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**PENSIONS:
Eligibility of Retirement
System Annuitants to Participate
in the State Employees Group
Insurance Program**

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Director
Department of Personnel
503 State Office Building
Springfield, Illinois 62706**

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Secretary
State Employees' Retirement System
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Gentlemen:

I have your letter concerning the eligibility of certain retirees to participate in the State employees group insurance program. You inquire whether the fact that a retiree receives a proportional retirement annuity check from a system whose employees are entitled to participate in the group insurance program, entitles him to participate in the

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program, even though he earned the bulk of his service credit and actually retired under a system whose employees are not entitled to participate in the group insurance program. For the reasons hereinafter stated, it is my opinion that, unless one retires under the provisions of a system whose employees are entitled to participate in the State employees group insurance program, he is not entitled to participate in the program. The mere receipt, under the provisions of article 20 of the Illinois Pension Code (Ill. Rev. Stat. 1975, ch. 106 1/2, par. 20-101), of a proportional retirement annuity from a system whose employees are entitled to participate in the group insurance program, is not sufficient to entitle an annuitant to coverage.

Section 8 of the State Employees Group Insurance Act of 1971 (Ill. Rev. Stat. 1976 Supp., ch. 127, par. 528) provides in pertinent part as follows:

"(a) Each employee and annuitant eligible under the provisions of this Act and any Rules and Regulations promulgated and adopted thereto by the Director as of the effective date of the contracted group life and group health insurance program shall become immediately eligible and covered for all benefits available under that program. Employees and annuitants electing coverage for eligible dependents shall have family coverage immediately

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effective provided such election is properly filed in accordance with required filing dates and procedures specified by the Director.

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(Emphasis added.)

The term "annuitant" is defined in section 3 of the Act (Ill. Rev. Stat. 1976 Supp., ch. 127, par. 523) as follows:

* * *

(a) 'Annuitant' means (1) an employee who retires, or has retired, on or after January 1, 1966 on an immediate annuity under the provisions of Articles 2, 14, 15, paragraphs (b) or (c) of Section 16-106, or Article 18 of the 'Illinois Pension Code', or (2) a dependent receiving an annuity as a survivor of an employee or of an annuitant described in clause (1). * * *

* * *

It is clear that one who does not retire under one of the articles or provisions of the Illinois Pension Code mentioned in the above definition, may not participate in the group insurance program.

Under the provisions of article 20 of the Illinois Pension Code [Retirement Systems Reciprocal Act], a retiree who has pension credit in two or more participating systems is entitled to receive a proportional retirement annuity.

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(Ill. Rev. Stat. 1975, ch. 108 1/2, par. 20-105, 20-115.)

The purpose of the Act is to assure full and continuous pension credit for all service in public employment which is covered by a retirement system. (Ill. Rev. Stat. 1975, ch. 108 1/2, par. 20-101.) In addition, one obvious purpose of the Act is to insure that a retirement system which has received pension contributions from an employee, pays its fair proportion of the retirement annuity.

Article 20 would probably operate to make one an annuitant under the definitions of the term "annuitant" contained in articles 2, 14, 15 and 18 of the Illinois Pension Code (Ill. Rev. Stat. 1975, ch. 108 1/2, par. 2-111, 14-110, 15-119, 18-114), if he receives a proportional retirement annuity under one of the systems created by those articles, but it does not make him an annuitant qualified for group insurance benefits. Rather, one must actually retire under the provisions of articles 2, 14, 15, paragraphs (b) or (c) of section 16-106 or article 18 of the Illinois Pension Code (Ill. Rev. Stat. 1975, ch. 108 1/2, par. 2-101 et seq., 14-101 et seq., 15-101 et seq., 16-106(b) and (c) and 18-101 et seq.), in order to participate in the group insurance program.

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In the example which you have given, the employee retired under the provisions of article 16 of the Illinois Pension Code (Ill. Rev. Stat. 1975, ch. 108 1/2, par. 16-101 et seq.) but is receiving a proportional retirement annuity from the State Employees' Retirement System (Ill. Rev. Stat. 1975, ch. 108 1/3, par. 14-101 et seq.) because she has one year of pension credit under that system. Because the retiree is not includable under paragraph (b) or (c) of section 16-106 of the Code, she is not eligible to participate in the State employees group insurance program. The facts that the retiree has one year of pension credit with the State Employees' Retirement System and is receiving a proportional retirement annuity from that System, do not make her a retiree under that System. Furthermore, her year of pension credit under the State Employees' Retirement System is not sufficient to permit her to retire under that System. Therefore, she does not fall within the definition of the term "annuitant" contained in section 3 of the State Employees Group Insurance Act of 1971 and is not eligible to participate in the program established under that Act.

Very truly yours,

A T T O R N E Y G E N E R A L