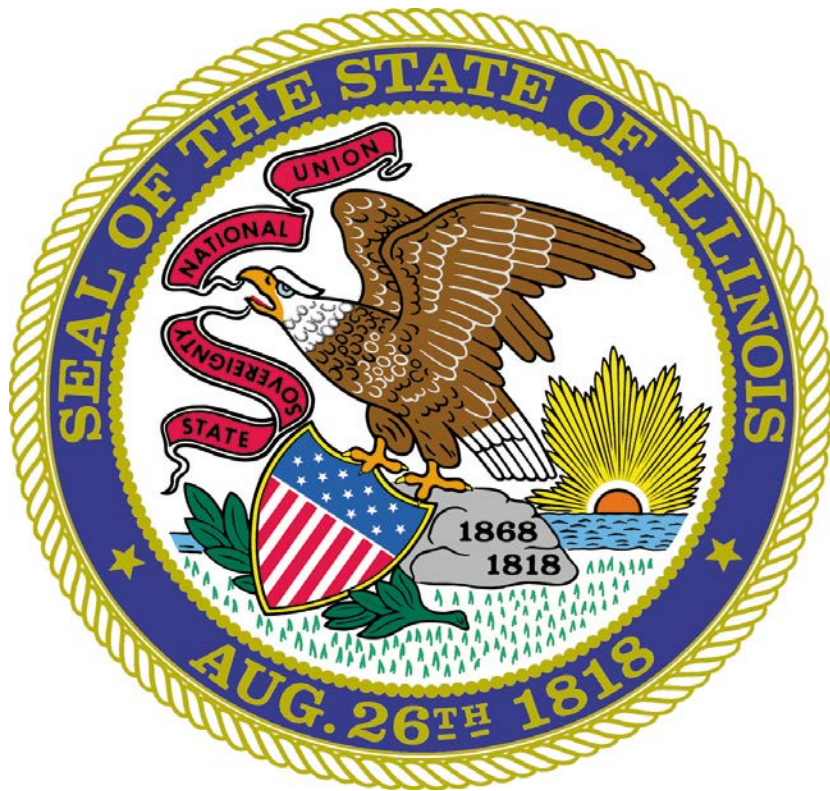


# **A Study of the Public Safety Employee Benefits Act Pursuant to P.A. 98-0561**



**Commission on Government  
Forecasting and Accountability**

**January, 2017**

*Commission on Government  
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**January, 2017**

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## Executive Summary

The Public Safety Employee Benefits Act (hereinafter referred to as “PSEBA”) was enacted by Public Act 90-0535 in 1997. The PSEBA statute grants special health insurance to public safety employees who are catastrophically injured in the line of duty.<sup>1</sup> This insurance is above and beyond that which is commonly provided to public safety employees and retirees. Once awarded, the recipient, his or her spouse, and their dependent children receive health insurance, the premium of which is paid for by the employing municipality for life.

The PSEBA Reporting Act, enacted by Public Act 98-0561, tasks the Commission on Government Forecasting and Accountability (COGFA) with analyzing the application of PSEBA throughout Illinois. Specifically, COGFA is charged with analyzing the characteristics of the individuals and municipalities/counties participating in the Act. In addition, COGFA has been tasked with analyzing the monetary expenditures involved in the administration of this program on the part of the municipalities/counties participating in the Act. The PSEBA report was first composed in 2014, and reported on 456 individuals across 126 municipalities participating in PSEBA. In the 2016 version, 506 individuals across 132 municipalities participating in PSEBA have been surveyed. For the 2016 PSEBA report, the city of Chicago submitted information to COGFA, though due to the nature of Chicago as a self-insured entity, its ability to be analyzed along with the other participating municipalities is extremely limited. The unique situation with the city of Chicago will be analyzed later in this report.

For the purposes of this report, COGFA’s analysis will consist of two main components. The first section of this report will summarize the results of the surveys received from individual PSEBA participants and their municipalities. This section will detail how COGFA acquired the data. The second section of this report will analyze the individual and municipal data in the aggregate and discuss the allocation of money in regards to insurance services provided by PSEBA.

It is necessary to note that all the information utilized in this report was derived from the individuals and municipalities surveyed. In some cases, individuals and municipalities failed to submit forms that included all of the required information. Therefore, certain information has been excluded due to the incomplete nature of the responses.

This report does not seek to make a public policy judgment regarding the costs of providing health insurance to PSEBA participants. Rather, pursuant to P.A. 98-0561, this report seeks only to detail the costs involved for the municipalities that provide benefits to PSEBA recipients. As a result of the information provided by these municipalities and participants, a number of inferences can be made. PSEBA is a program that is prevalent in numerous municipalities across Illinois and comprises a variety of participants today. Currently, 506 individual responses have been gathered, along with 132 municipal responses as of the end of State Fiscal Year 2016. It is necessary to note that several municipalities have differing fiscal years from the State of Illinois (July 1 – June 30). Therefore, considerations were made to ensure that data from similar timeframes was analyzed between municipalities.

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<sup>1</sup> P.A. 90-535 defines “public safety employees” as full-time police, firefighters, or officers in the Department of Corrections. A “catastrophic injury” does not have a formal definition in statute.



## **Methodology**

PSEBA had not been studied in any detail before the passage of P.A. 98-0561 which required COGFA to amass the requisite information for performing this analysis. To cover each and every employer of public safety personnel affected by this Act, P.A. 98-0561 required COGFA to send out inquiries to all employers subject to the PSEBA Act. The Reporting Act prescribed the exact content of two separate survey forms: a municipality-specific form to be filled out by the municipal benefits manager with knowledge of PSEBA benefits and an individual form to be filled out by the PSEBA recipient themselves.

### **Employer Subject to PSEBA Reporting Form**

The employer was requested to provide information about all of the PSEBA recipients from that municipality, utilizing a form provided by the Commission. The information requested in this form included the application date of each individual, their insurance premiums and the details of their insurance. However, some problems arose in the case of various municipalities who had personnel shortages, recently hired staff, and/or misplaced forms. This necessitated a follow-up round of e-mail and phone inquiries to ensure the forms were returned to COGFA in a timely manner. Overall, due to this report being compiled previously, the process was much smoother as many municipalities had at least some knowledge of PSEBA and some memory of completing the Employer form previously.

### **PSEBA Recipient Reporting Form**

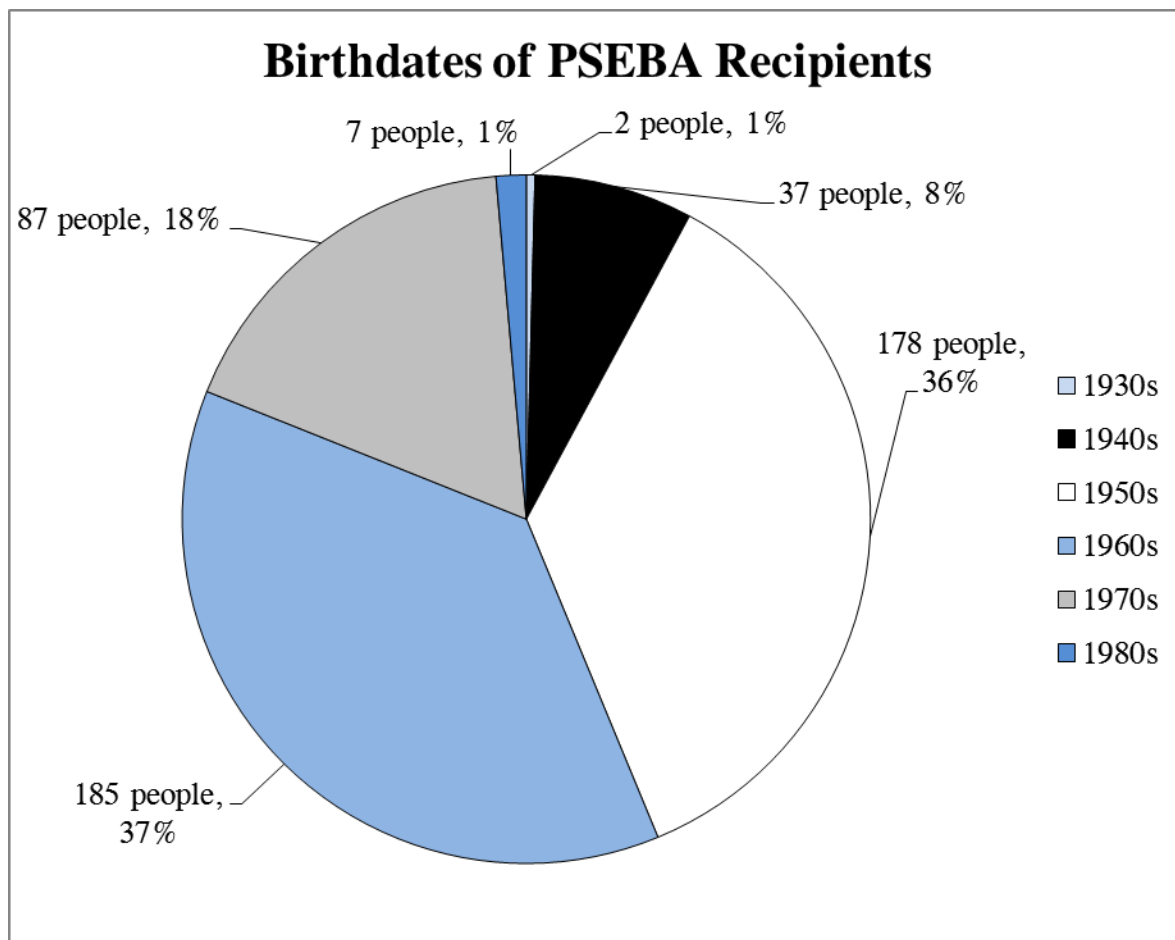
In the case of PSEBA Recipient Reporting Forms, P.A. 98-0561 mandated the exact content of a form for PSEBA Recipients that their municipalities then sent out and directed them to return to the municipality in a timely manner. This form requested various data points from the PSEBA recipients, which included age, date of application, area of injury, current employment/insurance status and spousal employment/insurance status (when applicable). In most cases, this form was returned fully completed to COGFA. However, in some cases, the individual forms were only partially filled out. Fortunately, enough data was collected in this initial survey of PSEBA participants to provide the basis for valid comparisons and analyses. The following analyses, charts and graphs are a product of the forms prescribed by P.A. 98-0561 and received from municipalities and individual PSEBA participants.

## PSEBA Recipient Form Responses

As previously mentioned, for the 2016 Report, COGFA received 506 fully completed or partially completed individual responses to the PSEBA Recipient Form. These individual responses captured data from individual PSEBA participants themselves as well as their dependents.<sup>2</sup> In regard to the charts, total numbers may vary due to incomplete responses on some submitted individual forms.

In terms of age, the largest cohort of PSEBA recipients tends to be older, with an average age of 55 years, a slight increase from the prior report (54 years). The oldest current recipient is 85 years of age (compared to 82 in the 2014 report). The ages of recipients are shown in the following graphs.<sup>3</sup>

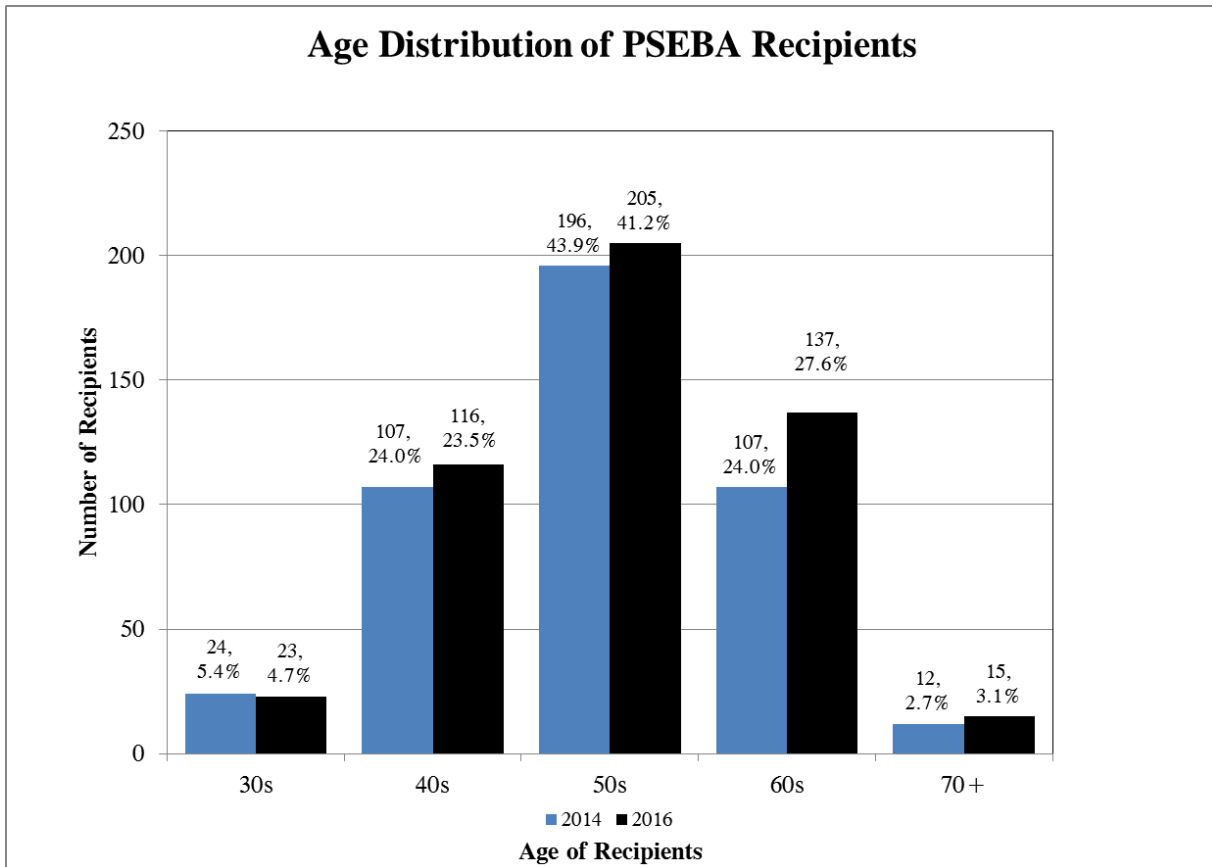
**CHART 1: Birthdates of PSEBA Recipients**



<sup>2</sup> In very few cases (less than 15), survivors of deceased recipients filled out the individual forms in place of the original deceased recipient, though under PSEBA, survivors are able to access benefits after the original recipient is deceased. These cases are not included in the following charts.



