Pensions and Illinois’ 7,000 governments drive up homeowner property taxes

Illinoisans pay the highest property taxes in nation...

...fueled by the most units of local government in the nation...

...and administrators who receive executive-level compensation...

80 percent of Schaumburg workers cost local taxpayers $100,000 or more in total compensation
Top compensated Village of Schaumburg workers, 2016

...along with millions of dollars in lifetime pension benefits.

Public-sector compensation has become increasingly unaffordable to struggling Schaumburg residents.

Many school district administrators will receive multi-million dollar pensions
Top Schaumburg CCSD 54 retirees as of 2015

Public safety salaries have grown faster than residents' ability to pay for them...

...and have exacerbated the city’s local pension crisis, putting public safety retirements at risk.

Even though Schaumburg taxpayers have doubled their contributions to pensions...
Taxpayer contributions to public safety pensions

2005 $4.5 million 2016 $8.3 million

...they're on the hook for nearly double the pension debt.

Public safety pension debt

2005 $70 million 2016 $123 million

Source: Illinois Department of Insurance

Average Schaumburg police and fire salaries vs. median private sector worker earnings

$71,333 $40,894 $95,854 $45,255

2005 2016

34% 11%

Source: Illinois Department of Insurance, U.S. Census Bureau

Source: Illinois Department of Revenue, U.S. Census Bureau

Source: Illinois Department of Insurance, U.S. Census Bureau

Source: ISBE Employment Information System database, Illinois Department of Insurance, U.S. Census Bureau

*Defined as “position total” in database

*Life expectancy based on available Social Security actuarial tables

Source: Member data from the Teachers' Retirement System

Source: Schaumburg Employee Compensation and Benefits database, 2016

Source: U.S. Census Bureau, 2013

*Defined as "position total" in database
The state pension crisis
Benefits: too unrealistic for workers and too expensive for taxpayers.

Illinois taxpayers have contributed $60B toward pensions since 1996, $16B more than required by Edgar reform plan. Appropriations schedule under 1994 Edgar ramp vs. actual appropriations (in billions)

![Graph showing state pension crisis]

State of Illinois’ accrued pension benefits grow faster than revenues, inflation, income, population
Total growth in accrued state pension liabilities vs. other indicators, 1987 vs. 2015

Pension benefits of recently retired, career pensioners* in Illinois

<table>
<thead>
<tr>
<th>Pension fund</th>
<th>Average current pension</th>
<th>Average age at retirement</th>
<th>Average employee contribution</th>
<th>Average total pension payout*</th>
</tr>
</thead>
<tbody>
<tr>
<td>TRS</td>
<td>$75,900</td>
<td>59</td>
<td>$151,000</td>
<td>$2.2 million</td>
</tr>
<tr>
<td>SERS</td>
<td>$60,000</td>
<td>59</td>
<td>$60,000</td>
<td>$1.6 million</td>
</tr>
<tr>
<td>SURS</td>
<td>$71,600</td>
<td>58</td>
<td>$145,200</td>
<td>$2.3 million</td>
</tr>
<tr>
<td>JRS</td>
<td>$174,600</td>
<td>70</td>
<td>$194,700</td>
<td>$2.9 million</td>
</tr>
<tr>
<td>GARS</td>
<td>$134,400</td>
<td>67</td>
<td>$1,078,000</td>
<td>$2.1 million</td>
</tr>
<tr>
<td>Average</td>
<td>$64,000</td>
<td>59</td>
<td>$134,000</td>
<td>$2.1 million</td>
</tr>
</tbody>
</table>

Source: Pension data obtained from the 5 state-run pension systems pursuant to a 2015 FOIA request
*Retired since Jan. 1, 2015 (SARS and JRS since Jan. 1, 2008), with 50 years’ creditable service
**Average total pension payout* is based on approximate life expectancies from Social Security’s available actuarial tables. Current ages as of 2015 were used to determine pensioners’ life expectancies.

In Illinois, 60% of state pensioners began drawing benefits in their 50s
Approximate ages at which state workers retired

<table>
<thead>
<tr>
<th>Age at retirement</th>
<th>All state pensioners</th>
<th>% of total</th>
<th>Cumulative % of total</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt;50</td>
<td>2,499</td>
<td>1%</td>
<td>1%</td>
</tr>
<tr>
<td>50-55</td>
<td>41,421</td>
<td>19%</td>
<td>21%</td>
</tr>
<tr>
<td>55-60</td>
<td>83,244</td>
<td>30%</td>
<td>60%</td>
</tr>
<tr>
<td>60-64</td>
<td>92,605</td>
<td>29%</td>
<td>89%</td>
</tr>
<tr>
<td>65-70</td>
<td>18,522</td>
<td>9%</td>
<td>68%</td>
</tr>
<tr>
<td>&gt;70</td>
<td>4,781</td>
<td>2%</td>
<td>100%</td>
</tr>
</tbody>
</table>

Source: Pension data obtained from the 5 state-run pension systems pursuant to a 2015 FOIA request

Total retirement debt across all Illinois governments grows to $267B in 2016
Government worker pension and retiree health care unfunded liabilities (in billions)

<table>
<thead>
<tr>
<th>Local pension and benefit bonds</th>
<th>State pension bonds</th>
<th>State health benefits</th>
<th>State pensions</th>
</tr>
</thead>
<tbody>
<tr>
<td>$1.9</td>
<td>$12.0</td>
<td>$56.7</td>
<td>$129.9</td>
</tr>
<tr>
<td>Local health benefits $9.8</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

$267 billion

Source: Illinois state and local pension and health care actuarial reports

Illinois credit rating headed to junk, already lowest-rated in nation
State ratings by Moody’s Investors Service (Illinois highlighted in green)