

TCAA LUNCHEON MEETING MINUTES APRIL 16, 2019

The Triton College Hospitality Students provided an amazing variety of entrees at the luncheon. The students each prepared a favorite dish, particularly reflecting their country of origin or a family favorite. The buffet was well prepared and the food was delicious and unusual. As always, the dessert table was a big attraction with an enticing array of delicious desserts.

After the meal, Mary Jeans, President of TCAA, introduced Linda Brookhart, Executive Director of SUAA, who has up-to-date and direct knowledge of activities in Springfield, particularly as it pertains to the SURS pension system.

As an introduction, Linda discussed a few of the goals that are favored by Gov. Pritzker with one important goal being the push for an increase in the minimum wage to \$15 per hour. She noted that Walmart is instituting some robots for certain functions which will decrease the number of employees receiving the minimum wage.

Another goal is to develop banking laws to protect banks when receiving deposits from the cannabis businesses. The Governor is looking at making some changes in the betting laws which could have some social issues. Both goals would presumably increase state income through taxes.

There is a push to develop a Constitutional change to allow for a "fair tax" which would provide a graduated or progressive tax. At present there is no actual content for a bill but a non-fluid income bracketing system should be part of the bill and brackets could not change if they are part of the constitution. Any such bill probably couldn't be accomplished before 2020 and would most likely not come into effect until 2022. If such an effort is put forth, Linda emphasized that we must work to make sure that the brackets cannot be changed.

Linda pointed out that SUAA developed an idea for selling bonds to help decrease the state pension debt. The proposal has been in committee in both the house and senate and both have different figures. There is no target date for any action on this proposal. Neither bill nor the Governor have called for a hearing on the proposal but a hearing was called regarding Tier Two of the pension system. The hearing focused on how a plan to defund anyone earning over \$100,000; to have a defined plan which would impact hard on Tier Two employees (those hired after December 31, 2010). There is projected to be a negative effect on people who are receiving a lower salary.

The Governor is pushing to postpone working on the pension debt with a pension holiday for 7 more years. Linda pointed out that the corporate world is opposed to this as their 401K

saving will most likely be taxed. She further noted that there is a possibility that pensions will be taxed, probably at a certain level and above. She noted that by Federal Law, the pension debt must be paid.

She remarked about the 3% rule which limits income during the last few years of employment so that no raise could be above 3%. This would affect any kinds of promotions which may increase a salary by more than 3%.

Linda discussed briefly that any bill that could have an impact on higher education but that might impact the budget would not likely be called for a vote. As annuitants, we need to be watchful for bills that would impact higher education and by extension the pension system.

Addressing the College Insurance Program, Linda pointed out that the system is actually bankrupt and that the insurance claims are extremely backlogged. Persons who are not on Medicare are finding bills from 2016 still unpaid.

There is some discussion of developing a Tier 3 wherein employees should be partially covered by Social Security. This would lead to a decrease in the income to the SURS system.

Linda addressed the need for people to participate in funding SUAAction to help with lobbying efforts and making contributions to lawmakers who are working to favorably solve the pension problems.

She pointed out that letters from ASCME and the Illinois Policy Institute were not in any way reflective of SURS nor did SURS give names and addresses to the organizations (they were obtained by the Freedom of Information Act) which were trying to encourage SUAA members to shift membership to those organizations. She indicated that being a member of SUAA does not preclude membership in these organizations. She further stated that at the present time there is no indication that the Legislature is going to change the pension clauses in the Constitution.

Linda concluded by telling the membership that SUAA is working to keep abreast of what is going on in Springfield and to keep the membership informed and encouraged us to be in contact with our Legislators with concerns about protecting SURS.

Respectfully submitted,

Connie Allekian