28-02.)

(40 ILCS 5/8-164.1) (from Ch. 108 1/2, par. 8-164.1)
Sec. 8-164.1. Payments to city Group-health-benefit.
(a) For the purposes of this Section, "city annuitant"
means a person receiving an age and service annuity, a
widow's annuity, a child's annuity, or a minimum annuity
under this Article as a direct result of previous employment
by the City of Chicago ("the city").

(b) The board shall pay to the city, on behalf of the
board's city annuitants who participate in any of the city's
health care plans, the following amounts:

(1) From July 1, 2003 through June 30, 2008, $85
per month for each such annuitant who is not eligible to
receive Medicare benefits and $55 per month for each such
annuitant who is eligible to receive Medicare benefits.

(2) From July 1, 2008 through June 30, 2013, $95
per month for each such annuitant who is not eligible to
receive Medicare benefits and $65 per month for each such
annuitant who is eligible to receive Medicare benefits.
The payments described in this subsection shall be paid
from the tax levy authorized under Section 8-173; such
amounts shall be credited to the reserve for group hospital
care and group medical and surgical plan benefits, and all
payments to the city required under this subsection shall be
charged against it.

(c) The city health care plans referred to in this
Section and the board's payments to the city under this
Section are not and shall not be construed to be pension or
retirement benefits for the purposes of Section 5 of Article

(a) For the purposes of this Section, "annuitant"
means a person receiving an age and service annuity, a--pier
service--annuity,--a-widow's-annuity,--a-widow's-prior-service
annuity,--or-a-minimum-annuity,--under-Article-5,--6,--8--or--11;
by--reason--of--previous--employment--by--the--City-of-Chicago
{hereinafter--in-this-Section,--"the--City"},--(2)--"Medicare
Plan--annuitant"--means-an-annuitant-described-in-item--(1)--who
is-eligible-for-Medicare-benefits,--and-(3)--"non-Medicare-Plan
annuitant"--means-an-annuitant-described-in-item--(1)--who--is
not-eligible-for-Medicare-benefits;
(b)--The--City--shall-offer--group--health--benefits--to
annuitants--and--their--eligible--dependents--through-June-30;
2003.--The--basic-City-health-care-plan-available--as--of--June
30,--1988--{hereinafter-called-the-basic-City-plan}--shall-cease
to--be--a--plan--offered--by-the-City,--except--as--specified-in
subparagraphs--(4)--and--(5)--below,--and--shall--be--closed--to--new
enrollment--or-transfer-of-coverage--for-any---non-Medicare-Plan
annuitant--as--of--June--27,--1997,--The--City--shall--offer
non-Medicare-Plan-annuitants--and--their--eligible--dependents
the--option--of-enrolling--in--its-Annuitant-Preferred-Provider
Plan--and--may-offer-additional-plans--for-any--annuitant,--The
City--may--amend--modify,--or--terminate--any--of--its--additional
plans--at--its--sole--discretion.--If--the--City--offers--more--than
one--annuitant--plan,--the--City--shall--allow--annuitants--to
convert-coverage-from-one-City-annuitant--plan--to--another;
except--the--basic-City-plan,--during--times--designated--by--the
City,--which--periods-of-time--shall--occur--at--least--annually:
For--the--period--dating--from-June--27,--1997--through--June--30,
2003,--monthly-premium-rates--may--be--increased--for--annuitants
during-the-time-of-their-participation-in-non-Medicare-plans;
ext--as--provided--in-subparagraphs--(1)--through--(4)--of--this
subsection:
(1)--For--non-Medicare-Plan-annuitants--who--retired
prior--to--January--1,--1988;--the-annuitant's--share-of
monthly-premium--for-non-Medicare-Plan-coverage-only--shall
not-exceed-the-highest-premium-rate-chargeable-under--any
city--non-Medicare-Plan-annuitant-coverage-as-of-December
1
17-1996;
2
{2}--For-non-Medicare-Plan-annuitants-who-retire--on
3
or--after--January--17--1988--the--annuitant's--share-of
4
monthly-premium-for-non-Medicare-Plan-coverage-only-shall
5
be-the-rate-in-effect-on-December-17-1996--with--monthly
6
premium--increases-to-take-effect-no-sooner-than-April-1,
7
1996-at-the-lower-of-{(i)}--the--premium--rate--determined
8
pursuant-to-subsection-{g}--or-{(ii)}--10%--of-the-immediately
9
previous-month's-rate-for-similar-coverage.
10
{3}--In---no---event---shall---any---non-Medicare-Plan
11
annuitant's-share-of--monthly--premium--for---non-Medicare
12
Plan-coverage--exceed--10%--of---the-annuitant's-monthly
13
annuity.
14
{4}--Non-Medicare-Plan-annuitants-who--are--enrolled
15
in-the-basic-city-plan-as-of-July-1-1998-may-remain-in
16
the-basic-city-plan-if-they-se-choose-on-the-condition
17
that-they-are-not-entitled-to-the-caps-on-rates-set-forth
18
in-subparagraphs-{(i)}-through-{(3)},--and-their-premium-rate
19
shall-be-the-rate-determined---in-accordance-with
20
subsections-{(e)}-and-{(g)};
21
{(5)}--Medicare-Plan-annuitants-who--are--currently
22
enrolled-in-the-basic-city-plan-for-Medicare-eligible
23
annuitants-may-remain-in-that-plan-if-they-se-choose;
24
through--June-30-2003--Annuitants-shall-not-be-allowed
25
to-enroll-in-or-transfer-into-the-basic-city-plan-for
26
Medicare-eligible-annuitants--on-or-after-July-1-1999.
27
The-city-shall-continue-to-offer-annuitants---a
28
supplemental-Medicare-Plan-for-Medicare-eligible
29
annuitants-through-June-30-2003,-and-the-city-may-offer
30
additional-plans-to-Medicare-eligible-annuitants-in-its
31
sole-discretion---All-Medicare-Plan-annuitant-monthly
32
rates--shall-be-determined-in-accordance-with-subsections
33
{(e)}-and-{(g)};
(c) The city shall pay 50% of the aggregated costs of the claims or premiums, whichever is applicable, as determined in accordance with subsection (g) of annuitants and their dependents under all health care plans offered by the city. The city may reduce its obligation by application of price reductions obtained as a result of financial arrangements with providers or plan administrators.

