

AN ACT concerning public employee benefits.

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

Section 5. The Illinois Pension Code is amended by changing Sections 14-123, 14-123.1, 14-124, 14-125, and 14-127 and by adding Sections 14-103.42 and 14-124.5 as follows:

(40 ILCS 5/14-103.42 new)

Sec. 14-103.42. Licensed health care professional.  
"Licensed health care professional": Any individual who has obtained a license through the Department of Financial and Professional Regulation under the Medical Practice Act of 1987, under the Physician Assistant Practice Act of 1987, or under the Clinical Psychologist Licensing Act or an advanced practice nurse licensed under the Nurse Practice Act.

(40 ILCS 5/14-123) (from Ch. 108 1/2, par. 14-123)

Sec. 14-123. Occupational disability benefits. A member who becomes incapacitated to perform the duties of his position as the proximate result of bodily injuries sustained or a hazard undergone while in the performance and within the scope of the member's duties, shall receive an occupational disability benefit; provided:

(a) application is made ~~within 12 months~~ after the date

that such disability results in the loss of pay, or ~~12 months~~ after the date that the Illinois Workers' Compensation Commission rules on the application for an occupational disability, or ~~12 months~~ after the occurrence of disablement if an occupational disease; and

(b) proper proof is received from one or more licensed health care professionals ~~physicians~~ designated by the Board certifying that the member is mentally or physically incapacitated.

The benefit shall be 75% of the member's final average compensation at date of disability and shall be payable until the first of the following dates occurs:

- (1) the date on which disability ceases;
- (2) the date on which the member engages in gainful employment;
- (3) the end of the month in which the member attains age 65, in the case of benefits commencing prior to attainment of age 60;
- (4) the end of the month following the fifth anniversary of the effective date of the benefit, or of the temporary disability benefit if one was received, in the case of benefits commencing on or after attainment of age 60; or
- (5) the end of the month in which the death of the member occurs.

At the end of the month in which the benefits cease as

prescribed in paragraphs (3) or (4) above, if the member is still disabled, he shall become entitled to a retirement annuity and the minimum period of service prescribed for the receipt of such annuity shall be waived.

In the event that a temporary disability benefit has been received, the benefit paid under this Section shall be subject to adjustment by the Board under Section 14-123.1.

The Board shall prescribe rules and regulations governing the filing of claims for occupational disability benefits, and the investigation, control and supervision of such claims.

(Source: P.A. 93-721, eff. 1-1-05.)

(40 ILCS 5/14-123.1) (from Ch. 108 1/2, par. 14-123.1)

Sec. 14-123.1. Temporary disability benefit.

(a) A member who has at least 18 months of creditable service and who becomes physically or mentally incapacitated to perform the duties of his position shall receive a temporary disability benefit, provided that:

(1) the agency responsible for determining the liability of the State (i) has formally denied all employer-paid temporary total disability benefits under the Workers' Compensation Act or the Workers' Occupational Diseases Act and an appeal of that denial is pending before the Illinois Workers' Compensation Commission, or (ii) has granted and then terminated for any reason an employer-paid temporary total disability benefit and the member has filed

a petition for ~~a emergency~~ hearing under Section 19(b) or Section 19(b-1) of the Workers' Compensation Act or Section 19(b) or Section 19(b-1) of the Workers' Occupational Diseases Act; ~~and~~

(2) application is made ~~not later than (i) 12 months~~ after the date that the disability results in loss of pay, ~~and (ii) 12 months~~ after the date the agency responsible for determining the liability of the State under the Workers' Compensation Act or Workers' Occupational Diseases Act has formally denied or terminated the employer-paid temporary total disability benefit; ~~and, or (iii) in the case of termination of an employer-paid temporary total disability benefit, 12 months after the effective date of this amendatory Act of 1995, whichever occurs last; and~~

(3) proper proof is received from one or more licensed health care professionals ~~physicians~~ designated by the Board certifying that the member is mentally or physically incapacitated.

(b) In the case of a denial of benefits, the temporary disability benefit shall begin to accrue on the 31st day of absence from work on account of disability, but the benefit shall not become actually payable to the member until the expiration of 31 days from the day upon which the member last received or had a right to receive any compensation.

In the case of termination of an employer-paid temporary

total disability benefit, the temporary disability benefit under this Section shall be calculated from the day following the date of termination of the employer-paid benefit or the 31st day of absence from work on account of disability, whichever is later, but shall not become payable to the member until (i) the member's right to an employer-paid temporary total disability benefit is denied as a result of the ~~emergency~~ hearing held under Section 19(b) or Section 19(b-1) of the Workers' Compensation Act or Section 19(b) or Section 19(b-1) of the Workers' Occupational Diseases Act or (ii) the expiration of 30 ~~150~~ days from the date of termination of the employer-paid benefit, whichever occurs first. If a terminated employer-paid temporary total disability benefit is resumed or replaced with another employer-paid disability benefit and the resumed or replacement benefit is later terminated and the member again files a petition for a ~~an emergency~~ hearing under Section 19(b) or Section 19(b-1) of the Workers' Compensation Act or Section 19(b) or Section 19(b-1) of the Workers' Occupational Diseases Act, the member may again become eligible to receive a temporary disability benefit under this Section. The waiting period before the temporary disability benefit under this Section becomes payable applies each time that the benefit is reinstated.

