



COUNTY OF WINNEBAGO

Office of the County Auditor

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April 5th, 2017

To: Karen Sanchez, Partner-in-Charge, Employee Benefits
From: Bryan Cutler, Winnebago County Chief Deputy Auditor
RE: Public Employees Disability Act

It was very nice speaking to you on the phone today. As we discussed the County Auditor's Office has initiated an internal audit of the application of the Public Employee Disability Act between the dates of 1-1-14 and 2-28-17. We believe that within this time period twenty-four Sheriff Deputies suffered an injury in the line of duty which caused each individual to be unable to perform his or her duties.

The Public Employee Disability Act (5 ILCS 345) states that "Whenever an eligible employee suffers any injury in the line of duty which causes him to be unable to perform his duties, he shall continue to be paid by the employing public entity on the same basis as he was paid before the injury, with no deduction from his sick leave credits, compensatory time for overtime accumulations or vacation, or service credits in a public employee pension fund during the time he is unable to perform his duties due to the result of the injury, but not longer than one year in relation to the same injury."

Winnebago County Human Resources current practice is to have the Sheriff's office compensate Deputies injured in the line of duty by paying them regular hours through payroll for a period of up to one year. All payments are reported to the IRS as regular earnings and all applicable payroll taxes and retirement contributions are deducted from gross pay.

The Winnebago County Auditor's Office is seeking your opinion on the following:

- Our research indicates that payments made to Sheriff Deputies injured in the line of duty should be paid as or similar to workers compensation with no deduction for payroll taxes or retirement contributions. Do you agree?
- Our research indicates that individuals may file an amended Federal tax return within 3 years after the date the return was originally filed. Assuming we are correct regarding the payment of workers compensation to Sheriff Deputies, the County Auditor's Office believes Winnebago County should amend all tax filings with the IRS, Social Security Administration and the Illinois Department of Revenue and issue new W-2's to the impacted employees for calendar years 2014, 2015 and 2016. Any calendar year 2017 items should be corrected in the current year. Do you agree?
- Do you have any other considerations we may want to take into consideration during the completion of our internal audit?

Please let me know if you have any questions at 815-319-4207 or bcutler@wincoil.us. We appreciate your assistance.

Thank you

It is our mission to provide high quality services and promote a safe community for all people in Winnebago County.