(d) From January 1, 1993 until June 30, 2003, the board shall pay to the city on behalf of each of the board’s annuitants who chooses to participate in any of the city’s plans the following amounts: up to a maximum of $75 per month for each such annuitant who is not qualified to receive Medicare benefits, and up to a maximum of $45 per month for each such annuitant who is qualified to receive Medicare benefits.

Commencing on August 23, 1989, the board is authorized to pay to the board of education on behalf of each person who chooses to participate in the board of education’s plan the amounts specified in this subsection (d) during the years indicated. For the period January 1, 1988 through August 23, 1989, the board shall pay to the board of education annuitants who participate in the board of education’s health benefits plan the following amounts: $10 per month to each annuitant who is not qualified to receive Medicare benefits, and $14 per month to each annuitant who is qualified to receive Medicare benefits.

The payments described in this subsection shall be paid from the tax levy authorized under Section 8-189; such amounts shall be credited to the reserve for group hospital care and group medical and surgical plan benefits, and all payments to the city required under this subsection shall be charged against it.

(e) The city’s obligations under subsections (b) and (c) shall terminate on June 30, 2003, except with regard to
covered-expenses-incurred-but-not-paid-as-of-that-date.--This
subsection--shall--not--affect--other-obligations-that-may-be
imposed-by-law.

{f}--The-group-coverage-plans-described-in--this--Section
are--not--and--shall--not--be--construed--to--be--pension--or
retirement-benefits-for-purposes-of-Section-5-of-Article-XIII

{g}--For--each--annuitant--plan--offered--by-the-city;--the
aggregate-cost-of-claims,--as-reflected-in-the--claim--records
of--the-plan--administrator,--shall--be--estimated--by-the-city;
based-upon-a-written-determination--by-a-qualified-independent
actuary--to--be--appointed--and--paid--by--the-city--and--the--board.

