



## Commission on Government Forecasting and Accountability

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

BILL NO: SB 2020

February 12, 2025

SPONSOR (S): Faraci

SYSTEM: Downstate Police, Downstate Fire

---

#### FISCAL IMPACT

**Increasing the minimum line-of-duty disability annuity to \$40,000 per year for both Downstate Police and Fire funds would have an impact to such funds, but only to the extent that lower-paid officers or firefighters are impacted; please see the chart on Page 2 that illustrates this impact. An actuarial study would be needed to fully assess the increase cost to municipalities. Likewise, loosening the requirements for the annual 3% non-compounded COLA for Downstate Police line-of-duty annuitants would have a slight negative cost to such pension funds.**

---

SUBJECT MATTER: SB 2020 amends the Downstate Police and Fire articles of the Pension Code by raising the minimum line-of-duty disability pension from \$400 per month (\$4,800 per year) to \$40,000 per year, applied retroactively to all qualifying recipients. The bill also removes certain eligibility restrictions for the 3% non-compounded annual increase for Downstate Police line-of-duty disability pensions, eliminating requirements for minimum service credit, time on disability, and income verification.

#### COMMENT:

##### *Increase in Minimum Line-of-Duty Disability Pension*

Currently, Downstate police officers and firefighters receive a line-of-duty disability pension equal to 65% of salary at the time of suspension of duty, or the pension they would have received if they opted to retire instead of going on disability, whichever is greater. Line-of-duty annuitants receive a minimum of \$400 per month (or \$4,800 per year), per current law. SB 2020 increases

this minimum to \$40,000 per year and applies the change retroactively, ensuring it applies regardless of whether the disability occurred before July 1, 2025.

The table below shows that lower-paid officers and firefighters would be the primary beneficiaries of this change:

Pre-Disability Salary	Current Pension (65%)	New Pension (\$40K Min)	Increased Benefit?
\$50,000	\$32,500	\$40,000	Yes
\$55,000	\$35,750	\$40,000	Yes
\$60,000	\$39,000	\$40,000	Yes
\$65,000	\$42,250	\$42,250	No
\$70,000	\$45,500	\$45,500	No

Eligibility for Downstate Police Line-of-Duty 3% Non-Compounded COLA

Currently, in order to receive a 3% non-compounded COLA on line-of-duty disability benefits, disabled Downstate police officers must satisfy the following requirements:

- Submit an affidavit stating they have not earned income from gainful employment in the most recent tax year;
- Annually file a written application for the disability pension;
- Have at least 7 years of active-duty service credit in the pension fund; and
- Have a combined total of at least 20 years when adding their service credit and the time they have been receiving the disability pension.

SB 2020 changes the foregoing requirements such that the disabled officer must file an annual written application for the line-of-duty disability benefits without the aforementioned employment affidavit. The current service credit requirements (7 years of active service and 20 years of service-plus-disability) would no longer apply, meaning the disabled officer would qualify for the annual 3% non-compounded COLA regardless of service credit or time on disability. These changes would bring the Downstate Police Article into parity with Downstate Fire regarding eligibility for the line-of-duty COLA.

DH:bs  
LRB104 12159 RPS 22259 b