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## News for Immediate Release

Aug. 30, 2016

### **Auditor General DePasquale Announces Start of Audit of Pittsburgh's Comprehensive Municipal Pension Plan**

*Renews call for comprehensive statewide municipal pension reform*

**HARRISBURG** – Auditor General Eugene DePasquale today announced the start of an audit of the City of Pittsburgh Comprehensive Municipal Pension Trust Fund, and again called for action in Harrisburg on comprehensive statewide municipal pension reform.

“Pittsburgh – as with many other Pennsylvania municipalities – struggles with a hefty pension burden, and that burden grows even heavier the longer Harrisburg fails to act on substantive municipal pension reform,” DePasquale said. “Unfortunately, it does not appear that municipal pension reform will happen any time soon. Therefore, this audit is even more important to help the City of Pittsburgh and the employee bargaining groups identify any deficiencies and improve their pension plans’ stability.”

The previous audit of the Pittsburgh pension trust fund, released in March 2015, showed that despite laudable actions by the Peduto Administration to shore up the city’s pension plans and an improving stock market, the pension fund’s overall funding ratio dropped from 62 percent in 2011 to 58 percent in 2013.

DePasquale noted that as of Jan. 1, 2013 the Pittsburgh pension fund had assets of \$675 million and liabilities – the present value of projected benefits accrued as of the valuation date – of \$1.16 billion. Part of the funding ratio drop can be attributed to the city lowering its assumed rate of investment return from 8 percent to 7.5 percent. Updated asset and liability figures for Jan. 1, 2015 will be included in the current audit of the fund.

The objectives of the audit will be to determine if the pension trust fund was administered in compliance with applicable state laws, regulations, contracts, administrative procedures, and local ordinances and policies and to determine if municipal officials took appropriate corrective action to address the findings contained in our prior audit report.

The audit will cover Jan. 1, 2014 to Dec. 31, 2015.

The auditor general’s latest statewide [municipal pension report](#) found that nearly half of the employee plans statewide are in distress. Overall, there is nearly an \$8 billion unfunded municipal pension liability.

Last year, DePasquale was appointed by Gov. Tom Wolf to lead a Task Force on Municipal Pensions. In fewer than 60 days, DePasquale delivered the [task force’s report to the governor](#), offering realistic and responsible reforms to address problems with Pennsylvania’s system of local government retirement plans.

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