

# **Court: State can't cut subsidies for retirees' health care premiums.**

## **Full text of ruling here.**

NOTE: The conclusion/summary is on page 20, paragraph 57. The single dissenting opinion by Justice Burke starts on page 21.

The Illinois Supreme Court ruled today that subsidized health care premiums for retired state employees are protected under the Illinois Constitution, signaling potential trouble for an overhaul of pension benefits that's also being challenged in court.

The 6-1 decision centers around a 2012 law that allowed the state to charge retired workers for health care insurance premiums, which many did not have to pay depending on how long they worked for the state.

Retired workers sued, arguing the changes violated a provision in the state constitution that declares pension benefits "shall not be diminished or impaired." Attorneys for the state argued the constitution did not specifically declare health care benefits were protected.

In Thursday's ruling, the justices argued "there is nothing in the text of the Constitution that warrants such a limitation."

"We conclude that the state's provision of health insurance premium subsidies for retirees is a benefit of membership in a pension or retirement system within the meaning (of the Constitution) and therefore the General Assembly was precluded from diminishing or impairing that benefit," justices wrote in their opinion.

Justice Anne Burke dissented. The action reverses a ruling by a Sangamon County Circuit Court judge and returns the case to the lower court for further action.

The same provision is at the heart of several lawsuits challenging broader pension changes lawmakers passed in December. That measure reduces costs-of-living increases and raises retirement ages, among other changes.

### **COURT'S DECISION SUMMARIZED**

it is clear that if something qualifies as a benefit of the enforceable contractual relationship resulting from membership in one of the State's pension or retirement systems, it cannot be diminished or impaired. Thus, the question presented is whether a health insurance subsidy provided in retirement qualifies as a benefit of membership. [...]

Giving the language of article XIII, section 5, its plain and ordinary meaning, all of these benefits, including subsidized health care, must be considered to be benefits of membership in a pension or retirement system of the State and, therefore, within that provision's protections.

For the foregoing reasons, we conclude that the State's provision of health insurance premium subsidies for retirees is a benefit of membership in a pension or retirement system within the meaning of article XIII, section 5, of the Illinois Constitution, and the General Assembly was precluded from diminishing or impairing that benefit for those employees, annuitants, and survivors whose rights were governed by the version of section 10 of the Group Insurance Act that was in effect prior to the enactment of Public Act 97-695. Accordingly, the circuit court erred in dismissing plaintiffs' claims that Public Act 97-695 is void and unenforceable under article XIII, section 5.

Our holding that plaintiffs are entitled to proceed on their pension protection clause claims obviates the need to address the sufficiency of their remaining claims. Because plaintiffs have obtained all the relief that they seek, any comment on their other claims would be advisory and in conflict with traditional principles of judicial restraint. See *In re Alfred H.H.*, 233 Ill. 2d 345, 351 (2009) (recognizing that Illinois courts generally do not consider issues where the outcome will not be affected, regardless of how those issues are decided).

The judgment of the circuit court of Sangamon County is reversed, and the cause is remanded for further proceedings.

Summary compliments of RTAC's Lobbyist  
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