



Retirement Security for Illinois Educators

Teachers' Retirement System of the State of Illinois

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News

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TRS TO ASSIST TEACHERS AND SCHOOL DISTRICTS WITH LANDMARK PENSION CHANGES

SPRINGFIELD, IL – The Teachers' Retirement System will work with educators, as well as school districts and other employers, to ensure that the changes in state pension laws signed today by Gov. Pat Quinn are fully understood, said Stan Rupnik, acting executive director of TRS.

The legislation, Senate Bill 1946, creates a two-tier pension system for educators covered by TRS. The law will change the pension and benefit structure for teachers and administrators who are initially hired to a TRS-covered position on or after January 1, 2011. The new law will not affect the current pension and benefit structure of TRS members who are members of the System prior to January.

“These changes in the State of Illinois’ pension law are the most extensive amendments that we’ve ever seen,” Rupnik said. “Our current members will see no changes in the structure of their pensions or eligibility for retirement. But we anticipate there will be plenty of questions from potential and future members about the new structure during the next eight months as teachers try to determine what benefits they will receive. Our staff is dedicated to helping everyone know where they stand when the law takes effect.”

Under the law, the current pension and benefit structure will remain intact for any person who has service credits accumulated with TRS prior to January 1, 2011. The current pension structure also will remain in place for any person who has service credits with a pension system that has reciprocal rights with TRS, even if that person starts accumulating TRS service credit after January 1, 2011. For example, a former state worker with credits in State Employees’ Retirement System who becomes a teacher in 2011 will be covered by the current pension structure. The Teachers’ Retirement System currently has more than 365,000 members.

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“We also anticipate plenty of questions from school districts and other employers that will be responsible for administering a new two-tier system at the local level. The law will create many changes for them and TRS will be there to help them understand the law and its ramifications,” Rupnik added.

Major provisions of the new law extend the age at which TRS members can retire with full benefits from 62 to 67; place a \$106,800 cap on a member’s pensionable salary when that salary is used to determine retirement benefits; tie the annual cost-of-living adjustment in pension benefits to the consumer price index; and tighten restrictions on retired TRS members who go to work full time for an employer covered by a pension system with reciprocal rights to TRS.

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