

Adopted April 14, 2009

SURSMAC Resolution on the Need to Protect the Current Pension System
for Employees of Public Colleges and Universities

- Whereas, The State of Illinois has significantly underfunded its pension systems by legislative and gubernatorial decisions from FY 1981 to FY 1991 and FY 2006 to FY 2009 creating an unfunded liability of over \$ 54.4B as of June, 2008, the largest dollar amount in the nation;
- Whereas, The state's contribution to public faculty and staff's benefits is less than in most states because it does not contribute the FICA tax of 7.65%;
- Whereas, The State's contribution to the SURS pension system is equivalent to a private sector employer providing social security and approximately 3.35% of salaries into a retirement program such as TIAA/CREF;
- Whereas, Illinois faculty at public institutions fall behind their IBHE comparison peer groups in benefits;
- Whereas: Participants 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, Failure of the state to make its mandated contributions is the dominant cause of the shortfall in full funding of the state pension systems;
- Whereas, The Governor's proposals would exacerbate the gap in benefits between Illinois public institutions and other colleges and universities competing to hire away top quality faculty;
- Whereas, The budget proposal offered by the governor calls for rewriting existing law on funding of pensions to continue the underfunding of state pension debts;
- Resolved, That SURSMAC calls upon the legislature and governor to recognize the necessity of fully funding its pension obligations in amounts established in existing state law;
- Resolved: That the legislature and governor recognize the negative impact on retention of faculty and staff by requiring any increase in contributions from current employees, thus further widening the gap in salaries and total compensation compared to peer institutions as documented by AAUP surveys and current IBHE reports available to the faculty;

Resolved: That the state undertake the necessary steps which must include revenue enhancement to enable the state to remain solvent and meet its obligations to participants in the pension system, and

Resolved: That SURSMAC urges its members and faculty, staff and students to contact legislators personally to stress the need to deal with this issue of unmet pension obligations.