



Chicago Teachers' Pension Fund

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House Bill 3695 Passes Illinois House on Vote of 102 to 9

CTPF advocates for reinstatement of dedicated pension funding

[House Bill 3695](#) took a major step on April 14, 2015, when it passed out of the Illinois House with bi-partisan support on a vote of 102 to 9. The bill will now be considered in the Illinois Senate where it is being sponsored by Sen. Mattie Hunter (D-Chicago). The legislation reinstates the pension tax levy diverted from CTPF in 1995.

This legislation, written and sponsored by State Rep. Marcus C. Evans, Jr., (D-Chicago) and House Speaker Michael J. Madigan (D-Chicago) with Chief Co-Sponsor Rep. Barbara Flynn Currie (D-Chicago), received bi-partisan support from several additional Co-Sponsors including Rep. David Harris (R-Mount Prospect), Rep. Anthony DeLuca (D-Chicago Heights), Rep. Joe Sosnowski (R-Rockford), Rep. Arthur Turner (D-Chicago), Rep. Christian L. Mitchell (D-Chicago), Rep. Elgie R. Sims, Jr. (D-Chicago), Rep. Camille Y. Lilly (D-Chicago), and Rep. John D'Amico (D-Chicago).

"We are pleased to see this bill favorably received by the Illinois House and look forward to its favorable consideration in the Senate," said Charles A. Burbridge, CTPF executive director.

In 1995, legislation diverted the CTPF tax levy into the CPS operating budget, giving CPS administrators control over pension contributions. CPS then deferred their contributions from 1996 to 2005. As a result, CTPF lost \$2 billion in revenue. CPS again deferred contributions from 2010 to 2013 and cost the fund another \$1.2 billion. In total, CTPF has foregone more than \$3.2 billion in funding.

The proposal establishes a specific tax levy for contributions to CTPF beginning in Fiscal Year 2016. The levy is equal to 0.26% of all taxable property within the Chicago Public Schools district, and would generate approximately \$160 to \$180 million in 2016. The CPS levy would be reduced from 3.07% to 2.81% and the 0.26% of tax levied each year will be deposited directly with CTPF.

"Restoring the tax levy will be an important step towards establishing a sustainable funding plan," said Burbridge.

ABOUT CTPF

Established by the Illinois state legislature in 1895, the Chicago Teachers' Pension Fund manages members' assets and administers benefits. The \$10.9 billion pension fund serves approximately 63,000 active and retired educators, and provides pension and health insurance benefits to more than 27,700 beneficiaries.

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