



## Press Release

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FOR IMMEDIATE RELEASE

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### MARYLAND'S STATE AND LOCAL PENSION COFFERS SERIOUSLY UNDERFUNDED, STUDY FINDS

ROCKVILLE, MD—The Maryland Public Policy Institute in Rockville, MD, and the Calvert Institute in Baltimore, MD, have released a joint evaluation of state and local retirement benefits: “Passing the Buck: Maryland’s Unfunded Liabilities for State and Local Retirees,” authored by George W. Liebmann and Gabriel J. Michael.

Maryland’s state and local pension and retirement benefits plans are in for some hard times ahead. Facing budget shortfalls, governments are skimping on their annual contributions to pension plans, while at the same time promising broader retirement benefits to public employees.

Today, the Maryland State Retirement and Pension System suffers from an unfunded deficit of over \$11 billion. Many county governments face similarly severe deficits. The State’s unfunded non-pension retirement benefits liabilities range anywhere from \$8 billion to \$15 billion.

With the implementation of the Governmental Accounting Standards Board Statement 45, state and local governments will be forced to calculate and make public the unfunded liability for these retirement benefits. These enormous liabilities will increase the cost of state and local governments' borrowing, as lenders will address government bond ratings.

The full report can be viewed online at [http://www.mdpolicy.org/research/pubID.215/pub\\_detail.asp](http://www.mdpolicy.org/research/pubID.215/pub_detail.asp).

*Founded in 2001, the Maryland Public Policy Institute is a nonpartisan public policy research and education organization that focuses on state policy issues. The Maryland Public Policy Institute’s work can be found on the Internet at [www.mdpolicy.org](http://www.mdpolicy.org).*

*The Calvert Institute for Policy Research is a non-partisan, educational institution dedicated to the research and propagation of solutions to Maryland state and local public policy concerns based upon the principles of free markets and personal responsibility. The Calvert Institute’s work is available at [www.calvertinstitute.org](http://www.calvertinstitute.org).*

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