



Commission on Government Forecasting and Accountability

PENSION IMPACT NOTE *103RD General Assembly*

BILL NO: HB 4784

February 6, 2024

SPONSOR (S): Du Buclet

SYSTEM: Metropolitan Water Reclamation District Fund (MWRD)

FISCAL IMPACT

The MWRD pension fund claims that the fiscal impact of expanded reimbursement for witnesses to appear at board of trustee meetings will have a negligible fiscal impact upon the pension fund. The other provisions of HB 4784 regarding ordinary disability medical exams and application procedures are technical in nature and will have no fiscal impact.

SUBJECT MATTER: HB 4784 amends the Metropolitan Water Reclamation District Article of the Illinois Pension Code. The bill would enshrine two current administrative practices into statute: 1) the definition of “salary” for ordinary disability applications, and 2) the requirement that such applicants must be subject to one medical exam per year. The bill also grants the Board of Trustees of the MWRD Pension Fund subpoena powers and witness reimbursement abilities that are identical to those that were given to the Chicago Laborers and Park District funds via P.A. 103-0424. More detail is provided below in the Comment section.

COMMENT:

HB 4784 makes the following changes to the Metropolitan Water Reclamation District Article of the Pension Code:

Definition of “Salary” for Calculation of Disability Annuities

Currently, “salary” is defined within the MWRD Article as the salary paid to an employee for service to the Metro Water District, including salary paid for vacation and sick leave and any amounts deferred under a deferred compensation plan, but excluding:

- 1) Payment for unused vacation or sick leave;
- 2) Overtime pay;
- 3) Termination pay; and
- 4) Any compensation in the form of benefits other than salary.

HB 4784 defines “salary” for a member on a disability benefit as “the salary on which the disability benefit is based.” According to the Fund, this definition was contained within the MWRD Article prior to the enactment of P.A. 87-0794, which took effect on November 19, 1991, when the MWRD Article was restructured. The practice has been continued administratively since that time, and the Fund would like to enshrine it in statute.

Statutory Clarification for Annual Medical Exams for Ordinary Disability Benefits

Under current law, an employee seeking an ordinary (non-duty) disability benefit is required to be examined, at least annually, by a licensed health care professional appointed by the Board. According to the Fund, this requirement was contained within the MWRD Article prior to the enactment of the previously mentioned P.A. 87-0794. The practice has been continued administratively and the Fund would also like to enshrine this practice in statute.

MWRD Pension Board Subpoena Powers and Witness Reimbursement

Under current law, the MWRD article contains very sparse language regarding the subpoena powers of the Board of Trustees. Current statute simply states that the Board is empowered to compel witnesses to testify on any matter concerning the fund and permits the board to pay witness fees “not in excess of \$6 per day.”

HB 4784 would expand the subpoena powers of the Board by allowing them to compel the production of records and to compel the attendance of witnesses on any matter concerning the respective funds in conjunction with the following:

- Disability claims;
- Administrative review hearings;
- Attempts to obtain information to assist in the collection of sums due to the funds;
- Obtaining any and all personal identifying information necessary for the administration of benefits;
- The determination of the death of an annuitant or a potential benefit recipient; or
- A felony forfeiture investigation.

The bill states that the fees paid to witnesses for attendance and travel to board proceedings shall be the same as the fees paid to witnesses before the circuit courts of Illinois, and shall be paid by the Board when a subpoena is issued.

Under the Circuit Courts Act, witnesses in circuit courts are entitled to receive the sum of \$20 for each day’s attendance and \$0.20 per mile each way for necessary travel. HB 4784 would grant the aforementioned reimbursement for subpoenaed parties before the Board, and the bill would delete the aforementioned cap on witness fees of \$6 per day that is currently enshrined into the MWRD Article. P.A. 103-0424, which took effect on August 4th, 2023, granted identical powers to the Boards of the Chicago Laborers’ and Park District Employees’ Funds.

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