

# NEWS . . .



## *from the Illinois House of Representatives*

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**For More Information:  
State Representative Karen May  
(847) 433-9100**

### **Rep. May Supports Legislation to Revamp State Government Pension System**

**Springfield, IL**— Continuing efforts to reform state government, State Rep. Karen May (D-Highland Park) passed legislation out of the House of Representatives last week to overhaul the state's antiquated pension systems.

"It is essential that the state of Illinois has a stable, sustainable pension system," May said. "The state cannot continue to support a costly pension system that is far more expansive than any provided by private employers. We cannot ask our taxpayers to pay more for government employees' pension when their own retirement funds have declined."

May is a co-sponsor of House Bill 6368, which calls for the implementation of a two-tier pension system significantly altering and reducing the benefits for new members of the General Assembly Retirement System (GARS) and Judges Retirement System (JRS). The legislation will affect new hires employed after July 1, 2010 by revamping the benefit structure related to the following factors: changing the requirements related to members' normal retirement ages, pension formulas, final average salaries, maximum annuities, cost of living adjustments, maximum pensionable salary, and survivor annuities. The two-tier benefit plan is projected to save more than \$68 million in state contributions to GARS and \$1.58 billion to the JRS by 2045, generating an overall total savings for the state of \$1.65 billion.

May also helped pass Senate Bill 1946, which modifies public employees' pensions. There are eight major changes included that will affect those hired after Jan. 1, 2011:

- Increasing the retirement age;
- Placing a cap on the benefits received;
- Lessening and placing a cap on yearly cost of living adjustment;
- Setting a standard rate for the benefits received by survivors;
- Setting a standard number of years it take be vested in the system;
- Prohibiting a person from receiving a pension from one retirement system and a salary from another government entity simultaneously;
- Increasing the years used to determine average salaries to eliminate unnecessary pension pumps; and
- Strengthening the definition used to determine alternate pension formulas to limit the people who can utilize these benefits.

"Our citizens have had to cut their family expenditures and they expect us in Springfield to do the same," May said. "Just like Illinois families, the state cannot continue to live beyond its means. This legislation is a step toward bringing significant cost savings to our citizens. I will work with other members of the General Assembly to continue efforts to clean-up state government and put our financial house in order."

For more information about House Bill 6368 and Senate Bill 1946, please contact May's constituent services office at (847) 433-9100.

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