



## 104TH GENERAL ASSEMBLY

### State of Illinois

2025 and 2026

HB2868

Introduced 2/6/2025, by Rep. Amy Elik

#### SYNOPSIS AS INTRODUCED:

40 ILCS 5/7-150 from Ch. 108 1/2, par. 7-150  
40 ILCS 5/7-152  
30 ILCS 805/8.49 new

Amends the Illinois Municipal Retirement Fund (IMRF) Article of the Illinois Pension Code. In a provision concerning eligibility for total and permanent disability benefits, provides that if the participating employee was a sheriff's law enforcement employee at the time disability was incurred, the participating employee shall be deemed to have engaged in gainful activity only if that participating employee is employed as a sheriff's law enforcement employee or in a substantially similar capacity. Provides that the amount of the monthly total and permanent disability benefit shall be 100% of the final rate of earnings on the date disability was incurred if the participating employee was a sheriff's law enforcement employee at the time disability was incurred. Provides that a person who was a sheriff's law enforcement employee at the time disability was incurred may receive earnings from a participating municipality or participating instrumentality if that person is not employed as a sheriff's law enforcement employee because of any medically determinable physical or mental impairment which can be expected to result in death or be of a long continued and indefinite duration. Provides that such a person must report to the Fund, in a form and manner prescribed by the Fund, the amount of earnings received for that employment, and the amount of the disability benefits to which that person is entitled shall be reduced by the amount of earnings received for that employment. Amends the State Mandates Act to require implementation without reimbursement. Effective immediately.

LRB104 12044 RPS 22139 b

STATE MANDATES  
ACT MAY REQUIRE  
REIMBURSEMENT

A BILL FOR

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  
5 changing Sections 7-150 and 7-152 as follows:

6 (40 ILCS 5/7-150) (from Ch. 108 1/2, par. 7-150)

7 Sec. 7-150. Total and permanent disability benefits;  
8 eligibility ~~benefits~~ ~~Eligibility~~. Total and permanent  
9 disability benefits shall be payable to participating  
10 employees as hereinafter provided, including those employees  
11 receiving disability benefit on July 1, 1962.

12 (a) A participating employee shall be considered totally  
13 and permanently disabled if:

14 1. He is unable to engage in any gainful activity  
15 because of any medically determinable physical or mental  
16 impairment which can be expected to result in death or be  
17 of a long continued and indefinite duration, other than as  
18 a result of self-inflicted injury or addiction to narcotic  
19 drugs; if the participating employee was a sheriff's law  
20 enforcement employee at the time disability was incurred,  
21 the participating employee shall be deemed to have engaged  
22 in gainful activity only if that participating employee is  
23 employed as a sheriff's law enforcement employee or in a

1           substantially similar capacity;

2           2. The Board has received a written certification by  
3           at least 1 licensed and practicing physician stating that  
4           the employee meets the qualifications of subparagraph 1 of  
5           this paragraph (a).

6           (b) A totally and permanently disabled employee is  
7           entitled to a permanent disability benefit provided:

8           1. He has exhausted his temporary disability benefits.

9           2. He:

10           (i) has at least one year of service immediately  
11           preceding the date the disability was incurred and has  
12           made contributions to the fund for at least the number  
13           of months of service normally required in his position  
14           during a 12 month period, or has at least 5 years of  
15           service credit, the last year of which immediately  
16           preceded the date the disability was incurred; or

17           (ii) had qualified under clause (i) above, but had  
18           an interruption in service of not more than 3 months in  
19           the 12 months preceding the date the temporary  
20           disability was incurred and was not paid a separation  
21           benefit; or

22           (iii) had qualified under clause (i) above, but  
23           had an interruption after 20 or more years of  
24           creditable service, was not paid a separation benefit,  
25           and returned to service prior to the date the  
26           disability was incurred.

1           Item (iii) of this subdivision shall apply to all  
2 employees whose disabilities were incurred on or after  
3 July 1, 1985, and any such employee who becomes eligible  
4 for a disability benefit under item (iii) shall be  
5 entitled to receive a lump sum payment of any accumulated  
6 disability benefits which may accrue from the date the  
7 disability was incurred until the effective date of this  
8 amendatory Act of 1987.

9           Periods of qualified leave granted in compliance with  
10 the federal Family and Medical Leave Act shall be ignored  
11 for purposes of determining the number of consecutive  
12 months of employment under this subdivision (b)2.

13           3. He is receiving no earnings from a participating  
14 municipality or instrumentality thereof or participating  
15 instrumentality, except as allowed under subsection (f) or  
16 (f-5) of Section 7-152.

17           4. He has not refused to submit to a reasonable  
18 physical examination by a physician appointed by the  
19 Board.

