TUA NEWS RELEASE

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Taxpayers Call For Cook County Pension Reform

Chicago – Val Zimnicki, the Director of Outreach for Taxpayers United of America's (TUA), yesterday spoke before the Cook County Board. In his speech, he urged the board to reform the Cook County pension system.

"Cook County finds itself in the same dire condition as the state's government-employee pensions funds," he said. "The cause is the same: a lavish, gold-plated pension plan that allows county bureaucrats to retire early and collect huge pensions for decades for doing nothing. It is mathematically impossible for Cook County to tax its way out of this problem."

According to publicly available sources, the Cook county pension fund was only 60% funded, creating a $6 Billion unfunded liability. However, it was recently revealed through FOIA requests that the fund was just 36% funded and the unfunded liability was really $15.3 billion as of December 31, 2015.

"Until the Illinois Constitution is amended to allow pension benefits to be reduced, there can be no short-term solution to the bankrupt county pension system. There is a solution, but it is more of a long-term solution, so the sooner this reform is started, the more notable will be the results. Eventually, as the current county retirees pass from the scene, the county pension plan will recover."

In his speech, the Director of Outreach offered solutions the board to help prevent a looming pension crisis.

"All new county hires must be put into their own retirement plans, such as 401(k)s. They must plan for their retirements outside of the county pension plan. A 401(k) is a feature of a qualified profit-sharing plan that allows employees to contribute a portion of their wages to individual accounts. Elective salary deferrals are excluded from the employee's taxable income. Furthermore, employers such as you can contribute to employees' accounts."