



Commission on Government Forecasting and Accountability

PENSION IMPACT NOTE *104th General Assembly*

BILL NO: **HB 2868**

February 18, 2025

SPONSOR: Elik

SYSTEM: Illinois Municipal Retirement Fund (SLEP)

FISCAL IMPACT

HB 2868 allows for IMRF Sheriff's Law Enforcement Personnel (SLEP) participants on long-term disability to remain on disability for as long as they are unable to return to work in a law enforcement capacity. The bill also grants a disability benefit of 100% of pensionable salary to SLEP members. These changes would have a significant fiscal impact upon IMRF. An actuarial study would be needed to assess the precise impact of the bill.

SUBJECT MATTER: HB 2868 amends the IMRF article of the Pension Code to allow for SLEP participants to receive a disability pension equal to 100% of their final rate of salary while working for an IMRF participating municipality or instrumentality. SLEP participants are required to report such earnings from these IMRF employers to the pension fund and also to have their disability annuities reduced on a dollar-for-dollar basis as a result of such employment.

COMMENT: Under current law, the disability eligibility and benefit provisions in IMRF apply equally to Regular IMRF and SLEP participants. Relevant disability requirements for Regular IMRF and SLEP participants are elaborated on further in the chart below.

Benefit	Criteria
Long-term disability	Deemed totally and permanently disabled, or unable to engage in any gainful activity.
Disability Benefit	50% of participants final rate of earnings, and begins 31 days after date of disability.
Outside employment	If compensation is more than 25% of the salary upon which the annuity is based, the disability annuity shall be reduced proportionally.

HB 2868 allows a SLEP participant to qualify for a long-term disability for as long as they are unable to return to employment in a SLEP position or a similar capacity. SLEP participants would also get benefits equal to 100% of the final rate of salary, instead of 50%. A SLEP participant on permanent disability may also work for participating municipalities or instrumentalities while still receiving disability benefits as long as they report their earnings to the retirement system, and as long as they are not performing SLEP-related law enforcement duties.

A disabled SLEP member who engages in such employment would have their annuity reduced by the amount of earnings from such employment on a dollar-for-dollar basis, rather than a proportional reduction if outside earnings exceed 25% of pensionable salary. In other words, the bill would permit disabled SLEP members to work without suffering a loss of annuity, but the penalty for returning to work would be greater than under current law.

Below is a summary of the duty disability benefit provisions for other public safety funds under the Illinois Pension Code:

- Cook County & Chicago Police, 75% of pensionable salary;
- Downstate Police, 65% of pensionable salary.

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