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No, Lightfoot's Chicago Budget Does Not Make An 'Actuarial' Pension Contribution.

In late September, Chicago Mayor Lori Lightfoot delivered her 2022 budget address to the City Council. It was filled with a long list of new spending programs, including \$400 million for community safety/violence reduction plans, \$52 million for increased mental health services, \$240 million for subsidized housing programs, \$20 million for artists, and the list goes on. And among the achievements she lists is the following:

"In 2022, with the Budget we are proposing, we will climb our pension ramp, which means that for the first time in our city's history, and all four pension funds will be paid on an actuarially determined basis. This is huge."

Now, what she identifies as an "accomplishment," having finished the climb up the pension ramp, is actually a state law that left her no choice in the matter. But that's not the only incorrect part of her statement. Even having finally left the ramp behind, the plans are not funded on an "actuarially determined basis." They are funded based on the Illinois legislature's decision of a funding schedule which, for the police and fire plans, is sufficient to attain 90% funding in the year 2055, and for the Municipal and Laborers' plan, not until 2058. Yes, if you do the math, that's 34 and 37 years from now.

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by Elizabeth Bauer

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