



## Teachers' Retirement System of the State of Illinois

2815 West Washington Street | P.O. Box 19253 | Springfield, Illinois 62794-9253

Richard W. Ingram, Executive Director

<http://trs.illinois.gov>

(800) 877-7896 | for the hearing impaired: (866) 326-0087

# News

For Immediate Release

October 29, 2012

**Contact: Dave Urbanek**  
**Public Information Officer**

Office: 217-753-0968

Cell: 217-720-3961

[durbanek@trs.illinois.gov](mailto:durbanek@trs.illinois.gov)

### STATEMENT OF THE TEACHERS' RETIREMENT SYSTEM BOARD OF TRUSTEES

SPRINGFIELD, IL – The Teachers' Retirement System Board of Trustees today issued the following statement regarding the on-going debate in the General Assembly concerning an overhaul of the state's pension code:

*“The Board of Trustees of the Teachers' Retirement System reiterates and reaffirms its resolution of March 30, 2012 (as amended on April 30, 2012) declaring that present legislative action is paramount to ensure the continued solvency and viability of the plan, by providing for fairness and equity in benefits, adequate funding and adherence to generally accepted actuarial principles and standards. Additionally, the Board of Trustees underscores its unalterable position that any changes to the Pension Code must adhere to the Pension Protection Clause, Article 13, Section 5, of the Illinois Constitution of 1970.”*

This statement was approved by the trustees on October 26 during a regularly-scheduled meeting.

The Board's March 30 resolution, which was approved unanimously, reads as follows:

**Having heard the report of the Executive Director describing the analysis performed by TRS staff and actuaries evaluating the State of Illinois' ability to meet its existing future funding obligations, the Board of Trustees hereby resolves that:**

**The fiscal situation of the State has deteriorated to the point that the Board no longer has confidence that the State will be able to meet its existing funding obligations to TRS.**

**As a result, the Board believes that action must be taken now to ensure the continued solvency and viability of the plan. This action must be based on the following principles:**

(MORE)

- 1. The impact of any proposal, and all future contributions to the plan, must be determined using generally accepted actuarial principles and standards and not the funding scheme and pension bond limits currently in Illinois law**
- 2. All future contributions must be guaranteed by statutory language substantially similar to that presented to the Governor's pension assembly in February**
- 3. Any changes to the Pension Code must first correct the existing inequities and funding flaws created with the enactment of Tier II and,**
- 4. Any changes to the Pension Code must be based on the simplest and most straightforward changes possible**
- 5. Any changes to the Pension code must adhere to the Pension Protection Clause, Article 13, Section 5, of the Illinois Constitution of 1970.**

**Further, the Board resolves that it will only certify future contributions that are calculated based on generally accepted actuarial principles and standards.**

**The Board further resolves to continue to commit the time and expertise of its staff and actuaries as necessary to ensure the accurate analysis of any and all proposals for changes to the Pension Code.**

###

### **About Teachers' Retirement System**

The Teachers' Retirement System of the State of Illinois is the 39<sup>th</sup> largest pension system in the United States, and provides retirement, disability and survivor benefits to teachers, administrators and other public school personnel employed outside of Chicago. The System serves 366,000 members and had assets of \$37.5 billion as of September 30, 2012.