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

March 24, 2011

Letters to the Editor
The Pantagraph

To the Editor:

The Chicago Tribune story The Pantagraph reprinted on March 24 about Illinois teacher pensions did little to add reasoned facts to the worthwhile debate about public pensions. The issue is not new, and readers should keep in mind some important facts.

Despite the fact that Teachers' Retirement System has been regularly underfunded for decades; TRS has never missed a benefit payment to its members. TRS members will receive their benefits in the future.

The real story is the failure to fund TRS as promised through the years. Taxpayers today are paying more for benefits than they should be. Illinois teachers contribute significantly towards their retirements; currently 9.4% of their pay. And over the last 25 years TRS has exceeded the investment returns assumed by our actuaries when calculating required contributions.

If state government contributions had been made as required over the years, the cost to taxpayers in 2011 would have been $700 million instead of $2.2 billion.

Finally, the article implies that retirement benefits for Illinois teachers are exorbitant. They are not. The Tribune story does not distinguish between Illinois retired teachers that do not receive Social Security from those in other states that do. Illinois teacher benefits are not out of line when compared with the total retirement income of their peers in other states that receive a pension and Social Security.

Sincerely,

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

Retirement Security for Illinois Educators TRS

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October 22, 2012

Letters to the Editor
The Pantagraph
301 West Washington Street
Bloomington, Illinois 61702-2901
letters@pantagraph.com

To the Editor:

Steve Swearingen's recent letter to the Pantagraph, "Pension fund mistakes shouldn't cost schools," contained factual errors and mistakenly placed blame for the state's pension funding problems on the wrong people – the trustees of Teachers' Retirement System.

First, not all of the 13 TRS trustees are "future beneficiaries," as Mr. Swearingen says. By law, six trustees are elected by active and retired TRS members. The majority of the remaining trustees, appointed by the governor, are not TRS beneficiaries.

Second, The Board of Trustees does not establish or influence the laws that dictate pension benefit levels. Those laws are the responsibility of the General Assembly and the Board's legal fiduciary responsibility prevents the trustees from proposing or lobbying for legislation that set benefit levels. The Board does vigorously fight for sufficient state funding to secure the System's financial future and will continue to do so in the future.

Third, Mr. Swearingen is wrong to say the trustees have made bad decisions in the administration of our members' money. Over the last three years, TRS investment returns have averaged 10.4 percent against a target return rate of 8.5 percent. TRS has not changed actuaries. TRS did not see "major" losses from investments in Enron or Worldcom. And finally, the System's investments and financial records are audited every year by independent accounting firms selected by the state's auditor general.

I hope this helps Mr. Swearingen, an elected school board member, better understand the state's pension system for teachers in his district.

Sincerely,

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

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

Bloomington Pantagraph
301 West Washington Street
P.O. Box 2907
Bloomington, Illinois 61702-2907
letters@pantagraph.com

June 2, 2015

To the Editor:

In a recent news story and editorial, the Pantagraph 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" or a "fine."

In addition, it is wrong to characterize the payments from McLean County schools to TRS as "violating the letter of the law." McLean County schools did not violate any law in this instance. By paying the costs of the pensions created by the raises in question, the schools actually were following the law.

Sincerely,

Dick Ingram
Executive Director
Teachers' Retirement System

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