If--the-estimated-annual-cost-for-each-annuitant-plan-offered
by--the-city--is--more--than--the--estimated--amount--to--be
contributed--by--the-city--for--that-plan-pursuant-to-subsections
(b) and (c) during that year, plus the estimated amounts to be
paid-pursuant-to-subsection-(d)--and--by--the--other--pension
boards--on--behalf--of--other--participating--annuitants,--the
difference--shall--be--paid--by--all--annuitants--participating--in
the-plan,--except--as--provided--in--subsection-(b)--The-city,

based-upon-the-determination--of--the--independent--actuary;
shall-set-the-monthly-amounts-to-be-paid-by-the-participating
annuitants,--The--board-may--deduct--the--amounts--to--be--paid--by
its--annuitants--from--the--participating--annuitants'--monthly
annuities.

If--it--is--determined--from--the--city's--annual--audit,--or-from
audited--experience--data,--that--the--total--amount--paid--by--all
participating-annuitants--was--more--or--less--than--the--difference
between-(1)--the--cost--of--providing--the--group--health--care
plans,--and--(2)--the--sum--of--the--amount--to--be--paid--by--the
as-determined-under-subsection-(e)--and--the--amounts--paid--by
all--the-pension-boards,--then--the-independent-actuary--and--the
city--shall--account--for--the--excess--or--shortfall--in--the--next
year's--payments--by--annuitants,--except--as--provided--in
subsection-(b),

(h) - An annuitant may elect to terminate coverage in a plan at the end of any month, which election shall terminate the annuitant's obligation to contribute toward payment of the excess described in subsection-(g);

(i) - The city shall advise the board of all proposed premium increases for health care at least 75 days prior to the effective date of the change, and any increase shall be prospective only.

(Source: P.A. 92-599, eff. 6-28-02.)

(40 ILCS 5/8-164.2 new)

Sec. 8-164.2. Payments to board of education for group health benefits.

(a) Should the Board of Education continue to sponsor a retiree health plan, the board is authorized to pay to the Board of Education, on behalf of each eligible annuitant who chooses to participate in the Board of Education's retiree health benefit plan, the following amounts:

(1) From July 1, 2003 through June 30, 2008, $85 per month for each such annuitant who is not eligible to receive Medicare benefits and $55 per month for each such annuitant who is eligible to receive Medicare benefits.

(2) From July 1, 2008 through June 30, 2013, $95 per month for each such annuitant who is not eligible to receive Medicare benefits and $65 per month for each such annuitant who is eligible to receive Medicare benefits.

The payments described in this subsection shall be paid from the tax levy authorized under Section 8-173; such amounts shall be credited to the reserve for group hospital care and group medical and surgical plan benefits, and all payments to the Board of Education under this subsection shall be charged against it.

(b) The Board of Education health benefit plan referred
to in this Section and the board's payments to the Board of
Education under this Section are not and shall not be
construed to be pension or retirement benefits for the
purposes of Section 5 of Article XIII of the Illinois

(40 ILCS 5/11-160.1) (from Ch. 108 1/2, par. 11-160.1)
Sec. 11-160.1. Payments to city Group-health-benefit.
(a) For the purposes of this Section, "city annuitant"
means a person receiving an age and service annuity, a
widow's annuity, a child's annuity, or a minimum annuity
under this Article as a direct result of previous employment
by the City of Chicago ("the city").
(b) The board shall pay to the city, on behalf of the
board's city annuitants who participate in any of the city's
health care plans, the following amounts:
   (1) From July 1, 2003 through June 30, 2008, $85
   per month for each such annuitant who is not eligible to
   receive Medicare benefits and $55 per month for each such
   annuitant who is eligible to receive Medicare benefits.
   (2) From July 1, 2008 through June 30, 2013, $95
   per month for each such annuitant who is not eligible to
   receive Medicare benefits and $65 per month for each such
   annuitant who is eligible to receive Medicare benefits.
   The payments described in this subsection shall be paid
from the tax levy authorized under Section 11-169; such
amounts shall be credited to the reserve for group hospital
care and group medical and surgical plan benefits, and all
payments to the city required under this subsection shall be
charged against it.
(c) The city health care plans referred to in this
Section and the board's payments to the city under this
Section are not and shall not be construed to be pension or
retirement benefits for the purposes of Section 5 of Article

