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FISCAL IMPACT STATEMENT

LS 6649 | **NOTE PREPARED:** Feb 16, 2006
BILL NUMBER: SB 206 | **BILL AMENDED:** Jan 30, 2006

SUBJECT: Public Safety Disability Pensions.

FIRST AUTHOR: Sen. Drozda | **BILL STATUS:** CR Adopted - 2nd House
FIRST SPONSOR: Rep. Buell

FUNDS AFFECTED: **GENERAL** **DEDICATED** **FEDERAL** | **IMPACT:** Local

Summary of Legislation: (Amended) This bill creates a presumption that a police officer, firefighter, or emergency medical services provider who incurs a disability from certain cancers or a heart or lung disease while actively employed has incurred a disability in the line of duty. It excludes the use of the presumption by a police officer, firefighter, or emergency medical services provider who, at any time during the individual's employment with the state or a political subdivision, uses tobacco products in any form. The bill allows a meeting or hearing held to rebut the presumption to be held as an executive session. It provides that a line-of-duty disability benefit retains the status of a disability benefit for the life of the disabled member.

Effective Date: July 1, 2006.

Explanation of State Expenditures:

Explanation of State Revenues:

Explanation of Local Expenditures: For the 1925 Police Pension Fund, the 1937 Firefighters' Pension Fund, and the 1953 Police Pension Fund (Indianapolis), this legislation does not expand the eligibility for disability nor does it affect the amount of disability benefits. It is estimated that this proposal would not create any actuarial fiscal impact.

For the 1977 Police and Fire Pension Fund, for the members hired after December 31, 1989, it is possible that this proposal could expand the eligibility for Class 1 or Class 2 disability (previously considered Class 3 disabilities could become Class 1 or Class 2 disabilities). However, the actuarial funding for disability for these members conservatively assumes that all disabilities are either Class 1 or Class 2. Therefore, because of the

conservatism of this actuarial assumption with respect to disabilities, any fiscal impact of this proposal would not result in an increase in funding or a decrease in the funded status of the 1977 Police and Fire Fund.

Explanation of Local Revenues:

State Agencies Affected: Public Employees' Retirement Fund as administrators of the 1977 Police and Fire Fund.

Local Agencies Affected: Those units with members in the respective funds.

Information Sources: Doug Todd of McCready & Keane, Inc., actuaries for PERF and the Police and Fire Funds, 317-576-1508.

Fiscal Analyst: James Sperlik, 317-232-9866.