

**FILED**

MAY 12 2014 CTR-4

**CIRCUIT COURT OF SEVENTH JUDICIAL CIRCUIT  
SANGAMON COUNTY, ILLINOIS**

*Anthony P. Kelly*  
Clerk of the  
Circuit Court

<p>STATE UNIVERSITIES ANNUITANTS' ASSOCIATION, <i>et al.</i>,  Plaintiffs,  v.  STATE UNIVERSITIES RETIREMENT SYSTEM, <i>et al.</i>,  Defendants.</p>	<p>Champaign County No. 2014 MR 207  Consolidated With:</p>
<p>DORIS HEATON, <i>et al.</i>,  Plaintiffs,  v.  PAT QUINN, <i>et al.</i>,  Defendants.</p>	<p>Cook County No. 2013-CH-28406  Consolidated With:</p>
<p>ILLINOIS STATE EMPLOYEES ASSOCIATION and ROBERT SILGER, <i>et al.</i>,  Plaintiffs,  v.  BOARD OF TRUSTEES OF STATE EMPLOYEES RETIREMENT SYSTEM OF ILLINOIS <i>et al.</i>,  Defendants.</p>	<p>Sangamon County No. 2014-CH-3  Hon. John W. Belz</p>
<p>RETIRED STATE EMPLOYEES ASSOCIATION and LAWRENCE WORT, <i>et al.</i>,  Plaintiffs,  v.  PATRICK QUINN, <i>et al.</i>,  Defendants.</p>	<p>Sangamon County No. 2014-MR-1</p>

GWENDOLYN A HARRISON <i>et al.</i> , <p style="text-align: center;">Plaintiffs,</p> <p style="text-align: center;">v.</p> PATRICK QUINN, <i>et al.</i> , <p style="text-align: center;">Defendants</p>	Sangamon County No. 2014-CH-1
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**JOINT MOTION TO ENTER AGREED INTERIM ORDER**

Plaintiffs, State Universities Annuitants’ Association (“SUAA”), *et al.*, by and through their counsel Maduff & Maduff, LLC and John D. Carr, and Defendants State Universities Retirement System (“SURS”), *et al.* (“Defendants”), by their counsel, Illinois Attorney General Lisa Madigan, move the Court to enter the proposed Agreed Order Concerning Implementation of PA 98-599. In support of this joint motion, SUAA and Defendants state the following:

**I. INTRODUCTION**

On May 2, 2014, SUAA filed a motion for injunctive relief (“SUAA’s Injunction Motion”) seeking certain injunctive relief, including, but not limited to, a stay on those provisions of PA 98-599 (the “Act”) that affect the Money Purchase Calculation. Both before and after the filing of that motion, counsel for all Defendants and Plaintiffs in the consolidated actions have engaged in discussions to seek an agreed order to resolve the issues addressed in it and related matters. Those discussions did not yield agreement by all parties on all issues; however, in light of the importance of this matter and the agreement reached between the Defendants and the plaintiffs in the SUAA action, we respectfully submit the Proposed Order attached hereto as Exhibit 1.<sup>1</sup>

The Proposed Order achieves two primary objectives:

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<sup>1</sup> Counsel in *Illinois State Employees Association, et al. v. Board of Trustees of State Employees Retirement System of Illinois, et al.*, Case No. 2014-CH-3, while not joining in this motion, does not object to the entry of the proposed order.

1. The Proposed Order provides for the Act to be implemented as scheduled, but it gives those who are eligible to retire before the law goes into effect an additional year to decide whether to retire to avoid certain effects under the Act.
2. The Proposed Order requires the defendant State retirement systems (the “Systems”) to account for any adjustments in what participants would contribute or receive under the Act. These amounts will be held by the Systems and distributed to participants to the extent necessary depending on whether all or part of the Act is upheld or struck down.

To address the potential concerns of those plaintiffs who have not joined this motion, the Proposed Order includes a clear statement providing that nothing in the Order “shall operate or be construed to prevent any plaintiff or plaintiffs from seeking any other preliminary or permanent injunctive relief.” Counsel for SUAA and the Defendants believe this Proposed Order adequately addresses the issues in SUAA’s Injunction Motion, and they jointly request this Court to enter the Order.

## **II. PROPOSED INTERIM ORDER**

The Proposed Order addresses the following areas of PA 98-599.

1. It provides a one-year period (through July 1, 2015) for Tier 1 members of the Systems who are eligible to retire to delay their retirement and be exempt from the skips in the automatic annual increase in their pensions provided under the Act.
2. It provides a one-year period (through July 1, 2015) for Tier 1 members of SURS and TRS who are eligible to receive a money-purchase annuity to receive the money-purchase annuity using the Effective Rate of Interest as calculated as of June 30, 2014, including a refund of any excess contributions, subject to the following changes after the constitutionality of the provisions is determined:
  - a. If the Act’s changes to the Effective Rate of Interest are upheld:
    - i. The member’s annuity will continue to be calculated as of June 30, 2014;
    - ii. Any contributions made by the member between July 1, 2014 and his or her date of retirement will be refunded with interest; and
    - iii. Such members will not be subject to the skips in the automatic annual increases.
  - b. If the Act’s changes to the Effective Rate of Interest are not upheld:

- i. A member's annuity will be calculated as of the date of retirement, including any excess contributions;
  - ii. The System will pay any deficiency owed to the member; and
  - iii. Such members will be subject to the skips in the automatic annual increases if they are upheld.
3. It requires the Systems to calculate and pay annuities provided under PA 98-599; however, the Systems shall also calculate and account for the annuity amounts prior to PA 98-599. In the event the Act is declared invalid, the Systems shall distribute that difference.
4. It requires the Systems to continue to collect contributions as provided by the law in effect prior to PA 98-599. If the law is upheld, the Systems shall distribute the difference to all affected members.
5. It requires that in the event the Systems have to pay money to members, such payments shall be made within 180 days of a final order. All distributions shall accrue interest and the Systems accept jurisdiction of this Court to enforce that distribution.
6. The Order does not preclude any party's right to seek any other injunctive relief.

### **III. THE PROPOSED ORDER ADDRESSES THE MOST PRESSING CONCERNS CREATED BY PA 98-599**

The Parties believe that entry of the Proposed Order will adequately address the immediate concerns that are causing a number of individuals within the Systems to retire before July 1, 2014.

WHEREFORE, Plaintiffs, State Universities Annuitants' Association, *et al.*, and Defendants State Universities Retirement System, *et al.* respectfully request that this Court enter the following order:

- (1) Enter the Proposed Order, attached hereto to Exhibit 1; and
- (2) Enter an order granting SUAA leave to withdraw its motion for injunctive relief, without prejudice.

Respectfully Submitted,  
SURS, *et al.*

By:/s/ Brent D. Stratton

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Respectfully Submitted,  
SUAA, *et al.*

By:/s/Aaron B. Maduff

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**Certificate of Filing and Service**

The undersigned, an attorney, certifies that on May 12, 2014, he caused the foregoing Joint Motion To Enter Partially Agreed Injunctive Order be filed with the Clerk of Sangamon County, and copies to be served by postage-prepaid first class mail to each of the following:

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