



## **Illinois Community College Trustees Association Action Alert** **April 21, 2005**

The State Universities Retirement System (SURS) has posted several documents describing the impact of Governor Blagojevich's proposed pension changes on SURS beneficiaries. Please note that **NO LEGISLATION has yet been filed**, and so we do not currently have specific bill numbers for reference or action.

The following is reprinted from the SURS web site at <http://www.surs.org/news/Features/feature.htm#FY06Budget>.

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### **FY'06 Budget Recommendations: Benefit Changes Affecting Current Participants and "New Hires" and Changes to the Statutory Retirement System Funding Program**

The description of proposed benefit changes and changes to the current retirement system funding program are described and analyzed in a series of documents that may be accessed by:

The document entitled [The Administration's Budget Proposals for FY'06 as They Relate to SURS](#) describes the proposed benefit changes.

The document entitled [Administration Budget Book Effective Rate of Interest \(ERI\) Limit](#) shows the amount by which future benefits for current SURS participants would be diminished if the proposed limit on the maximum rate of interest that can be credited to participant retirement accounts for purposes of the SURS "Money Purchase" Formula were enacted.

The [April 9, 2004 MEMORANDUM](#) document reviews the Illinois court decisions that interpret Art. XIII, section 5 of the Illinois State Constitution which says, in effect, pension benefits are a matter of contractual right and they cannot be diminished or impaired.

The document entitled [Examples of the Effect of the Administration's Revised COLA Adjustment for "New Hires"](#) contains examples showing the amount of inflation compensation (in percent change year-over-year) that would be provided to "new hires" when they retire in the future.

The document entitled [Actuarial Impacts on SURS of FY'06 Budget Recommendations](#) analyzes the effects on SURS of the proposed benefit changes and changes in the funding program. The benefit changes and funding changes are analyzed separately and on a combined basis.

The document entitled [State Contribution 'Savings' from Proposed SURS Benefit Changes but Without Limitation on ERI and Without New COLA for New Hires](#) shows what happens to the expected reduction in state contributions to SURS (i.e. savings to the state) if the proposed post-retirement adjustment (COLA) change for new hires is not enacted and if the limit on the rate of interest that can be credited to participant accounts for purposes of the "Money Purchase" Formula is not enacted or is found to be unconstitutional.

The document entitled [Examples of the Effect of the Administration's Proposed ERI Limitation on SURS Money Purchase Formula Calculations](#) contains examples that show, on a case-by-case basis, the amount by which benefits would be reduced for current participants if the proposed interest rate limit were enacted.

The document entitled [Draft Legislation](#) contains the proposed law changes.

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**\* ICCTA Lobby Day is May 4 – call 1-800-454-2282 to register today \***

Michael S. Monaghan  
Executive director  
Illinois Community College Trustees Association  
401 E. Capitol Ave., Suite 200  
Springfield, IL 62701-1711  
1-800-454-2282 (phone)  
217-528-8662 (fax)  
[iccta@communitycolleges.org](mailto:iccta@communitycolleges.org)