

TUA NEWS RELEASE

TAXPAYERS UNITED OF AMERICA

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FOR IMMEDIATE RELEASE
December 3, 2015

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Suburban Government Pensions Smothering Taxpayers

Chicago, IL—Taxpayers United of America (TUA) today released the results of their study of the government pensions of municipal and government school retirees for Des Plaines, Elk Grove Village, Glenview, and Schaumburg.

“More than 1,000 of the government pensioners in these four communities alone each collect in excess of \$100,000 per year in pension payments, and more than 3,500 collect pensions greater than \$50,000 annually,” stated Jim Tobin, TUA president. “The pensioners’ average personal investment is only about 5.3% of their lifetime payouts.”

“The government pensions are unsustainable. Illinoisans continue to see services cut, programs defunded, and their earnings confiscated as tax dollars are diverted from services required by today’s taxpayers into the pension funds for government employees whose services were rendered long ago.”

“These lavish government pensions are political tools for politicians and union bosses and sustaining the defined benefit system will only be a detriment to employees and taxpayers in the future. On average, these gold-plated retirements begin at the age of 58. The retired government teachers alone average over \$2.2 million in lifetime pension payments! The ballooning unfunded liabilities are smothering Cook County taxpayers, and all of Illinois, for that matter.”

“These ‘poor public servants,’ who collect more in pension payments than the taxpayers who fund them, enjoy nearly iron-clad job security and guaranteed increases in wages and retirement. This is theft. This is immoral and unethical theft of taxpayers’ hard-earned money to be given to the political elite. Putting vast sums of money in the hands of bureaucrats and politicians is always a frightening idea,” said Tobin.

“Schaumburg fire and police pension funds are some of the largest in the state and at 58.1% and 53.9% funding ratios, respectively, they illustrate the dire need for immediate and sweeping reforms to remove this unbearable tax burden from the backs of hard-working taxpayers. Because when the pension funds run short, and they will, and someone needs to make up the difference, who will be left on the hook for these exorbitant government pensions? The taxpayers.”

“There are now well over 12,154 Illinois government pensioners collecting more than \$100,000 and 85,893 government pensioners collecting more than \$50,000 annually! These numbers only pertain to the state pension funds and don’t include any of the hundreds of local police and fire pension funds. Those are staggering numbers, considering the taxpayers who fund these government pensions get an average Social Security pension of only about \$15,000 a year.”

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“Retired Schaumburg CCSD 54 government employee, **M. Moshin Dada** enjoys an annual taxpayer funded pension of **\$262,341**. Over a normal lifetime, he will get about ***\$8.8 million in pension payments***. His personal investment in his rich pension is about **4.2% or \$371,514 – less than two years’ of the government pension benefits he collects!**”

“**Thomas J. Richardson** retired from Glenview Park District and his current annual pension is **\$130,322**. He will collect about ***\$4.2 million, while he only put in \$112,977 of his own money***, less than one year’s pension payout. That’s a **2.7% investment in his own multi-million dollar retirement payout!**”

Visit taxpayersunited.org to view pensions for:

- [Des Plaines Municipal Government Retirees](#)
- [Elk Grove Village Municipal Government Retirees](#)
- [Glenview Municipal Government Retirees](#)
- [Schaumburg Municipal Government Retirees](#)
- [Local Government School Retirees](#)
- [Des Plaines Police Retirees](#)
- [Des Plaines Fire Retirees](#)
- [Elk Grove Village Police Retirees](#)
- [Elk Grove Village Fire Retirees](#)
- [Glenview Police Retirees](#)
- [Glenview Fire Retirees](#)
- [Schaumburg Police Retirees](#)
- [Schaumburg Fire Retirees](#)

“I defy teachers, or any government employee, to look into their neighbors’ eyes and say, ‘You deserve another pay cut so I can make more in retirement than you make working.’ They have to be able to say to their neighbors, ‘I don’t care if you can no longer afford your home property tax payment; I want more. I want more of your money. I want more of your wealth. I want more of your property.’ That is the reality of demanding more lavish government pensions,” challenged Tobin.

“The best solution for government pension reform in Illinois, although difficult, would be the repeal of the Illinois Constitution’s pension provision protecting them from being ‘diminished or impaired. In the meantime, the Illinois General Assembly should increase individual government employee contributions to their own gold-plated pensions by 10 percentage points. This would save taxpayers about \$150 billion over the next 35 years, or about \$4.3 billion a year, and save the State of Illinois from financial ruin.”

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“Right now, most government school teachers don’t pay the 9.4% required contribution to their own pension, and taxpayers in those school districts pay a portion or all of the teachers’ pension contribution through higher property taxes. Having employees make the required contribution would save taxpayers roughly \$500 million annually. And if all else fails, there is always the option of moving forward with legislation to begin the process of allowing municipalities and government schools to file for Chapter 9. Taxpayers must pursue these paths forward and any other options that reverse the course toward disastrously higher taxes in the immediate future,” said Tobin.

“Rather than finding ways to perpetuate this horrible system that places copious amounts of cash in the hands of bureaucratic hacks, rank and file government pensioners should be calling for the complete reform and conversion to 401(k) style defined contribution pension funds that place employees in control of their own futures. How many times will we trust politicians to do the right thing with the money collected for pensions? How many citizen groups will ‘discover’ that you just can’t tax your way out of this problem?”

“The choice is clear: without sweeping, meaningful pension reform, residents of Cook County suburbs and nearly every other part of Illinois will have to choose between fully funding the pension systems to pay for past services rendered, or pay for the services we need today,” concluded Tobin.

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