



# Governor takes action to protect taxpayers

March 27 2017 8:38 AM



*Rauner calls for comprehensive approach to pension reform; Video footage of Governor Rauner addressing today's action can be found [here](#)*

CHICAGO – In an effort to protect taxpayers, Governor Bruce Rauner today vetoed legislation that creates a five-year pension funding fiscal cliff for Chicago's municipal

and laborer pension funds that will lead to increased taxes for residents in the City of Chicago in 2023 and beyond.

"This is another kick-the-can approach to pension funding that landed Chicago in fiscal crisis in the first place," Governor Rauner said. "This bill will create an unsustainable funding schedule that will lead to tax increases without solving the real problem."

Collectively, Chicago's pension funds face a combined deficit of around \$30 billion. At the same time, skipped or delayed pension payments over the years have caused the state's unfunded pension liability to balloon to \$130 billion. In vetoing this legislation Friday, Rauner called on the state and all of its communities to work together on a more comprehensive approach to reform.

The action followed a morning press conference in Chicago where Rauner encouraged the General Assembly to pass a pair of bills that will deliver statewide pension reform to save taxpayers billions, while providing Chicago Public Schools with additional funding it has requested to complete the school year.

"It's like trying to fix a drought with a drop of rain. We see pension funding challenges throughout the state – one off, short-sighted approaches won't really fix the problem," Rauner said. "We must have comprehensive, long-term pension reform. Let's get it done."

The full veto message to the General Assembly is below:

To the Honorable Members of

The Illinois Senate,

99th General Assembly:

Today, I veto Senate Bill 2437 from the 99th General Assembly, which makes changes to the Chicago's municipal and laborer pension funds. This legislation allows members of those pension funds hired between 2011 and 2016 to opt to pay more in employee contributions, in exchange, those members could retire at age 65, rather than 67. Additionally, it allows new members to the system to retire two years earlier while also increasing their employee contributions.

While I appreciate the effort to address the insolvency of certain pension funds for Chicago's public employees, the legislation will create another pension funding cliff that the city does not have the ability to pay. This legislation will result in increased taxes on Chicago residents.

This veto also reflects a concern that the legislation would do nothing to address the overarching problem of underfunded pension systems throughout our State. Chicago pension funds alone face a combined deficit of around \$30 billion. Our state pension funds are collectively underfunded to the tune of \$130 billion. Short-term fixes like Senate Bill 2437 are not the answer and in fact are what has led to our current pension woes. This practice has to stop.

I encourage the General Assembly to pass comprehensive pension reform for our pension systems across the state and to protect our taxpayers from the rising costs of these unfunded systems.

Therefore, pursuant to Section 9(b) of Article IV of the Illinois Constitution of 1970, I hereby return Senate Bill 2437, entitled “AN ACT concerning public employee benefits”, with the foregoing objections, vetoed in its entirety.

Sincerely,

Bruce Rauner

GOVERNOR