

Bond Case Briefs

Municipal Finance Law Since 1971

S&P Pension Spotlight: Risk Sharing Dilutes Pension Burden For Five States

Key Takeaways

- U.S. state governments reduce pension stress when they share contribution volatility risk because the budgetary impact of poor returns doesn't fall solely on the sponsor.
- Sharing risk can offset some negative credit views of high return assumptions because it limits associated market volatility.
- Affordability through risk sharing features often leads to improved funded ratios.
- We examine five U.S. states—Oregon, South Dakota, Tennessee, Utah, and Wisconsin—to show how this risk-sharing practice can benefit them.

[Continue reading.](#)

21 Apr, 2021

Copyright © 2021 Bond Case Briefs | bondcasebriefs.com