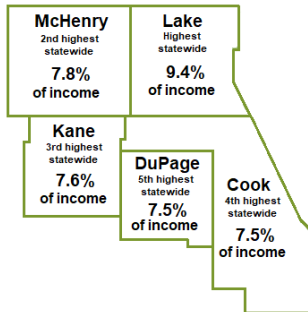


# Pensions and Illinois' 7,000 governments drive up homeowner property taxes

**Illinoisans pay the highest property taxes in nation...**

Property taxes as a percent of median household income, county rank, 2015



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

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

Illinois has nearly 7,000 local governments

State	Local governments
Illinois	6,963
Texas	5,147
Pennsylvania	4,897
California	4,425
Kansas	3,826

Source: U.S. Census Bureau, 2013

**...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

Worker	Total annual compensation*
Village Manager	\$313,076
Chief Of Police	\$230,506
Assistant Village Manager	\$227,280
Director Of Cultural Services	\$226,453
Director Of E.P.W.	\$225,479
Director Of Info Technology	\$212,533
Fire Captain	\$200,425
Director Of Finance	\$199,784
Fire Captain	\$197,813
Director Of Com. Develop Dept.	\$197,803

Source: Schaumburg Employee Compensation and Benefits database, 2016

\*Defined as "position total" in database

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

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

Name	Approximate age at retirement	Current annual pension	Estimated lifetime pension benefit*
Dada, M Mohsin	59	\$262,341	\$6,895,657
Rafferty, Edward F	59	\$221,083	\$6,244,427
Polach, Kathleen E	54	\$182,601	\$5,784,417
Ancona, Debra L	58	\$166,831	\$5,637,012
Samson, Pamela	57	\$134,018	\$4,779,877
Rauch, Lynne E	59	\$164,109	\$4,500,356
Colgrove, Julie	60	\$126,430	\$4,090,983
Kritzmire, William J	62	\$179,486	\$3,972,305
Laponte, Maribeth	59	\$116,978	\$3,908,840
Zito, Marianne T	58	\$136,421	\$3,862,798

Source: Member data from the Teachers' Retirement System

\*Life expectancy based on available Social Security actuarial tables

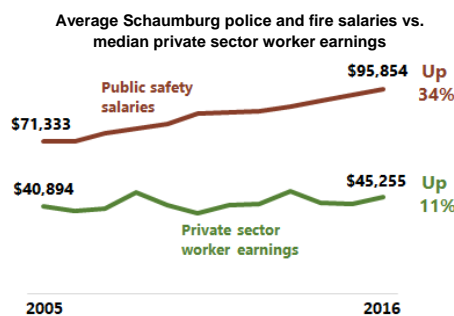
**Public-sector compensation has become increasingly unaffordable to struggling Schaumburg residents.**

Annual salaries in Schaumburg, 2016

Worker	Salary
HSD 211 & CCSD 54 Admin. salary	\$127,027
Schaumburg public safety salary	\$95,854
Township HSD 211 teacher salary	\$87,018
CCSD 54 teacher salary	\$60,773
<b>Private sector worker earnings</b>	<b>\$45,255</b>

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

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



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

**...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	2016
\$4.5 million	\$8.3 million

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

Public safety pension debt

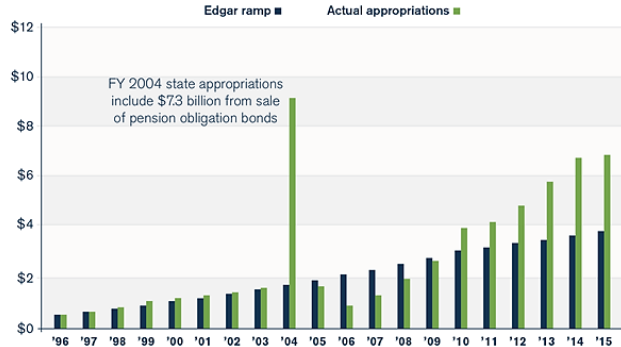
2005	2016
\$70 million	\$123 million

Source: Illinois Department of Insurance

# 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)

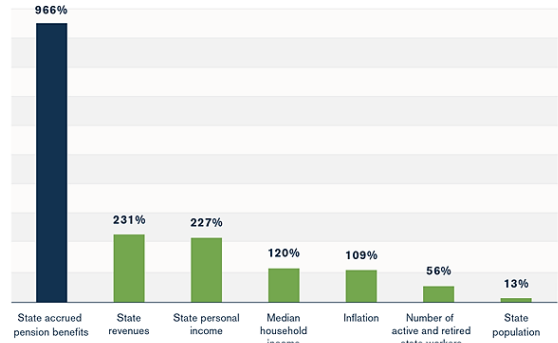


Source: Commission on Government Forecasting and Accountability

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State of Illinois' accrued pension benefits grow far faster than revenues, inflation, income, population

