

Pension news in Calif. goes from bad to worse

By Dale Kasler, Sacramento Bee

California's big public pension funds are already short tens of billions of dollars. An organization of accountants is about to make the picture look even worse.

A proposed change to pension accounting standards could give more ammunition to conservatives seeking to reduce pension benefits for public sector workers. Gov. Jerry Brown is expected to issue a wide-ranging proposal to overhaul pensions sometime soon.

As Brown and the Legislature prepare to wrestle over pension costs, an organization that sets the industry standards for how government finances are reported, the Governmental Accounting Standards Board, is proposing new rules for calculating pension fund liabilities – the amount of money such funds owe retirees.

The proposal wouldn't have much effect on CalPERS, the nation's largest public pension fund. But it would have an enormous impact on the second largest public fund, CalSTRS.

The California State Teachers' Retirement System already faces a funding gap of \$56 billion – the difference between the money it expects to have on hand over the next 30 years and what it will need to pay out in benefits during the same period.

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