



ISSUE BRIEF

House Bill 3446: Disability Eligibility

IMRF Position:
SUPPORT

Sponsor(s):
Representative Robinson

Proposed Change in the Law

Allow members to retain disability eligibility if they have a break in service of not more than 3 months during the 12 months preceding the date the disability occurred. Currently, members only retain eligibility if they return to participation with the same participating employer.

Reasons for Position

Since disability is a pooled liability, there is no liability or cost difference if the member returns to the same or to a new employer. Therefore, the current requirement that the member must return to the same employer is arbitrary and does not have a rational basis. The disability rate for all employers for 2019 is only 0.08% of payroll (IMRF participating payroll only).

Of the 1823 disability denials IMRF issued in 2017 and 2018, only three would have fallen under the provisions of this proposal. If a member is deemed ineligible for disability benefits, no determination would have been made on whether these member's had a disabling condition that qualified them for disability benefits. Therefore, it is possible that one or more of these members would still not have been qualified for benefits if a medical review had taken place.

Even if all three of these members would have ultimately been found eligible for disability benefits, the cost of the benefits when divided amongst the entire pool would be negligible and would not have affected the employer rate paid for disability benefits. It would not require any changes to the current procedures or assumptions for disability by our actuaries.

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