

Taxpayers Fund Pensions

www.investincommunities.org

Pension benefits for police officers, firefighters, and municipal employees are set by the state legislature, but they are funded by the taxpayers they serve. Increasing benefits will likely result in higher property taxes on our residents.

What is Tier 2?

After extensive negotiations with police and fire unions, Tier 2 was created to protect both taxpayers & the retirements of firefighters and police officers. Tier 2 offers newly-hired employees a generous pension plan that is more affordable for our communities. Without Tier 2, the retirement benefits of all first responders would be at risk, and residents could face millions of dollars in property tax increases.

Is Tier 2 fair?

Our heroic police officers & firefighters are generously compensated for their service to our communities, especially compared to Social Security. Even though Tier 2 provides different benefits than Tier 1, compensation plans—including salary, benefits, and pensions—frequently differ based on factors such as an employee’s experience, collective bargaining agreements, and compensation study comparables.

By the Social Security retirement age of 67, a retired Tier 2 police officer could have collected more than \$1 million in pension benefits.

In suburban communities, public safety pension benefits are 2-3 times greater than average Social Security benefits.

	2024 Starting Salary (average)*	Retirement Age	2024 Final Salary (average)*	Tier 2 Starting Pension*
Police Officers	\$75,800	55	\$116,400	\$87,300 + COLA
Firefighters	\$66,400	55	\$95,000	\$71,250 + COLA

*2024 average salaries and projected starting pension based on data from 42 communities.

Benefit increases put the retirements of our first responders at risk.

In some communities, annual pension expenses match or exceed annual property tax revenues. Additional benefit increases mean higher taxes on residents.

We cannot afford to promise more than taxpayers can deliver. Taxpayers cannot afford benefit increases to Article 3 & 4 pensions.



DuPage Mayors and Managers Conference



Northwest Municipal Conference



COUNCIL OF GOVERNMENT



Lake County Municipal League



MCHENRY COUNTY COUNCIL OF GOVERNMENTS



WILL COUNTY GOVERNMENTAL LEAGUE



Barrington Area Council of Governments