**CHART 2: Age Distribution of PSEBA Recipients**



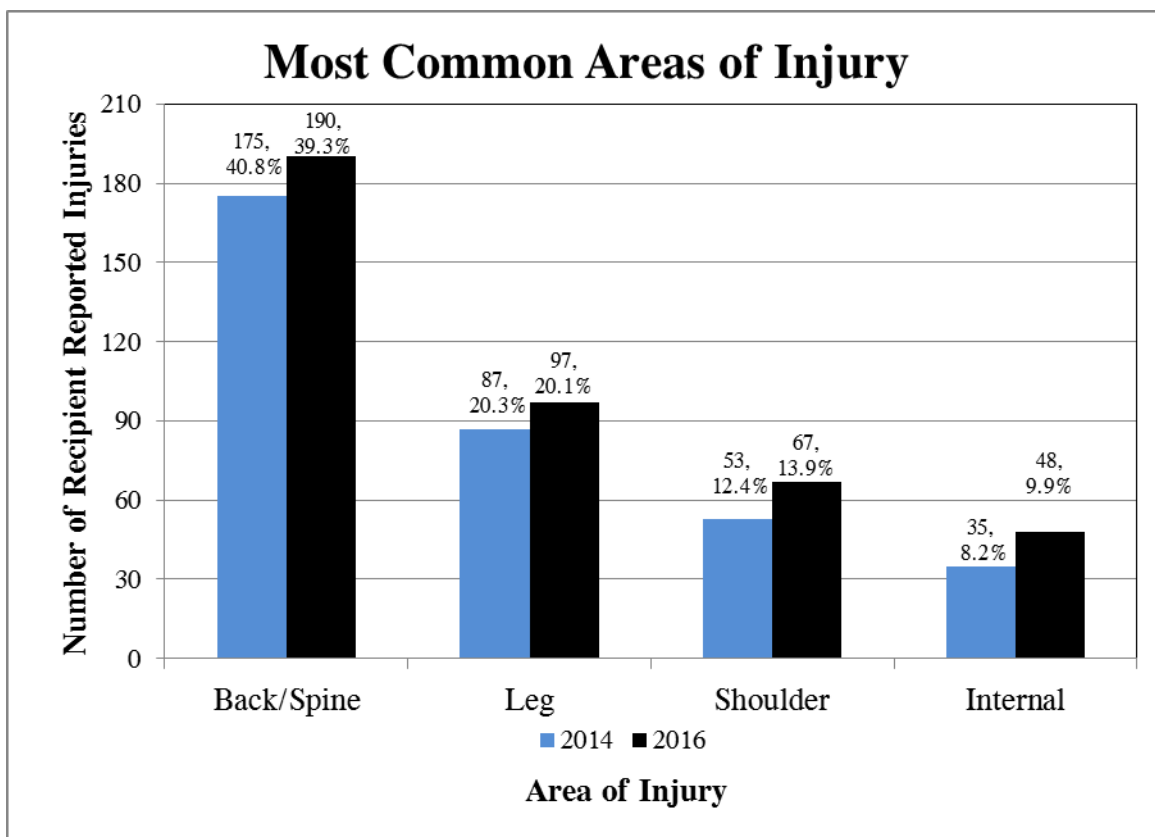
As shown in the preceding graph, the ages of PSEBA recipients have some variance, but are mostly clustered between the ages of 40 and 60. For 2016, the total recipients surveyed<sup>4</sup> was larger than 2014 (496 compared to 446). Therefore, it is likely that the 2016 distribution is more accurate to the total age of PSEBA recipients in Illinois. Accordingly, though there is a significant drop in recipients aged 70 or higher, the overall number of recipients appears to be older than in 2014. It is uncertain whether this is a better picture of PSEBA recipients than in 2014 or the population will tend to be older over time. If the latter is true, PSEBA recipients may be (or may become, over time) more expensive for municipalities to insure and provide for due to the commonly observed trend of increased health expenses for older individuals.

While recipients had a variety of qualifying injuries for PSEBA participation, in terms of the commonality of their injuries, certain data points are available. The majority of PSEBA recipients (39.3%) noted injuries to their back/spine area, with 190 out of 496 responses (a significant increase over the 2014 response total). These responses include individuals who listed other areas of injury in addition to the back/spine. Leg, shoulder, and internal injuries were the next most prevalent, with 97, 67, and 48 out of 496 responses respectively (20.1%,

<sup>4</sup> In this case, those surveyed who provided date of birth / age information. Not all respondents provided this information.

13.9%, 9.9%). It is necessary to note that in many cases, individuals have reported PSEBA qualifying injuries to multiple areas of their bodies, which causes some of the aforementioned results to overlap. The most common areas of reported injury are shown in the following graph along with a comparison to the 2014 totals.

**CHART 3: Most Common Areas of Injury**



One item of interest from the chart above is the relation between injuries and their corresponding percentages of the total PSEBA qualifying injuries. Though total numbers of injuries increased from 2014 to 2016, the percentage of injuries in the two most common areas diminished slightly. This is a function of PSEBA qualifying injuries being spread out among less common and other more common areas of injury.

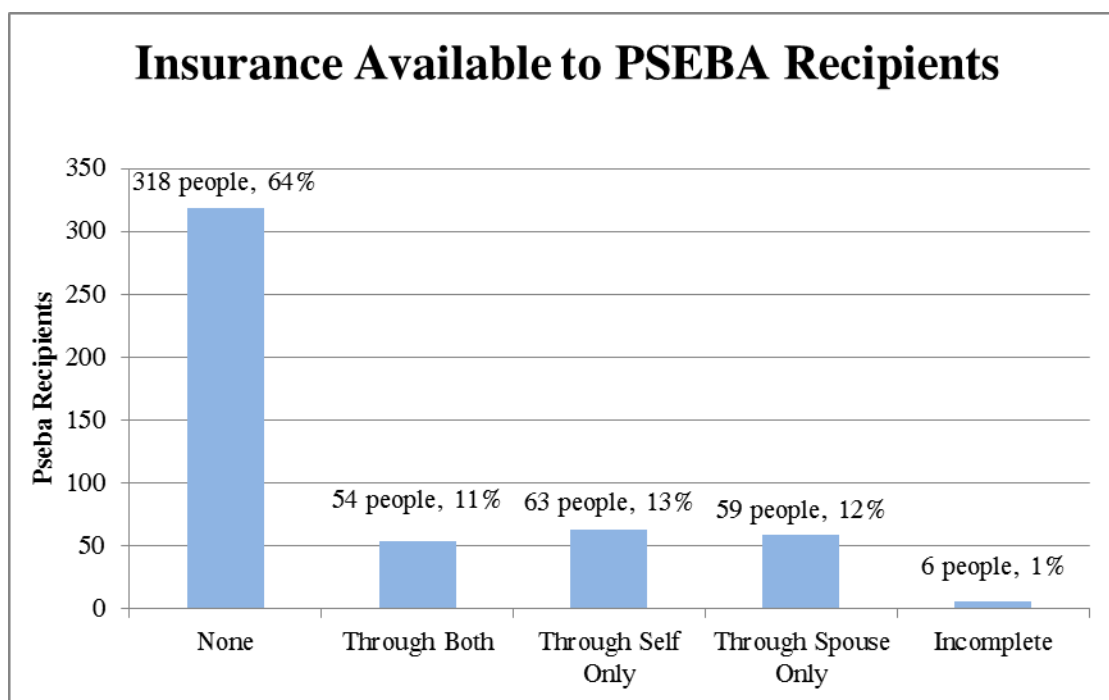
Overall, recipients of PSEBA benefits have undergone a variety of qualifying injuries, given the strenuous and frequently dangerous nature of their careers. The difference in totals between 2014 and 2016 is mostly explained by the larger number of responses received for the 2016 report compared to 2014. As expected, based on the 2014 report, injuries to the back and spine areas comprise the largest share of qualifying catastrophic injuries under PSEBA.

The individuals under PSEBA are a varied group in many aspects, but many still list themselves as employed. Of the responses that noted employment status, 184 (36.4%) listed themselves as employed versus 321 (63.6%) who listed themselves as not employed. It is

necessary to note that many who listed themselves as employed noted that they were employed in part-time, seasonal, or otherwise not full-time positions.

In terms of health plans, for the 2016 report, most PSEBA participants have stated that they do not have health insurance available or offered through their current occupations or through their spouse's employer or outside sources. 318 out of 500 completed responses to this question (64%) for individuals stated that they did not have insurance available/offered through any source. 63 responses (13%) indicated that they had insurance available/offered through their current employer or another source only. 59 responses (12%) indicated that they had insurance available/offered through their spouse's employer or another source only. 54 responses (11%) indicated that they had insurance available/offered through both their current employer and their spouse's employer. Only 6 responses were incomplete for the 2016 report, and not used for this analysis. This information is shown on the following chart. In total, 176 PSEBA recipients currently have insurance available or offered through either their employer, their spouse's employer, or both employers.

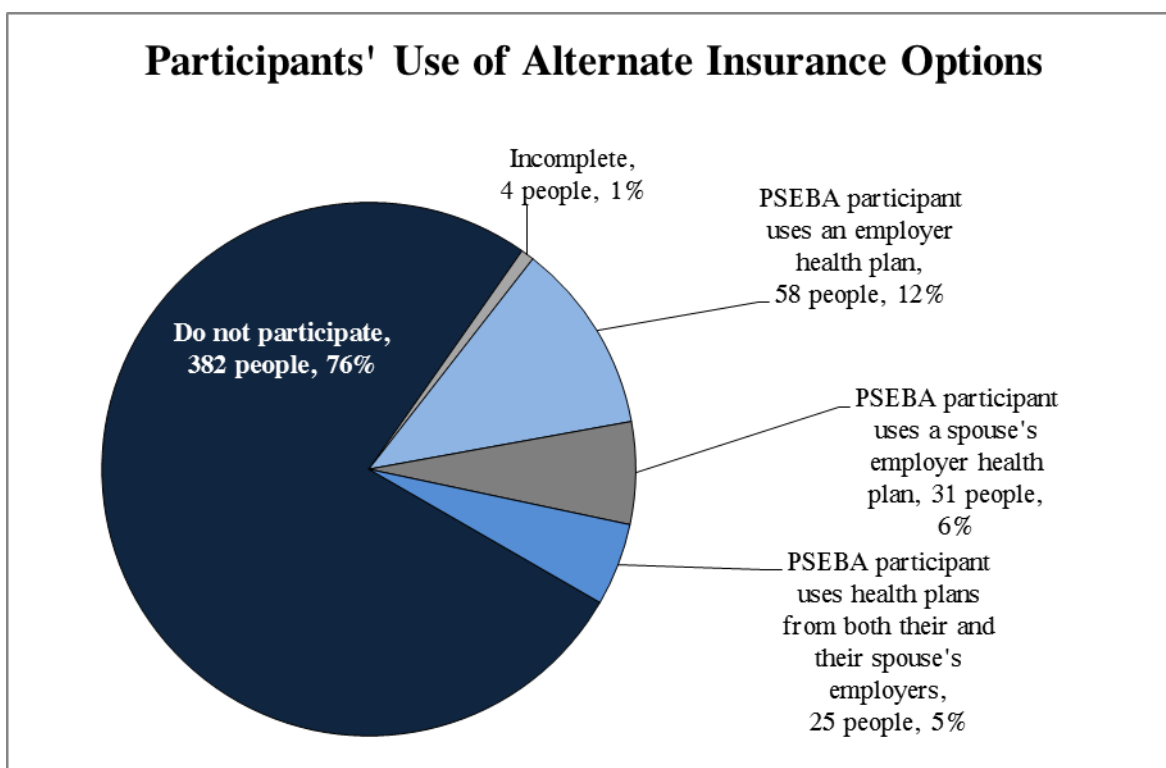
**CHART 4: Insurance Available to PSEBA Recipients**



As mentioned, "Through Self Only" incorporates insurance available/offered through the PSEBA recipient's occupation or an outside source only. "Through Spouse Only" incorporates insurance available/offered through the PSEBA recipient spouse's occupation or an outside source only. "Through Both" incorporates insurance available/offered to the PSEBA recipient from their and their spouse's occupations or through an outside source.

