



# ILLINOIS PUBLIC PENSION FUND ASSOCIATION

## *Preparing Pension Funds for Tomorrow*

[www.ippfa.org](http://www.ippfa.org)

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## June 2011 Newsletter



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### **IPPFA Perspective—Looming Pension Costs-An Explanation**

The Illinois Public Pension Fund Association takes issue with Gerald Terry's letter on behalf of the Northwest Municipal Conference regarding the escalating costs of the Public Safety pension system. Apparently Mr. Terry is entirely unaware of the recent studies performed by the Illinois Municipal League which provide a complete explanation as to why the municipal contributions to ensure adequate funding of these retirement funds have continued to grow.

Funding of public retirement programs is required by statute for all systems in the State and all of the State systems use an independent actuary to determine the funding requirements based upon statutory guidelines. The Illinois Department of Insurance (DOI) annually calculates the required contribution to fund the public

safety plans. These calculations are often not used to determine the tax levies by the municipalities who choose to retain independent actuaries for these calculations. [click here for more...](#)

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### **Paramedic saves baby in Fox River**

A longtime Addison firefighter-paramedic was fishing at the right place at the right time on the Fox River Tuesday afternoon and when he saw a screaming mother pluck a blue baby from the water, he knew what to do. [click here for more...](#)

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### **Illinois Defers New Pension Bill Launch**

05-31-2011 | Source: Institutionalinvestor.com—emii.com

Illinois lawmakers have delayed action on a bill that may have forced teachers and state employees to pay nearly three times more for their retirement benefits, *Bloomberg* reports. The lawmakers faced opposition from public workers and their unions.

The proposed bill would have cut the state's annual retirement costs and lowered its unfunded pension liability of at least \$80 billion by creating a three-tiered plan. Through the bill, employees would be able to stay in the current program at a higher cost, take a lesser benefit at a lower cost or join a self-managed plan similar to a 401(k).

[click here for more...](#)

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### **The Myth of the "Generous" Public Pension System**

By Ashley Wood

Can we put a moratorium on the use of the phrase "generous public pensions"?

Lawmakers are using the phrase at every turn, implying that America's public employees are retiring in riches and burdening the economy. The former nurses, school employees, college professors and child protection workers who are currently averaging less than \$23,000 a year in benefits would probably beg to differ.

Instead of arguing about how "**generous**" it is to let public servants retire with dignity, we should be working together to deliver retirement security to all people. [click here for more...](#)

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### **House expected to consider pension changes**

By Chris Wetterich/The State Journal-Register—Posted May 14, 2011

Most state, university, and school employees and state lawmakers – but not judges --would have to pay more in order to keep their current pension benefits under legislation expected to move to the floor of the Illinois House this week.

The bill would cap state contributions to employee pensions at a percentage of the employees' salaries. The current estimate is that the state will contribute 6 percent, said Rep. Kevin McCarthy, D-Orland Park, the House Democrats' expert on pensions.

“Everyone will get the same contribution from the state. This will help us with our long-term unfunded liability,” McCarthy said. [click here for more...](#)

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### **Illinois FOP Call to Action**

During the Fall Session of the 96th General Assembly the ILFOP formed a coalition with other leaders from police and fire associations and the Illinois Public Pension Association. The Municipal League had just begun their attack against public employees’ pensions.

Since then, the attack on public employee pensions has continued. Unions across Illinois have come together to form a coalition that is even larger than public safety. The Illinois FOP has joined with other Illinois public employee unions in an unprecedented demonstration of solidarity as we work to protect our worker benefits.

[click here for more...](#)

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### **THE TRUTH ABOUT PUBLIC PENSIONS WE ARE ONE ILLINOIS ESSENTIAL PUBLIC SERVICES**

Firefighters and police, teachers and nurses, child protection workers and disability caregivers are just some of the public employees that Illinois residents rely on every day, in every community, in every part of the state.

### **POLITICIANS CAUSED PENSION DEBT**

For decades, Illinois politicians shorted or skipped the employer contributions required by law, creating the nation’s largest pension debt. All that time, public employees paid their fair share. It’s wrong to punish public employees for the actions—or inaction—of irresponsible politicians. [click here for more...](#)

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### **More U.S. Workers Delay Retirement**

New York (May 25, 2011) By Accounting Today Staff

The recession has put even greater pressure on workers to stay on the job, according to a new report. The report, from the Conference Board, found several trends unique to the latest recession. The health industry experienced the largest decline in retirement rates. In 2009-2010, only 1.55 percent of full-time workers aged 55-64 retired within 12 months, compared with almost 4 percent in 2004-2007.

The construction industry also experienced a large decline in retirement rates. This was likely the result of a long slump in the industry, which resulted in many laid-off workers trying to stay in the labor force to make up for lost income. [click here for more...](#)

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### **Legislative Updates**

**Legislative Information System—97<sup>th</sup> General Assembly-5/9/11**

## **HB144—Synopsis As Introduced**

Amends the Downstate Police and Downstate Firefighter Articles of the Illinois Pension Code. Allows the corporate authorities of a municipality, by resolution or ordinance, to dissolve the downstate police or firefighter pension funds established by the municipality if an independent auditor has certified to the authorities that the funds have no liabilities, participants, or beneficiaries entitled to benefits. Requires the corporate authorities of the municipality to reestablish those funds if a police officer or firefighter of the municipality seeks to establish service credit in the fund or if reestablishment of the fund is required upon a former police officer or firefighter's reinstatement of creditable service. [click here for more...](#)

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## **Training**

### **Certified Trustee Program**

Our 32-hour **Certified Trustee Program** is offered throughout the year in four eight-hour modules from 8:00am to 4:00pm. Each one of the modules is approximately one month apart. Classes are held at the NIU Outreach Centers in Naperville (N) and in Hoffman Estates (HE). All modules must be completed within a twelve month period. [click here for more...](#)

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### **IPPFA TRUSTEE WORKSHOP**

Basic Information for New Trustees or a Refresher for Veterans  
Tuesday October 4, 2011

If you are in your first year as a fund trustee, or have been off the board for awhile or just want a refresher as to what's involved in being a pension trustee then this informal session is just the ticket. [click here for more...](#)

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### **2011 IPPFA Midwest Pension Conference**

Hotel Reservations now available  
IPPFA Midwest Pension Conference will be held in Lake Geneva, WI

The dates for the 2011 conference are October 4-7, 2011.  
The venue will be the Grand Geneva Resort & Spa.  
The IPPFA rate is \$138.00 per night. [click here for more...](#)

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### **Illinois Public Pension Fund Association 2011 Midwest Golf Outing**

The Highlands – Tuesday, October 4, 2011  
Sign up for the Golf outing at the Grand Geneva Resort in Lake Geneva. [click here for more...](#)

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## **Online Training/eLearning**

This course introduces students to various aspects of financial management related to Police and Fire pension funds along with the administration of those pension funds. Each topic will be taught by a professional in their field. [click here for more...](#)

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