

# TUA NEWS RELEASE

## TAXPAYERS UNITED OF AMERICA

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FOR IMMEDIATE RELEASE

October 30, 2013

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### Green Bay Taxpayers Duped by Government Pension Secrecy

Green Bay—[Taxpayers United of America](#) (TUA) today released the results of its study of the Green Bay Municipal, Brown County, and Brown County Government school employees.

“The State of Wisconsin, hiding behind a secrecy law, refuses to release actual pension payments derived from huge taxpayer subsidies. Because we have a right to know just how much ‘public servants’ *get paid not to work*, we must estimate the pensions of current employees,” stated Jim Tobin, president of TUA.

“While Wisconsin may have made big moves in improving their government pension system, the state is a long way from stabilizing a broken system.”

“Taxpayers need to listen to economists who know what they are talking about and not the government bureaucrats who are responsible for the fund’s performance. Wisconsin’s pension fund is not 99% funded and if we don’t face reality and plan appropriately, we will be in as terrible shape as Illinois.”

“A government pension’s unfunded liability is calculated by using a rate of return on investment or discount rate to determine the future value of the current value of the asset, or cash balance compared to the total defined benefits that have to be paid out. Wisconsin pension fund managers are using 7.2% for that calculation when private standards call for a rate of about 3.25%.”

“That may not sound like much of a difference but what it means to Wisconsin taxpayers is about \$60 billion in unfunded liabilities, according to the [State Budget Solution](#) analysis.”

“75% to 80% of local taxes go to pay the salaries and pensions of government employees. Taxpayers have a right to see the details of those payments. How can taxpayers understand exactly how much their government employees are being paid in total compensation, salary plus benefits, without access to the actual payments to retirees? Wisconsin taxpayers have a right to review, evaluate, and make decisions about those payments.”

“That is precisely why we are here now, releasing the salaries and pension estimates for the Green Bay and Brown County government employees. \$60 billion dollars in unfunded liabilities is really hard to comprehend, but when you see what actual people in your community get in salaries and how those salaries become a tax burden of more than [\\$10,437 for every man, woman, and child](#), the problem becomes clear.”

“For example, **Yogesh C. Pareek**, Brown County clinical director, makes **\$245,242 in annual salary**. Assuming he meets the criteria for a full pension, he would collect an estimated annual pension and Social Security payment of **\$197,600\***. Those annual payments would accumulate to **\$4,149,592\*** over a normal lifetime. Remember this is what he would be ***paid not to work for about 21 years.***”

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

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“Brown County government school employee **Michelle Langenfeld** gets an **annual salary of \$190,000 plus another \$50,000 in fringe benefits**. Her estimated annual pension with Social Security is **\$159,000\*** and her estimated lifetime payout is **\$3,339,000\***.”

“Green Bay municipal government employee, **Edward E. Wiesner** gets an **annual gross of \$108,211**. His estimated lifetime pension payout is **\$2,136,705\*** based on his annual estimated pension and Social Security payment of **\$101,748\***.”

“Wisconsin taxpayers who are on the hook for unfunded liabilities get an average ‘pension’ from Social Security of about \$15,000. Private sector taxpayers don’t enjoy nearly iron-clad job security and struggle with average unemployment of 6.7% and in some areas, over 10%.”

“While our pension estimates are a very useful education tool, I encourage Green Bay and all Wisconsin taxpayers to demand the right to review pension payments. I have written letters to Governor Walker and every member of the state legislature, urging them to stop hiding pension payments from taxpayer review.”

“Wisconsin needs not only to be more transparent, but to continue with pension reforms that will bring its government employee benefits in line with those of the private sector. Specifically, government pensions need to be replaced with 401k-style retirement savings accounts where taxpayer contributions are made when the conditions allow it. Government employees need to increase their contributions to match the level of the private sector, and government retirees and employees need to pay for at least half of their health-care premiums.”

\*Gross wages provided by government administrator and may include overtime or PTO that would not be eligible for pension calculation.

Annual Pension Estimate Assumptions:

1. Assumes employee retires one year from now and this salary would be the second to last salary.
2. Assumes 41 or more years of employment with SS W/H, retirement age is 65, and fully vested with 70% pension
3. Plus Social Security (non-firefighters) assuming 4% salary increases over last 35 years.

Lifetime Pension Estimate uses IRS Life Expectancy Table (Form 590) at age 65 = 21 years