



Teachers' Retirement System of the State of Illinois

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

R. Stanley Rupnik, Acting Executive Director

<http://trs.illinois.gov>

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

January 21, 2011

Letters to the Editor
The Dispatch and The Rock Island Argus
burrows@qconline.com

To the Editor:

In your January 18th editorial, "Pension bomb still ticking," you stated that it is "malarkey" to say that reducing pension benefits for current public employees is unconstitutional. This is incorrect.

Article XIII, Paragraph 5 of the 1970 Illinois Constitution forbids pension benefits for existing public employees, including teachers, from being "diminished or impaired." This clause has been upheld by at least seven court decisions over the last 40 years.

Also, it is incorrect to say that the pension reforms enacted in 2010 will not address the unfunded liability of the state's pension systems. Reducing benefits for new public employees will, over time, reduce the total amount owed by the pension systems, which in turn reduces the unfunded liability.

Finally, as to whether public pensions are "too generous" or "too-rich," your readers should have the facts before them to help them make their own judgment.

The Teachers' Retirement System is the largest of the state public pension funds, with 372,000 members. The average pension for a retired TRS member in Rock Island, Whiteside, Henry and Mercer counties is a little more than \$32,000 per year. The average pension statewide is \$42,782. The average active service of a retired teacher is 29 years. Fifty-nine percent of retired teachers receive an annual pension of less than \$50,000. You also must remember that teachers in Illinois do not pay into or receive Social Security for their careers in education, so their TRS pension is their primary source of income in retirement.

Sincerely,

Dave Urbanek
Public Information Officer
Teachers' Retirement System of the State of Illinois

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Richard W. Ingram, Executive Director

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June 16, 2011

Letters to the Editor
Moline Dispatch/Rock Island Argus
1720 Fifth Avenue
Moline, Illinois 61265
letters@qconline.com

Dear Editor:

A statement in Scott Reeder's recent column about Illinois public pensions needs clarification because it gives your readers with a mistaken view of the situation.

Mr. Reeder says the state's combined pension systems are "\$130 billion in the hole," which leaves the impression that there isn't enough money available to pay pensions this year. The truth is that there is enough money on hand to pay pension obligations this year, next year and for decades to come.

With 372,000 members, Teachers' Retirement System is the largest of the state's public pension systems. Each year, retired teachers in the greater Quad Cities area receive more than \$83 million in pensions.

Unfortunately, Mr. Reeder confuses the "mortgage" – the systems' long-term debt – with the "mortgage payment," which is made up of the pension systems' benefit payments in a single year. Homeowners do not have to pay off their entire mortgage at one time. The same is true for TRS. All we have to pay is the annual "mortgage payment."

Last year the TRS "mortgage payment" was \$3.9 billion in pensions and benefits to more than 97,000 people – one of the largest "payrolls" in the State of Illinois. But in that same year, the system's revenues totaled \$6.8 billion. TRS currently has more than \$37 billion in assets. There is plenty of money to pay pensions.

The statistic Mr. Reeder refers to is the *long-term* unfunded liability of the pension systems – the "mortgage." The TRS share of the unfunded liability is about \$40 billion. But TRS never has to pay off that \$40 billion at one time because the vast majority of our members every year do not collect benefits.

The unfunded liability does not affect our ability to pay retirees. TRS has carried an unfunded liability since at least 1953 and has never once missed a pension check.

Sincerely,

Dick Ingram
Executive Director
Teachers' Retirement System