(a)--For-the-purposes-of-this--Section;--(1)--"annuitant"
means--a-person-receiving-an-age-and-service-annuity,-a-prior
service-annuity,-a-widow's-annuity,-a-widow's--prior-service
annuity,-or--a-minimum-annuity,--under-Article-5,-6,-7,-8-or-11,
by-reason-of-previous--employment--by--the--City--of--Chicago
(hereinafter--in--this--Section;--"the-city");--(2)--"Medicare
Plan-annuitant"--means--an-annuitant-described-in-item-(1)--who
is-eligible-for-Medicare-benefits;--and--(3)--"non-Medicare-Plan
annuitant"--means--an-annuitant-described-in-item-(1)--who-is
not-eligible-for-Medicare-benefits.

(b)--The--city--shall-offer--group--health--benefits--to
annuitants-and-their-eligible-depends--through--June--30,
2003.--The--basic-city-health-care-plan-available-as-of-June
30,-1988--(hereinafter-called-the-basic-city-plan)--shall-cease
to-be-a-plan-offered-by-the-city,--except--as--specified--in
subparagraphs--(4)--and--(5)--below,--and--shall-be-closed-to-new
enrollment-or-transfer-of-coverage-for-any-non-Medicare-Plan
annuitant--as-of--June-27,-1997.--The--city--shall-offer
non-Medicare--Plan-annuitants--and-their-eligible-depends
the-option-of-enrolling-in-its-Annuitant--Preferred-Provider
Plan--and--may-offer-additional-plans-for-any-annuitant.--The
city-may-amend,--modify,-or-terminate-any-of--its-additional
plans--at--its-sole-discretion.--If-the-city-offers-more-than
one-annuitant-plan,-the-city--shall--allow-annuitants--to
convert-coverage-from-one-city-annuitant-plan-to-another,
except-the-basic-city-plan,-during-times--designated--by--the
city,---which--periods--of-time-shall-occur-at-least-annually.
For-the-period-dating-from-June-27,-1997--through--June--30,
2003,-monthly-premium-rates-may-be-increased-for-annuitants
during-the-time-of-their-participation-in-non-Medicare-plans;
except-as-provided-in-subparagraphs-(1)--through-(4)--of--this
subsection.

(1)--For--non-Medicare--Plan-annuitants-who-retired
prior to January 1, 1988, the annuitant's share of the monthly premium for non-Medicare Plan coverage only shall not exceed the highest premium rate chargeable under any city non-Medicare Plan annuitant coverage as of December 1, 1996.

(2) Non-Medicare Plan annuitants who retire on or after January 1, 1988, the annuitant's share of the monthly premium for non-Medicare Plan coverage only shall be the rate in effect on December 1, 1996, with monthly premium increases to take effect no sooner than April 1, 1998, at the lower of (i) the premium rate determined pursuant to subsection (g) or (ii) 10% of the immediately previous month's rate for similar coverage.

(3) In no event shall any non-Medicare Plan annuitant's share of the monthly premium for non-Medicare Plan coverage exceed 10% of the annuitant's monthly annuity.

(4) Non-Medicare Plan annuitants who are enrolled in the basic city plan as of July 1, 1998 may remain in the basic city plan, if they so choose, on the condition that they are not entitled to the caps on rates set forth in subparagraphs (i) through (3), and their premium rate shall be the rate determined in accordance with subsection (e) and (g).

(5) Medicare Plan annuitants who are currently enrolled in the basic city plan for Medicare eligible annuitants may remain in that plan, if they so choose, through June 30, 2003. Annuitants shall not be allowed to enroll in or transfer into the basic city plan for Medicare eligible annuitants on or after July 1, 1999.

The city shall continue to offer annuitants a supplemental Medicare Plan for Medicare eligible annuitants through June 30, 2003, and the city may offer additional plans to Medicare eligible annuitants in its
select discretion: All Medicare Plan annuitant-monthly rates shall be determined in accordance with subsections (c) and (g).

(c) The city shall pay 50% of the aggregated costs of the claims or premiums, whichever is applicable, as determined in accordance with subsection (g), of annuitants and their dependents under all health care plans offered by the city. The city may reduce its obligation by application of price reductions obtained as a result of financial arrangements with providers or plan administrators.

