

Senate Bill 3651:

Accelerated Payment - Workers' Compensation

IMRF Position: SUPPORT

Sponsor:

Senator Karina Villa Representative Maura Hirschauer

Proposed Change in the Law

This bill would create an exemption from the Accelerated Payment (AP) increases in reported earnings that are due to a member receiving workers' compensation payments

Reasons for Position

Like the other statewide Illinois public pension systems, IMRF employers are required to immediately pay the employer cost of a pension due to the member's reported earnings increasing by more than 6% in any of the 12-month periods making of the final rate of earnings period. Unlike the other systems, however, IMRF employers are always liable for these amounts and this requirement affects only the timing of the payment for our employers and not the employers' liability.

Workers' compensation payments are required by law to be paid to the member. They are also, by statute, not considered reportable earnings. If a member receives workers' compensation payments and then returns to his/her position, his/her reportable earnings will often increase by more than 6%, triggering the AP charge. Intent is not a factor in determining whether an AP is due.

This bill would allow employers to have more flexibility in determining how to structure their IMRF payments. It would not shift the payment responsibility to any other party nor would it change the overall employer liability.