

Revenue Proposal: *Transitional Return-to-Work for Employees with Workers' Compensation*

Proposal Overview

The proposal outlines a Return-to-Work Program aimed at introducing a transitional duty policy for City of Chicago employees receiving workers' compensation. The program would allow eligible employees to return to work in a modified or light-duty capacity while recovering from injuries, rather than remaining completely off duty until fully cleared. Notably, a key feature of the program would be the creation of a light-duty job bank to align employee capacities with department needs.

Context

The City of Chicago's current workers' compensation system lacks a modified or light-duty return-to-work option, which is widely used across industries to help injured employees return to work sooner. Studies [show](#) they reduce time off and support recovery, making them a [standard practice](#) across sectors. The existing program [requires](#) employees to be fully cleared for regular duty before returning to work. This proposal would allow employees with partial recovery -- such as those with mobility limitations or other temporary restrictions -- to engage in meaningful work (e.g., desk duties, remote work). Such an option for employees would facilitate their recovery while ensuring the employee is contributing to City operations. The absence of a transitional light-duty policy leads to longer absences from the workforce and missed opportunities for employees to contribute productively during recovery. By allowing for a gradual return to work, the City can improve employee morale, reduce long-term disability risks, and achieve operational efficiencies.

In 2018 alone, the City of Chicago's workers' compensation program cost over [\\$93 million](#), highlighting the substantial financial burden the system places on the City.

Estimated Revenue

The primary purpose of this proposal is not revenue generation, but rather, this initiative could result in cost savings.

Implementation & Stakeholders

This change may require changes to the Municipal Code; upon analysis from the Department of Law, an amending ordinance may need to be drafted. A shift to "light work" for employees transitioning back to full working schedules following receiving workers' compensation will impact all City departments and employees covered by the workers' compensation program.

Responsible departments

- **Department of Human Resources:** primary oversight; develop new processes for employees receiving compensation and coordinate internal communication for impacted employees; manage transition process
- **Department of Law:** review authority for administrative changes under the City's existing rulemaking authority; support for ordinance development if required
- **Department of Finance:** oversight of financial structure and execution benefit claim schedules

Discussion

There are no direct equity considerations or regressive tax implications associated with this proposal – this will primarily serve as a cost saving measure for existing processes.

Proponents

Supporters of a transitional return-to-work program include department leaders, good government organizations, and advocates for government efficiency. They argue that offering light-duty roles helps reintegrate employees more quickly, reduces overall workers' compensation costs, and maintains workforce engagement while supporting employee recovery.

Opponents

Critics may include union-represented employees who could raise concerns during collective bargaining about job protections, workload expectations, or the fairness of duty assignments. Employees with long-term or complex injuries may view transitional duty as a pressure to return before full recovery. Additionally, some department heads may express concern about the administrative burden of tracking restrictions, identifying suitable roles, and managing compliance.