(d) From January 1, 1993 until June 30, 2003, the board shall pay to the city on behalf of each of the board’s annuitants who chooses to participate in any of the city’s plans the following amounts: up to a maximum of $75 per month for each such annuitant who is not qualified to receive Medicare benefits, and up to a maximum of $45 per month for each such annuitant who is qualified to receive Medicare benefits.

The payments described in this subsection shall be paid from the tax levy authorized under Section 11-178, such amounts shall be credited to the reserve for group hospital care and group medical and surgical plan benefits, and all payments to the city required under this subsection shall be charged against it.

(e) The city’s obligations under subsections (b) and (c) shall terminate on June 30, 2003, except with regard to covered expenses incurred but not paid as of that date. This subsection shall not affect other obligations that may be imposed by law.

(f) The group coverage plans described in this Section are not and shall not be construed to be pension or retirement benefits for purposes of Section 5 of Article XIII of the Illinois Constitution of 1970.

(g) For each annuitant plan offered by the city, the
aggregate-cost-of-claims, as-reflected-in-the-claim-records
of-the-plan-administrator, shall-be-estimated-by-the-city;
based-upon-a-written-determination-by-a-qualified-independent
If-the-estimated-annual-cost-for-each-annuitant-plan-offered
by-the-city-is-more-than-the-estimated-amount-to-be
contributed-by-the-city-for-that-plan-pursuant-to-subsections
(b) and (e) during that year plus the estimated amounts to be
paid-pursuant-to-subsection-(d) and by the other pension
boards on behalf of other participating annuitants, the
difference shall be paid by all annuitants participating in
the plan, except as provided in subsection-(b) of the city;
based-upon-the-determination-of-the-independent-actuary;
shall-set-the-monthly-amounts-to-be-paid-by-the-participating
annuitants. The board may deduct the amounts to be paid by
its annuitants from the participating annuitants' monthly
annuities.

If it is determined from the city's annual audit, or from
audited experience data, that the total amount paid by all
participating annuitants was more or less than the difference
between -(1) the cost of providing the group health care
plans, and -(2) the sum of the amount to be paid by the city
as determined under subsection-(e) and the amounts paid by
all the pension boards, then the independent actuary and the
city shall account for the excess or shortfall in the next
year's payments by annuitants except as provided in
subsection-(b).

(h) An annuitant may elect to terminate coverage in a
plan at the end of any month, which election shall terminate
the annuitant's obligation to contribute toward payment of
the excess described in subsection-(g).

(i) The city shall advise the board of all proposed
premium increases for health care at least 75 days prior to
the effective date of the change, and any increase shall be
(Source: P.A. 92-599, eff. 6-26-02.)

(40 ILCS 5/11-160.2 new)

Sec. 11-160.2. Payments to board of education for group health benefits.

(a) Should the Board of Education continue to sponsor a retiree health plan, the board is authorized to pay to the Board of Education, on behalf of each eligible annuitant who chooses to participate in the Board of Education's retiree health benefit plan, the following amounts:

(1) From July 1, 2003 through June 30, 2008, $85 per month for each such annuitant who is not eligible to receive Medicare benefits and $55 per month for each such annuitant who is eligible to receive Medicare benefits.

(2) From July 1, 2008 through June 30, 2013, $95 per month for each such annuitant who is not eligible to receive Medicare benefits and $65 per month for each such annuitant who is eligible to receive Medicare benefits.

The payments described in this subsection shall be paid from the tax levy authorized under Section 11-169; such amounts shall be credited to the reserve for group hospital care and group medical and surgical plan benefits, and all payments to the Board of Education under this subsection shall be charged against it.

(b) The Board of Education health benefit plan referred to in this Section and the board's payments to the Board of Education under this Section are not and shall not be construed to be pension or retirement benefits for the purposes of Section 5 of Article XIII of the Illinois Constitution of 1970.

Section 90. The State Mandates Act is amended by adding Section 8.27 as follows:
(30 ILCS 805/8.27 new)

Sec. 8.27. Exempt mandate. Notwithstanding Sections 6 and 8 of this Act, no reimbursement by the State is required for the implementation of any mandate created by this amendatory Act of the 93rd General Assembly.

Section 99. Effective date. This Act takes effect July 1, 2003.