Most of the PSEBA participants do not participate in a health plan other than PSEBA or the disability plan offered by their municipality. 382 PSEBA participants reported that they do not participate in a separate health plan through their (or their spouse's) employer. Out of 500 responses, only 58 individuals (11.6%) reported being in a health plan sponsored by an employer other than the municipality providing the PSEBA benefit. The proportions are similar regarding PSEBA beneficiaries who have access to health plans available through their spouses. Out of 500 responses to that inquiry, only 31 PSEBA recipients (6.2%) reported being in a health plan sponsored by their spouse's employer. This information is shown in the following chart.

**CHART 5: Participants Use of Alternate Insurance Options**



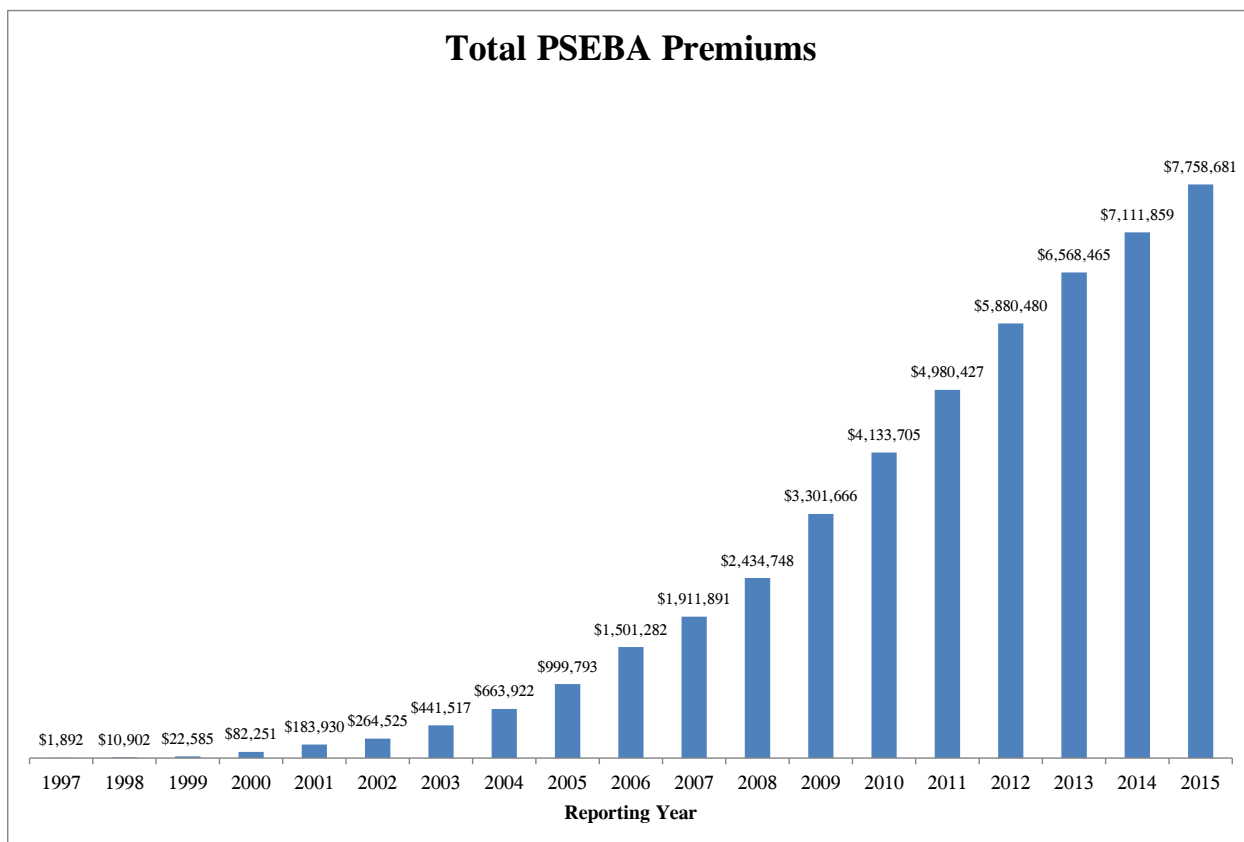
## **Municipalities and PSEBA**

COGFA received 621 satisfactorily-completed employer forms out of the 1,666 forms that were sent. These forms ranged from being filled out with “0’s” to having comprehensive data detailing the cost of each recipient’s insurance premiums for each fiscal year since the inception of the PSEBA in 1997. Out of the 621 responses, 139 employer forms provided all of the requested data, 4 employer forms showed only PSEBA applicants who were not awarded benefits, and 478 had no PSEBA recipients to report.

For the purposes of this report, insurance premiums for surviving children and surviving/separated spouses are attributed to the original recipient. Although this arrangement inflates the per-person average premium, it acknowledges that the recipient’s family is included in the benefit and covers the total potential for liability associated with any one employee’s injury.

## CHART 6: Total PSEBA Premiums

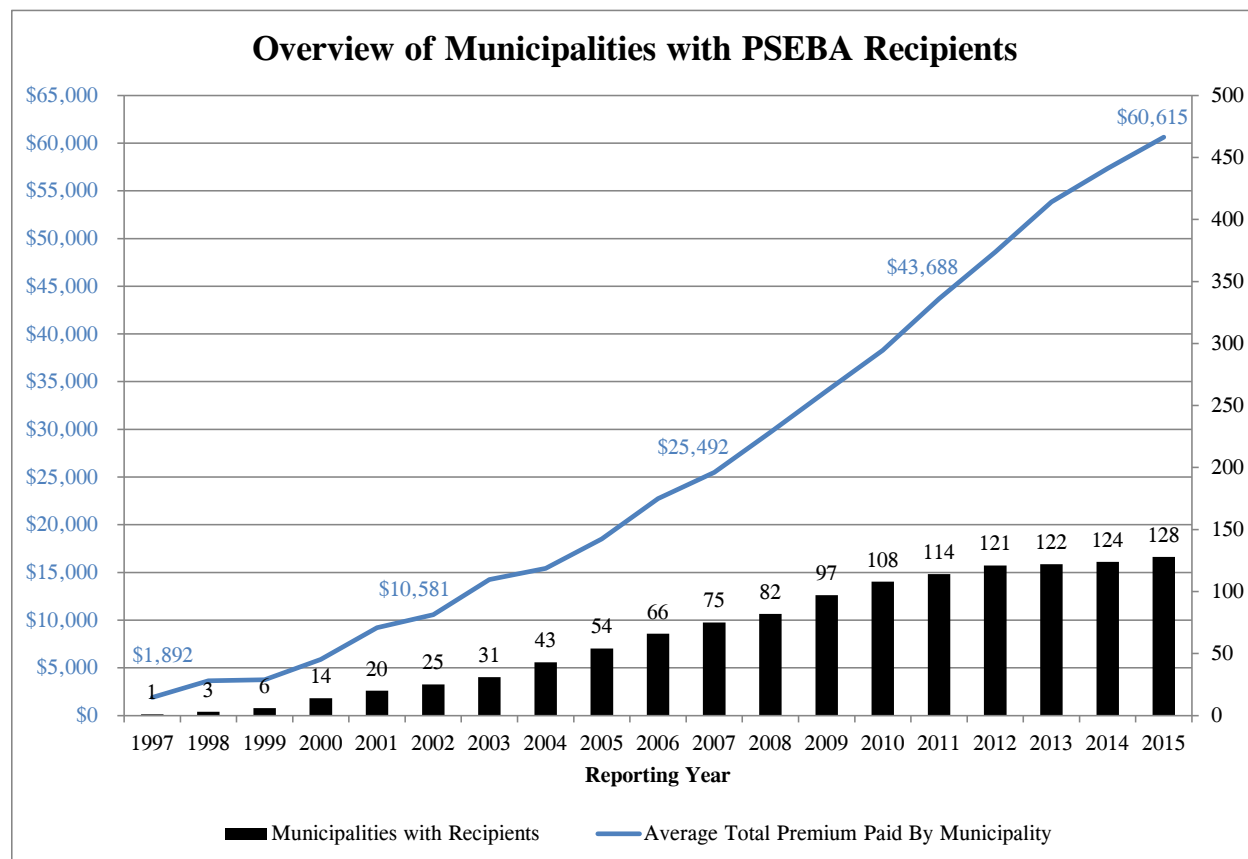
Of the responses received across the entirety of the State of Illinois, 128 municipalities paid \$7.76 million in insurance premiums to 494 PSEBA recipients in Reporting Year 2015. Insurance under PSEBA was first granted in 1997 when only a single municipality paid \$1,892 in premiums.



Since the enactment of the PSEBA law, total premiums across all municipalities have grown exponentially. This exponential growth is explained by the confluence of both increasing premiums and increasing PSEBA headcount.

## CHART 7: Overview of Municipalities with PSEBA Recipients

The following bar chart and line graph depict the number of Illinois municipalities with at least one PSEBA recipient while also denoting the average paid out in insurance premiums. As of Reporting Year 2015, 128 municipalities paid over \$60,600 in premiums, on average. Average premiums have increased at a relatively steady pace since 1997. The number of municipalities with at least 1 PSEBA recipient increased steadily from 1997 to 2012, at which point the numbers began to level off through Reporting Year 2015.



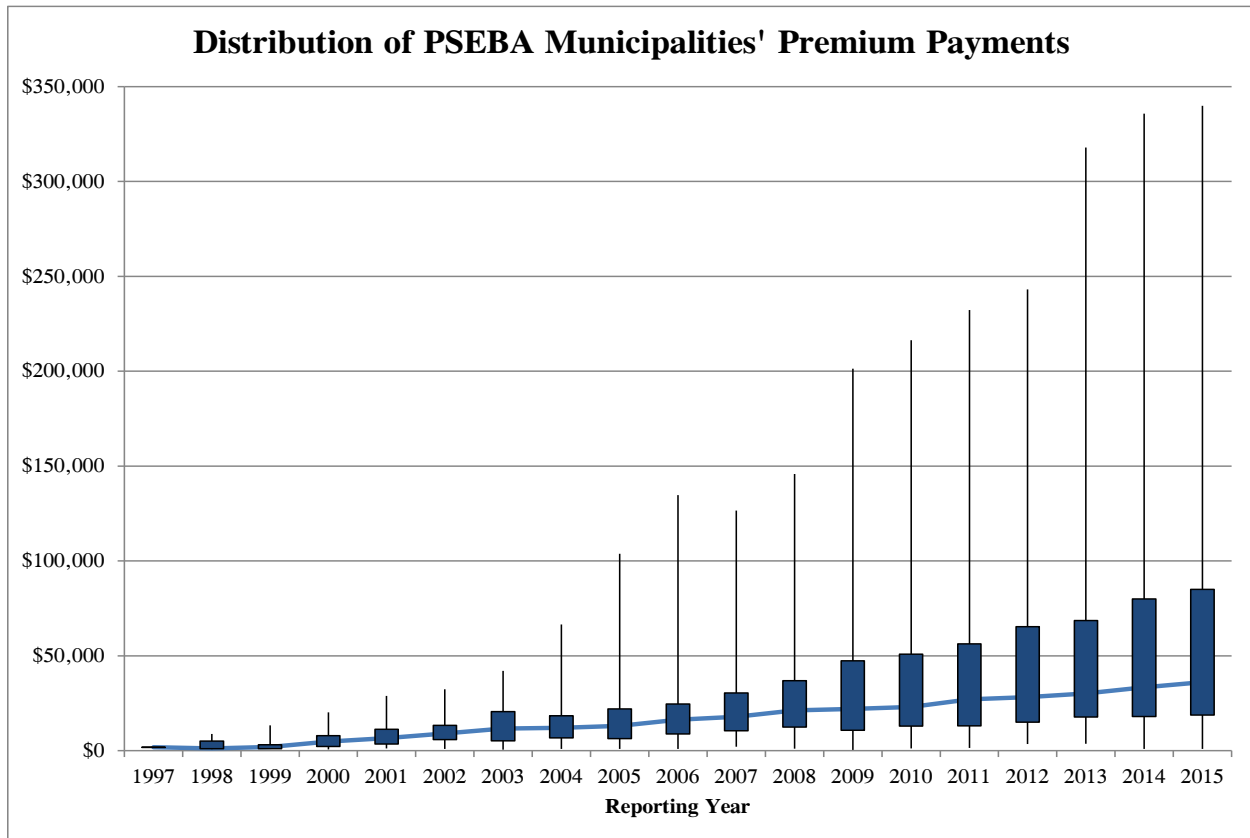
Although not readily apparent, it should be noted that some municipalities had problems retrieving old insurance data. A combination of poor bookkeeping and employee turnover led a handful of municipalities to report incomplete data for certain periods.

