



September 14, 2011

In response to our report, *Taxpayers on the Hook: Taxpayer Contribution Rates for Ohio Government Pensions Outpace National Averages*, the State Teachers Retirement System (STRS) attacked the Buckeye Institute while conveniently leaving some undeniable facts at the door. By using their own data, reading their own admissions, and even following their own assertions, it is evident that Ohio taxpayers are far from off of the hook when it comes to potentially bailing out the pensions.

Key points:

- STRS is plum broke. It possesses only 59 cents for every dollar in liabilities, leaving a \$38.7 billion hole;
- In its own statements, STRS has pursued an even higher taxpayer contribution rate than the current 14 percent (16.5 percent);
- Using STRS' own recommendation of a 16.5 percent taxpayer contribution rate, Ohio would have the 10th highest taxpayer contribution out of 34 states with a teacher's pension system, including those that also pay into Social Security;
- Social Security will result in a rate of return of near zero or negative for many "contributors," especially young and new workers;
- State employees in Ohio are actually making out by not paying into Social Security;
- Most private sector Ohioans can expect a 6.2 percent employer contribution to Social Security and a 4.0 percent 401(k) employer contribution, totaling 10.2 percent. This level is considerably lower than both STRS' current 14 percent and its desired 16.5 percent contribution rate.

To read the full the Buckeye Institute's full commentary on STRS' response, please visit

<http://www.buckeyeinstitute.org/uploads/files/09-14-11%20STRS%20Misleads%20Taxpayers%20and%20Teachers.pdf>