

# **Bond Case Briefs**

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## **S&P Pension Brief: Single-Employer Pension Plans Are Straining Illinois Municipalities' Credit Quality**

### **Key Takeaways**

- Weak statutory funding requirements below actuarial recommendations postpone meaningful funding progress for many local governments' individual pension plans.
- Limited revenue-raising flexibility and weak demographic trends will likely compound pension pressures for poorly funded local plans.
- The consolidation of downstate and suburban public safety plans likely will provide some savings to these plans, but minimal help to address near-term cost pressures and could add contribution volatility risk.
- Although carve-outs in the statutory funding requirements have been made to provide Chicago with budgetary relief, the city faces budgetary pressure from its large unfunded liabilities, and costs are expected to escalate.

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