A small amount of municipalities were self-insured, and therefore, did not have a premium readily available to report. To overcome this obstacle, these employers were instructed to provide an estimated average of premiums paid each year. It should be noted that this is a conservative estimate<sup>5</sup>.

<sup>5</sup> The City of Chicago is self-insured and possesses a surprisingly low number of PSEBA recipients. Due to this as well as other factors, Chicago's data is not included. More information about Chicago's PSEBA participation can be found later in this report.

## CHART 8: Distribution of Total Municipal Premiums

The following graph includes box-and-whisker plots showing the premiums paid by municipalities for each year. The line portion of the graph is the median, which in this case shows the middle-ranked municipality. The box-and-whisker plot displays a statistical measure known as the interquartile range<sup>6</sup>. Of the 128 municipalities in Reporting Year 2015, half paid in the range of \$18,800 to \$85,000, with 32 below and another 32 above that range.



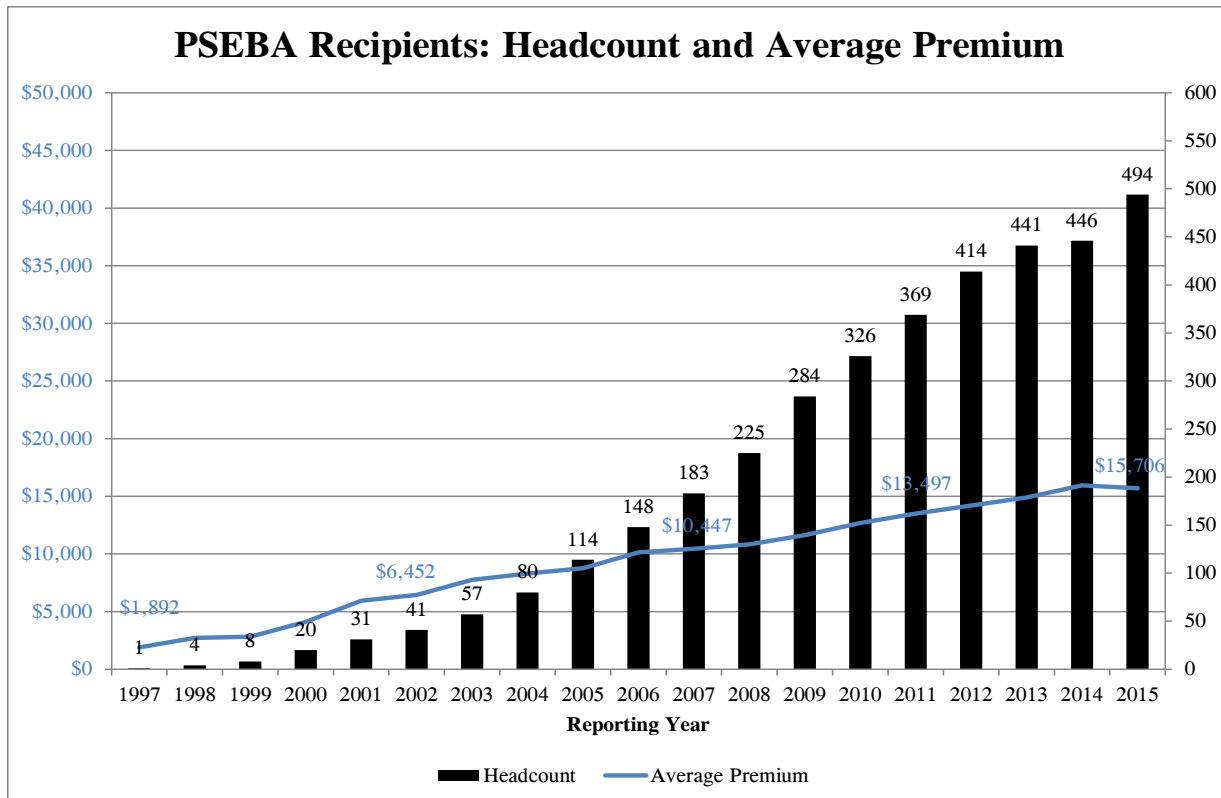
For any given year, the majority of municipalities (75%) never paid more than \$85,000 in total to PSEBA. The median total of insurance premiums was \$36,118 which means 64 of the surveyed municipalities paid no more than that amount. The box-and-whisker plots in this graph are heavily skewed in all surveyed years, meaning that the few at the top end of the spectrum dwarf the majority of municipalities. In Reporting Year 2015, 6 municipalities (top 5%) paid at least twice as much in annual premiums than 103 of the 128 total municipalities (bottom 80%). This variability is what makes the average premium of \$60,615 so much greater than the median premium of \$36,118.

<sup>6</sup> Interquartile range, or IQR, is a statistical measure of spread or variability and is represented as a single value. The value is calculated by finding the difference between the 25<sup>th</sup> and 75<sup>th</sup> percentiles of the distribution, thus eliminating the influence of outlying (abnormally high or low) data points. Since the IQR is a single value, it is often paired with a box-and-whisker plot that uses the same data to provide a clearer graphical snapshot of the distribution as a whole. The box portion of the plot highlights the middle 50%, while the whisker portions acknowledge the upper and lower 25%'s of the distribution.



### CHART 9: PESBA Recipients: Headcount and Average Premium

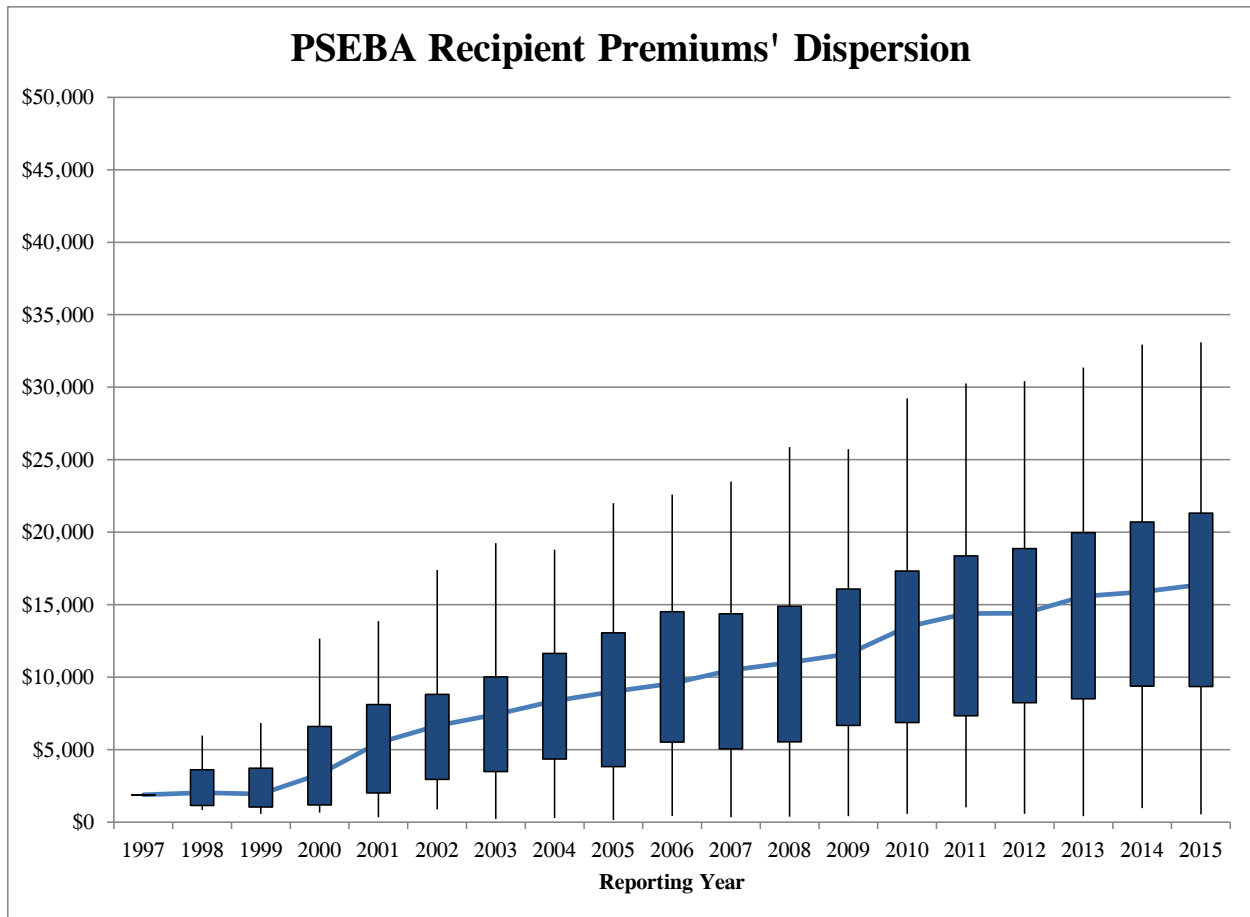
The following bar chart and line graph details the increasing enrollment of catastrophically-injured safety personnel receiving PSEBA while also describing the average premium. Headcount began modestly with 1 person in Reporting Year 1997, grew to 31 in Reporting Year 2000, broke 100 in Reporting Year 2005, surpassed 200 in Reporting Year 2008, and continued that pace until reaching 494 in Reporting Year 2015. Headcount never experienced a drop from one year to another. The average recipient premium began at \$1,892 in Reporting Year 1997 and climbed steadily to \$15,706 in Reporting Year 2015.



There has been a steady increase in enrollment numbers since the start of PSEBA. The headcount tally represents the number of PSEBA recipients that have earned benefits. To clarify, if a member earns a benefit that covers the insurance costs for the member, a spouse, and a child, the spouse and child would not be included in the headcount.

## CHART 10: PSEBA Recipient Premiums' Dispersion

The following chart describes how recipient premiums vary between one another in a given year. Again, the blue line is the median total of premiums paid, the box highlights the middle 50% of the population, and the vertical lines acknowledge the upper and lower quarters of the distribution. In Reporting Year 2015, premiums for all 494 recipients ranged from \$532 to \$33,102, but 247 recipients had annual premiums between \$9,353 and \$21,312. The Reporting Year 2015 median shows that 50% of recipients had premiums at or under \$16,393. The median premium follows the average premium from the previous graph, for the most part.



Low PSEBA headcount in years prior to Reporting Year 2000 led to slightly skewed box-and-whisker plots. Once the sample size grew to 20 people in Reporting Year 2000, the spread became more normally distributed. A possible explanation is that first-year premiums for anyone may be abnormally low, but recipients with families or survivors will have multiple premiums counted as belonging to one person. From Reporting Year 2000 to 2015, all premium data appeared to increase at a steady rate.

**TABLE 1: 15 Largest Annual Premiums**

This table shows the 15 municipalities that have paid well over \$140,000 per year at some point during this survey.

Municipality	Reporting Year	Annual Premium	Headcount	Average
Schaumburg	2015	\$339,832	19	\$17,886
Belleville	2012	\$242,607	12	\$20,217
Peoria	2013	\$239,644	19	\$12,613
Harvey	2015	\$228,999	18	\$12,722
Niles	2015	\$226,316	11	\$20,574
Arlington Heights	2015	\$221,748	12	\$18,479
Rockford	2012	\$210,600	12	\$17,550
Aurora	2014	\$206,418	9	\$22,935
Marion	2015	\$201,799	12	\$16,817
Zion	2013	\$171,960	8	\$21,495
Danville	2015	\$170,052	10	\$17,005
Champaign	2015	\$167,003	17	\$9,824
Lombard	2015	\$149,181	8	\$18,648
East Peoria	2015	\$149,169	7	\$21,310
Glenview	2015	\$145,858	8	\$18,232

**TABLE 2: 15 Largest Cumulative PSEBA Premiums**

Over the course of the entire survey, Reporting Year 1997-2015, the following municipalities have paid the most in PSEBA insurance premiums.<sup>7</sup>

Municipality	Cumulative Premiums
Peoria	\$2,099,860
Rockford	\$1,839,264
Schaumburg	\$1,779,645
Belleville	\$1,760,357
Niles	\$1,375,231
Zion	\$1,202,444
Arlington	\$1,175,979
Glenview	\$1,111,493
Collinsville	\$1,105,726
Harvey	\$1,101,754
Aurora	\$1,028,528
Danville	\$1,006,313
Northlake FPD	\$986,545
Champaign	\$979,663
Morton Grove	\$975,022

<sup>7</sup> In the 2014 PSEBA Report, Hoffman Estates ranked among the top 15 Largest Cumulative Premiums with \$1,042,447 paid over the span of 1997-2013. Hoffman Estates did not submit a completed employer form during this reporting period, and therefore that data is not included here.

