

COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY

PENSION IMPACT NOTE

96TH GENERAL ASSEMBLY

BILL NO: **SB 1674**

February 14, 2011

SPONSOR (S): Raoul

SYSTEM(S): Chicago Park District Pension Fund

FISCAL IMPACT: SB 1674 will have a positive impact on the Chicago Park Pension Fund to the extent that the fund is able to successfully adjudicate subrogation actions taken against third parties who are responsible for the disability of pension fund members.

SUBJECT MATTER: SB 1674 amends the Chicago Park article of the Pension Code to allow the pension fund to pursue subrogation claims against third parties who cause the disability or death of members of the pension fund. In addition, the bill allows for the pension fund to recover disability benefits paid in cases where the disabled annuitant receives a settlement from or a judgment against a third party.

FISCAL IMPACT: SB 1674 will have a positive impact on the Chicago Park Pension Fund to the extent that the fund is able to successfully adjudicate subrogation actions taken against third parties who are responsible for the disability of pension fund members.

COMMENT: SB 1674 stipulates that if a member of the Chicago Park pension fund becomes disabled, the pension fund is authorized to bring legal proceedings against a third party if the third party caused the disability. The bill also specifies that if the disabled employee brings a suit against a third party and obtains a judgment, then the pension fund is entitled to recovery for disability benefits paid to the disabled employee in the form of a claim or lien upon any compensation received by the disabled member, whether by judgment or settlement.

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