COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY

PENSION IMPACT NOTE

102ND GENERAL ASSEMBLY

BILL NO: SB 3871

January 21, 2022

SPONSOR (S): Cunningham

SYSTEM(S): Chicago Police

FISCAL IMPACT: The number of disabled Chicago Police officers receiving payments from the Workers' Compensation Act or the Workers' Occupational Diseases Act for injuries that would also qualify for disability payments from the pension fund is not known. To the extent that SB 3871 reduces disability payout amounts from the pension fund in these cases, there would be a commensurate positive fiscal impact to the Chicago Police Pension Fund.

<u>SUBJECT MATTER</u>: SB 3871 amends the Chicago Police Article of the Pension Code to stipulate that any disability payments paid by the pension fund to an injured police officer shall be reduced by any Workers Compensation payments if the Workers' Comp payments are less than the disability payments made by the pension fund. The bill implements a similar offset for payments made by the pension fund to widows, children, or parents of a deceased Chicago police officer.

<u>COMMENT:</u> Under the provisions of SB 3871, if a Chicago Police Officer receives any compensation under the Workers' Compensation Act or the Workers' Occupational Diseases Act for any injury resulting in disability, then any disability benefit payable to the police officer by the pension fund for such disability shall be reduced by any Workers' Comp awards received if the Workers' Comp benefit is less than the disability benefit payable from the pension fund. The bill states that if the amount of the Workers' Comp benefit exceeds the disability benefit received from the pension fund, then no such pension fund disability award shall be payable until the disability benefit payment amount from the pension fund equals the Workers' Comp payment. SB 3871 mandates that this offset will also apply to any disability benefit awards being paid to widows, children, or parents of a deceased Chicago police officer.

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