



# ITEF COMMENT



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## STATE UNIVERSITY RETIREMENT SYSTEM PENSIONERS PAY NOTHING FOR GOLD-PLATED MULTI-MILLION-DOLLAR PENSION BENEFITS

By Bill Zettler

Of the top 100 pensions received by retired Illinois government employees, State University Retirement System (SURS) Pensioners receive the ten largest, ranging from \$243,000 to \$379,000 per year. In fact, these affluent retirees account for 84 of the top 100 largest pensions! What is generally not known is that SURS employees do not pay into the pension system; taxpayers pay it for them, and have since 1981. Over the course of a normal lifetime, these SURS retired employees have become multi-millionaires *without ever putting in one dime of their own money*.

For example, taxpayers provide the \$75,000 employee pension contribution as well as the \$205,000 employer pension contribution for coach Ron Zook, who makes \$935,000 a year. But taxpayers' generosity doesn't end there. SURS employees also pay nothing for their retirement healthcare either. And their healthcare is vastly superior to most workers in private industry, including vision, dental, and life insurance.

While you and I struggle to pay the bills after paying our Social Security, Medicare, and 401(K) contributions, we also are paying for government employees' vastly superior retirement and healthcare plans. But instead of culling the unfair excesses out of the public employees' retirement systems, Gov. Pat Quinn wants to raise state income taxes instead. His idea is that you pay for your retirement, you pay for *their* retirement, and you do that by paying higher state income taxes. In other words, you pay and pay. Government employees, on the other hand, pay nothing.

Tenured State University Retirement System employees have no job risk because they generally can't be fired, no pension risk since pensions are guaranteed by the taxpayers, and no health-care risk because taxpayers also pay for their superior benefits. Even non-tenured employees have little job risk, as unemployment in the *public* sector is only 2.6%.

There are more than 5200 employees of Illinois public universities and Chicago City Colleges that earned more than \$100,000 in 2007-2008 and have paid ZERO for their soon-to-be multi-million-dollar pensions.

*Gov. Quinn doesn't need a tax increase to help the elderly, sick, and poor. He can free up \$300 million just by having these tenured millionaires pay an 8% contribution towards their lavish retirement benefits.*

Source: SURS Actuarial Valuation as of June 30, 2008 Page 30.

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