

TUA NEWS RELEASE

TAXPAYERS UNITED OF AMERICA

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FOR IMMEDIATE RELEASE

August 20, 2014

Contact: Rae Ann McNeilly (440) 478-3858

Government Pensions Hold Freeport Property Owners Hostage

Freeport—Taxpayers United of America (TUA) today released the results of a new study of the pensioners of Freeport municipal, Stephenson County governments, Stephenson County government schools, Freeport retired police and fire, and Highland Community College.

“Illinois leaders, Gov. Patrick Quinn (D), Michael Madigan (D), and John Cullerton (D), are taking taxpayers in Stephenson County even further down the rabbit hole,” stated Rae Ann McNeilly, executive director of TUA.

“While legislators continue to politicize the pension crisis, Illinois’ government pension liabilities have grown to more than \$187 billion.”

“And that doesn’t include the liability for the area’s police and fire pension funds. According to the most recent report, the Freeport Police pension fund is only 49.6% funded and the Firefighters’ pension fund is only 76% funded. These are both overstated since they use a 7% discount rate to determine the future value of the assets. It is also alarming that the number of retirees exceeds the numbers of working members of each of these funds.”

“Stephenson County’s police and firefighters, as well as those from all over the state, should be the biggest proponents of pension reform. Without sweeping reforms that are implemented immediately, these civil workers are looking at a bleak retirement when taxpayers can afford to pay only pennies on the benefit promises that have mounted. We have passed the point where you can tax your way out of the problem; it is mathematically impossible.”

“It has never been clearer that the job-killing policies of raising taxes to prop up the gold-plated government pensions, and the union votes that follow, are more important to these government bureaucrats than the future of Illinois itself.”

“Between the state pension funds and the local police and firefighter pension funds, taxpayers are being taxed to death which hardly seems fair under the current economic conditions.”

“Stephenson County has one of the highest Illinois unemployment rates at 7.7%, and the median household income is \$44,572. More than 75% of the backbreaking property taxes go to pay salaries and benefits of government employees.”

“It is unconscionable that we pay so much more to so many government retirees than an entire household brings in. It is time to bring government pay and benefits in line with what taxpayers who fund them can afford.”

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“What does \$187 billion in unfunded pension liability look like to Stephenson County residents? Retired Freeport teacher, William W. Heitman, is enjoying a cool **\$130,006 annual pension** that will accumulate to an amazing **\$4,201,296 in estimated lifetime payouts** because he was able to retire at the ripe old age of 56. His personal contribution to that payout was only a little more than \$118,000, or 2.8%.”

“Sidney Fryer retired from Highland Community College with an **estimated lifetime payout of \$3,389,643** based on a cushy **annual payment of \$103,564**. Sidney Fryer was only 55 at retirement!”

View the Freeport Government Employee Pension Grids:

- [Stephenson County Government Schools](#)
- [Highland Community College](#)
- [Freeport Municipal Government Employees](#)
- [Stephenson County Government Retirees](#)
- [Freeport Retired Police](#)
- [Freeport Retired Firefighters](#)

“These are shocking amounts for taxpayers to be on the hook. And while these represent the highest pensions, it does not diminish the fact that every Freeport taxpayer pays about four times more toward the city government pensions than the very government employees who will collect. That’s just pensions - not payroll or other benefits.”

“Illinois’ government employee pensions are in dire trouble with no end in sight. Government employees, like the vast majority of taxpayers should save for their own retirement. Taxpayers simply can’t afford to pay so many, so much, to do absolutely nothing and retirees can’t afford the inaction of Illinois lawmakers who are afraid to alienate the special-interest money that keeps them in office.”

“TUA supports complete government pension reform that would place all new hires into retirement savings accounts like 401(k)s, increasing existing employees’ contributions to their own pension, raising the retirement age to 67 for full benefits, and increasing retiree and employee contribution to their own healthcare to 50% of the premium.”

“If it takes a Constitutional Amendment to implement these changes, then let’s get it on the ballot at the next opportunity. It’s time the union bosses and government bureaucrats who keep them in power, provide truthful options and education to the rank and file, of the crisis state of Illinois’ pension systems.”

“If they knew the truth, they would be the first in line to vote for the changes.”

**Lifetime estimated pension payout includes 3% compounded COLA and assumes life expectancy of 85 (IRS Form 590).*