



Commission on Government Forecasting and Accountability

PENSION IMPACT NOTE *103RD General Assembly*

BILL NO: **HB 5264, as amended by HA 001**

April 4, 2024

SPONSOR (S): Kifowit

SYSTEM: Chicago Police

FISCAL IMPACT

HB 5264, as amended by HA 001, is expected to have a minor impact upon the Chicago Police Pension Fund, to the extent that the fund would be required to pay court costs and attorney's fees following a police officer's successful action of administrative review regarding a denied application for ordinary disability benefits or a termination of disability benefits as outlined in the bill.

The Chicago Police fund has not yet responded to requests for information regarding the number of cases pertaining to the circumstances outlined in the bill that have occurred over the last five fiscal years. An updated note will be issued upon receipt of that information.

IMPACT OF HA 001: HA 001 makes two minor technical changes to the underlying bill, both of which specify that any action by the Chicago Police Pension Fund board regarding disability benefits must be arrived at by a majority vote. The essence of the underlying bill is unchanged by HA 001.

SUBJECT MATTER: HB 5264, as amended by HA 001, amends the Chicago Police Article of the Illinois Pension Code to entitle a Chicago police officer to recover court costs and litigation expenses from the fund. Such costs would be recoverable if the officer prevails in an action for administrative review regarding the fund's denial of the officer's ordinary disability benefit. The bill also creates a provision that entitles Chicago police officers to recover court costs and litigation expenses from the fund if an officer prevails in an action for administrative review

regarding the fund's termination of his or her duty disability benefit, ordinary disability benefit, or an occupational disease disability. These changes are further detailed in the Comment section below.

COMMENT: Under current law, a Chicago police officer who prevails in an administrative review proceeding stemming from a denial of disability benefits is entitled to collect court costs, litigation expenses, and reasonable attorney's fees connected to such litigation, but only in cases of duty disability or occupational disease disability benefits.

Recovery of Court Costs After Denial of Disability Application

HB 5264, as amended by HA 001, adds ordinary disability benefits to the provision described above. This would mean that a Chicago police officer who brings an action for administrative review regarding the denial of his or her application for an ordinary disability benefit and prevails in that action is also entitled to recover court costs and litigation expenses (including "reasonable attorney's fees") from the fund. HA 001 specifies that the foregoing legal fee recovery options are dependent upon the pension board's disability award decision of denial having been arrived at by a majority vote.

Recovery of Court Costs after Termination of Disability Benefits

The bill also entitles Chicago police officers who prevail in an action for administrative review regarding the fund's termination of his or her duty disability benefit, ordinary disability benefit, or an occupational disease disability to recover court costs and litigation expenses (including "reasonable attorney's fees") from the pension fund. HA 001 specifies that the foregoing legal fee recovery options are dependent upon the pension board's determinations having been arrived at by a majority vote.

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