

The speedy sweep to a pension plan

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Illinois officials rushed to take a huge, critical step Wednesday in approving a plan that begins to fix the pension underfunding problem many of them created and added to over many years.

The more than \$78 billion gap in pension plans is the bigger of their two financial embarrassments. The other is the \$13 billion operational gap they created over several years by spending more than comes in from taxpayers.

Officials took action to create a second pension system for most public workers hired after Jan. 1. It would cap the income amount at \$106,800 on which a pension is calculated, raise the retirement age to 67 - or 62 with reduced benefits - and ban people from collecting pensions while working other public jobs. Annual pension cost-of-living increases now are 3 percent, but new workers would get half the rate of inflation or 3 percent, whichever is less. Pensions also would be based on the highest eight years out of the last decade of work, rather than the highest four.

Much of that represents significant progress. Legislators and Gov. Pat Quinn still must fill the pension and budget gaps. We're thrilled they finally feel compelled to start. But why the rush? How do we know these solutions are best?

After literally years and years of not adequately funding pensions and ignoring calls to stop it, Illinois House Speaker Michael J. Madigan and Senate President John Cullerton, Chicago Democrats, pushed this through at breakneck speed. It was done in a matter of hours with little time for thoughtful deliberation.

We understand Madigan and Cullerton feared giving unions too much time to push back. And that the state again is trying to borrow to pay for a \$31 billion building plan, but the lenders finally are balking, telling officials they must fix their financial messes. Whatever the reason, thank goodness for a step forward.

Still, shouldn't we all take one breath and explore whether this approach is best?

Why aren't police and fire workers included? Teachers' union official Steve Preckwinkle had a point. Pushing teachers to stay in classrooms until age 67 might not always be best for children. Will that move create future financial strain on our schools? Might there be another alternative? What about creating more of a 401(k)-type system for new state workers? Yes, that might create other concerns, but shouldn't we talk about it? Should we have another plan that legally tests again whether future changes can be made to current workers' pensions? (Courts rejected one previous try.) Union officials adamantly oppose this new pension tier. We empathize as they face cuts most private workers already have swallowed, but something must be done. For now, current workers still will get their good pension benefits. The law requires it.

Curtailing public pensions is long overdue, but much more work must be done to fix the financial mess our elected officials created.