The benefit shall continue to accrue until the first of the following events occurs:

- (1) the disability ceases;

(2) the member engages in gainful employment;

(3) the end of the month in which the member attains age 65, in the case of benefits commencing prior to attainment of age 60;

(4) the end of the month following the fifth anniversary of the effective date of the benefit in the case of benefits commencing on or after attainment of age 60;

(5) the end of the month in which the death of the member occurs;

(6) the end of the month in which the aggregate period for which temporary disability payments have been made becomes equal to 1/2 of the member's total period of creditable service, not including the time for which he has received a temporary disability benefit or nonoccupational disability benefit; for purposes of this item (6) only, in the case of a member to whom Section 14-108.2a or 14-108.2b applies and who, at the time disability commences, is performing services for the Illinois Department of Public Health or the Department of State Police relating to the transferred functions referred to in that Section and has less than 10 years of creditable service under this Article, the member's "total period of creditable service" shall be augmented by an amount equal to (i) one half of the member's period of creditable service in the Fund established under Article 8 (excluding any creditable

service over 20 years), minus (ii) the amount of the member's creditable service under this Article;

(7) a payment is made on the member's claim pursuant to a determination made by the agency responsible for determining the liability of the State under the Workers' Compensation Act or the Workers' Occupational Diseases Act;

(8) a final determination is made on the member's claim by the Illinois Workers' Compensation Commission.

(c) The temporary disability benefit shall be 50% of the member's final average compensation at the date of disability.

If a covered employee is eligible under the Social Security Act for a disability benefit before attaining the Social Security full retirement age 65, or a retirement benefit on or after attaining the Social Security full retirement age 65, then the amount of the member's temporary disability benefit shall be reduced by the amount of primary benefit the member is eligible to receive under the Social Security Act, whether or not such eligibility came about as the result of service as a covered employee under this Article. The Board may make such reduction pending a determination of eligibility if it appears that the employee may be so eligible, and shall make an appropriate adjustment if necessary after such determination has been made. The amount of temporary disability benefit payable under this Article shall not be reduced by reason of any increase in benefits payable under the Social Security Act

which occurs after the reduction required by this paragraph has been applied. As used in this subsection, "Social Security full retirement age" means the age at which an individual is eligible to receive full Social Security retirement benefits.

(d) The temporary disability benefit provided under this Section is intended as a temporary payment of occupational or nonoccupational disability benefit, whichever is appropriate, in cases in which the occupational or nonoccupational character of the disability has not been finally determined.

When an employer-paid disability benefit is paid or resumed, the Board shall calculate the benefit that is payable under Section 14-123 and shall deduct from the benefit payable under Section 14-123 the amounts already paid under this Section; those amounts shall then be treated as if they had been paid under Section 14-123.

When a final determination of the character of the disability has been made by the Illinois Workers' Compensation Commission, or by settlement between the parties to the disputed claim, the Board shall calculate the benefit that is payable under Section 14-123 or 14-124, whichever is applicable, and shall deduct from such benefit the amounts already paid under this Section; such amounts shall then be treated as if they had been paid under such Section 14-123 or 14-124.

(e) Any excess benefits paid under this Section shall be subject to recovery by the System from benefits payable under



the Workers' Compensation Act or the Workers' Occupational Diseases Act or from third parties as provided in Section 14-129, or from any other benefits payable either to the member or on his behalf under this Article. A member who accepts benefits under this Section acknowledges and authorizes these recovery rights of the System.

(f) Service credits under the State Universities Retirement System and the Teachers' Retirement System of the State of Illinois shall be considered for the purposes of determining temporary disability benefit eligibility under this Section, and for determining the total period of time for which such benefits are payable.

(g) The Board shall prescribe rules and regulations governing the filing of claims for temporary disability benefits, and the investigation, control and supervision of such claims.

(h) References in this Section to employer-paid benefits include benefits paid for by the State, either directly or through a program of insurance or self-insurance, whether paid through the member's own department or through some other department or entity; but the term does not include benefits paid by the System under this Article.

(Source: P.A. 93-721, eff. 1-1-05.)

(40 ILCS 5/14-124) (from Ch. 108 1/2, par. 14-124)

Sec. 14-124. Nonoccupational disability benefit. A member

with at least 1 1/2 years of creditable service may be granted a nonoccupational disability benefit, if:

(1) application for the benefit is made to the system by the member in writing after the commencement of disability;

(2) the member is found upon medical examination to be mentally or physically incapacitated to perform the duties of the member's position;

(3) the disability resulted from a cause other than an injury or illness sustained in connection with the member's performance of duty as a State employee;

(4) the member has been granted a leave of absence for disability at the time of commencement of disability. Renewal of a disability leave of absence shall not be required for the continued payment of benefits; and

(5) the member has used all accumulated sick leave available at the beginning of the leave of absence for disability.

