

TUA NEWS RELEASE

TAXPAYERS UNITED OF AMERICA

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FOR IMMEDIATE RELEASE
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Illinois' SERS – Unchecked State-Sponsored Theft

CHICAGO—**Taxpayers United of America (TUA)** today released the results of their updated analysis of Illinois' State Employees' Retirement System (SERS).

“SERS is the third largest of the government employee pension funds in Illinois, but in some ways, it’s even more efficient at stealing wealth from hard-working taxpayers for the benefit of the politically privileged,” stated Jared Labell, TUA’s director of operations. “Not only does SERS guarantee a 3% cost of living adjustment (COLA) compounded annually, but it also guarantees additional confiscation of taxpayers’ dollars through Social Security, and in some cases, Medicare.”

“Every annual pension featured on our list of the top 200 SERS government retirees exceeds \$118,000. These retired government employees are set to collect multi-million dollar lifetime pension payouts that are largely taxpayer-funded. SERS, in line with Illinois’ irresponsible fiscal record, is critically underfunded at only 35.27%. SERS falls way short of even the commonly used standard to determine the overall health of a pension fund, a funding ratio of 80%. The optimal funding ratio is, of course, 100% or greater over a reasonable period of time, but SERS fails at meeting that reduced measurement by a large margin.”

- Total number of 2016 SERS pension beneficiaries is approximately 66,465.
- 880 collect pensions in excess of \$100,000.
- 13,960 collect pensions in excess of \$50,000.
- The average 2016 annual SERS pension is \$35,568 (Many retirees also collect SS).
- The average amount that employees paid into their own pension fund is \$36,269, or 3% of their estimated lifetime pension payout.
- The average estimated lifetime pension payout is \$1,038,456 (SS not included).
- The average age at retirement is 60.
- The average years of employment are 24.
- In fiscal year 2015, taxpayers were forced to pay \$1,804,319,356 into the government pension fund.
- In fiscal year 2015, SERS government employees paid \$266,139,156 into their own pension fund.
- The net return on investment for SERS in fiscal year 2015 was only 4.79%, or \$681,377,052.
- As of the end of fiscal year 2015, SERS had a 35.27% funded ratio with a \$28 billion unfunded liability.

“Taxpayers are forced to pay 678% more than the multi-millionaire pensioners pay into their own SERS pension fund annually. This means for every dollar that an SERS government employee pays into their own retirement fund, taxpayers are forced to pay \$6.78!”

“Taxpayers have paid more than their fair share for these lavish government employee benefits, and yet the unions, bureaucrats, and politicians continue to push for expanding the tax burden of Illinois residents to fund their pensions, instead of calling for reform to this broken system,” said Labell. “As shortfalls in the funding of these government pensions mount, the political class in Illinois should expect nothing short of bankruptcy of their constituents to guarantee these egregious pension payments continue. After all, the Illinois state constitution currently protects only the government pensioners, and not the taxpayers, so there is undoubtedly a lopsided caste system in Illinois, created and expanded over many decades for the benefit of the minority of Illinois residents who are employed by the government.”

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“For private sector retirees, the maximum Social Security payout for 2016 is \$31,668, and there are no cushy, automatic cost of living increases in Social Security benefits for taxpayers that compare to those received by retired government employees. And let’s not forget, nearly all SERS members also receive Social Security benefits in addition to their gold-plated pension payments highlighted in our study,” said Labell.

“We need political courage in Springfield to halt this rapidly growing government pension debacle. Without overstepping the constitutional limitations for reform, the Illinois General Assembly could offer legislation that would immediately place all new hires into individual retirement savings accounts, like a 401(k), and enact the legislation required to allow bankruptcy of municipalities and retirement funds as a way of beginning to protect taxpayers from decades of financially problematic policies.”

“Today’s taxpayers should not be required to pay for services rendered years ago, just as bureaucrats and politicians should not be allowed to balance today’s budgets on the backs of tomorrow’s taxpayers. Reforms are unquestioningly necessary. Reform will benefit all Illinoisans economically if the tax burden and unfunded liabilities are diminished before more benefits and services are cut to perpetuate the current unsustainable government pensions.”

“**Sadashiv D. Parwatikar**, retired from Chester Mental Health Center, tops our list with a stunning **\$207,623 annual pension!** The accumulation of those payments, over a normal lifetime, will reach about **\$3.8 million**. Personal contributions to that gold-plated pension were only **\$121,041.**”

“**Cindy L. Benson**, retiring from Personal Services – Sworn, ties with her counterpart, **James C. Morrissey**, for the highest estimated lifetime pension payouts of this study. Both retiring at only 50, they could each collect more than **\$7.6 million** in taxpayer funded pension payments over the course of their retirement. Their current annual pensions are a very cushy **\$125,539!**”

“**Kamal Modir** tops our list for the highest total SERS pension collected to date at **\$2,652,929**. His own payment into this extravagant government pension was a mere **\$101,605 - or 2.5% - of his estimated lifetime pension payout.**”

- [Click here to see the Top 200 list of SERS pensioners*](#)

“Real reform must start immediately to halt the unfunded government pension liabilities, which grow exponentially as long as the status quo is maintained. Ousting politicians who answer to union thugs, rather than the taxpayers they are elected to represent, is also key to transforming Illinois from a financial pariah to an economic phoenix. Kicking political bosses out of office, like House Speaker Michael J. Madigan, who pushed for the government pension protections in the 1970 Illinois Constitution, as well as his likeminded cronies, is critical if taxpayers want to see substantive changes in the state government and our economic climate,” concluded Labell.

*Lifetime estimated pension payout includes 3% COLA (simple interest) and assumes life expectancy of 85 (IRS Form 590). Nearly all SERS pensioners also receive Social Security benefits in addition to their SERS