

# COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY

## PENSION IMPACT NOTE

102ND GENERAL ASSEMBLY

BILL NO:           **HB 5295, as amended by HA 1 (Burke)**           February 24, 2022  
SPONSOR (S):     West  
SYSTEM(S):       Chicago Police

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**FISCAL IMPACT:** The number of Chicago Police Pension Fund disability annuities that would be reduced by virtue of the Workers' Compensation offset as a result of secondary employment (i.e., non-Chicago Police employment) is unknown. To the extent that this legislation results in a lower total disability payout by the Chicago Police pension fund, the bill would have a positive impact upon the pension fund.

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**SUBJECT MATTER:** HB 5295, as amended by HA 1, amends the Chicago Police article of the Pension Code. The bill would provide a mechanism whereby disability payments from the pension fund would be reduced by Workers' Compensation awards for an injury that occurs as a result of secondary employment, as described below. The bill, as amended, also implements a similar offset for survivor's annuities, which is also described below in the Comment section.

**COMMENT:** HB 5295, as amended by HA 1, provides that if a police officer receives any compensation as temporary total disability, permanent total disability, a lump sum settlement award, or other payment under the Workers' Compensation Act or Workers' Occupational Diseases Act as a result of secondary employment for any injury resulting in disability, then any disability benefit payable to the police officer by the pension fund shall be reduced by the amount of the pertinent Workers' Compensation or Workers' Occupational Diseases Act award. If the amount of the pertinent award exceeds the disability benefit payable from the pension fund as a result of secondary employment, then no disability benefit will be payable from the pension fund until that amount exceeds the Workers' Compensation or Workers' Occupational Diseases Act award.

HB 5295, as amended by HA 1, provides that if the widow, children, or parents of a police officer receives any compensation under the Workers' Compensation Act for any injury resulting in a police officer's death, the death benefit annuities provided by the Chicago Police Pension Fund shall be reduced by any Workers' Comp award, if the Workers' Comp award is less than the death benefit from the pension fund. If the amount of the Workers' Comp award payable to the widow, children, or parents of the deceased police officer exceeds the death benefit from the

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pension fund, then the death benefit shall not be payable until the accumulated value of the death benefit equals the Workers' Comp award. HA 1 also specifies that there shall be no offset against disability awards from the pension fund to spouses, children, or parents resulting from any benefits received under the Line of Duty Compensation Act or the federal Public Safety Officers Benefits Act of 1976.

ZQ:bs

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