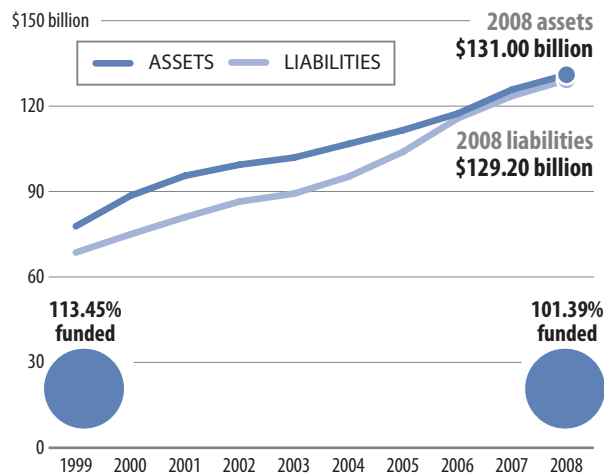


FLORIDA is a top performer when it comes to managing its long-term pension liability, but needs to improve how it handles the bill coming due for retiree health care and other benefits. The Sunshine State is one of only three states (the others are New York and Washington) to have more pension assets than accrued liability—funding 101 percent of its total pension obligation, well above the 80 percent benchmark that the U.S. Government Accountability Office says is preferred by experts. Florida has fiscally responsible policies, making at least 90 percent of the annual required contribution each year since 1997 and maintaining an additional reserve to cover unexpected actuarial losses. However, although Florida has relatively limited long-term liabilities of \$3.1 billion for retiree health care and other benefits, the state has not contributed any funds to cover those costs.

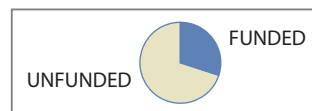
PENSIONS, 1999 – 2008

Florida's pension liabilities grew 88 percent between 1999 and 2008, outpacing assets, which grew only 68 percent in that period.

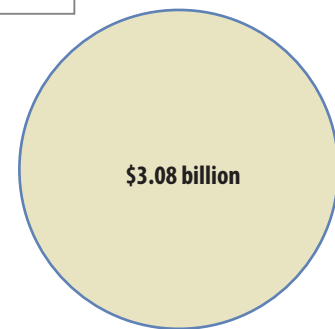


HEALTH CARE & OTHER BENEFITS, 2007

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



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




Total Bill Coming Due:	\$129,196,897
Portion Unfunded:	-\$1,798,789
Annual Required Contribution (ARC):	\$3,005,387
Percentage ARC Funded:	104.16%

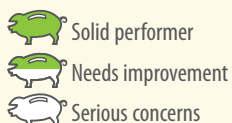
Note: In thousands

 **PENSIONS: SOLID PERFORMER**

Total Bill Coming Due:	\$3,081,834
Portion Unfunded:	\$3,081,834
Annual Required Contribution (ARC):	\$200,973
Percentage ARC Funded:	43.70%

Note: In thousands

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



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.