



Commission on Government Forecasting and Accountability

PENSION IMPACT NOTE *104th General Assembly*

BILL NO: **HB 5232**

February 24, 2026

SPONSOR: Guerrero-Cuellar

SYSTEM: Firemen's Annuity and Benefit Fund of Chicago (Chicago Fire)

FISCAL IMPACT

According to the Firemen's Annuity and Benefit Fund of Chicago's FY 2024 Actuarial Valuation, there were 72 participants receiving an Occupational Disease Disability (ODD) and 66 survivors receiving benefits. The number of surviving spouses that may become eligible to elect ODD is unknown, as eligibility depends on whether a member dies while receiving ODD; however, it is presumed to be fewer than the previously given datapoints. HB 5232 would have a negligible but potentially negative fiscal impact, commensurate with the number of surviving spouses who elect to receive an ODD annuity instead of a survivor annuity in cases where the ODD annuity exceeds the otherwise applicable survivor benefit.

SUBJECT MATTER: HB 5232 amends Article 6 (Chicago Fire) of the Illinois Pension Code to allow surviving spouses to elect for an Occupational Disease Disability (ODD) in lieu of widow's annuity or survivor benefit, whichever is applicable, if the participant was receiving ODD before they passed away and the death occurs on or after the effective date.

COMMENT: Under current law Chicago Fire participants who have seven years of service are eligible to receive an ODD benefit equal to 65% of their salary at the date they are placed on Occupational Disease Disability.

A Chicago Fire participant is eligible for ODD if they have obtained one of the following health conditions resulting from service as a firefighter:

- Heart disease;
- Tuberculosis;
- Breast cancer;
- Any disease of the lungs or respiratory tract;
- AIDS;
- Hepatitis C;

- Stroke; and
- Contagious staph infection (including methicillin-resistant Staphylococcus aureus (MRSA))

Should a participant pass away while receiving ODD, the ODD benefit terminates at death, and the surviving spouse shall receive survivor benefits, which are calculated based on Tier, service status (e.g., active or retired), and years of service. For Tier 1 participants, it is a widow’s annuity; for Tier 2 participants, it is a Tier 2 surviving spouse annuity. However, upon Board determination that the death resulted from the performance of an act or acts of duty, a surviving spouse may receive a line-of-duty death benefit instead, which is 75% of salary. According to Firemen’s Annuity and Benefit Fund of Chicago, this outcome is highly unlikely.

HB 5232 amends Article 6 (Chicago Fire) to allow surviving spouses to elect between receiving ODD or survivor annuities if the deceased participant was receiving ODD at the time of death and the death occurs on or after the effective date. This would allow a surviving spouse to receive an annuity equal to 65% of the deceased member’s salary if electing to receive ODD. Essentially, HB 5232 would provide greater flexibility by adding an additional benefit option for eligible surviving spouses. Although the changes made by this bill would apply regardless of whether the deceased member was in service on or after the effective date, the changes would not apply to deaths occurring before the effective date.

The following table briefly summarizes benefits by Tier under current law.

Benefit Type	Tier 1	Tier 2*
Occupational Disease Disability	65% salary	
Survivor – Duty Death	75% salary	
Survivor – Non-Duty Death	<p><u>With at least 1½ years</u> Greater of: - 30% salary attached to rank - 50% annuity</p> <p><u>With at least 10 years</u> no less than 50% annuity</p>	<p><u>With at least 1½ years but less than 10 years</u> Greater of: - 30% salary attached to rank, - 54% monthly salary (annualized)</p> <p><u>With at least 10 years</u> Greatest of: - 30% salary attached to rank, - 54% monthly salary (annualized) - 66 2/3% annuity</p>

*Tier 2 salary cap applies.

RF:bs

LRB104 20213 RPS 33664 b