

or the loss of earning power of the employee. Systems which incorporate the latter features must be administered with a great degree of flexibility and they present the further problem of providing adequate safeguards against fraud and malingering. For this reason, some of the pension systems provide for payments from the pension fund only for complete and long-term disability, and make provision for payments in other contingencies through sick-leave allowances, by a system of group insurance, or the operation of a separate fund. It is generally agreed that payments for temporary disability should not be made a part of the pension plan.

The amount of payments should take into consideration at least the extent of the disability and the minimum subsistence required for disabled employees. The amount of payments should be sufficiently large to accomplish the elimination of disabled from the service, and small enough to discourage malingering and fraud.

#### *Death Benefits*

Claims for death benefits arise under two main contingencies: for death due to some cause traceable to the occupation, and for death from causes not connected with the service. Benefits for death not connected with the service are less common than benefits on account of service-connected death, largely because of the fact that the governmental unit has no direct responsibility as is the case where death is due to the occupation. However, the provision of death benefits without regard to cause of death is in accord with the current emphasis on economic security for the employee and his family.

Death benefits are of several different types, classified according to whether the payments are in the form

of: (1) a return of the employee's contributions with accumulated interest to his dependents or his estate; (2) an annuity to the widow of the employee, based upon the amount of his salary or the length of service, or both; (3) payments to the widow, plus an allowance for each dependent child, or payments to dependent children left without parents, or (4) in case there are no dependents of any kind, payments for the burial expenses for the employee.

For accidental death in line of duty the responsibility of the employer is greater than for death from ordinary causes and the amount of the payments is normally corresponding greater. Generally there is provision to the effect that if there are payments under workmen's compensation laws these are offset against pension payments otherwise provided. The minimum payment on account of death should be the amount of the employee's contributions plus accumulated interest and less a deduction to cover the cost of protection which the employee has already enjoyed under an insurance benefit. In addition to this, however, special benefits are in most cases desirable.

#### *Refunds*

In cases of dismissal or resignation from the service before eligibility for retirement on a pension, provision is usually made for a refund to the employee of his accumulated contributions. Apart from the non-contributory systems, three of the Illinois pension statutes make no provision for refunds of the contributions of employees in case of withdrawal from the service. These are the downstate police and firemen's pension systems and the fire insurance patrolmen's system, all operating on the stipulated annuity basis. The allocation reserve plans provide for a full refund of regular annuity con-

(Continued on page 37)