

COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY

PENSION IMPACT NOTE

100TH GENERAL ASSEMBLY

BILL NO: **HB 0368**

January 13, 2017

SPONSOR (S): Nekritz

SYSTEM(S): SURS

FISCAL IMPACT: There is no discernible fiscal impact associated with HB 0368. To the extent that the bill allows for more accurate, efficient and streamlined processing of disability benefits, a slight positive fiscal impact could be realized.

SUBJECT MATTER: HB 0368 makes several changes to the administration of disability benefits in SURS as outlined below:

COMMENTS:

Disability Cessation Provisions

Under the SURS article of the Pension Code, there are listed several grounds upon which a disability benefit could be discontinued, among them the cessation of the disability and refusal of the annuitant to submit to a reasonable physical examination. HB 0368 adds another criterion for cessation of benefits - the *failure of the participant to provide an earnings verification necessary to determine the continuance of benefits*.

Commencement of Retirement Benefits of a Disability Annuitant

HB 0368 adds clarifying language concerning the commencement of retirement benefits for a disability annuitant. The bill states that the date on which the retirement annuity payment period begins shall not be prior to the discontinuation of the disability retirement annuity.

Prescription of Rules Regarding Filing, Investigation, Control, and Supervision of Disability

HB 0368 sets forth clarifying language on powers of the SURS board to prescribe rules that govern the filing, investigation, control, and supervision of disability claims. Notably, the bill states that costs incurred by a claimant in connection with completing a claim for a disability retirement annuity shall be paid by the claimant. Such costs include the one required medical exam, medical certificate, and other requirements

imposed by the board on all disability claimants. The board shall incur costs in the case of any additional medical examinations or other requirements imposed on a particular claimant that are *not generally imposed on all disability claimants*.

Expansion of SURS Board Subpoena Power

Currently, the secretary of the SURS board has the power to issue subpoenas to compel the attendance of witnesses and the production of documents and records in conjunction with disability claims, administrative review proceedings, and the 6% cap penalty payments from universities under P.A. 94-0004. HB 0368 expands the board's subpoena power in the following sets of circumstances: a) to obtain information to assist in the collection of sums due SURS, b) to obtain any and all personal identifying information necessary for the administration of benefits, and c) the determination of the death of a benefit recipient or potential benefit recipient.

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