



GENERAL ASSEMBLY

STATE OF ILLINOIS

December 30, 2010

Dear Pension Trustees:

I write to seek your help in our continuing efforts to address the problems facing public pensions in this State. As you know, last Spring, we enacted legislation to reform our State's pension systems, including provisions that created a two-tier system, reducing benefits for new hires. During this past veto session, the General Assembly passed Senate Bill 3538 which, among other reforms, created a two-tier system that reduced benefits for newly-hired police officers and firefighters at the local level.

Our work on this topic has just begun. Among other things, it is critical to identify abuses of local pension systems. Some of these abuses have been chronicled recently. Examples have included "longevity" bonuses given at the end of an employee's service; the inclusion of various perks into the definition of "salary;" and allegations of "pension spiking" at the Park District of Highland Park that are the subject of State and local investigations. All of these maneuvers were designed to inflate the final "salary" of employees to sweeten their pensions.

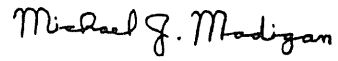
Back in 2009, we passed comprehensive ethics legislation aimed at State and local pensions. We included additional transparency, greater accountability, and stronger ethics training and ethical obligations. I believe that these reforms played a role in uncovering some of the recent abuses noted above. We have made progress, but we need to do more.

Thus, I am asking that you help root out egregious abuses of public pension systems by calling them to the attention of the Illinois General Assembly. The quicker we can identify such abuses, the quicker we

can rectify them. If you are aware of any abuses in your local pension systems, please contact me in writing at my office in the State Capitol Building, indicated in the letterhead above.

Thank you for your assistance in this critical matter. With kindest personal regards, I remain

Sincerely yours,

A handwritten signature in black ink that reads "Michael J. Madigan". The signature is written in a cursive style with a large, stylized "M" and "J".

Michael J. Madigan
Speaker, Illinois House of Representatives