

# TUA NEWS RELEASE

## TAXPAYERS UNITED OF AMERICA

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## PROPOSED PENSION REFORM DOESN'T GO FAR ENOUGH

CHICAGO – The recent pension reform bill being pushed in Springfield requires that government employees pay more towards their lavish, gold-plated pensions, but it isn't asking them to pay enough. The legislation passed by the House Personnel and Pensions Committee only proposes teacher pension contributions be raised as high as 14.77%, with state employee contributions going from 4 to 9.29%. Taxpayers United of America (TUA) recommends a 19.4% contribution for teachers, alongside a 10-point increase in contributions for all other employees in the state pension fund.

If TUA's proposal were to go into effect, it would save taxpayers \$150 billion over 35 years, or roughly \$4.3 billion per year. Healthcare is not a benefit that is guaranteed. Government employees and retirees should pay for half of their tax-subsidized healthcare premiums as well. Currently, they pay nothing towards this.

"If state employees were asked to pay for half of their healthcare premiums, taxpayers would save \$230 billion over 35 years, or roughly \$6.6 billion per year," notes TUA President Jim Tobin. "When you combine this with our proposed pension reform savings, taxpayers would be saving over \$10.9 billion per year."

The Nonpartisan Tax Foundation reports that Illinois was the thirteenth most taxed state in the nation before Springfield democrats' temporary 67% income tax surcharge. Since the state's constitution doesn't allow pensions to be reduced, increasing contributions is the best way for Illinois to get its finances under control. This system isn't economically sustainable; if we don't reform it, it will collapse.

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*Founded in 1976, TUA is one of the largest taxpayer organizations in America.*

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