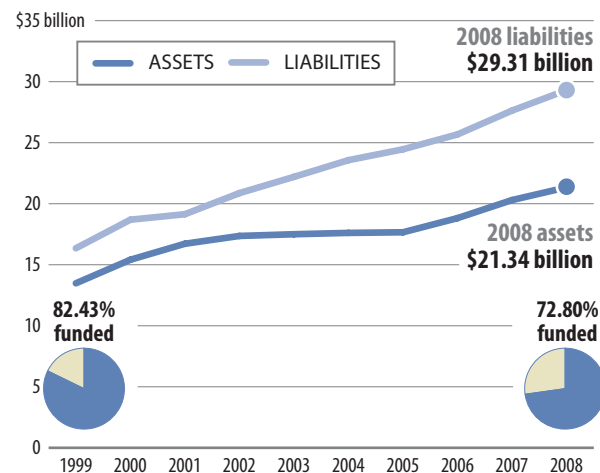


MISSISSIPPI's management of its long-term pension liability is cause for serious concern and the state needs to improve how it handles its retiree health care and other benefit obligations. It has funded only 73 percent of its total pension bill—below the 80 percent benchmark that the U.S. Government Accountability Office says is preferred by experts—and faces an unfunded liability of \$8 billion, 30 percent greater than the payroll of its pension plan members. To its credit, the state in 10 of the past 12 years has funded at least 99 percent of its actuarially required contribution. In 2007, Mississippi increased the eligibility requirement for retirement benefits for new members of the Public Employees' Retirement System, including raising the vesting period for these hires from four to eight years. While Mississippi has relatively limited liabilities for retiree health care and other benefits—\$570 million—it, like 19 other states, has failed to contribute any funds to cover these long-term costs.

PENSIONS, 1999 – 2008

Mississippi's pension liabilities grew 79 percent between 1999 and 2008, outpacing assets, which grew 58 percent in that period.



Total Bill Coming Due:	\$29,311,471
Portion Unfunded:	\$7,971,277
Annual Required Contribution (ARC):	\$662,900
Percentage ARC Funded:	97.05%



PENSIONS: SERIOUS CONCERNS

Note: In thousands



Solid performer



Needs improvement



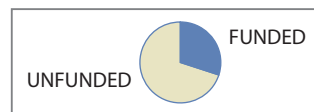
Serious concerns

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.

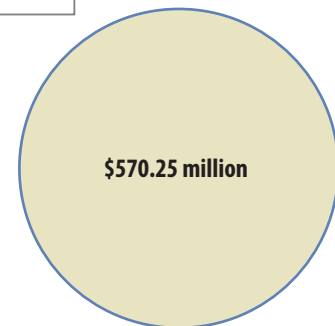
For more details, read the full report at www.pewcenteronthestates.org/TrillionDollarGap.

HEALTH CARE & OTHER BENEFITS, 2008

Retiree health care and other benefit liabilities are 2 percent of Mississippi's total retirement bill but are 7 percent of the state's retirement funding shortfall.



Mississippi's health care and other post-employment benefit programs are **unfunded**.



Total Bill Coming Due:	\$570,248
Portion Unfunded:	\$570,248
Annual Required Contribution (ARC):	\$43,627
Percentage ARC Funded:	0.00%



HEALTH CARE & OTHER BENEFITS: NEEDS IMPROVEMENT

Note: In thousands