

Chicago Tribune Voice of the People July 28, 2015

Chicago taxpayers pay for two pension systems

Illinois pension reform must include an equitable sharing of responsibility for teacher pensions.

I would like to commend Tribune reporter Diane Rado for informing the public about another example of the way in which suburban and downstate school districts are taking advantage of Chicago taxpayers.

Although she notes that the Chicago Public Schools are not part of the issue of non-payment of pension penalties, Chicagoans are involved because they must absorb the lost revenue from the waivers received.

Chicago taxpayers, through their payment of income tax, sales tax and other state taxes, pay for the funds that TRS receives yearly from the state legislature. Chicago taxpayers not only pay for the pensions of the members of the Chicago Teachers' Pension Fund but also for Illinois' Teachers' Retirement System.

Suburban and downstate school districts have no financial liability for their teachers once they retire. The burden of pensions falls to the taxpayers of the entire state, not just the local district. This fact encourages local school districts to offer salary enhancements to more experienced teachers and administrators so that they will retire and receive a higher pension and, thus, spare the district of their higher salary. Districts can then go out and hire a less costly person to fill the teaching or administrative position.

Chicago taxpayers must realize that they are unique taxpayers when it comes to teacher pensions. They are the only taxpayers in the state who pay for two teacher pension systems. They must also be aware that even though Chicago has 18 percent of the teachers in the state of Illinois, the Chicago Teachers' Pension Fund receives less than 1 percent of the funding that TRS receives.

Gov. Bruce Rauner recently signed House Bill 3763, which provides about \$3.8 billion to TRS and \$12.1 million to the Chicago Teachers' Pension Fund.

True pension reform must include a more equitable sharing of responsibility for teacher pensions in our state.

— *John Reilly, Chicago*
Member of RTAC's Board of Directors