COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY

PENSION IMPACT NOTE

100TH GENERAL ASSEMBLY

BILL NO:	SB 3119, as amended by HA 1
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May 21, 2018

SPONSOR (S): Zalewski – Burke, *et al.* (Althoff – Muñoz, et al.)

SYSTEM(S): Downstate Fire, IMRF

FISCAL IMPACT: According to IMRF, the return-to-work provision in HA 1 is meant to address situations in which employees participate in an Article 3 police pension fund and then retire from that position and return as civilian employees in that same department and begin participating in IMRF, which the fund considers tantamount to "double dipping" in for the same position. To the extent this practice is curtailed upon enactment of this bill, there would be a small but positive impact.

There should be no discernible fiscal impact regarding the determination of disability provisions for PTSD annuitants in Downstate Fire pension funds as added by HA 1.

<u>SUBJECT MATTER</u>: SB 3119, as amended by HA 1, amends both the IMRF and the Downstate Fire articles of the Pension Code. The IMRF article is amended to specifically prohibit retired police chiefs from participating in IMRF if they return to work in any capacity with the department from which they retired and earned an Article 3 pension. The Downstate Fire Article is amended to waive the annual physical examination requirements in cases of PTSD sufferers with pension board approval.

COMMENTS:

IMRF Return-to-Work Provision for Police Chiefs

Currently, the IMRF article of the Pension Code sets forth the requirements for a person to be considered an "employee" for purposes of participation in the pension fund. Under SB 3119, as amended by HA 1, the following person would be explicitly prohibited from participation in IMRF: a person who was not a participating employee under IMRF before the effective date of this bill and participated as a chief of police in a fund under Article 3 (the Downstate Police Article) and returns to work in any capacity with the police department, with any oversight of the police department, or in an advisory capacity for the police department with the same municipality with which

the Article 3 pension was earned. The bill states that the foregoing exclusion in IMRF shall be in force regardless of whether the person in question is considered an employee of the police department or is eligible for inclusion in the municipality's Article 3 fund.

Downstate Fire Article – Determination of Disability

HA 1 to SB 3119 amends the provision of the Downstate Fire Article of the Pension Code dealing with determinations of disability, specifically with regard to medical examinations for the condition of post-traumatic stress disorder (PTSD). Current law states that a disability pension shall not be paid until the firefighter has been examined by 3 physicians selected by the pension board, and, upon the award of a disability pension, the firefighter must undergo an annual physical each year until attainment of age 50. Under HA 1, a medical examination of a firefighter receiving a disability for PTSD related to his or her service as a firefighter shall not be made if the firefighter has provided to the board documentation approving discontinuance of the medical exam from at least 2 physicians. Under the amendment, at least 4 members of the board must have voted to allow the firefighter to discontinue the medical examination.

DH:bj LRB100 18739 RPS 40014 a