20           5. His disability is not the result of a mental or  
21 physical condition which existed on the earliest date of  
22 service from which he has uninterrupted service, including  
23 prior service, at the date of his disability, provided  
24 that this limitation shall not be applicable to a  
25 participating employee who, without receiving a disability  
26 benefit, receives 5 years of creditable service.

1           6. He is not separated from the service of his  
2           employing participating municipality or instrumentality  
3           thereof or participating instrumentality on the date his  
4           temporary disability was incurred; for the purposes of  
5           payment of total and permanent disability benefits, a  
6           participating employee, whose employment relationship is  
7           terminated by his employing municipality, shall be deemed  
8           not to be separated from the service of his employing  
9           municipality or participating instrumentality if he  
10          continues disabled by the same condition and so long as he  
11          is otherwise entitled to such disability benefit.

12          7. He has not refused to apply for a disability  
13          benefit under the Federal Social Security Act at the  
14          request of the Board.

15          8. He has not failed or refused to consent to and sign  
16          an authorization allowing the Board to receive copies of  
17          or to examine his medical and hospital records.

18          9. He has not failed or refused to provide complete  
19          information regarding any other employment for  
20          compensation he has received since becoming disabled.

21          (c) A participating employee shall remain eligible and may  
22          make application for a total and permanent disability benefit  
23          within 90 days after the termination of his temporary  
24          disability benefits or within such longer period terminating  
25          at the end of the period during which his employing  
26          municipality is prevented from employing him by reason of any

1 statutory prohibition.

2 (Source: P.A. 101-151, eff. 7-26-19.)

3 (40 ILCS 5/7-152)

4 Sec. 7-152. Disability benefits; amount ~~benefits~~ ~~Amount~~.

5 The amount of the monthly temporary and total and permanent  
6 disability benefits shall be 50% of the participating  
7 employee's final rate of earnings on the date disability was  
8 incurred (however, if the participant was a sheriff's law  
9 enforcement employee on the date disability was incurred, then  
10 the amount of the monthly total and permanent disability  
11 benefits shall be 100% of the final rate of earnings on the  
12 date disability was incurred), subject to the following  
13 adjustments:

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

18 (b) If the participating employee is eligible for a  
19 disability benefit under the federal Social Security Act, the  
20 amount of monthly disability benefits shall be reduced, but  
21 not to less than \$10 a month, by the amount he would be  
22 eligible to receive as a disability benefit under the federal  
23 Social Security Act, whether or not because of service as a  
24 covered employee under this Article. The reduction shall be  
25 effective as of the month the employee is eligible for Social

1 Security disability benefits. The Board may make such  
2 reduction if it appears that the employee may be so eligible  
3 pending determination of eligibility and make an appropriate  
4 adjustment if necessary after such determination. If the  
5 employee, because of his refusal to accept rehabilitation  
6 services under the federal Rehabilitation Act of 1973 or the  
7 federal Social Security Act, or because he is receiving  
8 workers' compensation benefits, has his Social Security  
9 benefits reduced or terminated, the disability benefit shall  
10 be reduced as if the employee were receiving his full Social  
11 Security disability benefit.

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

1 determined under subsection (b) of this Section.

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

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

13 (f) An employee who has been disabled for at least 30 days  
14 may return to work for the employer on a part-time basis for a  
15 trial work period of up to one year, during which the  
16 disability shall be deemed to continue. Service credit shall  
17 continue to accrue and the disability benefit shall continue  
18 to be paid during the trial work period, but the benefit shall  
19 be reduced by the amount of earnings received by the disabled  
20 employee. Return to service on a full-time basis shall  
21 terminate the trial work period. The reduction under this  
22 subsection (f) shall be in lieu of the reduction, if any,  
23 required under subsection (e).

24 (f-5) A person who was a sheriff's law enforcement  
25 employee at the time disability was incurred may receive  
26 earnings from a participating municipality or participating

1 instrumentality if that person is not employed as a sheriff's  
2 law enforcement employee because of any medically determinable  
3 physical or mental impairment that can be expected to result  
4 in death or be of a long continued and indefinite duration.  
5 However, that person must report to the Fund, in a form and  
6 manner prescribed by the Fund, the amount of earnings received  
7 for that employment, and the amount of the disability benefits  
8 to which that person is entitled shall be reduced by the amount  
9 of earnings received for that employment.

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

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

18 Section 90. The State Mandates Act is amended by adding  
19 Section 8.49 as follows:

20 (30 ILCS 805/8.49 new)

21 Sec. 8.49. Exempt mandate. Notwithstanding Sections 6 and  
22 8 of this Act, no reimbursement by the State is required for  
23 the implementation of any mandate created by this amendatory  
24 Act of the 104th General Assembly.

1           Section 99. Effective date. This Act takes effect upon  
2    becoming law.