



## RETIRED TEACHERS ASSOCIATION OF CHICAGO

111 N. Wabash Avenue, Suite 2010  
Chicago, Illinois 60602-2949

Phone (312)750-1522  
E-mail office@rtac.org

**Please fill in your contact information and give  
or send this sheet to your Illinois State Senator.  
Please do not return this to RTAC.**

### **RTAC Legislative Fact Sheet: HB3695**

RTAC Member's Name: \_\_\_\_\_

Address: \_\_\_\_\_

City: \_\_\_\_\_, Illinois Zip Code: \_\_\_\_\_

E:mail: \_\_\_\_\_ Phone Number \_\_\_\_\_

#### **Overview**

**Illinois HB3695 successfully passed the Illinois House on Tuesday, April 14, 2015 with a vote of 102 to 9 under the sponsorship of Rep. Marcus Evans and Speaker Michael J. Madigan.**

This critical legislation now needs to pass the Illinois Senate where it is sponsored by Senator Mattie Hunter. When signed into law, it would reinstate the pension tax levy which was diverted from the Chicago Teachers Pension Fund (CTPF) to the Chicago Public Schools' (CPS) operating budget in 1995. The levy funded the employer's obligation to CPS educators' pensions. CPS educators contribute 9% of their salaries for their pensions.

Until 1995, CTPF received funding directly from a pension tax levy which ensured stable funding and secure retirements for retired CPS educators. Since the diversion of the pension tax levy, CTPF has not had a secure funding source. CPS made no pension contributions from 1996 through 2005. This resulted in a \$2 billion shortfall for the Fund. An additional 'pension holiday' from 2010-2013 resulted in the loss of an additional \$1.2 billion. In total, CTPF has been deprived of more than \$3.2 billion in revenue and its funded ration has fallen from 100% to 51.5%.

#### **Synopsis of House Bill 3695 - 105ILCS 5/34-53 from Ch.122. par 34-53**

**Amends the School Code. Provides that a separate tax shall be levied by the Chicago Board of Education for the purpose of making an employer contribution to the Public School Teachers' Pension and Retirement Fund of Chicago, at the rate of 0.26%; requires the proceeds from this separate tax to be paid directly to the Pension fund. Makes a corresponding reduction in the rate limitation for the tax for general educational purposes. Effective immediately.**

#### **Impact**

If **HB3695** becomes law, it would be a significant step toward providing stability for CTPF **without raising property taxes**. It will improve the financial health of the retirement system which provides the primary economic support for 27,700+ retired Chicago Public School educators. CTPF members do not contribute to nor receive Social Security and they must pay for their health insurance. 85% of CTPF beneficiaries live in Illinois. They have a \$1.7 billion impact on our State and help generate 12,628 jobs.

**RTAC** respectfully requests that our State of Illinois Senators support **HB3695**.

#### **RETIRED TEACHERS ASSOCIATION OF CHICAGO (RTAC)**

*Since 1926, the Retired Teachers Association of Chicago (RTAC), an independent, non-profit, 501(c) 4 organization, has worked to protect the pensions of retired Chicago Public School (CPS) educators. RTAC represents more than 9,700 active members and is not governed by or a part of CPS, the Chicago Teachers' Pension Fund (CTPF), or the Chicago Teachers Union (CTU).*