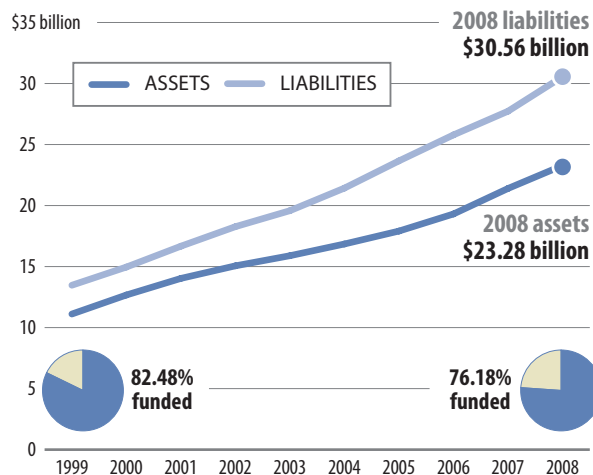


NEVADA's management of its long-term pension liability is cause for serious concern and the state needs to improve how it handles its retiree health care and other benefit obligations. Even though it paid at least 90 percent of its actuarially required contribution each year since 1997, the Silver State in 2008 had only 76 percent of the assets needed to pay its total pension bill, below the 80 percent benchmark that the U.S. Government Accountability Office says is preferred by experts. Because Nevada conducts actuarial valuations for its pension plans on December 31, the current funding level more accurately reflects the decline in assets from the 2008 calendar year than do plans valued on June 30. In 2009, the state passed a law that enforces stricter eligibility requirements and higher reductions for early retirement, and the law changes the way benefits are calculated for new public employees. Meanwhile, Nevada has a \$2.2 billion bill coming due for retiree health care and other benefits and, like 19 other states, by 2008 it had failed to set aside any assets to cover these costs.

PENSIONS, 1999 – 2008

Nevada's pension liabilities grew 127 percent between 1999 and 2008, outpacing assets, which grew 110 percent in that period.



Total Bill Coming Due:	\$30,563,852
Portion Unfunded:	\$7,281,752
Annual Required Contribution (ARC):	\$1,262,758
Percentage ARC Funded:	93.04%



PENSIONS: SERIOUS CONCERNS

Note: In thousands



Solid performer



Needs improvement



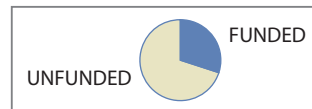
Serious concerns

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.

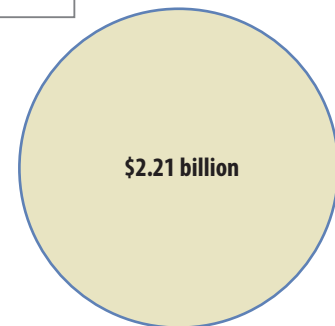
For more details, read the full report at www.pewcenteronthestates.org/TrillionDollarGap.

HEALTH CARE & OTHER BENEFITS, 2008

Retiree health care and other benefits are 7 percent of Nevada's total retirement bill but are 23 percent of the state's retirement funding shortfall.



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



Total Bill Coming Due:	\$2,211,439
Portion Unfunded:	\$2,211,439
Annual Required Contribution (ARC):	\$287,217
Percentage ARC Funded:	20.60%



HEALTH CARE & OTHER BENEFITS: NEEDS IMPROVEMENT

Note: In thousands