The Senate President’s Contractual Proposal

The Civic Federation
Panel II: What are the Options if Pension Liabilities Cannot be Changed?
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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