

TUA NEWS RELEASE

TAXPAYERS UNITED OF AMERICA

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FOR IMMEDIATE RELEASE
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Effingham and Jefferson County Gov. Pensions Consuming Taxpayers' Dollars

Effingham, IL—Taxpayers United of America (TUA) today released the results of their study of the government pensions for Effingham and Jefferson Counties, as well as Effingham and Mt. Vernon municipal and local government schools.

“Well over 500 government retirees in Effingham and Jefferson counties will receive multi-million dollar pension payouts over the course of their lifetime. Thirteen government retirees currently collect pensions in excess of \$100,000 annually and 341 receive annual payouts greater than \$50,000,” stated Jim Tobin, TUA president. “The pensioners’ average personal investment is only about 5.4% of the lifetime pension payouts.”

“While taxpayers work well beyond retirement age to keep their families afloat, these government pensioners enjoy lavish, gold-plated retirements beginning, on average, at the age of 58. In fact, according to our data, more than 500 of the government retirees in Effingham and Jefferson counties retired in their fifties, and in some cases, decades before average taxpayers can consider retirement.”

“The sheer number of government pensioners in Illinois, not to mention the amount of taxpayers’ dollars they collect, is staggering,” said Tobin. “Consider that the taxpayers who fund these government pensions receive Social Security benefits of only about \$15,000 a year on average. [This year](#), nearly a third of Illinois’ 100,689 retired government teachers collected pensions higher than their average highest pay while employed. Their pensions averaged \$9,674 above the final average salaries of those retirees, totaling nearly \$294 million.”

“House Speaker Mike Madigan (D) is once again calling for hiking Illinois’ personal and corporate income tax rates in an attempt to [solve the state’s financial woes he created](#), but he and his aligned cronies won’t tell the truth about how your tax dollars are spent. Madigan and his partisans won’t tell you that their last 67% income tax increase was a complete failure. The 2011 income tax hike collected nearly \$32 billion for the Illinois state government, but almost 90% of those funds went into the government pensions and the crisis is nowhere near averted. And to make matters worse, local governments are continuously seeking to raise property taxes – and it’s not ‘for the children!’ as we are incessantly told. In reality, nearly 80% of local taxes go to fund salaries and benefits of government employees. Between the state and local government revenue schemes, taxpayers have much to worry about financially.”

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“There are now well over 12,154 Illinois government pensioners collecting more than \$100,000 annually and 85,893 government pensioners collecting more than \$50,000 annually! And these numbers only pertain to the state pension funds and don’t include any of the hundreds of local police and fire pension funds, so the financial trouble Illinois is facing is even more shocking.”

“Retired Mt. Vernon School District 80 government employee, **Kevin L. Settle** enjoys an annual taxpayer funded pension of **\$126,133**. Over a normal lifetime, he will get about ***\$4.8 million in pension payments***. His personal investment in this rich pension is about **4.3% or \$207,616**.”

“**Gary D. Duncan** retired from the Jefferson County government and his current annual pension is **\$131,953**. He will collect about ***\$3.5 million while he only put in \$177,218 of his own money***, slightly more than one year’s pension payout. That’s a **5%** investment in his own multi-million dollar retirement payout!”

Click to view our complete government pension data for:

- [Effingham Municipal Government Retirees](#)
- [Effingham County Government Retirees](#)
- [Effingham Police Retirees](#)
- [Effingham Fire Retirees](#)
- [Effingham County Government School Retirees](#)
- [Mt. Vernon Municipal Retirees](#)
- [Mt. Vernon Police Retirees](#)
- [Mt. Vernon Fire Retirees](#)
- [Jefferson County Government Retirees](#)
- [Jefferson County Government School Retirees](#)

“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 Illinois from financial ruin.”

“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 in property taxes 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.

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“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 tax money collected for pensions?”

“The choice is clear: without sweeping, meaningful pension reform, residents of Effingham and Jefferson counties, 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).