

TUA NEWS RELEASE

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ILL. GOVERNMENT-PENSIONS PROVIDE LAVISH, GOLD-PLATED BENEFITS FINANCED BY TAXPAYERS

CHICAGO – Taxpayer Education Foundation (TEF) today released its annual pension analysis of the Illinois General Assembly Retirement System (GARS).

“Illinois General Assembly retirees retire in style with excessive pensions funded primarily by taxpayers,” stated Jim Tobin, president of TEF.

“For every dollar General Assembly members contribute to GARS, taxpayers paid about \$17! Imagine a job where for every dollar you deposit to your 401(k), your employer deposited \$17.”

“Illinois’ lawmakers have made a very cozy deal for themselves over the years. They have legislated a compounded 3% annual cost-of-living adjustment that doubles their pension after about 24 years.

“Former Governor Jim Edgar (R), no friend of taxpayers, ‘retired’ at age 55 and currently pulls in a annual pension of \$165,852. His total pension received-to-date is \$2,164,573, and his estimated lifetime pension payout is \$4,754,807.”

“Former Governor James Thompson (R), one of the worst tax-raisers in Illinois history, also ‘retired’ at age 55 and currently receives an annual pension of \$156,458. His total pension received-to-date is \$2,896,674, and his estimated lifetime pension payout is \$3,380,271.”

“Former Governor Patrick Quinn (D) is a strong candidate for the worst Springfield tax-raiser. He raised the state income tax 67%, \$30 billion of which went to the bankrupt state pension funds for retired government employees. We called him a ‘greedy, self-serving politician,’ and we were right. He has always lobbied for higher taxes, and will until the day he dies. He currently receives an annual pension of \$141,278 for his efforts. His estimated lifetime pension payout is \$3,254,942.

“Governor Quinn is a pension millionaire. Governor Thompson is a pension millionaire. Governor Edgar is a pension millionaire. These three bloodsuckers are going to receive a total of \$11,388,000 in pension payouts.”

Illinois is bankrupt because of an unsustainable pension system.

Illinois lawmakers wrote themselves a nice Constitutional protection that prevents reforming or ‘diminishing’ government pensions in any way. As a state, it is in our best interest to get a Constitutional amendment on the ballot that brings the Illinois defined-benefit government pension system to an end and replaces it with a sustainable retirement savings program. Surely, lawmakers see the inevitable calamity in our path without sweeping reforms to the government pensions,” concluded Tobin.

TEF advocates for state government pension reforms that would replace the current defined benefit system with a more sustainable defined contribution system. Additional reforms should include increasing government employee contributions to their own pensions as well as discontinuing the 3% compounded cost of living adjustment.

2018 GARS statistics

- Number of pensions that exceed \$100,000: 57
- Number of pensions that exceed \$50,000: 196
- Retirees’ percentage of personal contributions to the fund compared to estimated lifetime payout: 5.1%
- Average estimated lifetime payout: \$1,322,328
- Average age of retirement: 62
- Average annual pension: \$55,433
- Total number of pensioners: 422
- Average years of employment: 14.4

2017 GARS Annual Report

- Employee contributions to the fund: \$1,284,707
- Taxpayer contributions to the fund: \$21,721,000
- Net investment income: \$5,140,250
- Net pension liability: \$324,056,696
- Funded ratio: 14.36%