**TABLE 3: Municipal Breakdown (Addison<sup>8</sup> – Flora)**

Total Premiums Municipality	Reporting Year				
	2011	2012	2013	2014	2015
Addison	\$28,685	\$30,693	\$60,651	\$81,041	\$54,841
Addison FPD	\$7,435	\$7,715	\$8,516	\$6,704	\$7,836
Algonquin	\$12,609	\$13,629	\$14,477	\$15,752	\$15,281
Algonquin Lake FPD	\$8,020	\$9,086	\$9,631	\$10,217	\$11,089
Antioch	\$4,614	\$14,028	\$14,641	\$15,091	\$16,385
Arlington Heights	\$123,999	\$153,273	\$164,466	\$196,756	\$221,748
Aurora	\$96,699	\$119,666	\$170,924	\$206,418	\$196,631
Barrington	\$53,310	\$75,763	\$78,445	\$82,294	\$79,821
Barrington Hills		\$30,380	\$20,365	\$15,340	\$15,834
Bartlett	\$1,434	\$17,348	\$17,823	\$18,409	\$19,337
Bartlett FPD		\$60,102	\$59,869	\$64,530	\$72,474
Batavia	\$65,895	\$99,111	\$106,021	\$112,610	\$112,405
Beardstown	\$21,921	\$24,248	\$29,079	\$32,949	\$33,102
Belleville	\$179,202	\$242,607	\$241,783	\$219,977	\$234,299
Bellwood	\$9,802	\$15,132	\$14,120	\$15,683	\$18,828
Belvidere	\$35,665	\$40,790	\$26,419	\$31,709	\$32,929
Bensenville	\$41,765	\$58,072	\$61,871	\$65,196	\$63,413
Benton	\$13,104	\$10,459	\$11,754	\$10,410	\$78,078
Blue Island					\$77,210
Bradley	\$5,816	\$5,983	\$5,910	\$976	\$970
Bridgeview	\$23,474	\$24,319	\$30,057	\$62,185	\$70,137
Buffalo Grove	\$26,000	\$26,669	\$70,295	\$82,519	\$97,527
Carmi	\$21,789	\$21,789	\$22,661	\$22,225	\$22,225
Champaign	\$82,903	\$104,540	\$135,256	\$139,036	\$167,003
Charleston	\$58,224	\$69,960	\$72,274	\$77,246	\$91,257
Chicago Heights				\$18,048	\$21,948
Chicago Ridge	\$35,495	\$36,699	\$37,126	\$54,773	\$53,575
Collinsville	\$105,199	\$110,458	\$113,438	\$142,326	\$143,216
Cook County	\$11,904	\$20,277	\$33,890	\$42,120	\$44,945
Country Club Hills				\$13,108	\$14,755
Crystal Lake	\$24,753	\$46,206	\$69,150	\$87,800	\$87,168
Danville	\$88,812	\$84,960	\$121,964	\$153,699	\$170,052
Decatur	\$58,676	\$69,619	\$63,815	\$69,125	\$70,836
Deerfield	\$22,823	\$23,078	\$24,463	\$25,778	\$26,517
Des Plaines	\$63,535	\$70,840	\$84,647	\$82,990	\$84,236
Downers Grove	\$41,387	\$57,876	\$66,969	\$91,445	\$103,072
East Moline	\$33,550	\$32,319	\$34,864	\$37,743	\$39,352
East Peoria	\$95,522	\$105,769	\$130,742	\$144,771	\$149,169
Effingham		\$11,517	\$19,970	\$18,312	\$20,153
Elgin	\$79,086	\$109,246	\$92,663	\$118,624	\$134,976
Elk Grove	\$39,110	\$41,616	\$40,614	\$36,095	\$34,428
Elmwood Park	\$26,853	\$28,074	\$26,876	\$27,138	\$47,156
Flora	\$12,641	\$15,033	\$17,752	\$19,712	\$20,431

<sup>8</sup> Note that some municipalities only employ police officers while receiving fire protection services from a larger, communal Fire Protection District (FPD). Addison is but one example of this employment structure.

**TABLE 4: Municipal Breakdown (Forest Park – Normal)**

Total Premiums	Reporting Year				
Municipality	2011	2012	2013	2014	2015
Forest Park	\$25,537	\$26,730	\$28,977	\$32,064	\$33,278
Forest View	\$5,815	\$6,877	\$7,034	\$7,038	\$7,401
Fox River Grove	\$8,623	\$8,624	\$8,625	\$18,072	\$19,705
Franklin Park	\$41,388	\$43,831	\$45,168	\$57,637	\$65,432
Freeport	\$82,631	\$90,947	\$108,694	\$122,587	\$132,734
Galesburg	\$6,530	\$8,148	\$8,148	\$8,148	\$7,530
Glen Ellyn					\$28,138
Glencoe	\$34,327	\$34,327	\$34,011	\$35,679	\$32,804
Glendale Heights	\$58,924	\$65,969	\$68,270	\$70,323	\$72,515
Glenview	\$91,857	\$98,009	\$121,575	\$134,399	\$145,858
Granite City	\$20,590	\$26,013	\$29,865	\$26,889	\$28,092
Grayslake FPD	\$12,852	\$9,564	\$10,824	\$11,484	\$12,984
Gurnee	\$46,792	\$48,663	\$47,252	\$46,403	\$46,557
Harvey	\$146,711	\$144,582	\$149,039	\$205,191	\$228,999
Hickory Hills		\$3,669	\$4,801	\$6,194	\$6,534
Homewood	\$39,226	\$40,167	\$45,630	\$44,580	\$41,147
Indian Head Park	\$6,076	\$6,563	\$6,828	\$7,039	\$7,285
Johnsburg			\$11,451	\$18,372	\$12,492
Kewanee				\$11,300	\$19,690
Kildeer		\$3,546	\$25,734	\$37,189	\$38,242
LaGrange Park	\$35,507	\$38,372	\$40,000	\$41,205	\$42,607
Lake Bluff	\$14,679	\$15,084	\$17,975	\$33,907	\$37,476
Lake Forest	\$19,484	\$9,519	\$9,764	\$9,928	\$10,921
Lansing	\$19,274	\$19,738	\$20,012	\$21,391	\$22,243
Lisle-Woodridge FPD	\$48,582	\$57,553	\$72,676	\$79,551	\$91,390
Lockport					\$6,325
Lombard	\$79,727	\$95,633	\$125,262	\$133,453	\$149,181
Loves Park	\$25,606	\$28,268	\$27,215	\$45,676	\$52,443
Marengo	\$15,802	\$15,784	\$15,589	\$16,156	\$16,739
Marion	\$102,390	\$133,061	\$168,298	\$184,434	\$201,799
Mascoutah	\$14,039	\$14,425	\$15,338	\$15,795	\$18,995
Mattoon	\$20,946	\$22,452	\$25,540	\$38,186	\$46,853
McHenry				\$7,115	\$18,319
Metropolis			\$3,643	\$4,337	\$4,461
Moline					\$9,983
Montgomery	\$5,181	\$5,193	\$5,389	\$5,429	\$6,172
Morton Grove	\$86,092	\$92,306	\$120,508	\$127,518	\$127,397
Mount Prospect	\$78,409	\$84,292	\$90,419	\$92,317	\$96,857
Mount Vernon	\$32,919	\$39,778	\$48,720	\$40,849	\$35,005
Mundelein	\$14,616	\$14,616	\$16,164	\$18,156	\$13,764
New Lennox	\$7,392	\$7,215	\$7,366	\$7,366	\$7,309
Niles	\$189,681	\$213,941	\$223,434	\$226,316	\$226,316
Normal	\$26,280	\$26,280	\$26,280	\$26,737	\$28,880

**TABLE 5: Municipal Breakdown (North Chicago – Zion)**

Total Premiums	Reporting Year				
	2011	2012	2013	2014	2015
North Chicago		\$33,113			
North Maine FPD	\$41,500	\$41,800	\$45,000	\$30,722	\$38,620
Northbrook	\$51,227	\$58,451	\$57,339	\$52,573	\$40,541
Northfield	\$17,926	\$16,129	\$12,261	\$13,008	\$12,516
Northlake FPD	\$99,246	\$85,825	\$91,944	\$97,957	\$105,609
Norwood Park FPD	\$11,736	\$11,093	\$11,793	\$12,662	\$12,875
Oak Forest	\$47,276	\$65,422	\$68,666	\$72,736	\$110,033
Oak Lawn	\$57,306	\$65,939	\$75,522	\$59,522	\$81,260
Oakbrook Terrace	\$9,380	\$10,212	\$8,925	\$15,577	\$16,431
Olympia Fields	\$9,180	\$25,731	\$26,434	\$28,156	\$29,111
Orland Park	\$22,470	\$27,954	\$31,364	\$32,038	\$32,038
Palatine	\$13,104	\$13,104	\$33,744	\$34,680	\$48,843
Park Forest	\$52,196	\$48,922	\$49,870	\$60,369	\$63,755
Peoria	\$232,275	\$232,203	\$239,644	\$173,756	\$148,044
Plainfield	\$19,167	\$19,508	\$19,025	\$19,521	\$19,370
Plano	\$22,101	\$22,880	\$23,259	\$25,501	\$27,155
Princeton	\$28,688	\$26,140	\$30,743	\$35,480	\$42,329
Quincy	\$33,738	\$57,536	\$30,832	\$131,817	\$130,817
Rantoul	\$11,354	\$23,625	\$26,766	\$29,208	\$43,906
River Forest	\$85,008	\$70,439	\$65,967	\$53,078	\$50,015
Rock Island	\$15,386	\$17,634	\$19,030	\$19,030	\$18,080
Rockford	\$174,070	\$210,600	\$210,600	\$160,286	\$185,531
Rolling Meadows	\$20,485	\$21,481	\$22,178	\$22,889	\$22,712
Roscoe	\$13,140	\$11,530	\$18,984	\$18,348	\$10,265
Round Lake Beach	\$20,624	\$13,150	\$13,135		
Schaumburg	\$172,935	\$243,146	\$317,844	\$335,767	\$339,832
Skokie	\$35,585	\$42,038	\$58,355	\$59,877	\$90,489
South Elgin	\$15,050	\$13,744	\$28,296	\$32,324	\$25,097
South Holland	\$6,191	\$5,882	\$5,969	\$6,590	\$7,721
Spring Valley	\$8,893	\$9,492	\$9,980	\$10,861	\$11,176
Springfield	\$42,670	\$46,499	\$49,261	\$51,231	\$68,538
St. Charles	\$27,258	\$29,823	\$30,289	\$31,377	\$32,185
Sterling	\$51,495	\$56,166	\$60,657	\$56,844	\$37,232
Stickney	\$28,908	\$31,740	\$33,660	\$31,776	\$33,648
Streamwood	\$52,745	\$65,462	\$68,003	\$82,211	\$105,122
Streator		\$15,244	\$21,871	\$24,175	\$24,596
Sugar Grove	\$4,869	\$17,998	\$22,935	\$22,307	\$24,296
Swansea	\$16,542	\$21,432	\$21,936	\$22,416	\$23,382
Sycamore	\$30,263	\$30,416	\$29,313		
Tinley Park	\$6,830	\$25,875	\$26,270	\$27,734	\$27,642
Urbana	\$8,840	\$6,672	\$7,500	\$14,520	\$15,600
Vernon Hills	\$5,062	\$15,519	\$16,457	\$17,323	\$18,714
Wheaton	\$6,927	\$7,515	\$8,322	\$8,207	\$7,784
Wheeling	\$60,861	\$62,979	\$78,795	\$90,465	\$88,018
Zion	\$163,728	\$163,728	\$171,960	\$141,648	\$152,256
<b>Total Premiums</b>	<b>\$4,980,427</b>	<b>\$5,880,480</b>	<b>\$6,568,465</b>	<b>\$7,111,859</b>	<b>\$7,758,681</b>

## **City of Chicago**

For the 2016 PSEBA report, the city of Chicago provided information regarding their PSEBA recipients. As the city of Chicago contains a large portion of the overall population of the State of Illinois and a correspondingly large number of PSEBA-applicable police, fire, and park service departments, information regarding their usage of PSEBA was thought to help better understand the overall situation for the state of Illinois. However, despite receiving some information from the City, there were significant issues and unique circumstances with the data that have kept Chicago from being as useful for this analysis as would be preferred.

Unlike the other municipalities surveyed, the city of Chicago is a self-insured entity. While insurance payments to vendors (such as Blue Cross Blue Shield, Health Alliance, etc.) and various items of information could be obtained from other entities, Chicago does not have a similar means of comparison as they do not make payments to insurance companies for coverage of their PSEBA recipients. Furthermore, very few PSEBA-applicable individuals in the city of Chicago choose to participate in PSEBA. According to communications with representatives of Chicago, this is due to most individuals injured in the line of duty choosing to stay in their existing plan, which in many (if not most) cases, offers equivalent or better coverage than the PSEBA plan utilized by the City. Unfortunately, further inquiries by the Commission for details regarding plan structures and equivalent insurance benefits have not been answered by the City as of the drafting of this report.

