



ILLINOIS PUBLIC PENSION FUND ASSOCIATION

Preparing Pension Funds for Tomorrow

www.ippfa.org

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March 2014 Newsletter



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Illinois Articles...

CHICAGO AREA EMPLOYMENT – NOVEMBER 2013

Area employment grew 1.4 percent over the year

By Bureau of Labor Statistics US Labor—January 10, 2014

Total nonfarm employment in the Chicago-Joliet-Naperville Metropolitan Statistical Area stood at 4,495,100 in November 2013, up 60,300 or 1.4 percent, over the year, the U.S. Bureau of Labor Statistics reported today. During the same period, the national job count increased 1.7 percent. Regional Commissioner Charlene Peiffer noted that the Chicago area has recorded over-the-year job growth of at least 46,000 for 30 consecutive months. (See chart 1 and table 1. All data in this release are not seasonally adjusted; over-the-year analysis is used throughout.) - [click here for more...](#)

PUTTING STATE PENSION COSTS IN CONTEXT: Illinois

By Good Jobs First—January 2014

Public pensions have been a red-hot issue in Illinois in recent months. In December, Gov. Pat Quinn signed (behind closed doors) legislation that is supposed to shore up the state's retirement system by reducing benefits and increasing state contributions. A labor coalition called We Are One Illinois labeled the legislation "pension theft" and vowed to fight it in court.

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

Municipal Bankruptcy and the Role of the States

By the National Association of State Budget Officers—August 21, 2012

Introduction:

The media attention on several recent municipal bankruptcy filings leads to the question: What role do states play when a municipality faces a fiscal crisis and potential bankruptcy? Examination of some recent cases reveals that states can and do respond in myriad ways to local fiscal problems. How a state reacts may depend on a variety of aspects. Some may be political in nature, such as the nature of relations between the state governor and legislature and the municipality's top officials. More importantly though, there are legal considerations, including whether state law even permits municipal bankruptcy and whether there are legal provisions for state intervention in local finances and the extent of those problems. Additionally, economic and budgetary concerns can have a significant effect on how a state chooses to respond in a municipal financial crisis, since a state's fiscal condition can be intrinsically tied to the financial health of its localities, particularly its larger ones. - [click here for more...](#)

National Articles...

A big week in retirement security

by Maria Freese—Pension Rights Center (PRC)—February 05, 2014 Each year the State of the Union address allows the President to have a conversation with the American people while outlining his priorities for the coming year. In this year's speech, President Obama not only acknowledged that millions of Americans are facing a retirement crisis, he announced the creation of a new savings plan for low-income workers, "myRA." - [click here for more...](#)

Ideas to Make Retirement Possible

by Floyd Norris—The New York Times—February 6, 2014

Who killed pensions? Can they be resurrected? A few decades ago, pensions were almost taken for granted by both public and private employees. They promised that people who worked a specified number of years for one employer would receive a certain amount each month, for life, after they retired. That amount was usually based on their income in the years before retirement. Today, pensions are almost dead in corporate America — at least for new employees. They live on in government jobs, sometimes protected by state constitutions. - [click here for more...](#)

403(b) plans can no longer avoid federal government scrutiny

by Mike Swallow—Employees Benefit News—February 5, 2014

Department of Labor regulations that went into effect in January of 2009 demonstrated one clear message: 403(b) plans are no longer avoiding the scrutiny of the federal government. Because an increasingly strict regulatory environment in the 403(b) arena heightens the importance of fiduciary oversight, all plan sponsors must ensure that they fully understand their responsibilities.

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

The aftermath of the employer responsibility ruling

By Keith R. McMurdy—Employee Benefits Advisor—February 13, 2014

The U.S. Treasury Department and Internal Revenue Service issued the final regulations on the employer mandate under the Affordable Care Act this week. While the pay-or-play rules got a little delay, and some revisions will be debated for weeks to come, here are the nuts and bolts of the full regulation:

1. Employers that have between 50 and 99 full-time equivalents will have until 2016 to provide health insurance, not 2015. So if you have 100 or more full-time equivalents in 2014, Jan. 1, 2015 is still your target. But if you have 99 or fewer, you get a one-year extension. - [click here for more...](#)

HELP Chairman Tom Harkin Introduces the USA Retirement Funds Act – Bill Summary

NCTR Monthly Newsletter—January 2014

Lifetime Income Benefit and Risk Sharing. People participating in a USA Retirement Fund would earn a benefit paid out over the course of their retirement, with survivor benefits and spousal protections, like a traditional pension. The amount of a person's monthly benefit would be based on the total amount of contributions made by, or on behalf of, the participant and investment performance over time. - [click here for more...](#)

Court Cases...

