



Illinois Municipal Retirement Fund

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Dear Editor:

While Kristen McQueary is right to criticize the lack of discipline in funding the state's retirement systems ("All I want for Christmas is pension reform," Dec. 20), she should also give public pensions their due.

State pensions contribute meaningfully to the welfare of Illinois and its citizens. They help government employers attract and retain qualified professionals to ensure consistent delivery of critical public services. It is worth noting most of these systems do not participate in Social Security, which relieves the city, county and state of Social Security contributions. It also means that state employees — unlike private sector employees who have 401(k) plans and Social Security — only have their guaranteed state pensions to fall back on.

State pensions are a shot in the arm to the state's economy. At least 85 percent of municipal workers in Illinois stay in the state when they retire and then plow their retirement dollars back into local businesses. In fact, roughly \$12.6 billion, or 2.4 percent, of the state's economy can be attributed to retired government workers spending their pension benefits, according to National Association of State Retirement Administrators.

In my opinion, the column also paints an overly bleak picture of the state's pensions. Illinois' five retirement systems currently have more than \$100 billion in funds set aside to cover benefits owed to state employees.

Fortunately, there is a solution to the state's pension problems, and it is not more finger-pointing and fist-shaking. We need a sensible, long-term plan that includes: a dedicated income stream for fully funding the state's systems, the discipline not to tap those funds for other uses, legislation to close loopholes that expose the system to abuses, and a moratorium on benefit increases that do not have a clear and immediate funding source.

As the Pew Charitable Trusts study you referenced attests, most public employees nationwide participate in pension plans that are well managed, well funded and closely regulated. Here in Illinois, for example, the Illinois Municipal Retirement Fund, which guarantees modest pensions to supplement retirees' other savings, is 100 percent funded.

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