



## Commission on Government Forecasting and Accountability

### PENSION IMPACT NOTE *104<sup>th</sup> General Assembly*

BILL NO:           **HB 1820**

February 20, 2025

SPONSOR (S):     Vella

SYSTEM:           Downstate Police & Downstate Fire

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#### FISCAL IMPACT

Data is not available on statewide disability or survivor benefits for Downstate Police and Fire pension funds. According to SERS, there are approximately 400 disability benefits payable at any given time in which a Workers' Comp offset is applied, so this change would be significant if the offset removal were applied to SERS. The retirement system says that there are only a handful of survivor benefits in which a survivor receives a Workers' Comp benefit. Given the higher physical risks associated with police and fire service, it is reasonable to assume that disability benefits are more prevalent in Downstate Police and Fire funds than in SERS. As a result, the fiscal impact of removing the offset in these funds would likely be even greater for disability benefits, while the impact on survivor benefits would remain relatively minor.

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SUBJECT MATTER: HB 1820 eliminates the reduction of disability and survivor's benefits payable to a member of Downstate Police or Downstate Fire Funds if that member has corresponding benefits payable under the Workers' Compensation and/or Workers' Occupational Diseases Acts, as detailed below.

COMMENT: Under current law, if a member of a Downstate Police or Fire pension fund is entitled to a disability or survivor's benefit and benefits under the Workers' Compensation or Workers' Occupational Diseases Acts for the same issue, the relevant disability or survivor's benefit is reduced on a dollar-for-dollar basis by the amounts received through the aforementioned programs. Some exceptions do exist in statute. For example, no reductions are applied for payments for medical, surgical, or hospital services, nor are payments reduced for the loss of any bodily member. HB 1820 eliminates all reductions in cases where a disability or

survivor benefit is payable and Worker's Compensation or Worker's Occupational Diseases Act benefits are payable for the same issue.

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