The University Council of Northern Illinois University has issued the following time-sensitive statement about Illinois’ pension reform law, PA 98-0599:

During the next two months, Northern Illinois University is in danger of losing up to 800 or more employees because of uncertainty about the legal status of the state’s new pension reform law. This massive brain drain is unnecessary and threatens significant harm to the educational mission of the university.

At least two factors are contributing to the expected wave of retirements.

First, the pension reform law contains a mistake that, if left uncorrected, will cause hundreds of employees to forfeit a year’s worth of pension benefit accruals if they do not retire by June 30. State legislators have reportedly acknowledged the mistake, but fear they will be unable to correct the error before university employees reach the June 30 decision deadline.

Second, the constitutionality of the pension reform law has been challenged in five consolidated lawsuits, but there is no realistic prospect these suits will be resolved before June 1, when the law is set to take effect. This legal uncertainty will irreparably harm certain longtime employees who would prefer not to retire this year but who, as a practical matter, will be forced to do so. If the courts eventually determine that the new pension law is unconstitutional, all of those non-voluntary retirements from the university will have been unnecessary.

Irrespective of our view about the wisdom of the pension reform law, our present concern is that massive retirements will be triggered for no rational reason, simply because a mistake remains uncorrected and the constitutionality of the law remains undecided.

We therefore are very concerned and hope that, in the absence of corrective legislative action, the courts will consider issuing a preliminary injunction to suspend enforcement of the pension reform law at least until its constitutionality is definitively determined.

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