

The Senate President's Contractual Proposal

The Civic Federation

*Panel II: What are the Options if Pension
Liabilities Cannot be Changed?*

April 17, 2018

Chicago, Illinois

Eric M. Madiar

Madiar Government Relations LLC



Senate President's Contractual Proposal

CHOICE 1: Agree to Give Up 3% Compounded COLA Increases for Lower and Delayed COLA Increases in Retirement

Tier 1 Employee Receives In Exchange:

- (1) Lump sum payment equal to 10% of prior employee pension contributions;
- (2) 10% reduction in employee pension contributions going forward; and
- (3) State cannot offer future raises on a *non-pensionable* basis; future raises must count for pension purposes.

CHOICE 2: Reject Choice 1

No change to Tier 1 employee's 3% compounded COLA increases. **But**, all future raises only offered on a *Non-Pensionable* basis.



Contact Information

Eric Madiar

Madiar Government Relations, LLC

217 South Third Street, Suite 101

Springfield, IL 62701

(217) 503-4107

emadiar@madiar.com

www.madiar.com

