

Report: Pension Plans Deteriorate Further

PROVIDENCE – The R.I. Office of the Auditor General said this month that many of the pension plans administered by municipalities in the state have deteriorated since the office's last report in July 2007.

The office also said the unfunded liability for post-employment benefits provided by municipalities totals \$2.4 billion. Of that amount, \$1.9 billion comes from locally administered pension plans.

In several cases, the plans are in "perilous condition" because the municipality has contributed less than 100 percent of the annual required contributions.

The number of pension plans considered to be at risk has grown from 21 to 23 and their collective funded ratio decreased from 45 percent, as reported in July 2007, to 43 percent currently, the office told the General Assembly's Joint Committee on Legislative Services. The collective unfunded liability for locally administered pension plans has increased \$300 million from \$1.6 billion in July 2007.

The collective annual required contribution for pensions for the state's municipalities was approximately \$295 million for fiscal 2009.