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Pension reform law ruled unconstitutional

A Sangamon County Circuit Court judge overturned the state's pension reform law Friday, ruling that the state cannot circumvent the pension protection language in the Illinois Constitution regardless of the state's fiscal situation.

The state is expected to appeal the landmark decision to the Illinois Supreme Court, but Circuit Court Judge John Belz's ruling followed closely in the footsteps of the Supreme Court's recent Kanerva decision, in which the justices ruled 6-1 that health insurance benefits for teachers and state workers were protected under the pension clause in the state constitution.

In his written ruling, the judge said " ... the court finds that there is no police power or reserved sovereign power to diminish pension benefits ... (the Act) is unconstitutional and void in its entirety."

Belz heard arguments from both sides on Thursday and issued his [written ruling](#) Friday.

"The defense claims an implied authority is contained within the pension protection clause that gives them the right to reduce benefits," Gino DiVito, the attorney retained by IASA 3 1/2 years ago in anticipation of the pension case, told the judge Thursday. "Nothing could be further from the truth."

Assistant attorney general Richard Huszagh argued that membership in a pension system is an enforceable contract and that courts have ruled that contracts "are not inviolate" in extraordinary situations and that the state's current fiscal situation is extraordinary. Belz said that no court had ever used the state's argument as the basis for modifying pension benefits.

"It did not need to come to this," said IASA Executive Director Dr. Brent Clark. "We always have been willing to work collaboratively to find a solution to the pension issue, and we still stand ready to have meaningful discussions about a way forward. But any solution has to be constitutional."

Governor-elect Bruce Rauner told reporters Thursday that he hopes the Illinois Supreme Court provides guidance as to what would be constitutional and that he hopes the General Assembly will not take action until that ruling comes. Most observers think the ruling could be handed down within a year if the Supreme Court takes the case on an expedited basis, skipping the Appeals Court step.

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