Park Ridge Firefighter Court Case

KAREN CARRILLO, Appeal from the Circuit Court of Plaintiff-Appellant, vs. PARK RIDGE FIREFIGHTERS' PENSION FUND and THE BOARD OF TRUSTEES OF THE PARK RIDGE FIREFIGHTERS' PENSION FUND, Defendants-Appellees. Plaintiff, former firefighter/paramedic Karen Carrillo, age 40, sought disability benefits from the Board of Trustees of the Park Ridge Firefighters' Pension Fund (Board), based on degenerative arthritis of the left knee that rendered her unable to work. After holding a hearing on Carrillo's disability application, the Board concluded that Carrillo's injuries were due to a preexisting knee condition rather than any acts of duty. Accordingly, instead of awarding her duty-related disability, which would entitle her to a pension of 65% of her salary, the Board awarded her nonduty disability, which entitled her to a pension of only 50%. - [click here for more...](#)

CTA Court Case

JERRY MATTHEWS; JERRY WILLIAMS; TOMMY SAMS; CYNTHIA BOYNE; and CHARLES BROWN, Individually and on Behalf of All Others Similarly Situated, Plaintiffs-Appellants, vs CHICAGO TRANSIT AUTHORITY; RETIREMENT PLAN FOR CHICAGO TRANSIT AUTHORITY EMPLOYEES; THE BOARD OF TRUSTEES OF THE RETIREMENT PLAN FOR CHICAGO TRANSIT AUTHORITY EMPLOYEES; RETIREE HEALTH CARE TRUST; and THE BOARD OF TRUSTEES OF THE RETIREE HEALTH CARE TRUST— Defendants-Appellees.

The instant appeal arises from the dismissal of plaintiffs' class action suit pursuant to sections 2-615 and 2-619 of the Code of Civil Procedure (the Code) (735 ILCS 5/2-615, 2-619 (West 2010)). Plaintiffs' complaint alleges that defendants substantially diminished and impaired the vested retirement health care benefits of plaintiffs, current and retired employees of defendant Chicago Transit Authority (the CTA). The trial court dismissed the case, finding: - [click here for more...](#)

SUPREME COURT--STATE OF ARIZONA

Appeal from the Superior Court in Maricopa County, the Honorable Robert H. Oberbillig, Judge

Arizona Revised Statutes Section 38-818 establishes a formula for calculating pension benefit increases for retired members of the Elected Officials' Retirement Plan ("Plan"). In 2011, the legislature modified that formula by enacting Senate Bill ("S.B.") 1609. Because that statute diminishes and impairs the retired members' benefits, we hold that it violates the Pension Clause of Article 29, § 1(C) of the Arizona Constitution. - [click here for more...](#)

Training and Education

Sign up for the 2014 IPPFA Illinois Spring Pension Conference

IPPFA Spring Pension Conference will be held in East Peoria, IL. The dates for the 2014 conference are May 6 - 9, 2014. The venue will be the Embassy Suites. The IPPFA rate is \$145.00 per night which includes complimentary breakfast and manager's reception every day. Call the Embassy Suites direct at 1-309-427-2424 or register online. - [click here for more...](#)

Peoria Chiefs Baseball Game Registration

Sign up now as we are limited so it is first come first served!!

Join Us for a Day at the Ball Park, Benefitting The Remembrance Fund--Price Includes ROUNDTRIP BUS TRANSPORTATION from the Embassy Suites, Ticket to THE CARDINAL'S ROOST PARTY DECK, Lunch buffet and soft drinks (cash bar on deck). - [click here for more...](#)

Regional Seminars

How Do I Satisfy The Annual Trustee Training Requirements?

Experts will speak on the state of the economy, the updates of pension legislation in Illinois and the Illinois Department of Insurance will be speaking on a variety of topics. -

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

IPPFA On-Line Certified Trustee Program/and Classroom Program

The IPPFA is pleased to announce that it is now offering the 32-hour Certified Trustee Program (CTP) as an on-line course for the first time. Over 1,000 public pension trustees have gone through the IPPFA CTP, hundreds before the legislature made such training mandatory in 2009. Now through the on-line training those trustees that would have difficulty attending in-person training can obtain the required training using their own computer in the comfort of their home or office. This is especially helpful to the appointed or retired trustees that have other employment and should make it easier for municipalities to find citizens that are willing to be appointed as trustees. - [click here for more...](#)

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. Plus you can do this in the comfort of your own home or office! - [click here for more...](#)

IPPFA Toolkit!!!

Illinois Public Pension Fund Members:

In our desire to actively engage our membership, and produce relevant materials that will be useful to our members in the field we have commissioned the services of VISION MAI, LLC to produce a tangible, easy-to-read handbook that can be referenced and revered at any time. - [click here for more...](#)