It is hoped that such information will be available in the future and integrated into the next PSEBA report. Based on the information discussed above, even with further information, PSEBA data for the city of Chicago is not able to be easily compared to existing information due to the unique nature of health/disability insurance utilized by the City.

## Conclusion

As a result of Public Act 98-0561, the Commission on Government Forecasting and Accountability (COGFA) analyzed the Public Safety Employee Benefits Act (PSEBA) and the individuals/municipalities/counties participating in the Act in 2014 and now in 2016. The results of that analysis have a number of relevant points. The 506 individuals collecting benefits under the PSEBA since its inception in 1997 have all served their municipalities/counties and have been injured in the course of their service. They vary significantly in age and type of injury and at least some of them have insurance from their current employer or their spouse's employer. Since the enactment of the PSEBA law, total premiums across all municipalities have grown exponentially. This exponential growth is explained by the confluence of both increasing premiums and increasing PSEBA headcount.

Across all PSEBA recipients, individuals' insurance premiums varied greatly, as some amounted to less than \$1000 in the 2015 Reporting Year while others were over \$30,000. Also, the municipalities and counties covered under the PSEBA have vastly different premium costs. While premium payments in some municipalities were lower than \$10,000, other municipalities paid over \$330,000 in Reporting Year 2015. There is a disparity in premium costs, though the median paid out for premiums is slightly more than \$36,000 per year. While 75% of municipalities pay less than \$85,000 per year, there are some outliers that pay much more. The total state-wide PSEBA premiums paid each year appears to be increasing at a linear rate, as shown on page 10. This is resulting in a steady increase in cost across the state due to the PSEBA.

It is necessary to note that certain data was unable to be collected and/or analyzed. Public Act 98-0561 required COGFA to use a specific form detailed in the Act to collect information for analysis. However, the statutorily-required form's inquiries do not answer certain other questions posed by the Act regarding individual health insurance plans. Furthermore, answering said questions would require first surveying hundreds of employers, public and private alike, and potentially thousands of individual and group plans offered by these companies. COGFA has neither the personnel nor the resources necessary for a comprehensive analysis and comparison of insurance plans. In order to make a determination as to the associated costs and benefit levels of health insurance provided to PSEBA recipients and their spouses from a current employer, as set forth in subsection C of P.A. 98-0561, COGFA would need guidance from a competent legal authority as to whether the data collection requirements of subsection C comport with and are allowable under the Health Insurance Portability and Accountability Act (HIPAA). Also, it is hoped that results could be submitted to COGFA more quickly in the future. With additional information, COGFA could make more-comprehensive analyses of this important issue.

Despite the difficulties detailed above, COGFA has strived to provide a thorough analysis of the PSEBA program and the individuals/municipalities/counties involved. It is apparent that despite the similarities between individuals within the program, the health premiums encountered on the part of municipalities/counties are significantly different. This difference is shown in municipalities across the state, regardless of location or population. The causes of the differing premiums are unknown, but are worth researching, given rising health costs from year to year.



## APPENDIX I - PSEBA Case Law Summary

Appendix I summarizes four PSEBA-related Illinois Supreme Court decisions. These case summaries are not meant to be an exhaustive, all-inclusive summation of the judicial evolution of the PSEBA statute, but rather they are added here as appendix to this report to help the reader gain insight as to how the state's high court has ruled on critical aspects of PSEBA.

### *Krohe v. City of Bloomington, 2003*

In *Khroe*, the court noted the absence of an explicit definition of the phrase "catastrophic injury" in the PSEBA law and also observed that the aforementioned phrase contains a degree of ambiguity, uncertainty, and subjectivity. The court found that none of the definitions of "catastrophic injury" put forth by the City of Bloomington were rooted in the plain language of the statute, particularly the argument that a "catastrophic injury" is one which renders a firefighter incapable of engaging in *any* gainful employment. The court also observed that such definitions of "catastrophic injury" as favored by the city could not serve to reliably identify what types of injuries would qualify as "catastrophic." Two hypothetical examples cited in the opinion were injuries that led to the loss of vision or loss of a limb. While such injuries would preclude a firefighter from pursuing his or her chosen profession, such injuries would not necessarily preclude a firefighter from obtaining gainful employment with economic benefits comparable to that of a firefighter.

In an attempt to ascertain the meaning of "catastrophic injury," the court looked to the legislative history of HB 1347, during which Senator Laura Kent Donahue noted that the phrase "catastrophically injured" meant when a police officer or firefighter is forced to take a line of duty disability. The court did note that Senator Donahue's comments were made during a veto override motion and therefore played no role in the General Assembly's initial enactment of PSEBA. However, the court recounted several statements made during floor debate preceding Governor Edgar's veto of HB 1347 that reflected the essential elements of Senator Donahue's statement linking catastrophic injuries to line-of-duty disabilities. Accordingly, the court held that the phrase "catastrophic injury" under the PSEBA law is synonymous with an injury resulting from a line-of-duty disability under the Pension Code.

### *Nowak v. The City of Country Club Hills (2011)*

In *Nowak*, the Supreme Court found that an employer's obligation to pay PSEBA benefits begins on the date that the pension board determines that the officer's injury is "catastrophic.. The appellee, a former police officer for the City of Country Club Hills, had argued that the city's obligation to pay PSEBA benefits began on the date of the injury rather than the date of the determination of the pension board that a duty disability pension was payable. In *Nowak*, the court again cited the legislative history to underscore the argument that PSBEBA benefits are fundamentally post-employment benefits that do not take effect until the officer's employment has been terminated via a disability award. Furthermore, the court noted that all parties to the lawsuit agreed as to the date of the injury of appellee Nowak, but rejected his argument that PSEBA benefits begin on the date of injury on the grounds that similar disability cases had been adjudicated in which the date of the catastrophic injury could not be readily identified. Such disability awards were usually granted on the basis of the cumulative effects of a previous injury or several previous injuries, making the precise date of the injury difficult, if not impossible, to determine. Hence, *Nowak* established the precedent that PSEBA benefits begin to accrue on the date that it is determined by the relevant governing body that the officer has suffered a catastrophic injury and thus qualifies for a line-of-duty disability pension.

*Gaffney v. Orland Fire Protection District (2012)*

*Gaffney* was a consolidated appeal of two cases heard by the Illinois Supreme Court in order to determine if PSEBA benefits accrue to firefighters who become catastrophically injured during a training exercise. Michael Gaffney was employed by the Orland Fire Protection District in 2005 when he participated in a live-fire training exercise and sustained a shoulder injury while attempting to free a fire hose that had become hooked onto a loveseat. The court found that Gaffney met the first threshold for PSEBA benefits inasmuch as he sustained a catastrophic injury. However, the court needed to resolve the question of whether or not Gaffney's injuries were incurred as a response to what was reasonably believed to be an emergency, as is required by the second prong of the PSEBA law, 820 ILCS 320/10 (b). The court held that during the training exercise, an emergency arose through unforeseen circumstances that posed an imminent danger to Gaffney as the tangled fire hose demanded an urgent response. Thus, the court found that Gaffney's belief that he was responding to an emergency during a training exercise fell within the purview of PSEBA. As a result, Gaffney was entitled to continuing health insurance coverage for himself and his family under PSEBA.

Brian J. Lemmens, co-appellee in the consolidated case and also a former Orland Fire Protection District firefighter, injured his knee during a training exercise at an abandoned factory in September of 2002. The exercise, which was performed under "emergency circumstances," was carried out with the objective of rescuing a trapped firefighter who was about to run out of air and needed to be rescued before he would perish. The training exercise was designed using the circumstances of an actual supermarket fire that occurred in Phoenix, Arizona. There was no live fire during the training exercise, but the firefighter's masks were blacked out to simulate live fire conditions. The court found that the facts of the case did not establish any unforeseen circumstances involving imminent danger which demanded an urgent response, unlike the situation in *Gaffney*. Hence, Lemmens did not meet the threshold of section 10(b) of the PSEBA law which requires the reasonable belief of the existence of an actual emergency, and did not qualify for continuing insurance coverage under PSEBA.

*Village of Vernon Hills v. Heelan (2015)*

William J. Heelan was a police officer for the Village of Vernon Hills who became disabled after slipping on ice while responding to an emergency call. After undergoing two hip replacement surgeries, Heelan was awarded a line-of-duty disability benefit under Article 3 of the Pension Code. The Village of Vernon Hills asked the Supreme Court's to re-visit its definition of "catastrophic injury" as established in *Khroe* twelve years earlier. Specifically, the village argued that the award of a line-of-duty disability benefit did not "irrefutably establish" a catastrophic injury under PSEBA. The Village of Vernon Hills also argued that under *Khroe*, an employer was not prohibited from litigating the nature, extent, or cause of an officer's injury as part of a declaratory judgment action. The court rejected these arguments by citing the legislature's intent that an officer's injuries are deemed to be catastrophic whenever the officer in question qualifies for a line-of-duty disability pension benefit.

Therefore, *Heelan* established the precedent that there is no need to engage in a discovery process or allow the parties in conflict to present evidence regarding the officer's injury in a PSEBA case once a line-of-duty disability pension benefit has been awarded.

**State of Illinois**  
**Public Acts**  
**90th General Assembly**

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**Public Act 90-0535**

HB1347 Enrolled

LRB9003884JSgc

AN ACT concerning benefits for certain public safety officers.

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

Section 1. Short title. This Act may be cited as the Public Safety Employee Benefits Act.

Section 5. Declaration of State interest. The General Assembly determines and declares that the provisions of this Act fulfill an important State interest.

Section 10. Required health coverage benefits.

(a) An employer who employs a full-time law enforcement, correctional or correctional probation officer, or firefighter, who, on or after the effective date of this Act suffers a catastrophic injury or is killed in the line of duty shall pay the entire premium of the employer's health insurance plan for the injured employee, the injured employee's spouse, and for each dependent child of the injured employee until the child reaches the age of majority or until the end of the calendar year in which the child reaches the age of 25 if the child continues to be dependent for support or the child is a full-time or part-time student and is dependent for support. The term "health insurance plan" does not include supplemental benefits that are not part of the basic group health insurance plan. If the injured employee subsequently dies, the employer shall continue to pay the entire health insurance premium for the surviving spouse until remarried and for the dependent children under the conditions established in this Section. However:

(1) Health insurance benefits payable from any other source shall reduce benefits payable under this Section.

(2) It is unlawful for a person to willfully and knowingly make, or cause to be made, or to assist, conspire with, or urge another to make, or cause to be made, any false, fraudulent, or misleading oral or written statement to obtain health insurance coverage as provided under this Section. A violation of this item is a Class A misdemeanor.

(3) Upon conviction for a violation described in item (2), a law enforcement, correctional or correctional probation officer, or other beneficiary who receives or seeks to receive health insurance benefits under this

Section shall forfeit the right to receive health insurance benefits and shall reimburse the employer for all benefits paid due to the fraud or other prohibited activity. For purposes of this item, "conviction" means a determination of guilt that is the result of a plea or trial, regardless of whether adjudication is withheld.

(b) In order for the law enforcement, correctional or correctional probation officer, firefighter, spouse, or dependent children to be eligible for insurance coverage under this Act, the injury or death must have occurred as the result of the officer's response to fresh pursuit, the officer or firefighter's response to what is reasonably believed to be an emergency, an unlawful act perpetrated by another, or during the investigation of a criminal act. Nothing in this Section shall be construed to limit health insurance coverage or pension benefits for which the officer, firefighter, spouse, or dependent children may otherwise be eligible.

Section 15. Required educational benefits. If a firefighter, law enforcement, or correctional or correctional probation officer is accidentally or unlawfully and intentionally killed as specified in subsection (b) of Section 5 on or after July 1, 1980, the State shall waive certain educational expenses which children of the deceased incur while obtaining a vocational-technical certificate or an undergraduate education at a State supported institution. The amount waived by the State shall be an amount equal to the cost of tuition and matriculation and registration fees for a total of 120 credit hours. The child may attend a State vocational-technical school, a public community college, or a State university. The child may attend any or all of the institutions specified in this Section, on either a full-time or part-time basis. The benefits provided under this Section shall continue to the child until the child's 25th birthday.

(1) Upon failure of any child benefited by the provisions of this Section to comply with the ordinary and minimum requirements of the institution attended, both as to discipline and scholarship, the benefits shall be withdrawn as to the child and no further moneys may be expended for the child's benefits so long as the failure or delinquency continues.

(2) Only a student in good standing in his or her respective institution may receive the benefits under this Section.

(3) A child receiving benefits under this Section must be enrolled according to the customary rules and requirements of the institution attended.

