

# TUA NEWS RELEASE

## TAXPAYERS UNITED OF AMERICA

205 W. Randolph St. • Suite 1305 • Chicago, IL 60606 • Phone: (312) 427-5128

• [www.taxpayersunited.org](http://www.taxpayersunited.org) • E-mail: [jared@taxpayersunited.org](mailto:jared@taxpayersunited.org)

FOR IMMEDIATE RELEASE

August 26, 2015

Contact: Jared Labell (773) 766-4947

(312) 427-5128

### **Pension Problems Hit Madison and St. Claire Counties**

East St. Louis, IL – Taxpayers United of America (TUA) has released its most recent government pension study exposing individual pensions for Madison and St. Claire County government schools and county governments; Belleville, Collinsville, Alton, and Edwardsville municipal governments; and Southwestern Illinois College and Southern Illinois University Edwardsville.

“These government pensions explain why bureaucrats seek to increase taxes,” said TUA’s director of operations, Jared Labell.

“There are about 300 area government retirees collecting pensions of at least \$100,000 annually, while 17.6% of St. Claire County residents live below the poverty level, along with 14% of Madison County residents.”

“Across 6 state pension funds, there are 12,154 government pensioners collecting six-figure pensions and 85,893 pensioners collecting more than \$50,000 annually, where the state debt per capita is \$24,959.”

“On average, these government pensioners contribute only about 5.5% to their own retirement payout. Taxpayers are forced to contribute \$4 for every \$1 that the government employees pay toward their own retirement. In the private sector, employees pay 15% of every dollar they earn into Social Security for an average pension of only \$15,000!”

“Illinois’ state pension systems total nearly \$200 billion in unfunded liabilities and the whole racket is inevitably unsustainable. The politicians have shown for years that they cannot be trusted to manage other peoples’ money, let alone their savings for retirement, nor should this be the role of government,” said Labell. “Each day that passes without transitioning new government employees from the current defined benefit plans to 401(k)-styled defined contribution plans is another lost opportunity to manage this ever-growing economic catastrophe. Not only would this change shield taxpayers from great financial risk, but it enables government employees to better manage their finances for their retirement needs and allows portability as they save for their own retirement.”

“Alton Police and Firefighters have some of the largest unfunded pension liabilities according to a 2013 report of the Commission on Government Forecasting and Accountability. The police funding ratio is only 29.3% and the firefighters fund is only 30.23%.”

“Taxpayers are on the hook for every penny of the shortfall in pension funding. Forcing taxpayers to pay such a heavy portion of someone else’s retirement is criminal,” said Labell.

“It is time to protect the future of taxpayers who have been scammed by politicians and union thugs into going along with a system that creates and constitutionally protects a special class of government elite.”

“It’s also time for union leadership to have a frank discussion with the rank and file, educating them on the inevitable collapse of an unsustainable crony system designed to siphon money from taxpayers for

the benefit of the few. The unions should use those dues forced from members to bail out the pension system rather than use those funds to elect political cronies who keep them in power.”

“Take a look at the pension of **Michael D. Gray** who retired from East Alton SD 13. He gets **\$148,809 in annual pension payments**. Retiring at only 54, his taxpayer funded pension payout will accumulate to more than **\$5.7 million! And his personal investment in that payout? A mere 3.7%.**”

“Then there is **Russell L. Clover’s** pension. Retired from O’Fallon THSD 203, he gets **\$180,063 in annual pension payments**. Those payments with compounded annual cost of living adjustments will accumulate to **\$4.5 million! His personal investment was only about 4.7%.**”

Click to view pensions for

- [Madison County Government](#)
- [Madison County Government Schools](#)
- [St. Claire County Government](#)
- [St. Claire County Government Schools](#)
- [Edwardsville Municipal Government](#)
- [Belleville Municipal Government](#)
- [Alton Municipal Government](#)
- [Collinsville Municipal Government](#)
- [Southern Illinois University Edwardsville](#)
- [Southwestern Illinois College](#)
- [Collinsville Police](#)
- [Collinsville Firefighters](#)
- [Alton Police](#)
- [Alton Firefighters](#)
- [Edwardsville Police](#)
- [Edwardsville Firefighters](#)

“This government pension system is the single cause of Illinois’ critical financial situation and it is mathematically impossible to tax our way out of this situation. 80% of local taxes go to fund government employee pay, pensions, and benefits.”

“The Illinois government has failed us; local governments have failed us. It is in everyone’s best interest to solve the pension problem before the system completely collapses. It is no longer a matter of ‘if’ it will collapse, but when.”

“Our solution is to immediately place all new hires into 401(k) style retirement savings accounts, increase member contributions to their retirement fund, increase retirement age for full benefits, and increase member contributions to 50% of health care premiums. Anything short of these reforms will do nothing to permanently solve the problem. If it takes a Constitutional Amendment, then we need to get that on the ballot in 2016.”