

ILLINOIS WORST IN NATION FOR FUNDING PENSIONS

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By State Senator Bill Brady

This week, Illinois' woefully underfunded pension systems were highlighted in a report released by the Pew Center on the States, which found that Illinois ranks dead last when it comes to funding the state's pension systems.

According to the report by the respected research group, Illinois' unfunded liability surpasses \$54 billion—or only slightly more than half of what the state needs to pay benefits to its five state retirement funds. The Pew Center noted that only 54 percent of the state's pension liability is funded, which is far below the 80 percent funding level recommended by experts.

It was also noted that Illinois has consistently deferred making its required payments into the systems, “paying less than 60 percent of the required amount in each year since 2005” and issuing “\$3.5 billion in bonds to pay for its 2010 actuarially required contribution.”

The Pew Center's study only researched pension funds through fiscal year 2008 and does not account for the recent stock market downturn—and the serious impact it had on the value of state pension investments.