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Chicago Gets Some Pension Relief as Rauner Veto Overridden.

SPRINGFIELD, Ill. — Chicago taxpayers will save \$1 billion on police and fire pension costs in the short term under a law the General Assembly approved Monday after some House Republicans bucked their governor, who had railed against it as a ridiculous expansion of the Illinois' growing pension hole.

The House voted 72-43 to override Gov. Bruce Rauner's veto of the savings plan, which trumps state law that required the city to pump \$4.62 billion into retirement accounts for police officers and firefighters through 2020.

The huge payments could have forced a \$300 million property tax increase, Mayor Rahm Emanuel had warned. But Rauner countered that shorting payments will cost an extra \$18.6 billion in interest during the next 40 years.

The House quickly followed the Senate in reversing the first-term governor, a businessman who has pounced on the issue of Illinois' woeful pension funding — in municipal as well as state accounts — since he was a candidate.

The city's police and fire funds are \$12 billion short of what's needed to cover current and future obligations. Chronic underfunding over the decades is largely to blame, as it is responsible for the \$111 billion shortfall Illinois faces in its state-employee accounts. Rauner saw the legislation as another means of delaying the pain accompanying fiscal balance.

"Clearly, those who supported this measure haven't recognized what happens when government fail to promptly fund pension obligations," Rauner said in a statement.

The legislation was approved in the House last year with 65 votes — six short of the number needed for a veto override. But Monday, some Republicans jumped to the Democratic mayor's aid Monday. Arlington Heights Republican Rep. David Harris said Emanuel inherited the mess from his predecessor and already raised property taxes by \$500 million just to catch up on underfunded pensions.

"Not a penny for public works, not a penny for infrastructure improvement," Harris said. "That's a tough thing to do and I give him credit for that."

The Democratic-controlled Senate voted 39-19 earlier Monday to OK the plan unions endorse. The Fraternal Order of Police Lodge 7 and Chicago Firefighters Union Local 2 backed the plan they had negotiated with Emanuel.

"We in the city agreed to step up and finally do our part to responsibly fund these pensions," Emanuel said in a prepared statement.

The plan would reduce Chicago's required pension deposits to police and fire retirement funds by \$1

billion, to \$3.63 billion, and stretches the timeline from 2040 to 2055 for the funds to meet a level of funding equal to 90 percent of what they need to cover current and future payouts.

Despite the blow to Rauner, many GOP lawmakers stayed the course.

“At some point, you’re going to have to take fiscal responsibility for your own actions,” Naperville Republican Rep. Grant Wehrli said. “Chicago, raise your taxes.”

By THE ASSOCIATED PRESS

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