

Safe Harbor for Public Safety

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What is Safe Harbor?

Safe Harbor refers to the federal requirements that ensure public pensions provide sufficient benefits to replace Social Security.

What has been done?

In 2019, municipalities negotiated with police and fire unions on PA 101-610, which addressed Safe Harbor for Tier 2 police and fire pensions (Articles 3 & 4).

What needs to be done?

Legislation may be needed to address Safe Harbor for the non-municipal pension systems funded by the State.

Safe Harbor *does not apply* to employees who receive Social Security, such as those in IMRF (Article 7).

Some communities pay into Social Security *in addition to* providing pensions for police officers & firefighters.

Tier 2 Police (Article 3)

Tier 2 Fire (Article 4)

Social Security

Retirement Age

55

55

67

Annual Benefits

\$87,305 + COLA

\$71,250 + COLA

\$23,700

Projected starting benefits based on data from 42 communities.

2024 average benefits

Benefit increases put the retirements of our first responders at risk.

In some communities, annual pension expenses match or exceed annual property tax revenues. Additional benefit increases mean higher taxes on residents.

We cannot afford to promise more than taxpayers can deliver. Taxpayers cannot afford benefit increases to Article 3 & 4 pensions.



DuPage Mayors and Managers Conference



Northwest Municipal Conference



COUNCIL OF GOVERNMENT



Lake County Municipal League



MCHENRY COUNTY COUNCIL OF GOVERNMENTS



WILL COUNTY GOVERNMENTAL LEAGUE



Barrington Area Council of Governments



SOUTHWEST CONFERENCE OF MAYORS