

TEF NEWS RELEASE

Taxpayer Education Foundation

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STATE EMPLOYEES RETIREMENT SYSTEM SHOWS WHY GOV. PENSIONS ARE BANKRUPTING ILLINOIS

Gov. Jay Robert “J. B.” Pritzker and his allies in the Democrat-controlled Illinois General Assembly are trying to convince voters that their constitutional amendment to the Illinois Constitution, on the November 3 statewide ballot, would create a “fair” graduated state income tax. They make the astonishing claim that taxes would be raised only on those who can afford it, and that middle- and lower-class families would not be adversely affected.

Almost all of the recent \$5 billion increase in the state income tax was pumped into the state pension plans for retired government employees. Even this huge amount didn’t move the needle. These bighearted pension plans are still floundering and slowly dying. Now, J. B. and his Democrat thugs in the general assembly are back for more.

If passed, the Pritzker amendment would result in another shameless transfer of wealth – and a huge one – from workers in the private sector struggling to pay their bills to retired government employees already enjoying lavish, gold-plated pensions.

The 2020 Illinois Government Pension report published by the Taxpayer Education Foundation (TEF) examines the six government pension plans in the state. State politicians are hoping that most taxpayers do not receive information on what is going on in Springfield. Illinois State Police blocked a Taxpayers United of America (TUA) news conference at the Illinois State Capitol from taking place on Monday, Sept. 15, 2020!

A look at the State Employees Retirement System (SERS) plan is enlightening, showing why these pension plans are functionally bankrupt and require frequent infusions of taxpayer dollars. Incidentally, SERS employees also are eligible for Social Security, on top of their lavish pensions.

- The average retirement age of government employees in SERS is 59, and, on average, they collect pensions after only 25.2 years of employment. The average annual pension is \$36,906, whereas the average annual Social Security benefit of workers in the private sector who retire in their 60s is \$18,036.

- The number of SERS pensions exceeding \$50,000 is 20,517. The number of pensions exceeding \$100,000 is 1,908.
- The number of SERS pensions that will exceed \$1,000,000 in estimated lifetime payouts is 32,020. The average estimated lifetime payout per pension is \$1,148,720.
- The Illinois State Police, covered by SERS, have a cushy deal any other pensioner would crave. They can retire at age 50 after only 25 years of employment, receiving 80% of their salary. These retirees start with a pension of over \$100,000!

Taxpayers, through their state taxes, have so far paid \$2,274,925,279 into SERS, and they will be paying a lot more into this and the other state pension plans if Pritzker's income theft amendment passes on November 3.