



Commission on Government Forecasting and Accountability

PENSION IMPACT NOTE *104TH General Assembly*

BILL NO: HB 3657

February 12, 2025

SPONSOR (S): Du Buclet

SYSTEM: Metropolitan Water Reclamation District (MWRD)

FISCAL IMPACT

There is no discernible fiscal impact associated with HB 3657. The changes outlined below in the Comment section are administrative in nature, and may have *de minimis* ancillary costs. These minor costs would stem from providing for annual medical exams for disability annuitants and providing minimal compensation and travel reimbursements to witnesses who are subpoenaed to appear before the MWRD Board of Trustees.

SUBJECT MATTER: HB 3657 amends the Metropolitan Water Reclamation District Article of the Pension Code. The bill is an administrative initiative of the fund and covers areas such as definition of salary for disability benefit purposes, requiring annual medical exams for ordinary disability benefits, and granting the pension fund board subpoena powers to compel the production of records. The changes are outlined below in the Comment section.

COMMENT:

Definition of 'Salary' for Disability Benefits

HB 3657 clarifies that for disability benefits, the term "salary" shall be the salary on which the disability benefit is based. By adopting this strict definition of salary, the bill ensures that payments such as overtime, termination pay, and unused leave payouts will not be used to inflate an employee's disability benefit. The pension fund says the purpose of establishing the definition of salary for disability benefits is to reinstate language that was lost in the Fund's 1991 recodification of the pertinent section of statute.

Annual Medical Exams for Ordinary Disability Benefits

Currently, ordinary disability (non-duty) benefits are payable in the MWRD fund after an employee is examined by at least one licensed health care professional. No ongoing exams are required after the initial medical determination of disability. HB 3657 requires that the disabled employee be examined at least annually by a licensed health care professional appointed by the MWRD Board of Trustees. This change would bring MWRD in line with the practice of other systems, such as TRS and SERS, that require such periodic exams for disability annuitants.

Subpoena Powers to Compel the Production of Records

HB 3657 grants the MWRD board the authority to issue subpoenas to compel witness testimony and the production of documents related to pension fund matters. The bill specifies that subpoenas can be used for disability claims, administrative reviews, and debt collection, among other matters. Witness fees must match those paid out in circuit courts (generally \$20 per day and \$0.20 per mile for travel). The bill empowers the board to seek court enforcement of subpoenas, and board members would be given the power to administer oaths to witnesses.

DH:bs

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