



Commission on Government Forecasting and Accountability

PENSION IMPACT NOTE *104th General Assembly*

BILL NO: HB 1820, as amended by HA 001

April 8, 2025

SPONSOR (S): Vella

SYSTEM: Downstate Police & Downstate Fire

FISCAL IMPACT

Data is not available on statewide disability or survivor benefits for Downstate Police and Fire pension funds. According to SERS, there are approximately 400 disability benefits payable at any given time in which a Workers' Comp offset is applied, so this change would be significant if the offset removal were applied to SERS. The retirement system says that there are only a handful of survivor benefits in which a survivor receives a Workers' Comp benefit. Given the higher physical risks associated with police and fire service, it is reasonable to assume that disability benefits are more prevalent in Downstate Police and Fire funds than in SERS. As a result, the fiscal impact of removing the offset in these funds would likely be even greater for disability benefits, while the impact on survivor benefits would remain relatively minor.

IMPACT OF HA 1: HA 001 clarifies that only the surviving spouse can qualify for a disability or survivor's benefit unreduced by any Worker's Comp benefit, as explained below.

SUBJECT MATTER: HB 1820, as amended by HA 001, eliminates the reduction in disability and survivor benefits payable to the surviving spouse of a deceased member of a Downstate Police or Downstate Fire Fund when the spouse is also entitled to corresponding benefits under the Workers' Compensation or Workers' Occupational Diseases Acts, as detailed below.

COMMENT: Under current law, if a member of a Downstate Police or Fire pension fund is entitled to a disability or survivor's benefit and benefits under the Workers' Compensation or Workers' Occupational Diseases Acts for the same issue, the relevant disability or survivor's benefit is reduced on a dollar-for-dollar basis by the amounts received through the

aforementioned programs. Some exceptions do exist in statute. For example, no reductions are applied for payments for medical, surgical, or hospital services, nor are payments reduced for the loss of any bodily member. HB 1820, as amended by HA 001, eliminates all reductions in cases where a disability or survivor benefit is payable to a surviving spouse and Worker's Compensation or Worker's Occupational Diseases Act benefits are payable for the same issue.

HA 001 clarifies that only the surviving spouse would be eligible for a survivor's or disability benefit with no Worker's Comp offset. Under the introduced bill, any designated beneficiary would have been eligible for this unreduced benefit.

ZH:bs

LRB104 06012 RPS 24942 a