Section 20. Home rule. An employer, including a home rule unit, that employs a full-time law enforcement, correctional or correctional probation officer, or firefighter may not provide benefits to persons covered under this Act in a manner inconsistent with the requirements of this Act. This Act is a limitation under subsection (i) of Section 6 of Article VII of the Illinois Constitution on the concurrent exercise of powers and functions exercised by the State.

Section 95. The State Mandates Act is amended by adding Section 8.21 as follows:

(30 ILCS 805/8.21 new)

Sec. 8.21. 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 1997.

Section 99. Effective date. This Act takes effect upon becoming law.

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AN ACT concerning employment.

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

Section 5. The Public Safety Employee Benefits Act is amended by adding Section 17 as follows:

(820 ILCS 320/17 new)

Sec. 17. Reporting forms.

(a) A person who qualified for benefits under subsections (a) and (b) of Section 10 of this Act (hereinafter referred to as "PSEBA recipient") shall be required to file a form with his or her employer as prescribed in this Section. The Commission on Government Forecasting and Accountability (COGFA) shall use the form created in this Act and prescribe the content of the report in cooperation with one statewide labor organization representing police, one statewide law enforcement organization, one statewide labor organization representing firefighters employed by at least 100 municipalities in this State that is affiliated with the Illinois State Federation of Labor, one statewide labor organization representing correctional officers and parole agents that is affiliated with the Illinois State Federation of Labor, one statewide organization representing municipalities, and one regional organization representing municipalities. COGFA may accept

comment from any source, but shall not be required to solicit public comment. Within 60 days after the effective date of this amendatory Act of the 98th General Assembly, COGFA shall remit a copy of the form contained in this subsection to all employers subject to this Act and shall make a copy available on its website.

"PSEBA RECIPIENT REPORTING FORM:

Under Section 17 of the Public Safety Employee Benefits Act (820 ILCS 320/17), the Commission on Government Forecasting and Accountability (COGFA) is charged with creating and submitting a report to the Governor and the General Assembly setting forth information regarding recipients and benefits payable under the Public Safety Employee Benefits Act (Act). The Act requires employers providing PSEBA benefits to distribute this form to any former peace officer, firefighter, or correctional officer currently in receipt of PSEBA benefits.

The responses to the questions below will be used by COGFA to compile information regarding the PSEBA benefit for its report. The Act prohibits the release of any personal information concerning the PSEBA recipient and exempts the reported information from the requirements of the Freedom of Information Act (FOIA).

The Act requires the PSEBA recipient to complete this form and submit it to the employer providing PSEBA benefits



within 60 days of receipt. If the PSEBA recipient fails to submit this form within 60 days of receipt, the employer is required to notify the PSEBA recipient of non-compliance and provide an additional 30 days to submit the required form. Failure to submit the form in a timely manner will result in the PSEBA recipient incurring responsibility for reimbursing the employer for premiums paid during the period the form is due and not filed.

(1) PSEBA recipient's name:

(2) PSEBA recipient's date of birth:

(3) Name of the employer providing PSEBA benefits:

(4) Date the PSEBA benefit first became payable:

(5) What was the medical diagnosis of the injury that qualified you for the PSEBA benefit?

(6) Are you currently employed with compensation?

(7) If so, what is the name(s) of your current employer(s)?

(8) Are you or your spouse enrolled in a health insurance plan provided by your current employer or another source?

(9) Have you or your spouse been offered or provided access to health insurance from your current employer(s)?

If you answered yes to question 8 or 9, please provide the name of the employer, the name of the insurance provider(s), and a general description of the type(s) of

insurance offered (HMO, PPO, HSA, etc.):

(10) Are you or your spouse enrolled in a health insurance plan provided by a current employer of your spouse?

(11) Have you or your spouse been offered or provided access to health insurance provided by a current employer of your spouse?

If you answered yes to question 10 or 11, please provide the name of the employer, the name of the insurance provider, and a general description of the type of insurance offered (HMO, PPO, HSA, etc.) by an employer of your spouse:"

COFGA shall notify an employer of its obligation to notify any PSEBA recipient receiving benefits under this Act of that recipient's obligation to file a report under this Section. A PSEBA recipient receiving benefits under this Act must complete and return this form to the employer within 60 days of receipt of such form. Any PSEBA recipient who has been given notice as provided under this Section and who fails to timely file a report under this Section within 60 days after receipt of this form shall be notified by the employer that he or she has 30 days to submit the report or risk incurring the cost of his or her benefits provided under this Act. An employer may seek reimbursement for premium payments for a PSEBA recipient who fails to file this report with the employer 30 days after

receiving this notice. The PSEBA recipient is responsible for reimbursing the employer for premiums paid during the period the report is due and not filed. Employers shall return this form to COGFA within 30 days after receiving the form from the PSEBA recipient.

Any information collected by the employer under this Section shall be exempt from the requirements of the Freedom of Information Act except for data collected in the aggregate that does not reveal any personal information concerning the PSEBA recipient.

By July 1 of every odd-numbered year, beginning in 2015, employers subject to this Act must send the form contained in this subsection to all PSEBA recipients eligible for benefits under this Act. The PSEBA recipient must complete and return this form by September 1 of that year. Any PSEBA recipient who has been given notice as provided under this Section and who fails to timely file a completed form under this Section within 60 days after receipt of this form shall be notified by the employer that he or she has 30 days to submit the form or risk incurring the costs of his or her benefits provided under this Act. The PSEBA recipient is responsible for reimbursing the employer for premiums paid during the period the report is due and not filed. The employer shall resume premium payments upon receipt of the completed form. Employers shall return this form to COGFA within 30 days after receiving the form from the PSEBA recipient.

(b) An employer subject to this Act shall complete and file the form contained in this subsection.

"EMPLOYER SUBJECT TO PSEBA REPORTING FORM:

Under Section 17 of the Public Safety Employee Benefits Act (820 ILCS 320/17), the Commission on Government Forecasting and Accountability (COGFA) is charged with creating and submitting a report to the Governor and General Assembly setting forth information regarding recipients and benefits payable under the Public Safety Employee Benefits Act (Act).

The responses to the questions below will be used by COGFA to compile information regarding the PSEBA benefit for its report.

The Act requires all employers subject to the PSEBA Act to submit the following information within 120 days after receipt of this form.

(1) Name of the employer:

(2) The number of PSEBA benefit applications filed under the Act during the reporting period provided in the aggregate and listed individually by name of applicant and date of application:

(3) The number of PSEBA benefits and names of PSEBA recipients receiving benefits awarded under the Act during the reporting period provided in the aggregate and listed individually by name of applicant and date

of application:

(4) The cost of the health insurance premiums paid due to PSEBA benefits awarded under the Act during the reporting period provided in the aggregate and listed individually by name of PSEBA recipient:

(5) The number of PSEBA benefit applications filed under the Act since the inception of the Act provided in the aggregate and listed individually by name of applicant and date of application:

(6) The number of PSEBA benefits awarded under the Act since the inception of the Act provided in the aggregate and listed individually by name of applicant and date of application:

(7) The cost of health insurance premiums paid due to PSEBA benefits awarded under the Act since the inception of the Act provided in the aggregate and listed individually by name of PSEBA recipient:

(8) The current annual cost of health insurance premiums paid for PSEBA benefits awarded under the Act provided in the aggregate and listed individually by name of PSEBA recipient:

(9) The annual cost of health insurance premiums paid for PSEBA benefits awarded under the Act listed by year since the inception of the Act provided in annual aggregate amounts and listed individually by name of PSEBA recipient:

(10) A description of health insurance benefit levels currently provided by the employer to the PSEBA recipient:

(11) The total cost of the monthly health insurance premium currently provided to the PSEBA recipient:

(12) The other costs of the health insurance benefit currently provided to the PSEBA recipient including, but not limited to:

(i) the co-pay requirements of the health insurance policy provided to the PSEBA recipient;

(ii) the out-of-pocket deductibles of the health insurance policy provided to the PSEBA recipient;

(iii) any pharmaceutical benefits and co-pays provided in the insurance policy; and

(iv) any policy limits of the health insurance policy provided to the PSEBA recipient."

An employer covered under this Act shall file copies of the PSEBA Recipient Reporting Form and the Employer Subject to the PSEBA Act Reporting Form with COGFA within 120 days after receipt of the Employer Subject to the PSEBA Act Reporting Form.

The first form filed with COGFA under this Section shall contain all information required by this Section. All forms filed by the employer thereafter shall set forth the required

information for the 24-month period ending on June 30 preceding the deadline date for filing the report.

Whenever possible, communication between COGFA and employers as required by this Act shall be through electronic means.

(c) For the purpose of creating the report required under subsection (d), upon receipt of each PSEBA Benefit Recipient Form, or as soon as reasonably practicable, COGFA shall make a determination of whether the PSEBA benefit recipient or the PSEBA benefit recipient's spouse meets one of the following criteria:

(1) the PSEBA benefit recipient or the PSEBA benefit recipient's spouse is receiving health insurance from a current employer, a current employer of his or her spouse, or another source;

(2) the PSEBA benefit recipient or the PSEBA benefit recipient's spouse has been offered or provided access to health insurance from a current employer or employers.

If one or both of the criteria are met, COGFA shall make the following determinations of the associated costs and benefit levels of health insurance provided or offered to the PSEBA benefit recipient or the PSEBA benefit recipient's spouse:

(A) a description of health insurance benefit levels offered to or received by the PSEBA benefit recipient or the PSEBA benefit recipient's spouse from a current

employer or a current employer of the PSEBA benefit recipient's spouse;

(B) the monthly premium cost of health insurance benefits offered to or received by the PSEBA benefit recipient or the PSEBA benefit recipient's spouse from a current employer or a current employer of the PSEBA benefit recipient's spouse including, but not limited to:

(i) the total monthly cost of the health insurance premium;

(ii) the monthly amount of the health insurance premium to be paid by the employer;

(iii) the monthly amount of the health insurance premium to be paid by the PSEBA benefit recipient or the PSEBA benefit recipient's spouse;

(iv) the co-pay requirements of the health insurance policy;

(v) the out-of-pocket deductibles of the health insurance policy;

(vi) any pharmaceutical benefits and co-pays provided in the insurance policy;

(vii) any policy limits of the health insurance policy.

COGFA shall summarize the related costs and benefit levels of health insurance provided or available to the PSEBA benefit recipient or the PSEBA benefit recipient's spouse and contrast the results to the cost and benefit levels of health insurance



currently provided by the employer subject to this Act. This information shall be included in the report required in subsection (d).

(d) By June 1, 2014, and by January 1 of every even-numbered year thereafter beginning in 2016, COGFA shall submit a report to the Governor and the General Assembly setting forth the information received under subsections (a) and (b). The report shall aggregate data in such a way as to not reveal the identity of any single beneficiary. The requirement for reporting to the General Assembly shall be satisfied by filing copies of the report with the Speaker, Minority Leader, and Clerk of the House of Representatives, the President, Minority Leader, and Secretary of the Senate, the Legislative Research Unit as required under Section 3.1 of the General Assembly Organization Act, and the State Government Report Distribution Center for the General Assembly as required under paragraph (t) of Section 7 of the State Library Act. COGFA shall make this report available electronically on a publicly accessible website.

Section 99. Effective date. This Act takes effect upon becoming law.



AN ACT concerning 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  
Section 7-172.1 as follows:

(40 ILCS 5/7-172.1) (from Ch. 108 1/2, par. 7-172.1)

Sec. 7-172.1. Actions to enforce payments by  
municipalities and instrumentalities.

(a) If any participating municipality or participating  
instrumentality fails to transmit to the Fund contributions  
required of it under this Article or contributions collected by  
it from its participating employees for the purposes of this  
Article for more than 60 ~~90~~ days after the payment of such  
contributions is due, the Fund, after giving notice to such  
municipality or instrumentality, may certify to the State  
Comptroller the amounts of such delinquent payments and the  
Comptroller shall deduct the amounts so certified or any part  
thereof from any grants of State funds to the municipality or  
instrumentality involved and shall pay the amount so deducted  
to the Fund. If State funds from which such deductions may be  
made are not available, the Fund may proceed against the  
municipality or instrumentality to recover the amounts of such  
delinquent payments in the appropriate circuit court.

(b) If any participating municipality fails to transmit to the Fund contributions required of it under this Article or contributions collected by it from its participating employees for the purposes of this Article for more than 60 ~~90~~ days after the payment of such contributions is due, the Fund, after giving notice to such municipality, may certify the fact of such delinquent payment to the county treasurer of the county in which such municipality is located, who shall thereafter remit the amounts collected from the tax levied by the municipality under Section 7-171 directly to the Fund.

(c) If reports furnished to the Fund by the municipality or instrumentality involved are inadequate for the computation of the amounts of such delinquent payments, the Fund may provide for such audit of the records of the municipality or instrumentality as may be required to establish the amounts of such delinquent payments. The municipality or instrumentality shall make its records available to the Fund for the purpose of such audit. The cost of such audit shall be added to the amount of the delinquent payments and shall be recovered by the Fund from the municipality or instrumentality at the same time and in the same manner as the delinquent payments are recovered.

