



OFFICE OF THE MAYOR
CITY OF CHICAGO

FOR IMMEDIATE RELEASE

March 24, 2016

CONTACT:

Mayor's Press Office

312.744.3334

press@cityofchicago.org

STATEMENT FROM MAYOR EMANUEL ON TODAY'S ILLINOIS SUPREME COURT RULING

"Though disappointing, this ruling does not change my commitment to ensuring employees and retirees have a secure retirement without placing the full burden on Chicago taxpayers. While I believe SB1922 was the right pension reform plan for retirees and taxpayers, my administration will continue to work with our labor partners on a shared path forward that preserves and protects the municipal and laborers' pension funds, while continuing to be fair to Chicago taxpayers and ensuring the City's long-term financial health."

Mayor Rahm Emanuel

BACKGROUND

- The City will continue to make the statutorily required pension payments. For the 2015 pension contributions, the City will contribute \$180 million to the funds.
- Without SB1922, the required contributions under current state law are insufficient to maintain the financial viability of the two funds. The unfunded liabilities of the municipal and laborers pension funds will increase by \$2.48 million per day, or \$900 million per year, ensuring insolvency for both funds by 2026 and 2029 respectively.
- Under SB1922, the City's funding would have increased contributions from \$177 million the City paid for the 2014 contributions to \$620 million in 2020. As the same time, employee contributions would have increased from 8.5 percent of regular salary to 11 percent. For every additional \$1 employees/retirees contributed to shoring up their pensions, the City would have contributed an additional \$2.
- Under SB1922, the increased employee contributions and slowing growth in pension benefits was 30 percent of the solution to stabilizing the two pension funds.

###