

THREE POINTS ON PENSIONS



Dear Members & Supporters:

The state legislature failed to agree on cutting our pension plan, in its recent session. While this is a temporary victory, the threat has not gone away - negotiations continue in Springfield.

Three points have become clear during the legislative tug of war:

1) *The strong voice of unions representing state employees, namely IFT, SEIU, IEA and AFSCME, is what prevented our pensions from being severely downgraded.*

Only the consistent and coordinated efforts of union lobbyists were able to forestall the decision and force the legislature to consider less-draconian measures than the original plan (which would have almost doubled pension contributions for Tier 1 participants).

2) *Politicians on both sides of the aisle (with a few notable exceptions) are willing to cover up the failures of state government by making state employees pay more.*

All the deals being proposed involve shifting the financial burden down the ladder of wealth, either to individual employees or to local authorities such as school districts. Nowhere is there a serious consideration of tax reform, or of any tax rises on the rich and powerful.

3) *The President of the University of Illinois, Robert Easter, was willing to acquiesce to the gutting of our pension plan.*

Counterparts at other state universities, such as Northeastern Illinois, protested vigorously to the legislature about the proposed pension cuts. But President Easter's mass email to faculty expressed more sympathy for the difficulties faced by legislators than for the difficulties his own faculty will face if pensions are cut. To not protest vehemently when faculty might be forced to choose between sacrificing either the cost of living adjustment or their health benefits in retirement is an abdication of responsibility. The university deserves an administration that will proudly defend the achievements and the rights of the faculty, not one that offers apologies on behalf of budget-slashing legislators who place little value on public higher education.

Collective bargaining is our best hope to halt some of these drastic attacks on higher education funding and on our terms and benefits of employment. We cannot and should not continue to rely on the unions which represent office workers and graduate students to fight our battles for us. We cannot count on the university administration. We need a democratic faculty union to represent our interests and our aspirations for the university.

Nothing else will do the job.

Jim Barrett

President, Campus Faculty Association, June 10, 2012

TALK TO A CFA MEMBER TO FIND OUT MORE.

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EXCERPT FROM “PENSION BLUES”

BY CARY NELSON,
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AMERICAN ASSOCIATION OF UNIVERSITY PROFESSORS (AAUP)



It's no secret that public employee pensions are under political and legislative assault throughout the country. The effort in state capitols is being promoted by conservative think tanks that provide allied senators and representatives with model legislation that either demolishes or degrades existing pension systems. Indeed it is clear from increasing ideological attacks on public employees generally that the emerging pension wars are certainly not just an effort to fix budget shortfalls. They are part of a national political agenda to discredit and impoverish a critical segment of the American workforce...

Public university employees in Illinois have long had one of the better pension formulas in the country, even while the system has been illegally underfunded. It is not the best formula, but it has been competitive. .. No longer.

On April 14, 2010, Public Act 96-0889 went into law in Illinois. It created a two-tier pension system, with drastically reduced benefits for faculty hired on or after January 1, 2011. Now legislative proposals are on the table to coerce current faculty into accepting benefits similar to the Tier 2 model that already applies to more recent employees...

Those of us who follow faculty benefits used to promote the reasonably competitive Illinois defined benefit plan as part of faculty recruitment efforts. No longer. I now advise against signing up. The best advice to new faculty: put as much money in your personal savings account as you can. The state is no longer interested in your future.

It remains to be seen how many Tier 2 or similar conditions can be legally imposed on current faculty. Certainly there are constitutional bars to reducing benefits for current employees. But the governor has tried to structure the change as an individual “choice” so as to do an end run around the state constitution. The issue will end up in the courts. Meanwhile, retiree health insurance costs are now guaranteed to increase. It is time faculty members across the state organized to have real impact on the legislature...

Meanwhile, a UIC Vice Chancellor's and Provost's web site disingenuously suggests a union cannot help matters because the campus administration does not bargain over state benefits. They are set by the state. But the very Achilles heel that hampers administrative lobbying in Springfield—the lack of political clout—can be achieved by a coalition of public employee unions with numbers, political influence, and enough funds to support legislators who support state employees. University faculty need a strong voice in such a coalition, one that gives voice to the key issues that impact research institutions. The coalition already exists, but it needs a stronger research university faculty presence. Our colleagues in Chicago have taken the first step by organizing with the AAUP and the AFT. Other campuses should follow. For no one campus faculty on its own can tackle the job of winning back the benefits that have been drastically eroded and face further destructive legislation still.