

Annuitant Benefit Protection

In recent months many media outlets have focused attention on public pensions. More specifically many stories and the Civic Committee of the Commercial Club of Chicago has said that pensions due to Illinois educators and public employees are not guaranteed by the state.

The following are important facts that provide protection of your benefits:

- Illinois educators and public employees are provided explicit constitutional protections which represent the strongest guarantee against impairment of benefits.
- "Membership in any pension or retirement system of the State, any unit of government or school district, or any agency or instrumentality thereof, shall be an enforceable contractual relationship, the benefits of which shall not be diminished or impaired."
Illinois Constitution, Article XIII.
- "No... law impairing the obligation of contracts..., shall be passed." **Section 16, Article 1, Illinois Constitution.**
- No State shall, without the Consent of the Congress... pass any Bill... or Law impairing the Obligation of Contracts." **Section 10, Article 1, United States Constitution.**

In addition, the Civic Committee has implied that if a State pension system goes broke, retirees have no recourse to collect the money owed them. The Civic Committee cites the Illinois Pension Code (40 Compiled Statutes 5/22-403) as saying that "any pension payable under any law herein before referred to shall not be construed to be a legal obligation or debt of the State..." The Commercial Club does not quote the entire law when referencing the Illinois Pension Code and leaves out specifically important phrase "... unless otherwise specifically provided in the law creating such fund."

For Illinois educators, the section of the Pension Code cited by the Commercial Club is overridden by 40 ILCS 5/16-158 (c), a part of the law which created TRS. This section specifically states, "Payment of the required State contributions and of all pensions, retirement annuities, death benefits, refunds, and other benefits granted under or assumed by this System, and all expenses in connection with the administration and operation thereof, are obligations of the State."