

# State Universities Annuitants Association



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## **SUAA 2016 Legislative Platform**

This legislative platform serves as a general guideline for SUAA's positions on legislation that affects pension, health insurance and other retirement benefits for SURS participants.

The main legislative goal for 2016 is to protect the retirement security of all the past, present, and future employees of Illinois public universities, community colleges and their survivors.

Therefore, SUAA will review and evaluate all proposed pension and retirement benefit initiatives and legislation to determine their compatibility with the association's goals and, where appropriate, publicly support or oppose such legislation either with respect to specific components or in its entirety.

Furthermore, if legislation is enacted that SUAA considers to be in violation of the pension protection clause of the Illinois Constitution, SUAA is prepared to challenge that legislation in the courts, in concert with coalition partners or independently, if necessary.

### **2016 Legislative Action Plan**

SUAA supports legislation that would provide for guaranteed full funding of the SURS pension system.

SUAA opposes legislation that does not provide for a compounded automatic annual increment that would provide protection against inflation.

SUAA opposes legislation designed to eliminate the defined benefit option in State retirement plans for future employees.

SUAA supports legislation that would revise Tier II to provide for a more equitable set of benefits related to final salary period, automatic annual increment and early retirement reduction.

SUAA opposes any legislative attempt to amend, modify or eliminate Article XIII, Section 5 of the Illinois State Constitution which states "*Membership in any pension or retirement system of the State, any unit of local government or school district, or any relationship, the benefits of which shall not be diminished or impaired.*" (Source: Illinois Constitution.) *agency or instrumentality thereof, shall be an enforceable contractual relationship, the benefits of which shall not be diminished or impaired.*" (Source: Illinois Constitution.)

SUAA supports legislation that would provide funding for a high quality educational system.

SUAA opposes legislation that would reduce or eliminate the fifty percent (50%) tuition waivers for the children of current employees at state universities.

### **Revenue Enhancement Measures**

SUAA supports various revenue enhancement measures to ensure that the state has sufficient resources to adequately fund both essential public services and public pensions. Specifically:

SUAA supports legislation that would change the amortization of the current pension ramp (catch-up) schedule to a flat payment schedule.

SUAA supports transferring funds for debt service fees to expiring pension obligation bonds into the pension stabilization fund.

SUAA supports increasing the State income tax to at least 5% on individuals and at least 7% on corporations until such time as there is an adequate replacement for the revenues generated from this source.

SUAA supports a graduated state income tax.

SUAA supports other revenue enhancement measures to address the State's continuing fiscal crisis. Examples of these would include, but not be limited to, such measures as: the taxation of selected services; a speculation sales tax; and the elimination of some tax breaks such as the foreign dividend exemption, offshore oil drilling credit, and retail sales tax discount.

### **Health Insurance**

SUAA supports legislation to ensure that all Illinois public university and community college employees, retirees and survivors will be treated equitably under the State Employees Health Plan and College Insurance Programs.

SUAA opposes any decrease in State funding for the College Insurance Plan (CIP) and any reduction in coverage provided by that plan.

SUAA supports legislation that would provide Community College retirees with the same opportunities as University retirees to opt in or to opt out of the College Insurance Plan (CIP).

### **Federal Legislation**

SUAA supports the repeal of the Social Security Windfall Elimination and Pension Offset.