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It's Time for Pension Reform

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**Property Tax Workshop
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Property Tax Workshop Tonight

43rd Ward homeowners who live in North Chicago Township (south of Fullerton Ave.) have from Sept. 14 - Oct. 14, 2012 to file an appeal of their property tax assessment. Stop by Commissioner Gainer's property tax workshop for help with the appeal process. [Click here](#) for more information.

**Property Tax Workshop
Thursday, October 4
6:00pm - 8:00pm
Chicago Public Library
Lincoln Park Branch
1150 W Fullerton**

Chicago Marathon This Weekend

The 2012 Bank of America Chicago Marathon is coming to the 43rd Ward this Sunday, October 7. The marathon starts at 7am. [Click here](#) for the list of street closures that may affect you and for the route map. The following streets in and around the 43rd Ward will be closed:

LaSalle: Jackson-Stockton

Dear Friends,

As I wrote in an earlier newsletter, in June I sponsored a resolution calling for hearings on the pension situation in Chicago. Here is a report from the first of those hearings, at which trustees from the pension plans and pension experts testified.

The plans serve over 100,000 retirees and active employees, and are funded by those employees and by all Chicago taxpayers. **The underfunding of the plans is dire:** Laborers are funded at just 65%, Municipal Employees at just 45% and the Police and Firemen pension plans are only funded at 36% and 28%, respectively. This means that every year, the plans are paying out tens of millions of dollars more than they are taking in.

The money in the funds will run out in 15-20 years. If we do nothing, a person who retires today will not only be out of luck, and without benefits in as soon as 15 years, but before then will have already experienced significant cuts to their benefits. I asked the trustees of the pension plans what would happen then and they answered that they hope it never comes to that. The fix, they said, is in Springfield. **The burden, however, will be on Chicago taxpayers.**

Once a large pension system becomes seriously underfunded, eliminating the shortfall becomes more difficult. With a fully funded system, the employer normally only needs to contribute its share of the value of benefits earned during the year (known as normal costs) to remain fully funded. With a seriously underfunded system, the employer, in this case the City of Chicago, needs to contribute additional money to reduce the unfunded liability to keep the funded ratio from worsening.

The City of Chicago relies heavily on revenue generated by property taxes. Could Chicago taxpayers be responsible for funding the pension shortfall? **Not only could they be, they already are.**

7am - 9:30am

Stockton: LaSalle-Fullerton
7am - 10:45am

Fullerton: Stockton-Cannon
7am - 10:45am

Cannon: Fullerton-Sheridan
7am - 10:45am

Sheridan: Diversey-Belmont
7am - 10:45am

Broadway: Addison-Diversey
7am - 10:45am

Clark: Diversey-Webster 7am -
11am

Webster: Clark-Sedgwick
7am - 11am

Sedgwick: Webster-North
7am - 12pm

North: Sedgwick-Wells
7 am - 12pm

Wells: North-Hubbard
7am - 12pm

Office Closed 10/8

Our office will be closed for
Columbus Day, Monday,
October 8, 2012.

Voter Registration Deadline and Early Voting

The deadline to register to vote
in Illinois for the November 6th
General Election is Tuesday,
October 9th. Click here to
register online and here for the
mail-in form.

If you know you will be away
for the election, Absentee ballot
voting started Thursday,
September 27th. Click here to
learn more.

Under SB 3538, a law passed by the Illinois state legislature in 2010, beginning in 2016 the City of Chicago must raise property taxes to make the appropriate contributions to the police and fire pension plans to get them on the path to 90% funding for the current level of benefits. If the City fails to make the payments, the State of Illinois is authorized to withhold state funding for Chicago and instead direct those payments to the pension plans.

Here's what that looks like: In 2016, the City's contribution would go from \$279 million to \$859 million - and would continue at that level for years to come. If the other plans were to adopt the same approach, the City's total pension contributions would go from about \$482 million to \$1.5 billion in one year and would continue at that level for years to come. **To raise \$1.5 billion, the City would have to raise property taxes 60% for EVERYONE.** Under SB 3538, if the City fails to make these contributions, the State could withhold payments to the City. We could lose as much as \$750 million in the City's share of state income and sales tax, and \$250 million in grants. The resulting cuts to the City budget would essentially eliminate ALL of city government except police and fire.

Is this the future we want? A city in which our property taxes rise 60%, or if they don't, in which all city services are eliminated? A city where the beneficiaries may get their pensions, but lose their homes due to increased taxes? Of course not.

Are there solutions to this crisis? Yes - and we will discuss them in the next installment. In the meantime, support Mayor Emanuel and my call for fair pension reform by writing to your state representative to demand pension reform now.

9th District State Rep. Art Turner
3849 West Ogden Avenue
Chicago, IL 60623
E-mail: turneral@ilga.gov

11th District State Rep. Ann Williams
District Office
1726 W. Belmont
Chicago, IL 60657
E-mail: info@repannwilliams.com

12th District State Rep. Sara Feigenholtz
1051 West Belmont
Chicago, IL 60657
Email: sara@staterepsara.com



19th District Police Officer Honored by City Council

43rd Ward Office
2523 N. Halsted
www.ward43.org

Office Hours:
Monday
9a.m.-7p.m.
Tuesday-Thursday
9a.m.-6p.m.
Friday
9a.m.-12p.m. & 2p.m.-6p.m.

Contact us:
phone
773-348-9500
email
yourvoice@ward43.org

On February 18th, Police Officer and 43rd Ward resident Elizabeth Joyce rescued a drowning man from Belmont Harbor. Despite the freezing temperatures and with a total disregard for her own personal safety, Officer Joyce stayed in the icy water keeping the man afloat until additional officers arrived. We thank Officer Joyce for her bravery. Click [here](#) to read the Resolution.

Sincerely,

43rd Ward Alderman Michele Smith

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Michele Smith | 43rd Ward Alderman | 2523 N. Halsted | Chicago | IL | 60614