



IDAHO IS A NATIONAL LEADER when it comes to keeping up with required annual payments toward long-term pension obligations. It is one of 16 states that has reliably contributed the full amount, as identified by its own actuaries, over the past 10 years. Meanwhile, its non-pension benefits are extremely modest, so the state faces a very small long-term liability for retiree health care relative to other states. With no cash subsidy for retiree health care, its liability comes from the “implicit subsidy” that it provides to retirees by having them participate in the same health plan as younger and healthier active employees.

PENSIONS

TOTAL BILL COMING DUE: **\$10 billion**¹


FUNDS SET ASIDE: **\$9.5 billion**

PORTION UNFUNDED: **\$525 million**

PERCENT FUNDED: **95 as of 2006**²

TEN YEAR FUNDING HIGH: **113% in 2000**

TEN YEAR FUNDING LOW: **82% in 2003**

HOW IS THE STATE DOING IN PAYING ITS ANNUAL BILL? 

ASSUMPTIONS: Idaho assumed an investment return of 7.75% in 2006, which is below the 50-state median of 8%. It's one of a handful of states that values its assets on a fair market basis rather than smoothing out gains and losses over time. This led to a very large drop in the funding level between 2000 and 2003, but it has been on the upswing since then, as the value of assets no longer incorporates the weak returns of the early part of the decade. In most states, which use four- or five-year smoothing periods, the drop was less sudden, but the poor returns of the early part of the decade were still reflected in recent calculations. Idaho's amortization period conforms to accounting standards.

¹ Public Employee Retirement System of Idaho, a unified state employee retirement fund.

² 50-state mean was 82%.

KEY:  Top Performer  Needs Improvement  Below Par  Non-Pension Benefits are Minimal

This fact sheet stems from a 50-state analysis of states' retiree benefit obligations by Pew's Center on the States. The full report and 50 state fact sheets can be found at www.pewcenteronthestates.org.


OTHER BENEFITS

TOTAL BILL COMING DUE: **\$486 million**

FUNDS SET ASIDE: **\$0**

PORTION UNFUNDED: **\$486 million**¹

PERCENT FUNDED: **0 as of 2006**

HOW IS THE STATE DOING IN MANAGING THIS BILL? 

1 21% of covered payroll, compared to a national median of 135%.

REFORMS: Idaho has made few reforms to its retirement system in recent years. One small change occurred in 2006, when the legislature allowed a retired member of the Public Employee Retirement System to continue receiving retirement benefits after becoming an elected official.



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