

Slide # 51 from the “Speaker’s 2005 Bipartisan Summit on State Finances and the Budget”.

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## **Pension Funding** **2005 — 2045**

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Taxpayers will contribute **\$286.6 billion** to the 5 pension systems.

- **40%** will cover benefits paid; and
  - **60%** will make payments on past years’ unfunded liability
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John’s comments:

Every news outlet, and some editorial pages, in Illinois have picked up on the total \$286.6 billion figure shown above and cite it as evidence that public pensions are placing an excessive burden on taxpayers. They either don’t understand or ignore the fact that 60% of this “huge” cost is principal and interest on deferred debt that taxpayers did not pay in past years. **Only 40% of the total cost is for benefits paid to retirees and survivors -- who have already paid their full share.**