

**UNIVERSITY OF ILLINOIS  
URBANA-CHAMPAIGN SENATE**

Prefiled Resolution  
(Final;Action)

**FB.09.03      Resolution on the Need to Protect the State University Retirement System's  
Defined Benefit Retirement Plan**

Whereas,      The State of Illinois has historically significantly underfunded its pension systems by legislative and gubernatorial decisions, creating an unfunded liability of over \$54.3 billion as of June, 2008, the largest such dollar amount in the nation;

Whereas,      UIUC faculty and staff are not covered by Social Security, while some other states cover all or half the cost of contributions to retirement systems such as TIAA/CREF in addition to the Social Security amount;

Whereas:      UIUC faculty and staff have continually paid their full share to the retirement system, and the interest on their contributions served to decrease the state's liability for pension shortfalls;

Whereas,      The current budget proposal offered by the governor of Illinois would continue the underfunding of state pension systems, and calls for the following changes (among others) to existing pension laws and rules:

- Increasing the employee contribution rate for current participants by 2 percentage points,
- Decreasing the annual cost of living adjustment and making it not subject to compounding,
- Limiting the earnings upon which retirement benefit amounts are calculated to base pay only, and
- Reducing retirement benefits by decreasing both benefit percentages and final average earnings;

Whereas:      The UIUC campus faculty ranks last in the Big Ten in average benefits and 19<sup>th</sup> out of 21 in the IBHE Peer Group in total compensation and in benefits;

Whereas,      Shifting more of pension costs to future generations and future employees would exacerbate the gap in benefits between UIUC and other universities competing to attract top quality faculty;

Resolved,      That the UIUC Senate calls upon the legislature and governor to:

- Comply with existing state law regarding funding requirements for pension obligations,
- Recognize that the proposed changes will have a negative impact on UIUC's hiring and retention of faculty and staff, and

- Undertake the necessary steps, including revenue enhancement, to enable the state to remain solvent and meet its obligations to participants in the pension system;

Resolved: That the Senate urges its members and faculty, staff and students of UIUC to contact legislators personally to express concerns regarding the current pension funding level, the proposed increases in employee contributions, and the proposed decreases in benefit levels; and

Resolved: That the Clerk of the Senate communicate this resolution to President White, Vice-President for Academic Affairs Rao, Chancellor Herman, Provost Katehi, the Board of Trustees, and area legislators.

**Senate Committee on Faculty and Academic Staff Benefits**

Rick Gorvett, Chair

Jenny Barrett

Bettina Francis

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Karie Wolfson, *Ex officio*