

TUA NEWS RELEASE

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PENSION CONSOLIDATION BILLS WOULD RAISE PROPERTY TAXES WITHOUT REFERENDUM AND WEAKEN IMRF

CHICAGO—The head of Taxpayers United of America (TUA) today voiced his group’s opposition to long-standing requests of Illinois cities and towns to consolidate more than 650 police and fire pension funds, saying that the funds are in such bad financial condition that property tax increases, without property tax increase referendums, would result, and that the funds still would be essentially insolvent. Jim Tobin, TUA president, also voiced opposition specifically to House Bill 1567, sponsored by St. Rep. Ryan Spain (R-73, Peoria), which would amend the Illinois Pension Code to merge all Article 3 police officers' pension funds and Article 4 firefighters' pension funds into the Illinois Municipal Retirement Fund (IMRF) on January 1, 2021.

“Illinois’ five statewide government-employee pension funds have a staggering \$134 billion in unfunded liabilities,” said Tobin. “Chicago’s four pension funds are struggling with \$28 billion in unfunded liabilities.”

“Merging government pension funds would solve nothing, and the better-funded pension funds would see their assets diluted.”

“Illinois Governor Jay Robert ‘J. B.’ Pritzker (D) has appointed a task force to recommend changes to the statewide pension funds, but we know what’s coming. Cook County machine boss Pritzker orchestrated placing the Income Tax Increase Amendment on the 2020 statewide ballot, which would strangle Illinois’ economy with a graduated state income tax.”

“Almost all the money from the last huge income tax increase was plowed into the state’s floundering pension plans for retired government employees, and it didn’t even move the needle. If boss Pritzker succeeds in fooling voters into approving his income tax increase amendment, even that crushing tax hike would not solve the state pension crisis.”

“To be clear: It is impossible for the state to tax its way out of the state’s pension fund crisis. The pension funds are too far gone.”

“The only solution is to place all newly-hired government employees in 401(k) retirement plans, and, if necessary, place the worst of the present pension plans into bankruptcy.”