



## Commission on Government Forecasting and Accountability

### **PENSION IMPACT NOTE** *103<sup>RD</sup> General Assembly*

**BILL NO:** SB 1115, as amended by SA 001

March 30, 2023

**SPONSOR (S):** Rose – Halpin, et al

**SYSTEM:** State Universities Article

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#### **FISCAL IMPACT**

**The fiscal impact of SB 1115, as amended by SA 001, is not known, as the number of police officers who would be eligible for the new line-of-duty benefits established in this bill is not known. As of June 30, 2022, there are 659 police officers covered under SURS. To the extent that the fund would have to pay additional pension benefits to police officers who are disabled in the line of duty, there would be a negative impact on the pension fund.**

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**SUBJECT MATTER:** SB 1115, as amended by SA 001, amends the State Universities article of the Pension Code. The bill provides for the creation of a “line of duty” disability annuity that provides disability benefits to police officers who are unable to continue work as a police officer due to physical or mental disability caused by performance of police work.

**COMMENT:** Under current law, a member of SURS may be granted a disability benefit if: (1) while a participating employee, he or she becomes physically or mentally incapacitated and unable to perform the duties of his or her assigned position for any period exceeding 60 days; and (2) the employee had completed 2 years of service at the time of disability, unless the disability is a result of an accident. The current disability benefits are the same for both Tier 1 and Tier 2 members.

Current SURS disability benefits are equal to the greater of: (1) 50% of the basic compensation at the time of disablement, or (2) 50% of the participant's average earnings during the 24 months immediately preceding the month in which disability occurs. Disability benefits are subject to a 3% annual increase. Disability benefits are discontinued if the participant is no longer disabled, if the participant dies, after the participant's 70<sup>th</sup> birthday (if benefits began before the age of 65) or after five years (if benefits began after the age of 65).

SB 1115, as amended by SA 001, amends the SURS article of the Pension Code. The bill would create a “line of duty” disability annuity that would apply to SURS police officers disabled as a result of the performance of an act of duty, and whose disability leads to the inability to continue his or her duties as a police officer. Disabling conditions include stroke, tuberculosis, and diseases of the lungs and respiratory tract, among others. This bill applies to police officers whose line of duty benefit occurred on or after January 1, 2022 (meaning some members already on disability would be entitled to a re-calculation of benefits).

The new line-of-duty disability annuity shall be equal to the greater of: (1) 65% of the salary attached to the rank on the police force held by the officer at the date of suspension of duty or retirement; or (2) 65% of the police officer’s average earnings during the 24 months immediately preceding the month in which disability occurred. Line of duty disability benefits shall be discontinued if the participant is no longer disabled. These changes would affect Tier 1 and Tier 2 police officers equally.

Currently, Chicago Police Officers receive line-of-duty disability benefits equal to 75% of the member’s salary at the time of disability, so long as no pre-existing condition related to the disability was in evidence at the time of disability (50% of salary in the case such a condition existed). Downstate Police (Article 4) members receive a line-of-duty disability benefit that is substantially similar to that which is being proposed for SURS police officers in this bill, as amended, with the exception that Downstate Police officers with 28 years of service receive a benefit equal to 70% of pay for line-of-duty injuries.

*Note - SB 1115, as amended by SA 001, does not add a separate duty death benefit for police officers apart from what is granted to all SURS members under current law. Currently, if a member dies before retirement and has no qualifying survivors, the member’s named beneficiary(ies) will receive: (1) the member’s total retirement contributions and interest, (2) a lump sum of \$2,500 shared, and (3) an amount equal to the member’s average annual earnings up to \$5,000. If a member dies before retirement and has qualifying survivors, the qualifying survivors will receive an amount dependent on the years in service prior to death and the survivors’ relation to the employee. Benefits are the same regardless of whether the death was caused by performance of their job or not.*

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