

CHICAGO TRIBUNE GUBERNATORIAL CANDIDATE QUESTIONNAIRE

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The Question: "Illinois has an unfunded pension liability of \$80 billion. Would you favor reducing pension benefits for new state employees and/or require higher pension contributions from current employees?"
Governor Quinn and Comptroller Hynes responses are compared below:

Mr. Hynes

First and foremost, I believe that the state needs to honor its obligations and make scheduled pension payments. For far too long, Springfield has become reliant on taking pension holidays and borrowing to make our pension payments. Four times over the past seven years, the state has taken a pension holiday or otherwise avoided making the entire scheduled pension payments, including the recent decision by Governor Quinn to issue \$3.5 billion in pension bonds. Because these actions, our short-term payment schedule is nearly unmanageable. The state needs to recommit to the pension ramp and make the necessary payments. That is why my Budget Plan completely funds all pension payments going forward. However, I know that we cannot stop there. We need to end pension system abuses, lower pension system costs and improve returns. Specifically, we need to put an end to the practice of double dipping. Either you are retired from government service or you are not. Also, we need to end the pension sweeteners that allow individuals to artificially inflate their final salary determination. Additionally, it is time that we put an end to the early retirement initiatives that not only cost the state hundreds of millions in pension obligations, but also creates a lack of institutional knowledge of state government. By instituting these and other measures, we can ensure that we are not only living-up to our obligations, but we are reforming the system. This will help demonstrate to the taxpayers of Illinois that we are serious about reforming the system, it will illustrate to our public servants that your benefits will be protected and it will put an end to those individuals who try and game the system for their benefit.

Mr. Quinn

Illinois' public pension systems have become an enormous financial sinkhole. Without swift, effective reforms, these pension systems will wind up draining our state's resources and mortgaging our future for decades to come. It has been well publicized that some retired state employees have found ways to game the pension system and fatten their annual benefits well into six figures. However, these mega-pensions are only one factor in our state's current pension mess. It is time to take action to put these pension funds back on solid ground and make sure the State of Illinois can continue to meet its obligations, both to our retirees and to the many people who count on us for vital state services. In my months as Governor, I have been working to fix our state's enormous pension problems. In April, I signed a new law that allowed me to overhaul the boards that guide our public pension systems, and put well-regarded professionals in charge. The new law also requires those new members to follow strict ethics rules. But those reforms, important as they are, are only the first steps. Earlier this year, I proposed fundamental changes in the retirement plans for future state workers, setting their pension benefits at levels that taxpayers can afford. I also proposed changing cost of living adjustments, so that retirees' benefits do not soar beyond taxpayers' ability to pay. The Civic Federation, a non-partisan watchdog group, called my proposals for pension plan reforms "reasonable," "historic," "courageous" and "long-overdue." Unfortunately, the General Assembly was unwilling to follow my lead and revamp our outdated, unaffordable public pension system. I know that pension reform is considered a political minefield by many people. That is why no previous Governor has been willing to

attempt these reforms. But I will not which we will address in the coming months. As Governor, I will make sure the State of Illinois keeps its promises to retired schoolteachers, give up on my responsibility as Governor to make our public employee retirement plans both fair and affordable. To help reach that goal, I appointed the Illinois Pension Modernization Task Force to study the problem and develop suggestions on needed reforms, state police officers, and other workers who have faithfully served the people of Illinois. But in these tough financial times, when so many people in the private sector have seen their retirement accounts dwindle or even disappear, we need to make sure that Illinois taxpayers are not being asked to foot the bill for public pension systems that exceed the state's financial limits

