

TUA NEWS RELEASE

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FOR IMMEDIATE RELEASE
January 30, 2013

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Myths About Average Government Pension\$ Debunked

CHICAGO—Illinois politicians and government union bosses are trying to deflect criticism of their lavish, gold-plated pensions by throwing out a deceptive “average” pension figure of \$30,000, according to the president of one of the country’s largest taxpayer organizations

“The government unions are desperate to confuse taxpayers and the news media,” said Jim Tobin, President of Taxpayers United of America (TUA). “They claim that the ‘excessive, multimillion dollar pensions’ we publish are misleading because the ‘average’ government pension in the state’s pension system is much lower. They keep throwing out \$30,000 as the ‘average’ government pension which is intentionally misleading.”

“By far the largest state pension system is the Teacher’s Retirement System. The estimated average pension for 2010 was \$65,000, according to the Illinois Policy Institute. Even TRS states the average pension as \$48,216.”

“The full pension of a teacher in Illinois (outside of the Chicago Public School system) is 75% of the average salary in the four highest consecutive years in the last 10 years of teaching. This is a very generous way to determine an employee’s pension. Then there are the 3% per year cost-of-living increases on top of that every year which double annual pensions after only 24 years.”

“These low averages that they like to throw around include all part-time employee pensions as well as all of the small pensions of those who didn’t stay in the employment of the participating government for very long. Even at the understated \$30,000, that is more than twice as much as the average Social Security pension.”

“According to Crain’s, only about 3% of private sector employees get defined benefit pensions comparable to the government employee pensions. So, that means about 97% of workers retiring from the private sector will get the average Social Security pension of only \$14,800 and Medicare, which requires additional out of pocket expense for supplemental coverage. Government employees enjoy premium healthcare coverage before and after they are retired that does not require any supplementation and at no expense to them.”

“But these bureaucrats aren’t fooling anyone any more. Everyone knows, thanks to groups like us exposing the government pension scam, that all of the money from the recent 67% increase in the state personal income tax is being poured into the floundering state pension funds, and they are still under water.”

“The State of Illinois’ credit rating was just downgraded, making Illinois the state with the worst credit rating in the country. Whether the average government pension is \$30,000 or \$100,000, is really irrelevant. The Illinois government bureaucrats and union bosses are destroying Illinois and as many taxpayers as they have to, in order to prop up the government employee pension scam which will collapse under their watch.”