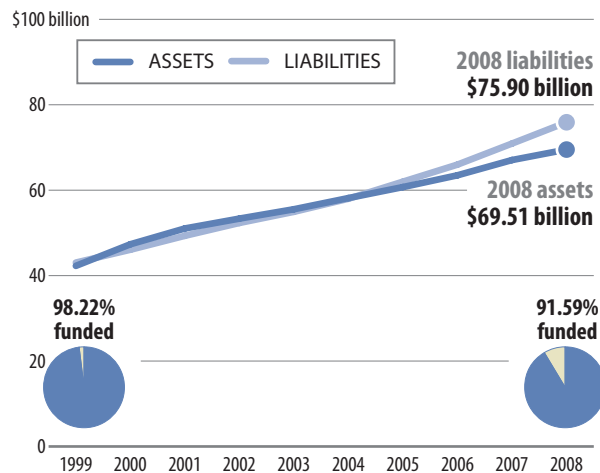


GEORGIA is a top performer when it comes to managing its long-term pension liability, but needs to improve how it handles the bill coming due for retiree health care and other benefits. The Peach State has funded 92 percent of its total pension bill—well above the 80 percent benchmark that the U.S. Government Accountability Office says is preferred by experts—and has consistently met its actuarially required contribution during the past 10 years. Georgia enacted policy reforms in 2008 and 2009, introducing a hybrid defined benefit and defined contribution plan in 2008 for new employees and those who decide to opt-in, and barring state employees hired after July 1, 2009, from receiving cost-of-living increases on their pensions after they retire. Georgia is one of 29 states to set aside any assets to cover long-term liabilities for retiree health care and other benefits, although only 4 percent of the total \$19.1 billion cost has been funded.

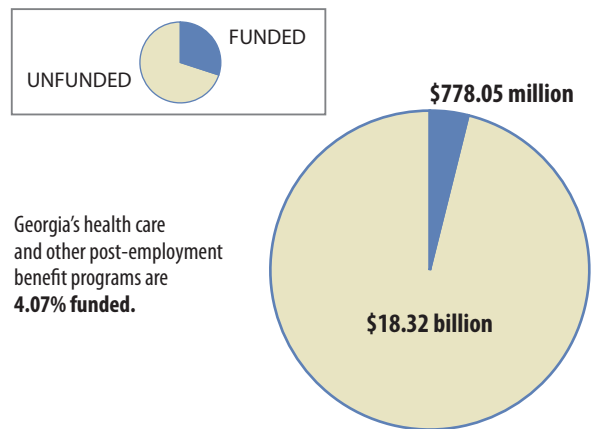
PENSIONS, 1999 – 2008

Georgia's pension liabilities grew 76 percent between 1999 and 2008, outpacing assets, which grew only 64 percent in that period.



HEALTH CARE & OTHER BENEFITS, 2007

Retiree health care and other benefit liabilities are 20 percent of Georgia's total retirement bill but are 74 percent of the state's retirement funding shortfall.



Total Bill Coming Due:	\$75,897,678
Portion Unfunded:	\$6,384,903
Annual Required Contribution (ARC):	\$1,275,881
Percentage ARC Funded:	100.00%

Note: In thousands

 **PENSIONS: SOLID PERFORMER**

Total Bill Coming Due:	\$19,100,171
Portion Unfunded:	\$18,322,123
Annual Required Contribution (ARC):	\$1,583,008
Percentage ARC Funded:	26.67%

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.