

# State Universities Annuitants Association



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## SUAA Mini Briefing

February 8, 2017

### **Senate Bill 11 – Pension Code Tier I Election is Struck Down in the Senate**

After weeks of inaction in the Senate, just 60 quick minutes brought Senate Bill 11 to its current fate. Follow the action:

01/25/2017 – Placed on Calendar Order of 3rd Reading  
02/08/2017 – 1:07 PM - Senate Floor Amendment No. 3 Filed  
02/08/2017 – 1:10 PM - Senate Floor Amendment No. 3 Referred to Assignments  
02/08/2017 – 1:18 PM - Senate Floor Amendment No. 3 Be Approved for Consideration Assignments  
02/08/2017 – 1:45 PM - Recalled to Second Reading  
02/08/2017 – 1:46 PM - Senate Floor Amendment No. 3 Adopted  
02/08/2017 – 1:50 PM - Placed on Calendar Order of 3rd Reading

02/08/2017 – 2:10 PM - **Third Reading - Lost; [018-029-010](#)**

#### Synopsis As Introduced

Amends the General Assembly, State Universities, Downstate Teacher, and Chicago Teacher Articles of the Illinois Pension Code. Requires active Tier 1 employees to elect either to (i) have automatic annual increases in retirement annuity delayed and reduced or (ii) maintain the current benefit package with additional limitations on pensionable salary. Provides that a Tier 1 employee who elects item (i) is entitled to have future increases in income treated as pensionable income, have contributions reduced to a specified rate, and receive a consideration payment of 10% of contributions made prior to the election. Provides that a Tier 1 employee who elects item (ii) is not eligible to have future increases in income treated as pensionable income. Makes funding changes. Restricts participation in the General Assembly Retirement System to persons who became participants before the effective date. Amends the State Pension Funds Continuing Appropriation Act to provide a continuing appropriation for the amounts of the consideration payments. In the Chicago Teacher Article, requires the Fund to make consideration payments. Amends various Acts to make conforming changes. Amends the Illinois Educational Labor Relations Act and the Illinois Public Labor Relations Act to prohibit bargaining and interest arbitration regarding changes made by the amendatory Act; exempts certain existing agreements. Amends the State Mandates Act to require implementation without reimbursement. Makes other changes. Effective immediately, but this Act does not take effect at all unless Senate Bills 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 12, and 13 of the 100th General Assembly become law.

### **Senate Floor Amendment No. 3 -**

Replaces everything after the enacting clause. Reinserts the provisions of the introduced bill, but with changes that include the following. Further amends the Illinois Pension Code. In the General Assembly Article, provides that a Tier 1 employee must make the election before March 31, 2018 (instead of March 1, 2018). In the General Assembly, State Universities, Downstate Teachers, and Chicago Teachers Articles, makes changes to provisions concerning a Tier 1 employee's acceptance of a future increase in income and specifies that the election to have automatic annual increases reduced also applies to survivors annuities. Changes the definition of "future increase in income" to reference increases to a Tier 1 employee's base pay (instead of an increase in income in any form) and adds a definition of "base pay". In the General Assembly, State Employee, State Universities, and Downstate Teachers Articles, makes changes to the funding formulas. In the Chicago Teacher Article, provides that the State Comptroller (instead of the Fund) will make the consideration payments and amends the State Pension Funds Continuing Appropriation Act to provide a continuing appropriation for those consideration payments. In the State Universities and Downstate Teacher Articles, requires an additional contribution from employers for employees that earn more than \$140,000 (instead of more than the salary set for the Governor) in a school year. In the State Employee, State Universities, and Downstate Teachers Articles, no later than January 1, 2018 and each year thereafter, requires those Systems to calculate the net present value of the pension benefits for certain inactive members and to offer those members the opportunity to elect to receive an accelerated pension benefit payment equal to 70% of the net present value of his or her pension benefits in lieu of receiving any pension benefit. Provides that if a person elects to receive an accelerated pension benefit payment, his or her credits and creditable service under that Article shall be terminated upon receipt of the accelerated pension benefit payment; except that the terminated service credit shall be used for the purposes of determining participation and benefits under the State Employees Group Insurance Act of 1971. Makes conforming changes in the State Employees Group Insurance Act of 1971. Makes other changes. Effective immediately, but does not take effect at all unless Senate Bills 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 12, and 13 of the 100th General Assembly become law.

# It's Rally Time!!!

**Illinois Coalition to Invest in Higher Education Rally**  
was held at the Capitol's Rotunda today. See Executive Director  
Linda Brookhart's remarks and photos from the events.

**A huge thank you to all SUAA members**  
who braved the snow and ice to attend today's  
rally. Your support made a difference!

