

COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY

PENSION IMPACT NOTE

101ST GENERAL ASSEMBLY

BILL NO: **SB 2798**

February 14, 2020

SPONSOR (S): Martwick

SYSTEM(S): Chicago Firefighter Article

FISCAL IMPACT: SB 2798 amends the Chicago Firefighter Article of the Pension Code to entitle firefighters who have been receiving a retirement annuity for fewer than 5 years to an occupational disease disability benefit if they are below compulsory retirement age (63) and have a condition which would otherwise earn them a disability benefit if they were in active duty. To the extent this change would result in disability payouts that exceed the amount of retirement annuities currently being paid in certain situations, it would increase the accrued liabilities of the system. The extent to which duty disability payouts would increase is not known.

SUBJECT MATTER: SB 2798 amends the Chicago Firefighter Article of the Pension Code to entitle firefighters who have been receiving a retirement annuity for fewer than 5 years to an occupational disease disability benefit if they are below compulsory retirement age (63) and have a condition which would otherwise earn them a disability benefit if they were in active duty.

COMMENT: Under current law, firefighters who complete seven or more years of service and are unable to continue in active duty due to a work related injury or illness are entitled to receive an occupational disease disability benefit during the time they are unable to continue in active duty. Under the Chicago Fire article of the Pension Code, an occupational disease disability benefit is equal to 65% of the participant's salary on the date of removal from payroll.

HB 4076 would entitle any firefighter receiving a retirement annuity to an occupational disease disability benefit, provided they:

- Are below compulsory retirement age of 63;
- Have been receiving a retirement annuity for fewer than 5 years, and
- Have a condition which would qualify them for an occupational disease disability benefit if they were in active duty.

A firefighter who receives an occupational disease disability benefit may not also receive a retirement annuity at the same time. The disability benefit will terminate upon the firefighter reaching the compulsory retirement age of 63.

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