

University of Illinois Senates Conference Resolution on Retirement Annuity Calculation

Whereas: as representatives of the Faculty of the three campuses of the University of Illinois, and as the faculty advisory body to the President of the University of Illinois and its Board of Trustees, the University Senates Conference is deeply concerned by the looming mass retirement and flight from our campuses resulting from pension reform law Public Act 98-0599 and its negative impact on the existing pensions of many university faculty and staff;

Whereas: the current overhaul of the SURS pension system may unintentionally undermine the excellence of Illinois academic institutions, a general problem that warrants further discussion and future action;

Whereas: a more immediate crisis involves a change in Public Act 98-0599 that introduces an inconsistency in the participant's retirement annuity calculation ("Money Purchase Formula") that reduces dramatically and unnecessarily the benefits of many of the employees of the University;

Whereas: Public Act 98-0599 reduces retirement benefits for employees, and, in particular, changes to the Money Purchases Annuity factor create the potential for significant loss of benefits that retirement-eligible employees have already earned;

Whereas: it is acknowledged that the language of the provision is not consistent with legislative intent and results in annulment of benefits already earned, thereby causing many faculty and staff to decide to retire from the University of Illinois prematurely to avoid economic penalties for working beyond June 30, 2014;

Whereas: the premature and unplanned loss of senior faculty and staff members constitutes a loss of leadership, experience, and knowledge that provides the foundation for the quality of our institutions;

Whereas: the widely-publicized reason for the premature retirement of so many of our top faculty will result in strongly negative publicity for all of Illinois's state universities;

Whereas: future attempts to recruit faculty of the caliber of those lost to premature retirement will be severely hampered by this negative publicity;

Whereas: the immediate effect of mass unplanned retirements will be a reduction in course offerings due to lack of faculty capacity;

Whereas: reduced course offerings directly attributable to premature retirements will negatively affect students' graduation and future employment plans;

Whereas: delays in graduation past four years will result in an unanticipated financial burden for students and their families, due to the expiration of set tuition rates after four years;

Whereas: for all the above reasons, the unplanned retirement of these members of the university communities will have a devastating impact not only on the academic and research activities of the state universities but also on the citizens of the state of Illinois;

Be it resolved that:

The University Senates Conference urges the Legislature of the State of Illinois to amend Section 15-136 of P.A. 98-0599 to reflect the original intent of the Public Act as soon as possible, bearing in mind that each passing day will mean loss of quality because of additional premature retirement commitments.