NIU University Benefits Committee
Talking Points for NIU Employees and Annuitants Regarding Pension Benefits

PENSIONS

- University employees do not participate in Social Security through their State employment. University employees are mandated by the State of Illinois to participate in the State Universities Retirement System (SURS).

- Every pay day university employees with pension benefits make their pension contributions to SURS. The primary cause of the State’s unfunded pension liability is the State’s “decades-long failure to make its full employer contribution to the pension systems.” If the State had made its payments in a timely manner, the combination of employee and State payments likely would have generated interest and investment income resulting in a fully funded system. If the State had not elected to create its own pension system, the federally-mandated employer matching payments to Social Security would have been made every payroll.

- The level of pension benefits, when compared to 85 public employee retirement systems nationwide, is average.

- Seventy-eight percent (78%) of SURS pension recipients do not receive Social Security, and SURS may be their sole source of income.

- The average annual retirement annuity paid by SURS in 2010 was $33,960.

- Many private sector employers offer an employer match when employees participate in optional, supplemental retirement benefits plans (e.g. 403b, 401k, 457 plans). State employees do not receive any employer match for supplemental retirement benefits.

- Changes or cuts to future pension benefits will not reduce [by one penny] the State’s debt for past benefits already earned (the “unfunded liability”).

- The State must start catching up on its pension obligations, and new revenues are required because the State’s expenses exceed its revenues. Otherwise, this problem will continue to get worse for taxpayers’ children and grandchildren.

- Reductions in pension benefits for future employees will make university employment less desirable.

- Attracting and retaining excellent teaching faculty and staff are essential for the delivery of high quality educational programs that attract students to NIU.