



OFFICE OF THE
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FOR IMMEDIATE RELEASE

November 26, 2012

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REPORT RELEASED ON ARIZONA'S PENSION PLAN CHALLENGES

Arizona's Four Retirement Plans \$13 Billion Underfunded

PHOENIX – A Pew Center on the States and Laura and John Arnold Foundation report released today shows that Arizona faces a \$13 billion shortfall between what should have been set aside to pay future pension benefits and what Arizona pension plans have on hand. That sum is almost \$1 billion more than the revenue delivered by Arizona's entire tax system in 2011.

The report goes on to say that while changes to the pension system that took place in 2005 and 2010 provided some help, it was not nearly enough to solve the problem. The full report can be accessed here: <http://www.aztreasury.gov/wp-content/uploads/2012/02/AZ-Pension-Challenges-Report1.pdf>

"Teachers, police, firefighters, corrections officers and state employees have organized their lives around these retirement plans," said Arizona State Treasurer Doug Ducey. "It is the responsibility of elected leaders to ensure that the plans are strong, properly funded, and protects both the workers and the taxpayers. We need to make the necessary adjustments so these systems have the ability to pay those who have earned these benefits well into the future."

Treasurer Doug Ducey is the Chairman of the bipartisan 13-member Defined Contribution and Retirement Study Committee created last year as part of Senate Bill 1609. The committee met four times in 2011, and is set to meet again on November 27 and December 20 before issuing a final report to the Governor and Legislature by year's end.

"These costs have the potential to crowd out needed investments in areas like roads, education, and public safety," added Josh McGee, Vice President for Public Accountability Initiatives at the Laura and John Arnold Foundation. "Real change requires hard choices, good information, and thoughtful analysis. While there is no one-size-fits-all solution, this remains a solvable problem."

About The Pew Center on the States

The Pew Center on the States is a division of The Pew Charitable Trusts that identifies and advances effective solutions to critical issues facing states. Pew is a nonprofit organization that applies a rigorous, analytical approach to improve public policy, inform the public and stimulate civic life. To learn more about the Pew Center on the States, visit <http://www.pewstates.org>.

About the Laura and John Arnold Foundation

The Laura and John Arnold Foundation is a private foundation that currently focuses its strategic investments on education, criminal justice, research integrity and public accountability reform. LJAF has offices in Houston and New York City. www.arnoldfoundation.org.

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