

Public pension funds

Business



Public Pension Funds

Question 1

Public pension funds report that they are usually relatively well funded. However, a report from an external firm, Milliman, reported otherwise. Milliman is an actuarial firm whose credibility is ascertained. In this case, Milliman notes that there is a slight difference in the figures reported by the public pension schemes from own reports when compared to reports from private entities. However, the point in focus is that the public pension plans are relatively well funded albeit with some deficits. Milliman's conclusion that the reports are less well funded than what is reported in their internal reports comes from the disparity that it ascertained after conducting a private audit which put the funding around 68 percent while own reports usually report a funding of about 75 percent. The report has a slight difference from other recently published ones because of the approach that was used in it. Despite the slight difference, this could translate to a massive figure when looked at generally.

Question 2

Hawai represents an economy requiring delicate leadership acumen to satisfy the needs of its citizenry. Teachers are part of the workforce who are feeling the brunt of harsh economic times. Salary cuts were imposed on teacher's salary to cater for a deficit that the current governor, Neil Abercrombie, was left for in the budget. The deficit in the budget is put to be over a billion dollars. On coming to office, Abercrombie did away with the collective bargaining contract which had previously accorded the teachers a bargaining power. In Indiana, the collective bargaining was lost in 2005. Changes have occurred since then that have neither eased their situation

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nor been of much help.

Reference

Maynard, M. (n. d.). Hawaii Teachers Halt Labor Negotiations, Escalating Conflict.

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