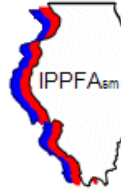


PUBLIC SAFETY EMPLOYEE COALITION



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Downstate Police and Fire Pension Reform

PRESS RELEASE

FOR IMMEDIATE RELEASE
MAY 8, 2010

The state's largest public safety organizations today expressed disappointment with the death of public safety pension reform at the hands of local government lobbyists.

This year the Public Safety Employee Coalition an alliance of the Associated Fire Fighters of Illinois (AFFI), the Illinois Fraternal Order of Police (FOP), Illinois Public Pension Fund Association (IPPFA), and the Police Benevolent & Protective Association (PBPA) spearheaded a bipartisan effort to initiate pension reforms for police and firefighters. The heart of the pension reform package is contained in House Bill 5873. As amended during bipartisan negotiations headed by Senator Terry Link, D-Waukegan, the legislation would have enacted significant reforms to downstate police and firefighter pension statutes and would have provided substantial property tax relief for Illinois homeowners:

- Taxpayers would have realized ***an immediate 10% property tax cut*** for the portion earmarked for public safety employee pension costs.
- For every police officer and firefighter hired after January 1, 2011, ***every municipality would save 50 %*** of the employer's current share of retirement contributions.
- The legislation would ***raise the minimum retirement age from 50 to 55 and lower the maximum pension formula*** for all police officers and firefighters hired after January 1, 2011.

AFFI President Pat Devaney issued this statement, on behalf of the coalition, following defeat of the pension reform legislation:

"It is regrettable that the lobbyists for a handful of Illinois municipalities have succeeded in blocking the type of pension reform that is so desperately needed in our state.

Coalition Contacts

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“For the third consecutive year, public safety employees have brought to the table a good faith proposition to provide taxpayer relief while maintaining the integrity and professionalism of our police and firefighters and their security.

“It is unfortunate that a handful of local governments hold so much sway that they can block an honest effort to save money for taxpayers while maintaining the professionalism of our fire departments across Illinois.

“Ironically, a group calling itself Pension Fairness for Illinois Communities decided to kill the very reform they profess to embrace. Essentially they have opposed the very legislation they put forth.

“Senator Link should be applauded for his efforts to help repair a system that is so badly in need of reform. Our Coalition and its members pledge our continued support to Senator Link and other lawmakers who agree that we need pension reform that strengthens the fiscal health of the systems without jeopardizing the safety of Illinois citizens and first responders.”

At the root of the opposition from the Pension Fairness for Illinois Communities, which is funded by tens of thousands of dollars invested by Illinois municipalities, is a provision that would require politicians to begin repaying their employers’ share of pension contributions to public safety retirement funds.

Beginning in 2015, local governments refusing to make good on their commitments *and follow statutory requirements that have been ignored for decades*, could lose a share of their state aid to municipalities.

That provision, wholeheartedly supported by the Coalition, essentially would implement the same sort of recourse that any service provider has under ordinary contract law. Just as a landlord could garnishee the wages of a deadbeat tenant, the state would have been able to withhold local government assistance based on their failure to provide reasonable funding. In fact, the same statutory compliance mechanism included in this legislation has been in place for IMRF, the pension fund covering municipal mayors and managers, for several years.

Incredibly, the people opposed to this pension reform legislation are sending a clear message. The message is – We object to funding compliance for police and fire pension systems but when it comes to our personal retirement system funding, compliance is not a problem.

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