



FIX TIER 2!

What is We Are One Illinois? We Are One Illinois is a coalition of labor unions representing public employees that has fought for fair, secure retirements for more than a decade.

Why are many Illinois pension systems in poor financial shape? Because politicians have failed to properly fund them for decades. While public employees have always paid their share without fail, inadequate statutory funding requirements, pension holidays and other gimmicks, and poor investment returns have allowed employers to short their contributions and create this unfunded pension liability that has grown over the last several decades.

What is Tier 2? In 2010, Springfield politicians created a “Tier 2” of reduced pension benefits in an attempt to fix the state’s financial problems by cutting benefits for public workers. Generally speaking, Tier 2 participants started employment in a position covered by an Illinois public pension plan on or after January 1, 2011.

What are the differences between Tier 1 and Tier 2? Tier 2 made a variety of cuts and changes to public employee pension benefits as compared to Tier 1. These changes vary based on the pension plan, but generally include:

- Higher retirement ages and longer terms of service required to receive a full pension
- Lower cost of living adjustments for retirees
- The creation of a maximum pensionable salary cap
- Longer time periods used to calculate the final average salary for pension benefits

What are the consequences of the Tier 2 system? Tier 2 fails to provide dignity and security for retirees. Tier 2 members often must work until 67 to receive a diminished pension, which cannot keep up with rising costs for things like food and medicine after retirement. Tier 2 also creates divisiveness and unfairness in the workplace, hurts recruitment and retention for critical jobs, and diminishes services for all Illinois communities.

What about the “Safe Harbor” issue? Federal law allows state and local governments to be excluded from Social Security if their employees are provided pension benefits that are at least equivalent to Social Security as calculated by a “Safe Harbor” formula. There is growing consensus that pension benefits in Illinois do not meet the Safe Harbor threshold for a limited group of Tier 2 workers. However, making this minor adjustment to the Tier 2 benefit formula does not meaningfully fix Tier 2.

How do we Fix Tier 2? The Illinois General Assembly and Gov. JB Pritzker must pass and sign legislation to Fix Tier 2, which is why We Are One Illinois is mobilizing supporters to demand action. Stay connected with us to find ways to take action and make your voice heard as we work toward a legislative solution to fix the broken Tier 2 pension system.

SAVE THE DATE!

FIX TIER 2 STATE CAPITOL RALLY DAY

Wednesday, November 13

Illinois State Capitol

Springfield, IL

More details to be announced! Sign up for updates below to receive more information.

STAY INFORMED

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