



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

February 14, 2011

The Belleville News-Democrat
letters@bnd.com

To the Editor:

The Teachers' Retirement System of the State of Illinois welcomes state Rep. Dwight Kay's call for an audit of TRS and the state's other public pension systems. We are confident that the findings of any new audit will match up exactly with the findings of previous audits that are conducted every year by independent accounting firms. The result of the latest TRS audit is available on the System's website – trs.illinois.gov.

However, in reporting on Rep. Kay's proposal, your news story left the mistaken impression that TRS and other state pension systems will not be able to pay out pensions this year because of a funding "shortfall." The truth is TRS will have enough money on hand to pay pensions well into the future. Retired teachers should not worry that that their pensions are in jeopardy.

The "shortfall" you reference in your story is the System's total unfunded liability, which is made up of current pension payments to retirees and pensions that will be owed in the future to teachers still active in the classroom. This unfunded liability is a very long-term problem caused by insufficient state funding over the last several decades. It is not an immediate concern because the total unfunded liability never comes due. Active teachers by law cannot collect their pensions. TRS has carried an unfunded liability since the 1950s and has never missed a pension check.

TRS has enough money on hand to pay all pension obligations that are due for quite some time. In 2010 TRS paid out \$3.9 billion in pensions and benefits and took in \$6.8 billion in revenue. TRS currently holds \$34 billion in assets for its members.

In addition, your readers should know that TRS is not under investigation by the United States Securities and Exchange Commission for the way the System reports its finances. The SEC inquiry is focused on the use of financial records after audited financial statements are prepared and released by TRS.

Sincerely,

Richard W. Ingram
Executive Director
Teachers' Retirement System of the State of Illinois



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

July 24, 2014

Belleville News-Democrat
120 South Illinois
P.O. Box 427
Belleville, Illinois 62220
letters@bnd.com

To the Editor:

A few statements in your July 23, 2014 story, "Still no deal with teachers" need to be corrected in order for your readers to get an accurate description of the legal requirements school districts have to fund Teachers' Retirement System

The story states that "It's now up to the discretion of each school district how much it contributes to administrators and teachers' TRS plans;" and "...the district currently does not contribute a penny to teacher retirement." Both statements are wrong.

Under current state law, all school districts are required to contribute 0.58 percent of each TRS member's salary to TRS, regardless of whether the members are teachers or administrators. Last year, those district contributions to TRS totaled \$157 million statewide.

What school districts have discretion over is exactly when the district, as the employer, deducts the 9.4 percent member contribution from each teacher and administrator's paycheck. There is a small tax advantage for the TRS member if the contribution is deducted from the paycheck before other state and federal taxes are withheld.

Across Illinois, many school districts and the labor unions representing faculty have successfully negotiated the timing of the member contribution deduction in order to provide this tax advantage for TRS members. Some districts deduct the entire contribution before taxes are withheld; other districts only deduct a portion of the contribution before taxes are withheld.

Sincerely,

Dick Ingram
Executive Director
Teachers' Retirement System



TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS

Richard W. Ingram, Executive Director
2815 West Washington Street, P.O. Box 19253
Springfield, Illinois 62794-9253

Belleville News-Democrat
120 South Illinois
P.O. Box 427
Belleville, Illinois 62220
letters@bnd.com

June 8, 2015

To the Editor:

In a recent news story, the News-Democrat incorrectly labeled payments made by local school districts to Teachers' Retirement System in the wake of high salary increases as "penalties."

At issue are payments owed by school districts that grant a teacher a raise in excess of 6 percent. Under state law intended to assign the pension costs associated with these raises to the district that grants them, the district must pay to TRS the actuarial cost of the teacher's pension created by the portion of the raise that is in excess of 6 percent.

The word "penalty" implies wrongdoing. It is not illegal under the law for school districts to grant raises that exceed 6 percent. The extra payment due is not a "penalty." In the same vein, paying a sales tax for voluntarily buying a loaf of bread is not a "penalty."

In addition, some statistics in the story must be updated: TRS currently has more than 101,000 retirees, not 98,000. The average pension of all retired TRS members is \$51,288. Adding artificial caveats regarding age and service time skews the numbers.

Sincerely,

Dick Ingram
Executive Director
Teachers' Retirement System

Sent by:
Dave Urbanek
Director of Communications
Teachers' Retirement System
217-753-0968