



CITY OF CHICAGO • OFFICE OF THE MAYOR



## FOR IMMEDIATE RELEASE

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## CITY OF CHICAGO DEMONSTRATES COMMITMENT TO CITY WORKERS WITH \$306.6 MILLION ADVANCE PENSION CONTRIBUTIONS

**CHICAGO** – Mayor Brandon Johnson and the City of Chicago proudly announce a significant milestone in the city's commitment to its workforce and pensioners – a \$306.6 million advance payment to the City's four pension funds. This strategic move, executed under the Johnson administration's first annual budget, reflects a dedication to the financial well-being of essential City workers and a commitment to fiscal responsibility.

"These advance payments are a testament to our dedication to strengthening the City's pension funds and ensuring the retirement security of our hardworking City employees," **Mayor Johnson** said. "This investment is not just about numbers; it's about fulfilling a promise to those who make this City run efficiently."

The advance contributions, in addition to the City's statutorily required annual contributions, signify a proactive approach to boosting the financial position of the pensions. This commitment aligns with Mayor Johnson's vision for a fiscally responsible City, and with the recent revision to Chicago's outlook from stable to positive by Moody's Investor Services. Moody's positive outlook stems directly from improved pension contributions and positive financial trends. Chicago's commitment to pension policies, stable reserves, and enhanced financial operations are key factors. The City's substantial economic base and reduced structural deficit demonstrate notable strengths, acknowledged through more than a dozen other credit upgrades over the past 18 months, by Standard & Poor's, Fitch Ratings, and Kroll Bond Rating Agency.

"This move promotes financial stability and ensures that our pension funds are well positioned for the future," **City of Chicago CFO, Jill Jaworski** said. "By making advance payments now, we are ensuring the unfunded liabilities do not grow further and significantly reducing future costs. The rating upgrades the City has received since the policy was implemented, along with the positive outlook



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announced by Moody's on Friday are further recognition the advance pension policy is improving the City's financial health."

The Advance Pension Payment policy is projected to reduce pension contributions by approximately \$3 billion over the next 30 years. This commitment to funding discipline ensures that promised benefits can be paid and the City can proactively address the legacy of underfunding the City's pensions, promoting intergenerational equity. Mayor Johnson's passion for investing in people is evident in the City's sound fiscal policies and management of long-term obligations.

"These payments are not just a down payment on our promise to our workforce," **Budget Director Annette Guzman** said. "They benefit Chicago taxpayers by lessening the liability burden in future years. Responsible funding is an investment in the future prosperity of our City."

Pension fund allocations:

- Policemen's Annuity and Benefit Fund of Chicago: \$79.9 million
- Fireman's Annuity and Benefit Fund of Chicago: \$28.3 million
- Municipal Employees' Annuity and Benefit Fund of Chicago: \$178.1 million
- Laborers' and Retirement Board Employees' Annuity and Benefit Fund of Chicago: \$20.3 million

"I would like to express my sincere appreciation to Mayor Johnson for his collaboration in the financial stewardship of the citizens of the City of Chicago," **City Treasurer Melissa Conyears-Ervin** said. "This dedicated partnership underscores our commitment to addressing the City's swelling pension liability, saving taxpayers billions of dollars in the future, while ensuring the secure retirement of our City's essential workers."

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