

# COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY

## PENSION IMPACT NOTE

### 101ST GENERAL ASSEMBLY

BILL NO: **HB 4638**

February 14, 2020

SPONSOR (S): Davis

SYSTEM(S): Chicago Police Article

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**FISCAL IMPACT:** HB 4638 reduces the total amount of money a police officer who assumes regular employment while collecting disability benefits can receive from 150% of active duty salary to 125%. To the extent that HB 4638 would reduce disability payouts, some savings would be expected. Further analysis would be needed to determine the extent of the savings.

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**SUBJECT MATTER:** HB 4638 amends the Chicago Police Article of the Pension Code to reduce the total amount of compensation a police officer can receive from regular employment while collecting disability benefits from 150% of active duty salary to 125%.

**COMMENT:** Under current law, a police officer receiving disability benefits who assumes regular employment for compensation will have their disability benefits discontinued if they earn more than 150% of their active duty salary. HB 4638 reduces this amount to 125%.

HB 4638 also mandates that each police officer who is granted disability benefits supply to the pension fund a copy of his or her federal and state tax returns within 30 days after filing such returns. The legislation holds that no police officer will have any right to receive disability benefits without doing so. HB 4638 states that police officers have an affirmative obligation to inform the fund if they receive a medical opinion stating they are no longer disabled, and that if the disability ceases, they will have no further right to receive disability benefits and will be returned to active service.

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