The benefit shall begin to accrue on the latest of (i) the 31st day of absence from work on account of disability (including any periods of such absence for which sick pay was received); or (ii) the day following the day on which the member last receives or has a right to receive any compensation as an employee, including any sick pay.; ~~or (iii) if application by the member is delayed more than 90 days after the member's name is removed from the payroll, the date~~

~~application is received by the system.~~ The benefit shall continue to accrue until the first of the following to occur:

(a) the date on which disability ceases;

(b) the end of the month in which the member attains age 65 in the case of benefits commencing prior to attainment of age 60;

(c) the end of the month following the fifth anniversary of the effective date of the benefit, or of the temporary disability benefit if one was received, in the case of benefits commencing on or after attainment of age 60;

(d) the end of the month in which the aggregate period for which non-occupational disability and temporary disability benefit payments have been made becomes equal to 1/2 of the member's total period of creditable service, not including the time during which he has received a temporary disability benefit or nonoccupational disability benefit; for purposes of this item (d) only, in the case of a member to whom Section 14-108.2a or 14-108.2b applies and who, at the time disability commences, is performing services for the Illinois Department of Public Health or the Department of State Police relating to the transferred functions referred to in that Section and has less than 10 years of creditable service under this Article, the member's "total period of creditable service" shall be augmented by an amount equal to (i) one half of the member's period of

creditable service in the Fund established under Article 8 (excluding any creditable service over 20 years), minus (ii) the amount of the member's creditable service under this Article;

(e) the date on which the member engages in gainful employment;

(f) the end of the month in which the death of the member occurs.

If disability has ceased and the member again becomes disabled within 60 days from date of resumption of State employment, and if the disability is due to the same cause for which he received nonoccupational disability benefit immediately preceding such reentry into service, the 30 days waiting period prescribed for the receipt of benefits is waived as to such new period of disability.

A member shall be considered disabled only when the board has received:

(a) a written certificate by one or more licensed health care professionals ~~and practicing physicians~~ designated by the board, certifying that the member is disabled and unable properly to perform the duties of his position at the time of disability; and

(b) the employee certifies that he is not and has not been engaged in gainful employment.

The board shall prescribe rules and regulations governing the filing of claims for nonoccupational disability benefits,

and the investigation, control and supervision of such claims.

Service credits under the State Universities Retirement System and the Teachers' Retirement System of the State of Illinois shall be considered for the purposes of nonoccupational disability benefit eligibility under this Article and for the total period of time for which such benefits are payable.

(Source: P.A. 88-535; 89-246, eff. 8-4-95.)

(40 ILCS 5/14-124.5 new)

Sec. 14-124.5. Reports submitted to the System by licensed health care professionals. A licensed health care professional must submit his or her registration number on all reports submitted to the System.

(40 ILCS 5/14-125) (from Ch. 108 1/2, par. 14-125)

Sec. 14-125. Nonoccupational disability benefit - Amount of. The nonoccupational disability benefit shall be 50% of the member's final average compensation at the time disability occurred. In the case of a member whose benefit was resumed due to the same disability, the amount of the benefit shall be the same as that last paid before resumption of State employment. In the event that a temporary disability benefit has been received, the nonoccupational disability benefit shall be subject to adjustment by the Board under Section 14-123.1.

If a covered employee is eligible for a disability benefit

before attaining the Social Security full retirement age ~~65~~ or a retirement benefit on or after attaining the Social Security full retirement age ~~65~~ under the Federal Social Security Act, the amount of the member's nonoccupational disability benefit shall be reduced by the amount of primary benefit the member would be eligible to receive under such Act, whether or not entitlement thereto came about as the result of service as a covered employee under this Article. The Board may make such reduction if it appears that the employee may be so eligible pending determination of eligibility and make an appropriate adjustment if necessary after such determination. The amount of any nonoccupational disability benefit payable under this Article shall not be reduced by reason of any increase under the Federal Social Security Act which occurs after the offset required by this Section is first applied to that benefit.

As used in this subsection, "Social Security full retirement age" means the age at which an individual is eligible to receive full Social Security retirement benefits.

(Source: P.A. 84-1028.)

(40 ILCS 5/14-127) (from Ch. 108 1/2, par. 14-127)

Sec. 14-127. Credit during disability. During any period of disability for which nonoccupational, occupational or temporary disability benefits are paid, there shall be credited to the account of the disabled member amounts representing the contributions the member would have made had he or she remained

in active employment in the same position and at the rate of compensation in effect at the time disability occurred. Service credit shall also be granted ~~him~~ during any such periods of disability for all purposes of this Article except for measuring the duration of nonoccupational and temporary disability benefits. The resolution of a temporary disability benefit into an occupational or nonoccupational disability benefit shall not entitle the disabled member to receive duplicate contribution and service credit under this Section for the period during which the temporary disability benefit was paid.

(Source: P.A. 84-1028.)

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