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LETTERS TO THE EDITOR

I MUST take issue with some of the statements of Dwight Kay, Republican candidate for Illinois Representative District 112. While it is true that the state has a \$14 billion deficit, the Teacher's Retirement System does not have a deficit of \$41 billion. The TRS is alive and well and is meeting its pension obligations. The TRS functions by investing teacher contributions (currently 9.4 percent of salary), contributions of the local school districts, and contributions of the state of Illinois. The \$41 billion is the amount the value of investments has declined during recent years caused by two factors: the decline in the economy, and most importantly, the state's failure to make its annual contribution.

The first failure occurred during Gov. "Big Jim" Thompson's term of office in which he declared a pension holiday and made no payment. Almost every administration thereafter has failed to pay the appropriate amounts. The money was siphoned off to meet other obligations of the state.

Teachers have, in fact, been supporting the state of Illinois for years and years. We went to work on time, contributing faithfully each and every month for 40 years. The state of Illinois did not in good faith leave the money for our pensions, but instead used it for other purposes. The TRS has been forced to sell

assets to meet its pension obligation which further exhausts the value of its investments. I applaud the 13 states which have established "irrevocable trusts" to prevent the state from using pension funds for other purposes.

No one can deny that the state of Illinois is in a financial crisis. However, to blame it on the Teachers' Retirement System is more irresponsible than the creation of the deficit was in the beginning. Several solutions have been discussed. Among them is the idea of a two-tiered pension system for teachers. That proposal will pay new teachers smaller pensions; force them to work longer to earn pensions, etc.

Please be aware that any savings realized by such a plan will not be available to the state for approximately 40 years — when teachers hired today retire and begin to claim benefits. Be very careful! It is assumed that new teachers who will receive a reduced pension will not be contributing as much as we did. Therefore, the state of Illinois may be considering a plan which will add to the cost of pensions rather than decrease that cost.

Current local politicians did not create the pension dilemma but will need all our help to resolve this crisis.

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