



News From

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Leader Cross, Rep. Nekritz file answer to pension crisis

Bi-partisan bill saves \$30 billion and pension system for government workers

(Springfield) Illinois House Republican Leader Tom Cross (R-Oswego) and Rep. Elaine Nekritz (D-Northbrook) introduce comprehensive pension reform legislation today that will save hardworking taxpayers \$30 billion and the pension system for hardworking government workers.

“This legislation is the most complete, fairest bill we could come up with that will solve our pension crisis. When it passes and becomes law, it will also loosen the pension squeeze on our state budget,” said Cross. “We’ve filed and supported many bills and concepts along the way, but we believe this is the answer.”

“Our pension problem is enormous and urgent, and any solution must be substantial and fair to state workers and taxpayers alike. We believe the principles outlined in this legislation do just that. We look forward to working together to addressing this problem here and now,” added Nekritz.

[House Bill 3411](#) includes many components of bills filed previously, but also includes some new ideas including:

- Allows cost of living adjustments (COLA) to the first \$25,000 of the employees' pension
 - These new COLAs will take effect when the employee turns 67 or five years after they retire, whichever comes first.
- Increases retirement age from one to five years, depending on current age
- Increases employee contributions by 2 percent over two years
- Caps pensionable salary
- Changes Tier 2 COLA benefits in GARS to match COLA provisions in other systems
- Creates Tier 3 defined benefit/defined contribution plan for SURS and TRS members who start work after January 1, 2014. Local Employers and employees will be responsible for funding these plans.
- Includes a funding guarantee, systems can take state to court over nonpayment
- Includes \$1 billion in additional funding for systems starting in 2020 until systems are 100% funded

“We believe that this legislation addresses the concerns of the many interested groups and will send a clear message to the bond houses that we are addressing our pension crisis,” Cross added.