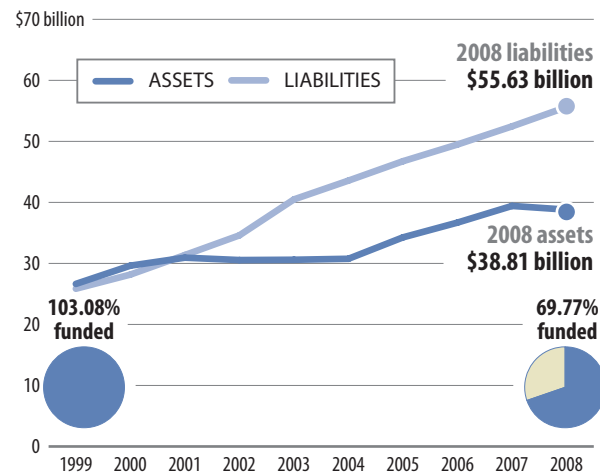


COLORADO'S management of its long-term pension liability is cause for serious concern, but the state is doing a relatively good job at handling the bill coming due for retiree health care and other benefits. It has funded only 70 percent of its total pension bill, below the 80 percent benchmark that the U.S. Government Accountability Office says is preferred by experts. And since 2003, it has consistently failed to meet its actuarially required contributions. During this period, its unfunded liability grew by \$6.9 billion. In 2006, the state passed legislation limiting future cost-of-living adjustments for new employees, increased the retirement age and implemented restrictions on annual salary increases to inflate benefits. Meanwhile, 19 percent of the state's total bill coming due for retiree health care and other benefits has been funded. Even this low funding level makes Colorado the state with the eighth-best funded non-pension benefits system in the country.

PENSIONS, 1999 – 2008

Colorado's pension liabilities grew 115 percent between 1999 and 2008, outpacing assets, which grew only 46 percent in that period.



Total Bill Coming Due:	\$55,625,011
Portion Unfunded:	\$16,813,048
Annual Required Contribution (ARC):	\$1,141,081
Percentage ARC Funded:	68.32%

Note: In thousands



PENSIONS: **SERIOUS CONCERNS**



Solid performer



Needs improvement



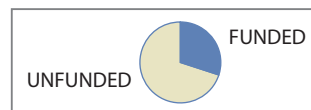
Serious concerns

Our grades assess states on how well they manage their retirement obligations. Each state can earn up to four points for its pension plans: two points for a funding ratio of at least 80 percent; one for an unfunded liability below covered payroll; and one for paying an average of at least 90 percent of the ARC during the past five years. Solid Performer = 4 points. Needs Improvement = 2–3 points. Serious Concerns = 0–1 points. Grading for health care and other benefits is simpler because most states have only recently begun to fund and collect data on these liabilities. States are solid performers if they have set aside assets equal to at least 7.1 percent of their liabilities (the 50-state average), or they need improvement if they have contributed less.

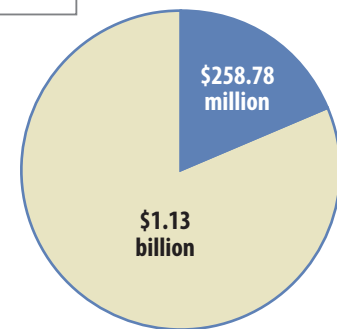
For more details, read the full report at www.pewcenteronthestates.org/TrillionDollarGap.

HEALTH CARE & OTHER BENEFITS, 2007

Retiree health care and other benefit liabilities are 2 percent of Colorado's total retirement bill but are 6 percent of the state's retirement funding shortfall.



Colorado's health care and other post-employment benefit programs are **18.67% funded**.



Total Bill Coming Due:	\$1,385,954
Portion Unfunded:	\$1,127,179
Annual Required Contribution (ARC):	\$81,523
Percentage ARC Funded:	31.74%

Note: In thousands



HEALTH CARE & OTHER BENEFITS: **SOLID PERFORMER**