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The Drastic, Risky, Measures to Fix America's Brokest Pension Systems.

Kentucky and Illinois are weighing extreme options to reduce their pension debt — but critics say they could ultimately cost the states more.

Kentucky and Illinois have two of the worst-funded pension plans in the country, and they're struggling under the weight of skyrocketing costs. Both are now considering drastic measures to ease the annual burden in ways that critics say will ultimately make the problem worse.

In Kentucky, where teachers staged a "sickout" on Thursday over separate pension legislation, an unusual, if not unprecedented, bill is making its way through the legislature that would allow regional colleges, universities and other quasi-government institutions to leave the state's troubled pension system without immediately paying off their debt. Instead, they could pay it off over 25 years. Employers leaving the fund would be required to provide other retirement options for their employees, such as a 401(k).

The legislation is being pushed by the presidents of the regional universities as increasing pension costs are squeezing their budgets and forcing them to raise tuition.

But ditching the plan without a lump sum payout is a move that actuaries have warned could threaten the solvency of the $2 billion plan.

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BY LIZ FARMER | MARCH 1, 2019 AT 4:00 AM