

Board Meeting
January 23, 2014

APPROVE RESOLUTION TO DIRECT THE UNIVERSITY TO EXPLORE
ALTERNATIVE MECHANISMS TO ADDRESS CHANGES IN THE STATE'S
RETIREMENT PLANS

Action: Approve Resolution Directing the University to Assess Pension-Related Programs

Funding: No New Funding Required

In order to fulfill its missions, it is vital that the University make available to its employees a competitive compensation plan, including pension-related programs and options, to attract and retain a high quality workforce. The State of Illinois currently makes available to University employees and retirees multiple retirement plans and programs, including the State University Retirement System (SURS). The recent pension reform legislation (PA 98-0599) modified certain terms and conditions under SURS, including but not limited to cost of living adjustments, extension of retirement age, and caps on pensionable salary. This legislation may have an impact on the University's ability to provide a competitive compensation package necessary to attract and retain faculty and staff. The law's effective date is June 1, 2014.

It is the highest priority for the University to remain competitive in the higher education market place, which will require the University to consider

implementation of supplemental programs and options to address the changes made by the State's pension reform.

Therefore, be it resolved, that the Board directs the President of the University and the administration to assess the impact of the recent pension plan amendments and recommend to the Board programs or options to address deficiencies which may cause these competitive concerns. This review should include a study of retirement benefit plans and programs offered at similar institutions and may include external consultant assistance and input from constituencies on the campuses. This process should be expedited and recommendations be presented to the Board in a timely manner to allow the Board to consider any recommendation for supplemental programs or options in conjunction with the effective date of the pension reform law.