

Public Act 95 0708

From the Plan Perspective

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Retirement Plan for CTA Employees / CTA Retiree Health Care Trust

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Public Act 95 0708

From the Plan Perspective

Before PA 95 0708

1. The Terms of the Retirement Plan are collectively bargained.
2. The funded ratio of the Retirement Plan at January 1, 2008 was near 30% and projected to reach zero in 2013.
3. There is no relationship between the funded ratio and the collectively-bargained EE/ER contribution rates.
4. Retirement Plan pays Retirement Benefits, and health care costs not covered by dependent premiums.
5. Approximately 80% of health care costs are paid by the Plan.

After PA 95 0708

1. Terms of the Plan(s) are set by state statute.
2. The funded ratio of the Retirement Plan at January 1, 2010 was 74.8%.
3. There are automatic increases in the EE/ER contribution rates if the funded ratio falls below 60%.
4. The Retirement Plan can no longer pay for health care costs. Health Trust is created to pay for a portion of costs.
5. Approximately 55% of health care costs are paid by the Health Trust.

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From the Plan Perspective (cont.)

Before PA 95 0708

6. Retirees received free health care coverage, with as little as 3 years of service, at age 55.
7. Contributions to the Retirement Plan are 6% from ER and 3% from EEs for a total of 9% of gross pay.
8. Most participants can receive an unreduced benefit with 25 years of service, regardless of age.

After PA 95 0708

6. Retirees pay 5% to 90% of premium equivalent, depending on their years of service at retirement. They must be at least 55, with at least 20 years of service to be eligible for health care coverage.
7. ER and EE contribution rates at January 1, 2010 are 16.69%* and 8.345% for a total of 25.035% of gross pay.
8. Participants can receive an unreduced benefit at age 64, with 25 years of service.

* The CTA receives a credit for debt service of 6% until 2039.

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From the Plan Perspective (cont.)

Before PA 95 0708

9. Participants can receive a reduced benefit at age 55, with as little as 3 years of service.
10. Retirement Plan had a 10 member Board of Trustees - $\frac{1}{2}$ management and $\frac{1}{2}$ labor. Each half votes as a block.

After PA 95 0708

9. Participants must be at least 55, with at least 10 years of service to receive a reduced benefit.
10. Legislation creates an 11 member Retirement Plan Board without block voting. CTA RHCT Board is created with a 7 member Board.