

We Earned Our Pensions

Most reasonable people would agree that teachers are of paramount importance to our society. Teachers make all other careers possible. Yet many debating the current pension debacle have unfairly belittled retired teachers who have spent their lives educating society's future generations. Illinois legislators, the Civic Committee of Chicago and the news media have portrayed retired teachers as if they were millionaires on a 365 day holiday. There is no rationale for such denigration. A review of the facts is needed:

First, Chicago Public school teachers, retired and active, faithfully contribute 9% of their salaries from each paycheck they receive throughout their professional public service careers. However, the Chicago Board of Education, with the aid of the Illinois legislature, evaded making its share of payments to the Chicago Teachers Pension Fund since 1995. In addition, in 2010, the Illinois Legislature approved a three year "Pension Holiday" which essentially allowed the Chicago Board of Education to shortchange its employees \$1.2 billion dollars which was owed to the Chicago Teachers Pension Fund. While employees faithfully annually contributed 9% of their salaries, CPS contributed nothing to the CTPF from 1996-2006. Our pensions are contingent on a solvent pension fund and an employer that meets its legal obligations.

Second, no pension fund can sustain itself with only employee contributions. The Chicago Board of Education's failure to make its pension contributions on behalf of its employees deprived the Chicago Teachers Pension Fund of its ability to increase its assets through investments and thus be in the stable condition needed to provide for its retirees. The loss of these funds since the mid 1990s is the reason CTPF is underfunded today. The Chicago Board of Education and ill conceived Illinois' legislative actions caused the current problem. For decades our state legislators have used the pension funds as their personal "piggy bank." The money they borrowed from us is now due and the debt is so huge they cannot repay it. So they arrogantly propose that we pay for their irresponsibility by diminishing our constitutionally guaranteed pensions.

Third, in the private sector employers and employees each make equal 6.5% contributions to Social Security every pay period. In the private sector, there is no such thing as a "pension holiday" for employers.

Fourth, it is also important to note that Chicago public school teachers are ineligible to pay into/collect Social Security benefits for their teaching service. **Their monthly pension checks represent the money they contributed and earned.**

Fifth, to correct the pension debacle facing the Chicago Teachers Pension Fund, the following corrective action should be instituted:

- Reinstated the Chicago Teachers Pension Fund line item levy to each City of Chicago property tax bill. This would secure the funds for CTFP and prevent them from being allocated for other purposes by the Chicago Board of Education.
- Secure a proportionate share of resources from the State of Illinois comparable to what is provided to non-Chicago retired educators for their health care.
- Allocate a portion of the Illinois Lottery proceeds for the Chicago Public Schools, which was one of its promoted designated uses.

Implementing these corrective actions will not solve the CTPF pension shortfall overnight; but it would allow the pension fund to be replenished. Over a period of time, this infusion of new monies combined with continued CTPF prudent investment policies would stabilize the pension fund.

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