



94TH GENERAL ASSEMBLY

State of Illinois

2005 and 2006

SB2022

Introduced 2/25/2005, by Sen. David Luechtefeld

SYNOPSIS AS INTRODUCED:

40 ILCS 5/7-152

from Ch. 108 1/2, par. 7-152

Amends the IMRF Article of the Illinois Pension Code. Provides that, if the Board does not make the reduction while the employee's eligibility is being determined and the participating employee is successful in attaining retroactive disability benefits from Social Security, then the employee must pay the retroactive Social Security benefit directly to the Fund for reimbursement of the disability benefits received during the Social Security appeals process as required by Board rule. Effective immediately.

LRB094 11169 AMC 41822 b

PENSION IMPACT
NOTE ACT MAY
APPLY

1 AN ACT concerning public employee benefits.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The Illinois Pension Code is amended by changing
5 Section 7-152 as follows:

6 (40 ILCS 5/7-152) (from Ch. 108 1/2, par. 7-152)

7 Sec. 7-152. Disability benefits - Amount. The amount of the
8 monthly temporary and total and permanent disability benefits
9 shall be 50% of the participating employee's final rate of
10 earnings on the date disability was incurred, subject to the
11 following adjustments:

12 (a) If the participating employee has a reduced rate of
13 earnings at the time his employment ceases because of
14 disability, the rate of earnings shall be computed on the basis
15 of his last 12 month period of full-time employment.

16 (b) If the participating employee is eligible for a
17 disability benefit under the federal Social Security Act, the
18 amount of monthly disability benefits shall be reduced, but not
19 to less than \$10 a month, by the amount he would be eligible to
20 receive as a disability benefit under the federal Social
21 Security Act, whether or not because of service as a covered
22 employee under this Article. The reduction shall be effective
23 as of the month the employee is eligible for Social Security
24 disability benefits. The Board may make such reduction if it
25 appears that the employee may be so eligible pending
26 determination of eligibility and make an appropriate
27 adjustment if necessary after such determination. If the Board
28 does not make the reduction while the employee's eligibility is
29 being determined and the participating employee is successful
30 in attaining retroactive disability benefits from Social
31 Security, then the employee must pay the retroactive Social
32 Security benefit directly to the Fund for reimbursement of the

1 disability benefits received during the Social Security
2 appeals process as required by Board rule. If the employee,
3 because of his refusal to accept rehabilitation services under
4 the federal Rehabilitation Act of 1973 or the federal Social
5 Security Act, or because he is receiving workers' compensation
6 benefits, has his Social Security benefits reduced or
7 terminated, the disability benefit shall be reduced as if the
8 employee were receiving his full Social Security disability
9 benefit.

10 (c) If the employee (i) is over the age for a full Social
11 Security old-age insurance benefit, (ii) was not eligible for a
12 Social Security disability benefit immediately before reaching
13 that age, and (iii) is eligible for a full Social Security
14 old-age insurance benefit, then the amount of the monthly
15 disability benefit shall be reduced, but not to less than \$10 a
16 month, by the amount of the old-age insurance benefit to which
17 the employee is entitled, whether or not the employee applies
18 for the Social Security old-age insurance benefit. This
19 reduction shall be made in the month after the month in which
20 the employee attains the age for a full Social Security old-age
21 insurance benefit. However, if the employee was receiving a
22 Social Security disability benefit before reaching the age for
23 a full Social Security old-age insurance benefit, the
24 disability benefits after that age shall be determined under
25 subsection (b) of this Section.

26 (d) The amount of disability benefits shall not be reduced
27 by reason of any increase, other than one resulting from a
28 correction in the employee's wage records, in the amount of
29 disability or old-age insurance benefits under the federal
30 Social Security Act which takes effect after the month of the
31 initial reduction under paragraph (b) or (c) of this Section.

32 (e) If the employee in any month receives compensation from
33 gainful employment which is more than 25% of the final rate of
34 earnings on which his disability benefits are based, the
35 temporary disability benefit payable for that month shall be
36 reduced by an amount equal to such excess.

1 (f) An employee who has been disabled for at least 30 days
2 may return to work for the employer on a part-time basis for a
3 trial work period of up to one year, during which the
4 disability shall be deemed to continue. Service credit shall
5 continue to accrue and the disability benefit shall continue to
6 be paid during the trial work period, but the benefit shall be
7 reduced by the amount of earnings received by the disabled
8 employee. Return to service on a full-time basis shall
9 terminate the trial work period. The reduction under this
10 subsection (f) shall be in lieu of the reduction, if any,
11 required under subsection (e).

12 (g) Beginning January 1, 1988, every total and permanent
13 disability benefit shall be increased by 3% of the original
14 amount of the benefit, not compounded, on each January 1
15 following the later of (1) the date the total and permanent
16 disability benefit begins, or (2) the date the total and
17 permanent disability benefit would have begun if the employee
18 had been paid a temporary disability benefit for 30 months.

19 (Source: P.A. 92-424, eff. 8-17-01.)

20 Section 99. Effective date. This Act takes effect upon
21 becoming law.