# ILLINOIS COALITION TO INVEST IN HIGHER EDUCATION RALLY

## Remarks by Linda Brookhart, Executive Director

The State Universities Annuitants Association represents all participants and recipients in the State Universities Retirement System. As students, this might not be important to you. As a legislator, this might not be important to you. But to the campuses, these people are the glue that holds higher education together. These are the very people who keep our higher education structure intact. The very people who hold their loyalties to these institutions. The very people who work exceptionally hard to make sure students get a fair run at life's hurdles.

We continue to listen to the many voices who think further cutting of funding to higher education makes sense because of the alleged over-spending, whether it be curricula, services, maintenance or salaries. We believe that all campuses have worked hard to take the excess spending out of their budgets. So much so that they are now running on fumes – the perks have gone away – those perks have been forced out.

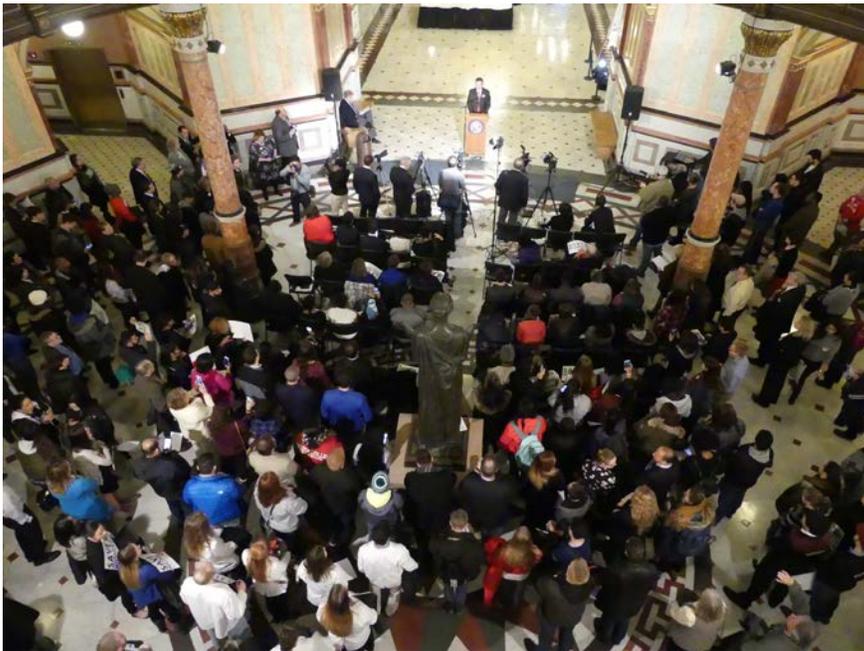
Our members are on the front lines of cutbacks, furloughs, and job losses. Our members are the ones who are picking up the pieces for their campuses as their associates, their friends, their colleagues are forced out. They do this by adding one more task to their already overloaded schedules. They do this out of loyalty for their campuses and loyalty to their profession. It is important to them that their campus be viewed as having enough personnel to keep operations going, faculty to teach, and the administration to pull it all together. They do this for the students.

The loss of personnel, regardless of their positions, goes beyond the borders of our campuses. The cutbacks and unemployment dig into the mainstay of our communities. Our members contribute to their communities through buying power – think real estate, shopping, restaurants, recreation and hobbies. Through volunteerism – social services, churches, community projects and their campuses. They help to raise money; and they contribute heavily.

There are almost 180,000 active members and retirees in the State Universities Retirement System who have the ability to put over \$1.45 Billion back into the economy of their communities and the State of Illinois every year. In addition, seventy eight percent of the annuitants continue to live in Illinois.

The SURS members – participants and recipients alike - are the very people who brought their talents to lead our students to their dream jobs; the very people who without them, there would be no success stories to share.

Higher Education Creates Jobs! Quit telling them to go away!



Illinois Coalition to Invest in Higher Education rally at the Capitol in Springfield Wednesday, February 8<sup>th</sup>, 2017.



SUAA Executive Director speaks at the rally.



SUAA Executive Board member Leo Welch, Linda Brookhart, and IEA lobbyist Jim Reed.

SIU Edwardsville supporters! (Above) Candace Mueller, IBHE, and Linda Brookhart. (Below)





Chair, Illinois Board of Higher Education, Tom Cross.



State Treasurer Michael Frerichs speaks at the rally at the State Capitol on Wednesday. He is holding SUAA's Higher Education Creates Jobs wristband.



Representative Emmanuel "Chris" Welch, Chair, House Higher Education Committee.



Representative Kelly Burke, Chair, House Higher Education Appropriation Committee.





Dave Tretter, President, Federation of Independent Colleges and Universities.



Western Illinois University President Dr. Jack Thomas.



Representative Michael Zalewski, House Higher Education; Personnel and Pensions (Vice Chair); Revenue and Finance (Chair).



Senator Pat McGuire, Chair, Senate Higher Education Committee.