



## Teachers' Retirement System of the State of Illinois

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Letters to the Editor  
Champaign-Urbana News-Gazette  
15 Main Street  
Champaign, Illinois 61820  
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To the Editor:

The News-Gazette's August 18 editorial, "Another pension fix in the offing," accurately described the discussions underway in Springfield over legislation to alter the state's public pension systems. However, two other points need clarification and correction:

First, you say Illinois' five pension systems face "a serious pension shortfall" of \$85 billion. What is not mentioned, however, is the important fact that this "unfunded liability" is a long-term debt that never has to be paid at one point in time.

The unfunded liability is comprised of what is owed current retirees *and* active public employees for the next several decades. Since active employees cannot collect a pension, the only obligation the pension funds must meet is the money owed to those who currently are retired. This liability is not a threat to anyone's pension.

Teachers' Retirement System, the state's largest public pension plan with 372,000 members, has carried an unfunded liability on its books since at least 1953 and has never missed a pension check to retiree.

In fiscal year 2010, TRS paid out \$3.9 billion in benefits. Total revenues in the same year totaled \$6.8 billion. TRS currently has \$37 billion in assets. Because TRS is meeting its long-term investment targets and is receiving contributions from members, school districts and state government, there will be enough money for decades to meet each year's obligation.

Second, it is inaccurate to say that the courts "have not ruled" on whether the pension benefits of current public employees can be diminished under the Illinois Constitution. At least seven court decisions have upheld the Constitution to mean pensions cannot be reduced. The court has not ruled on whether this clause affects only benefits yet to be earned because this language does not appear in the Constitution.

Sincerely,

Dick Ingram  
Executive Director  
Teachers' Retirement System of the State of Illinois