

TUA NEWS RELEASE

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Chicago Police Sergeants Wise to Reform Pensions

CHICAGO—The Chicago Police Sergeants' Association is to be commended for its realistic appraisal of the crisis in state and local pensions, and for its sensible decision to embrace a pension-reform deal with the City of Chicago, according to the president of Taxpayers United of America (TUA).

“Other unions such as the Fraternal Order of Police (FOP) are asking for ridiculous raises in this gloomy economy,” said Jim Tobin, TUA president. “For FOP President Mike Shields to ask for a 12% pay increase over two years from taxpayers in this economy is outrageous and insulting.”

“The state and local pension plans are going broke, and interim measures such as those accepted by the Sergeants union help.”

“Their pension-reform agreements are a big step in the right direction: Increasing retirement age; increasing employee pension contributions from 9% to 12%; eliminating cost-of-living (COLA) increases every other year and capping them; increasing health-care contributions for new retirees.”

“The unfunded obligations in state and local government-pension funds are so huge that you can't tax your way to solvency. If the government unions want to receive any pensions, they will need to engage in serious negotiations with their employers, and will need to have their pensions restructured. If they don't, they will find themselves without any pensions at all when the plans go broke.”