

# Retired Teachers Association of Chicago

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Dear Governor Quinn and Mayor Daley,

The Retired Teachers Association of Chicago is made up of retired Chicago public school teachers and administrators. Each of us receives a pension from the Chicago Teachers Pension Fund.

In the mid-1980's, in order to allow retirement of teachers after 35 years of service, Illinois law (Article 17 of the Pension Code) was modified to allow the pension fund to subsidize health insurance cost of our pensioners. For many years that rebate has been 70% of the cost of health insurance. Without this rebate law, few teachers could retire facing premiums of \$1000 a month. They now pay about \$300 of this cost.

The 70% rebate subsidy is part of the retirement package for Chicago teachers and for years they retired under this "deal." The law says that trustees of the pension board MAY pay the rebate. To stay within federal regulations limiting disbursement for pensions only, we depend on a State of Illinois continuing appropriation of \$65 million a year to pay the rebates for 22,000+ retirees.

The current appropriation (SB1197) is set at half of what we usually receive from the state. With the \$65 million appropriation the trustees were already planning to reduce the rebate to 65% with plans to drop to a sustainable 50% over the next 24 months. As more teachers retire, the \$65 million doesn't go as far.

The Retired Teachers Association of Chicago introduced a bill (SB1709) to increase the \$65 million to \$75 million. Instead the budget (still in the Senate on a motion to reconsider) allocates only \$32.5 million. For some of our older pensioners with the smallest pensions this will be a real hardship. Many will be priced out of the insurance and may cause cancellation of their coverage at the worst time in life to be without health insurance. We need your help. Call (312) 939-3327 for more facts.

Respectfully,

(signatures here)

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Legislative Chair

Robert F. Bures  
Executive Director

**The Honorable Patrick Quinn**  
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