(Source: P.A. 86-273.)

Section 10. The Public Safety Employee Benefits Act is amended by changing Section 17 as follows:

(820 ILCS 320/17)

Sec. 17. Reporting forms.

(a) A person who qualified for benefits under subsections (a) and (b) of Section 10 of this Act (hereinafter referred to as "PSEBA recipient") shall be required to file a form with his or her employer as prescribed in this Section. The Commission on Government Forecasting and Accountability (COGFA) shall use the form created in this Act and prescribe the content of the report in cooperation with one statewide labor organization representing police, one statewide law enforcement organization, one statewide labor organization representing firefighters employed by at least 100 municipalities in this State that is affiliated with the Illinois State Federation of Labor, one statewide labor organization representing correctional officers and parole agents that is affiliated with the Illinois State Federation of Labor, one statewide organization representing municipalities, and one regional organization representing municipalities. COGFA may accept comment from any source, but shall not be required to solicit public comment. Within 60 days after the effective date of this amendatory Act of the 98th General Assembly, COGFA shall remit a copy of the form contained in this subsection to all employers subject to this Act and shall make a copy available on its website.

"PSEBA RECIPIENT REPORTING FORM:

Under Section 17 of the Public Safety Employee Benefits Act (820 ILCS 320/17), the Commission on Government Forecasting and Accountability (COGFA) is charged with creating and submitting a report to the Governor and the General Assembly setting forth information regarding recipients and benefits payable under the Public Safety Employee Benefits Act (Act). The Act requires employers providing PSEBA benefits to distribute this form to any former peace officer, firefighter, or correctional officer currently in receipt of PSEBA benefits.

The responses to the questions below will be used by COGFA to compile information regarding the PSEBA benefit for its report. The Act prohibits the release of any personal information concerning the PSEBA recipient and exempts the reported information from the requirements of the Freedom of Information Act (FOIA).

The Act requires the PSEBA recipient to complete this form and submit it to the employer providing PSEBA benefits within 60 days of receipt. If the PSEBA recipient fails to submit this form within 60 days of receipt, the employer is required to notify the PSEBA recipient of non-compliance and provide an additional 30 days to submit the required form. Failure to submit the form in a timely manner will result in the PSEBA recipient incurring responsibility for reimbursing the employer for premiums paid during the period the form is due and not filed.

- (1) PSEBA recipient's name:
- (2) PSEBA recipient's date of birth:
- (3) Name of the employer providing PSEBA benefits:
- (4) Date the PSEBA benefit first became payable:
- (5) What was the medical diagnosis of the injury that qualified you for the PSEBA benefit?
- (6) Are you currently employed with compensation?
- (7) If so, what is the name(s) of your current employer(s)?
- (8) Are you or your spouse enrolled in a health insurance plan provided by your current employer or another source?
- (9) Have you or your spouse been offered or provided access to health insurance from your current employer(s)?

If you answered yes to question 8 or 9, please provide the name of the employer, the name of the insurance provider(s), and a general description of the type(s) of insurance offered (HMO, PPO, HSA, etc.):

- (10) Are you or your spouse enrolled in a health insurance plan provided by a current employer of your spouse?
- (11) Have you or your spouse been offered or provided access to health insurance provided by a current employer of your spouse?

If you answered yes to question 10 or 11, please

provide the name of the employer, the name of the insurance provider, and a general description of the type of insurance offered (HMO, PPO, HSA, etc.) by an employer of your spouse:"

COGFA ~~COFCA~~ shall notify an employer of its obligation to notify any PSEBA recipient receiving benefits under this Act of that recipient's obligation to file a report under this Section. A PSEBA recipient receiving benefits under this Act must complete and return this form to the employer within 60 days of receipt of such form. Any PSEBA recipient who has been given notice as provided under this Section and who fails to timely file a report under this Section within 60 days after receipt of this form shall be notified by the employer that he or she has 30 days to submit the report or risk incurring the cost of his or her benefits provided under this Act. An employer may seek reimbursement for premium payments for a PSEBA recipient who fails to file this report with the employer 30 days after receiving this notice. The PSEBA recipient is responsible for reimbursing the employer for premiums paid during the period the report is due and not filed. Employers shall return this form to COGFA within 30 days after receiving the form from the PSEBA recipient.

Any information collected by the employer under this Section shall be exempt from the requirements of the Freedom of Information Act except for data collected in the aggregate that



does not reveal any personal information concerning the PSEBA recipient.

By July 1 of every even-numbered ~~odd-numbered~~ year, beginning in 2016 ~~2015~~, employers subject to this Act must send the form contained in this subsection to all PSEBA recipients eligible for benefits under this Act. The PSEBA recipient must complete and return this form by September 1 of that year. Any PSEBA recipient who has been given notice as provided under this Section and who fails to timely file a completed form under this Section within 60 days after receipt of this form shall be notified by the employer that he or she has 30 days to submit the form or risk incurring the costs of his or her benefits provided under this Act. The PSEBA recipient is responsible for reimbursing the employer for premiums paid during the period the report is due and not filed. The employer shall resume premium payments upon receipt of the completed form. Employers shall return this form to COGFA within 30 days after receiving the form from the PSEBA recipient.

(b) An employer subject to this Act shall complete and file the form contained in this subsection.

"EMPLOYER SUBJECT TO PSEBA REPORTING FORM:

Under Section 17 of the Public Safety Employee Benefits Act (820 ILCS 320/17), the Commission on Government Forecasting and Accountability (COGFA) is charged with creating and submitting a report to the Governor and

General Assembly setting forth information regarding recipients and benefits payable under the Public Safety Employee Benefits Act (Act).

The responses to the questions below will be used by COGFA to compile information regarding the PSEBA benefit for its report.

The Act requires all employers subject to the PSEBA Act to submit the following information within 120 days after receipt of this form.

(1) Name of the employer:

(2) The number of PSEBA benefit applications filed under the Act during the reporting period provided in the aggregate and listed individually by name of applicant and date of application:

(3) The number of PSEBA benefits and names of PSEBA recipients receiving benefits awarded under the Act during the reporting period provided in the aggregate and listed individually by name of applicant and date of application:

(4) The cost of the health insurance premiums paid due to PSEBA benefits awarded under the Act during the reporting period provided in the aggregate and listed individually by name of PSEBA recipient:

(5) The number of PSEBA benefit applications filed under the Act since the inception of the Act provided in the aggregate and listed individually by name of

applicant and date of application:

(6) The number of PSEBA benefits awarded under the Act since the inception of the Act provided in the aggregate and listed individually by name of applicant and date of application:

(7) The cost of health insurance premiums paid due to PSEBA benefits awarded under the Act since the inception of the Act provided in the aggregate and listed individually by name of PSEBA recipient:

(8) The current annual cost of health insurance premiums paid for PSEBA benefits awarded under the Act provided in the aggregate and listed individually by name of PSEBA recipient:

(9) The annual cost of health insurance premiums paid for PSEBA benefits awarded under the Act listed by year since the inception of the Act provided in annual aggregate amounts and listed individually by name of PSEBA recipient:

(10) A description of health insurance benefit levels currently provided by the employer to the PSEBA recipient:

(11) The total cost of the monthly health insurance premium currently provided to the PSEBA recipient:

(12) The other costs of the health insurance benefit currently provided to the PSEBA recipient including, but not limited to:

- (i) the co-pay requirements of the health insurance policy provided to the PSEBA recipient;
- (ii) the out-of-pocket deductibles of the health insurance policy provided to the PSEBA recipient;
- (iii) any pharmaceutical benefits and co-pays provided in the insurance policy; and
- (iv) any policy limits of the health insurance policy provided to the PSEBA recipient."

An employer covered under this Act shall file copies of the PSEBA Recipient Reporting Form and the Employer Subject to the PSEBA Act Reporting Form with COGFA within 120 days after receipt of the Employer Subject to the PSEBA Act Reporting Form.

The first form filed with COGFA under this Section shall contain all information required by this Section. All forms filed by the employer thereafter shall set forth the required information for the 24-month period ending on June 30 preceding the deadline date for filing the report.

Whenever possible, communication between COGFA and employers as required by this Act shall be through electronic means.

(c) For the purpose of creating the report required under subsection (d), upon receipt of each PSEBA Benefit Recipient Form, or as soon as reasonably practicable, COGFA shall make a

determination of whether the PSEBA benefit recipient or the PSEBA benefit recipient's spouse meets one of the following criteria:

(1) the PSEBA benefit recipient or the PSEBA benefit recipient's spouse is receiving health insurance from a current employer, a current employer of his or her spouse, or another source;

(2) the PSEBA benefit recipient or the PSEBA benefit recipient's spouse has been offered or provided access to health insurance from a current employer or employers.

If one or both of the criteria are met, COGFA shall make the following determinations of the associated costs and benefit levels of health insurance provided or offered to the PSEBA benefit recipient or the PSEBA benefit recipient's spouse:

(A) a description of health insurance benefit levels offered to or received by the PSEBA benefit recipient or the PSEBA benefit recipient's spouse from a current employer or a current employer of the PSEBA benefit recipient's spouse;

(B) the monthly premium cost of health insurance benefits offered to or received by the PSEBA benefit recipient or the PSEBA benefit recipient's spouse from a current employer or a current employer of the PSEBA benefit recipient's spouse including, but not limited to:

(i) the total monthly cost of the health insurance

premium;

(ii) the monthly amount of the health insurance premium to be paid by the employer;

(iii) the monthly amount of the health insurance premium to be paid by the PSEBA benefit recipient or the PSEBA benefit recipient's spouse;

(iv) the co-pay requirements of the health insurance policy;

(v) the out-of-pocket deductibles of the health insurance policy;

(vi) any pharmaceutical benefits and co-pays provided in the insurance policy;

(vii) any policy limits of the health insurance policy.

COGFA shall summarize the related costs and benefit levels of health insurance provided or available to the PSEBA benefit recipient or the PSEBA benefit recipient's spouse and contrast the results to the cost and benefit levels of health insurance currently provided by the employer subject to this Act. This information shall be included in the report required in subsection (d).

(d) By June 1, 2014, and by January 1 of every odd-numbered ~~even-numbered~~ year thereafter beginning in 2017 ~~2016~~, COGFA shall submit a report to the Governor and the General Assembly setting forth the information received under subsections (a) and (b). The report shall aggregate data in such a way as to

not reveal the identity of any single beneficiary. The requirement for reporting to the General Assembly shall be satisfied by filing copies of the report with the Speaker, Minority Leader, and Clerk of the House of Representatives, the President, Minority Leader, and Secretary of the Senate, the Legislative Research Unit as required under Section 3.1 of the General Assembly Organization Act, and the State Government Report Distribution Center for the General Assembly as required under paragraph (t) of Section 7 of the State Library Act. COGFA shall make this report available electronically on a publicly accessible website.

(Source: P.A. 98-561, eff. 8-27-13.)

Section 99. Effective date. This Act takes effect upon becoming law.





## **BACKGROUND**

The Commission on Government Forecasting and Accountability (CGFA), a not-for-profit bipartisan, joint legislative research commission, that provides the Illinois General Assembly with information relevant to the Illinois economy, taxes and other sources of revenue and debt obligations of the State. The Commission's specific responsibilities include:

- 1) Preparation of annual revenue estimates with periodic updates;
- 2) Analysis of the fiscal impact of revenue bills;
- 3) Preparation of State debt impact notes on legislation which would appropriate bond funds or increase bond authorization;
- 4) Periodic assessment of capital facility plans;
- 5) Annual estimates of public pension funding requirements and preparation of pension impact notes;
- 6) Annual estimates of the liabilities of the State's group health insurance program and approval of contract renewals promulgated by the Department of Central Management Services;
- 7) Administration of the State Facility Closure Act.

The Commission also has a mandate to report to the General Assembly ". . . on economic trends in relation to long-range planning and budgeting; and to study and make such recommendations as it deems appropriate on local and regional economic and fiscal policies and on federal fiscal policy as it may affect Illinois. . . ." This results in several reports on various economic issues throughout the year.

The Commission publishes research reports each year, a sample of which are listed below. In addition to a "Monthly Briefing", the Commission publishes the "Revenue Estimate and Economic Outlook" which describes and projects economic conditions and their impact on State revenues. The "Legislative Capital Plan Analysis" examines the State's capital appropriations plan and debt position. "The Financial Conditions of the Illinois Public Retirement Systems" provides an overview of the funding condition of the State's retirement systems. Also published are an Annual Fiscal Year "Budget Summary"; "Report on the Liabilities of the State Employees' Group Insurance Program"; and "Report of the Cost and Savings of the State Employees' Early Retirement Incentive Program". The Commission also publishes each year special topic reports that have or could have an impact on the economic well being of Illinois. For a listing of all reports published, visit the Commission's website.

These reports are available from:

Commission on Government Forecasting and Accountability  
703 Stratton Office Building  
Springfield, Illinois 62706  
(217) 782-5320  
(217) 782-3513 (FAX)

<http://cgfa.ilga.gov>