



# Oklahoma State Auditor & Inspector

News Release

For Immediate Release

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## Time to Fix the Pension Debt Problem

*By Gary A. Jones, CPA, CFE, State Auditor & Inspector*

Over the last few decades we have amassed a huge pension debt through what can only be described as irresponsible, reckless, and self serving actions by the Oklahoma legislature.

This debt was created by shifting budget priorities and choosing not to make the annual required pension payment (we haven't had a true balanced budget in years). We promised benefits that were not paid, and created a law that allows certain elected officials to double or triple their retirement with many receiving well over 100% of their highest single year salary when they retire.

While we have been told that these problems have been fixed, several hundred current and former elected officials continue to get these unearned benefits because they were "grandfathered in."

### *Here's how to fix the pension problem.*

Any changes to the pension systems must be verified by an actuarial study to provide the impact those changes will have to the fiscal stability of the plan. It only makes sense to give the pension experts, CPAs, and actuaries a chance to fix this problem. Working with these experts, legislators will be able to make the necessary, tough, informed decisions to find an actuarially sound solution.

Next, we address the issue of unearned benefits. While I believe we have an obligation to pay for benefits that an employee has earned, I do not believe we should continue to pay for something someone did not earn and for whom the benefit was never paid.

We then make changes based on future employment by implementing necessary corrections now. We cannot and should not fix the problem solely by reforming the system based only on future employees while continuing to exempt certain employees or employee groups. If it's good for one it's good for all.

If our goal is to fix the problem and pay the unfunded debt, then let's fix it. Our generation has already left enough debt to our kids and grandkids. This does not have to be another one!

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