



Commission on Government Forecasting and Accountability

PENSION IMPACT NOTE *103RD General Assembly*

BILL NO: SB 1815

February 9, 2023

SPONSOR (S): Holmes

SYSTEM: Chicago Police

FISCAL IMPACT

The number of Chicago Police officers who would have disability annuities suspended due to earning outside income greater than 125% of active-duty salary is not known. To the extent that fewer disability benefits are paid as a result of the stricter limitation on outside income, there would be a slight positive benefit to the pension fund. The number of disability annuities that would be discontinued as a result of injured police officers refusing to supply tax returns or by failing to inform the pension fund of a medical opinion that the officer is no longer disabled is unknown, but to the extent that fewer disability benefits would be paid as a result of the foregoing two provisions, there would be a slight positive impact to the pension fund.

SUBJECT MATTER: SB 1815 amends the Chicago Police Article of the Pension Code. The bill lowers the threshold at which disability benefits are suspended in cases where income is earned by an officer from outside employment during disability. The bill also requires disabled police officers to disclose tax return information to the pension fund, and to inform the pension fund if they receive a medical opinion that they are no longer disabled.

COMMENTS:

Suspension of Chicago Police Disability Benefits Due to Outside Income

Under current law, a Chicago Police Officer who is receiving disability benefits, whether ordinary or duty disability benefits, becomes ineligible for those benefits if any earnings from outside employment plus disability benefits exceeds 150% of the rate of salary which the disabled

officer would be paid if they were working in their appointed civil service position as a police officer. SB 1815 amends the Chicago Police Article such that loss of disability benefits would occur if the amount earned from outside employment plus disability benefits exceeds 125% of the salary the disabled police officer would be paid as an active police officer.

Obligation of Disabled Police Officers to Supply Tax Returns

SB 1815 requires disabled Chicago police officers to supply to the pension fund a copy of their federal and state tax returns within 30 days of filing such returns. A disabled police officer shall have no further right to receive a disability annuity if they refuse to provide the required tax returns.

Obligation to Inform the Pension Fund of a Diagnosis of Non-Disability

SB 1815 creates a new affirmative obligation on the part of a police officer receiving a disability pension to inform the Chicago Police Pension Fund in cases where they have received a medical opinion that they no longer have a disability. When the disability ceases as a result of such medical opinion, the police officer shall have no further right to receive such disability benefits, and the officer will be returned to active service.

DH:bs

LRB103 25837 RPS 52188 b