

Factors Involved in Pension Legislation For Governmental Employees

(Last Installment)

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Disability Benefits*

Disability benefits are of two main types: (a) benefits for disability in line of duty, and (b) benefits for ordinary or non-service disability. Responsibility on the part of the governmental unit is different in the two cases, but both are designed to serve the general purpose of improving the service by removing employees who have become wholly or partly incapacitated, raising the morale of the service, making more attractive the terms of employment in order to encourage retention in the service of capable men and to reduce turnover in personnel. In addition to these aims the duty disability provision involve recognizing the responsibility on the part of the employer for accidents or disease due to the occupation.

The risks of duty disability are obviously much greater with certain types of employment than with others and for this reason it is considered important to provide for benefits for duty disability at least as regards somewhat hazardous occupations, such as those of firemen and police. As the coverage under public employee pension systems becomes more general, however, and emphasis is shifted to the security aspect of pensions this consideration becomes of less importance. The more comprehensive of the systems today provide for permanent disability payments whether or not disability was in line of duty, but generally a distinction is made in the amount of benefit paid and in the division of the costs

as between the employer and employee.

Service - connected disabilities can normally be compensated under the separate acts relative to workmen's compensation and occupational diseases.

Under the Illinois plans no salary deductions are made to provide benefits for duty disability, the entire contribution on this account being made by the governmental unit. Also, during the period in which an employee is disabled, the employer contributes, in addition to regular employer contributions, amounts equal to the employee's salary deductions for the retirement system, so that the employee's annuity rights are not impaired by his disability or absence from the service. The costs of providing benefits for non-service disability are commonly shared by the employer and employee.

Payments on account of ordinary disability are generally made determinate upon a minimum length of service, usually five years, before eligibility may be attained. Responsibility of the governmental unit, however, for duty disability is a direct responsibility and begins at the time an employee enters the service.

The more important questions which arise in the payment of disability benefits are: (1) determining the extent of disability that will entitle the employee to benefits, and (2) determining the amount of payments for employees who are forced to retire because of accident or illness. Pension systems may provide that disability benefits are to be paid only for complete and permanent disability or may provide that the benefits will also be paid for partial disability in an amount somewhat proportional to the extent of the disability

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