Total growth in accrued state pension liabilities vs. other indicators, 1987 vs. 2015



Source: Illinois Department of Insurance, Illinois Comptroller, U.S. Bureau of Economic Analysis, U.S. Census Bureau, Federal Reserve Bank of St. Louis, Commission on Government Forecasting and Accountability

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## Pension benefits of recently retired, career pensioners\* in Illinois

Pension fund	Average current pension	Average age at retirement	Average employee contribution	Average total pension payout**
TRS	\$73,300	59	\$153,900	\$2.2 million
SERS	\$50,000	59	\$63,000	\$1.6 million
SURS	\$71,600	58	\$145,200	\$2.3 million
JRS	\$174,600	70	\$196,700	\$2.9 million
GARS	\$134,400	67	\$187,900	\$2.1 million
Average	\$66,800	59	\$128,000	\$2.1 million

Source: Pensioner data obtained from the 5 state-run pension systems pursuant to a 2015 FOIA request  
\*Retired since Jan. 1, 2013 (GARS and JRS since Jan. 1, 2008), with 30 years' creditable service

\*\*\*Average total pension payout\*\* is based on approximate life expectancies from Social Security's available actuarial life tables. Current ages as of 2015 were used to determine pensioners' life expectancies.

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

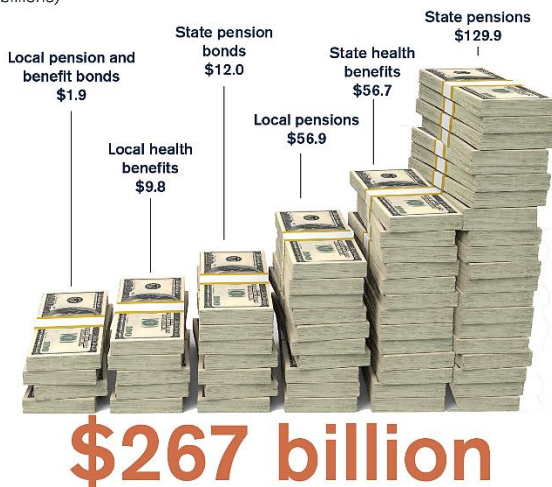
Age at retirement	All state pensioners	% of total	Cumulative % of total
<50	2,499	1%	1%
50-55	41,421	19%	21%
55-59	83,244	39%	60%
60-64	62,605	29%	89%
65-70	18,522	9%	98%
>70	4,781	2%	100%
	<b>213,072</b>		

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

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## Total retirement debt across all Illinois governments grows to \$267B in 2016

Government-worker pension and retiree health care unfunded liabilities (in billions)



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

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## Illinois credit rating headed to junk, already lowest-rated in nation

State ratings by Moody's Investors Service (Illinois neighbors highlighted in green)

Investment grade	Highest quality, lowest credit risk	Aaa	Delaware, Georgia, Indiana, Iowa, Maryland, Missouri, North Carolina, South Carolina, South Dakota, Tennessee, Texas, Utah, Vermont, Virginia
	High quality, very low credit risk	Aa1	Alabama, Arkansas, Colorado, Florida, Hawaii, Idaho, Massachusetts, Michigan, Minnesota, Montana, New Mexico, New Hampshire, North Dakota, New York, Ohio, Oregon, Washington
		Aa2	Alaska, Arizona, Kansas, Kentucky, Maine, Mississippi, Nebraska, Nevada, Oklahoma, Rhode Island, West Virginia, Wisconsin
		Aa3	Connecticut, California, Louisiana, Pennsylvania
	Upper medium grade, low credit risk	A1	New Jersey
		A2	
		A3	
Speculative grade "junk"	Medium grade, with some speculative elements and moderate credit risk	Baa1	Illinois (current)
		Baa2	
		Baa3	
Speculative grade "junk"	Judged to have speculative elements, significant credit risk	Ba1	Illinois ?
		Ba1	Illinois ?

Note: Wyoming is not rated by Moody's Investors Service.  
Source: Moody's Investors Service

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