

# TUA NEWS RELEASE

## TAXPAYERS UNITED OF AMERICA

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## **Yes, Pres. Cullerton, Impending Bankruptcy IS a Crisis!**

CHICAGO—Ill. Senate President, John Cullerton is putting Illinois at risk of going under by denying that the state's pension systems are in crisis, according to the Executive Director of Taxpayers United of America (TUA).

"Illinois' five government-employee pension plans have a deficit of at least \$100 billion," said Rae Ann McNeilly, of TUA. "Due to decades of reckless overspending on lavish, gold-plated pension benefits of retired government employees, the plans have passed the point-of-no return. It is mathematically impossible to tax your way out of this crisis. The 67% increase in the state personal income tax and the anti-business 9.5% corporate income tax rate passed two years ago, every dollar of which is being pumped into these pension funds, didn't even make a dent in the state's unfunded liability. Unbelievably, Ill. Senate President, John Cullerton has been quoted recently stating that the Illinois' pension system is not yet in crisis."

"The so-called 'reform' plans of Ill. House Speaker Michael Madigan (D) and Ill. Senate Pres. John Cullerton (D) do nothing more than provide political cover for these career politicians, falling critically short of the necessary reforms."

"While they play Russian Roulette with Illinois' finances, the number of government retirees making more than \$100,000 in annual pension benefits has grown to more than 10,000 and the unfunded liability grows, conservatively, by \$5 million each day that passes without real pension reform."

"Immediate and sweeping pension reform can stop Illinois' downward spiral but will take serious political courage. Will you step up to the plate, Pres. Cullerton and Speaker Madigan? Or will you turn your back on Illinois as you ride off into retirement, leaving the state in virtual ruin?"

"Reform must include ending defined benefit pensions for all new government hires in order to permanently eliminate new, unfunded government pension liabilities. New government hires should plan for their own retirements by being placed in Social Security and 401(k) plans, like those in the private sector."

"Each current government employee must be required to contribute an additional 10% toward his or her pension, saving taxpayers \$150 billion over the next 35 years."

"Finally, requiring Illinois government employees and retirees to pay for one half of his or her healthcare premiums would save an estimated \$230 billion over current projections."

"If these reforms are not put in place soon, Illinois will become a larger version of Detroit."