



For Immediate Release  
October 16, 2017

Contact: Andrew Collier at 502-632- 9237  
or acollier@protectpensions.org

## **Pension Trustee Advisors Finds PFM Analysis Too Optimistic: “Solution” Will Cost More for Worse Benefits**

LEXINGTON – A review of PFM’s August report on proposed changes to Kentucky’s retirement conducted by the Pension Trustee Advisors (PTA) finds that the proposals will cost more to Kentucky’s taxpayers and its employees while providing lower benefits. The increased taxpayer costs are from Social Security participation as well as replacing current programs with more expensive Defined Contribution plans. Increased worker costs are also due to Social Security and additional DC contributions necessary to get close to an adequate retirement income.

According to William Fornia, FSA of PTA, “The retirement income that can be expected from the new proposed program would likely not be as high as those estimated in the recent analysis due to lower investment returns, longer life expectancies and inflation that were not considered in that analysis. Furthermore, the proposed program would leave many disabled workers and survivors without meaningful protection.”

Additionally, PTA estimates that while such a change would be a cost to Kentucky taxpayers and a cut in living standards for future retired Kentucky public workers, it would result in substantial income to Wall Street and private investment managers who would earn tens of millions of dollars more in fees than under the current program.

Fornia continued: “PTA reiterates that the current poor funding status is due to years of government pension contributions below those required for actuarial soundness. Other states have sound financial position because they have prudently funded their defined benefit plans, despite similar demographics of an aging population.”

If you’re interested in speaking with Mr. Fornia from PTA, or to read the complete report, please contact Andrew Collier at [acollier@protectpensions.org](mailto:acollier@protectpensions.org) or Patrick Crowley at [pcrowley@strategicadvisersllc.com](mailto:pcrowley@strategicadvisersllc.com).

*PTA has extensive experience with pension reform, including serving the Teachers Retirement Work Group in 2015, creditors in the Detroit and Stockton bankruptcies, the Federal Oversight Board for Puerto Rico, and other groups for governments as well as labor organizations.*

###

