



News Sheet "Update" February 8, 2022

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SPECIAL CORONAVIRUS EDITION, #16

IN-PERSON @ LAMBS' FARM—11:30 a.m.

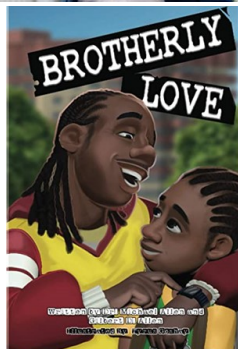
Michael Allen, Author

Important: New IRTA Lawsuit (see backside)



Author and District 65 principal (Oakton Elementary, Evanston), Dr. Michael Allen shares the remarkable book, *Brotherly Love* that he wrote with his younger brother Gilbert on rising up from racism and poverty.

Their parents battled drug addiction, poverty and intermittent homelessness in and around Zion and Waukegan. Gilbert was, at the time, he was failing in high school, was crashing at their sister's one-bedroom apartment, which she also shared with her boyfriend and their newborn.



At this time, Michael was a sophomore at Valparaiso University and Michael brought Gilbert to live with him at college, enrolling him in HS at Valparaiso, and eventually gaining legal guardianship.

Gilbert, now 33, has earned a master's degree in social work and is working toward his doctorate. Michael, 38, earned his doctorate in administration and supervision and was named 2020 Principal of the Year by the Illinois Principals Association.

Thank you to the many who provided us with such fun at our December meeting and those of us who enjoyed it!

HAPPY 2022—HOPE TO SEE YOU BACK SOON!



TRS (Teachers Retirement System)

P.O. Bo 19253

Springfield, IL 62702-9253

1 (800) 877-7896

www.trs.state.il.us



IRTA (Illinois Retired Teachers Association)

828 South Second Street

Springfield, IL 62702

1 (800) 728-4782.

www.irtaonline.org



LCRTA (Lake County Retired Teachers Association)

Box 8107, Gurnee, IL 60031

www.lcrtat.org



**IMPORTANT!! NOT A MEMBER OF IRTA? PLEASE JOIN NOW!
YOUR TRS HEALTH INSURANCE DEPENDS ON IT!**

<https://www.irtaonline.org/membership>

THEN . . . 2015



Meet DORIS HEATON (Secretary of the IRTA). She is the reason you still enjoy a 3% compounded interest on your pension!

On May 8, 2015, a **unanimous Illinois Supreme Court upheld** the literal meaning of the Pension Protection Clause. The case before the Court, **Heaton v. Quinn**, was a challenge to a 2013 state law that changed the Illinois Pension Code and lowered retirement benefits for the members of TRS and all state pension systems. The Court's decision in **Heaton v. Quinn** means that the pension laws in place at the time a public employee begins government service control his or her pension benefits forever. **Those benefits can be increased or enhanced, but they cannot be diminished or impaired.**

NOW . . . A NEW LAWSUIT

(January 24, 2022 - Springfield, Ill.) - **The Illinois Retired Teachers Association filed a lawsuit Monday seeking to correct an unconstitutional move by the State of Illinois which dramatically reduced contributions made to the Teacher Health Insurance Security Fund.** That move worsens the financial footing of the fund, which is already on the verge of default, and places the health benefits of retired teachers in dire jeopardy.

The lawsuit, filed in Springfield, states that:

- more than **100,000** retired educators depend on the committed funding of the health insurance fund and that personal and family decisions have been made in justifiable reliance on the promises made by Illinois law makers and guaranteed by the Illinois Constitution.
- "This is a disastrous blow to retired public servants and soon-to-be-retired public school educators," stated **Bill Funkhouser, President of the Illinois Retired Teachers Association.** "Retirees have medical procedures they have planned for and long-term medical decisions that are projected. They need their healthcare as originally promised."
- "Furthermore, I am shocked and appalled that the government is **reducing our health insurance funding during a catastrophic pandemic.** It's un-American, it is wrong, it's not right and it must be reversed."
- The lawsuit details how the Department of Central Management Services **reduced the contribution rates to the retirement healthcare fund from active employees and the State from 1.3% to .9% in FY2023. This decreases the funding to the teachers' health insurance fund by \$45.6M.** Since the State of Illinois's contribution is a matching amount, **this automatically reduces the State's contribution.**
- For FY2023, the employer's percentage is reduced from .9% to .67%, which will represent a deficit of millions more being paid into the teachers' health insurance fund.
- Actuarially, these actions are causing the healthcare insurance fund to become rapidly insolvent. According to an independent actuarial review conducted by the Retired Teachers' Association, the negative cash flows to the fund will result in a **'total depletion of the Fund's assets at some point during fiscal year 2023.'**
- According to the Terry Group, an actuarial and employee benefits consulting firm based in Chicago, the reduction in contributions **reduces the expected revenues of the Fund by more than \$750M, from FY2022 through FY2027.**
- **Jim Bachman, Executive Director for the Illinois Retired Teachers Association** stated: "While the reduction may free up money for the State this year, **it increases Illinois' debt exponentially for future years to the sum of three-quarters of a billion dollars.** This type of irresponsible underfunding is exactly how Illinois got into the budget situation it is in today."