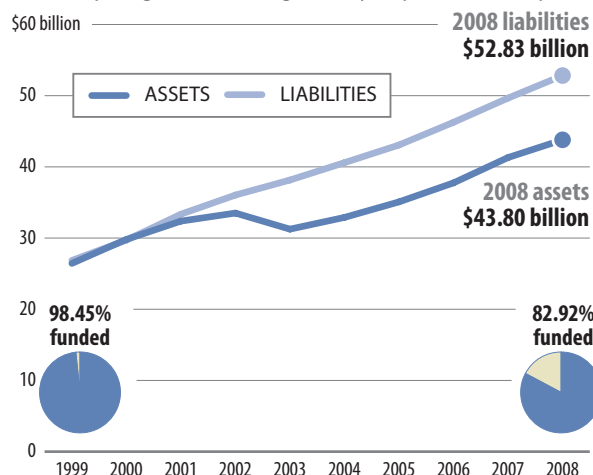


MISSOURI needs to improve how it manages its long-term liabilities for both pensions and retiree health care and other benefits. Missouri's pension systems were 83 percent funded in 2008—above the 80 percent benchmark that the U.S. Government Accountability Office says is preferred by experts—but, like many other states, it slipped from being fully funded in 2000. Although Missouri consistently has met its annual actuarially required contribution for its state employees' plan, its payment for the public school retirement system has repeatedly been underfunded. In 2007, the state enacted legislation that prohibits benefit increases for locally run plans whose funding level is below 80 percent. The same year, legislation was put in place to restrict annual salary increases that inflate benefits for members of the Teacher and School Employees' Retirement System. Meanwhile, Missouri is one of 29 states that have put aside some money to cover its bill coming due for retiree health care and other benefits. However, less than 1 percent of the total \$2.9 billion liability has been funded.

PENSIONS, 1999 – 2008

Missouri's pension liabilities grew 97 percent between 1999 and 2008, outpacing assets, which grew only 66 percent in that period.



Total Bill Coming Due:	\$52,827,423
Portion Unfunded:	\$9,025,293
Annual Required Contribution (ARC):	\$1,219,871
Percentage ARC Funded:	87.88%



PENSIONS: **NEEDS IMPROVEMENT**



Solid performer



Needs improvement



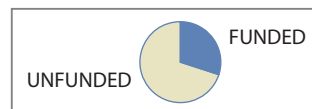
Serious concerns

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.

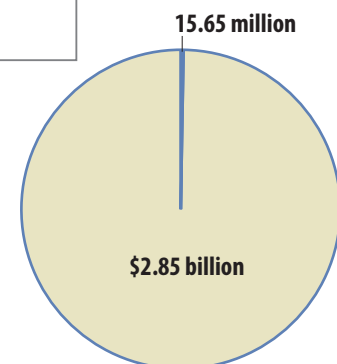
For more details, read the full report at www.pewcenteronthestates.org/TrillionDollarGap.

HEALTH CARE & OTHER BENEFITS, 2008

Retiree health care and other benefit liabilities are 5 percent of Missouri's total retirement bill but are 24 percent of the state's retirement funding shortfall.



Missouri's health care and other post-employment benefit programs are **0.55% funded**.



Total Bill Coming Due:	\$2,867,472
Portion Unfunded:	\$2,851,826
Annual Required Contribution (ARC):	\$262,215
Percentage ARC Funded:	57.83%



HEALTH CARE & OTHER BENEFITS: **NEEDS IMPROVEMENT**