



Commission on Government Forecasting and Accountability

PENSION IMPACT NOTE *104th General Assembly*

BILL NO: SB 3082

March 3, 2026

SPONSOR (S): Faraci

SYSTEM: Downstate Police

FISCAL IMPACT

Increasing the minimum line-of-duty disability annuity to \$40,000 per year for Downstate Police funds would have an impact on those funds, primarily to the extent that lower-paid officers currently receiving benefits below the new minimum would be impacted; please see the chart on Page 2 that illustrates this impact. An actuarial study would be needed to fully assess the resulting increased cost to municipalities. Likewise, loosening the requirements for the annual 3% non-compounded COLA for Downstate Police line-of-duty annuitants would have a negative impact on such pension funds. Even further, shifting the cost of group hospital and medical plan premiums to the pension fund for certain disabled officers would create an additional expense for such pension funds.

SUBJECT MATTER: SB 3082 amends the Downstate Police article of the Pension Code by raising the minimum line-of-duty disability pension, beginning July 1, 2026, from \$400 per month (\$4,800 per year) to \$40,000 per year, applied retroactively to all qualifying recipients, regardless of when the disability or death occurred. 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 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. If the disabled officer dies while receiving the benefits (and still disabled), then the disability pension still continues to be paid to the officer’s survivors.

SB 3082 increases this minimum to \$40,000 per year, beginning July 1, 2026, and applies the change retroactively, ensuring it applies regardless of whether the disability or death occurred before July 1, 2026. The table below shows that hypothetical lower-paid officers 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

Note: This table is for illustrative purposes only and assumes that 65% of salary exceeds the alternative retirement pension otherwise payable.

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.

Currently, the 3% non-compounded COLA ceases if the disabled officer earns income from gainful employment.

SB 3082 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) and the restriction related to income from gainful employment would no longer apply, meaning the disabled officer would qualify for the annual 3% non-

compounded COLA regardless of service credit, time on disability, or income from gainful employment.

These changes would bring the Downstate Police Article into parity with Downstate Fire regarding eligibility for the line-of-duty COLA.

Shifting Contributions for Group Hospital & Medical Plans to Fund

In the event a municipality sponsors a group hospital and medical plan that includes retired police officers and their spouses, current law dictates that deductions shall be made from the annuities of retired officers to contribute toward the premiums required of group plan participants if requested by the officer with a written application.

SB 3082 seeks to amend the law in order to shift the entirety of the cost of the premiums required of participants of the group plan to the fund for disabled officers, if the disabled officer is:

1. Receiving a disability pension on or after the bill becomes law; and
2. An annuitant of a municipality that sponsors a group hospital and medical plan that includes police officers and their spouses.

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