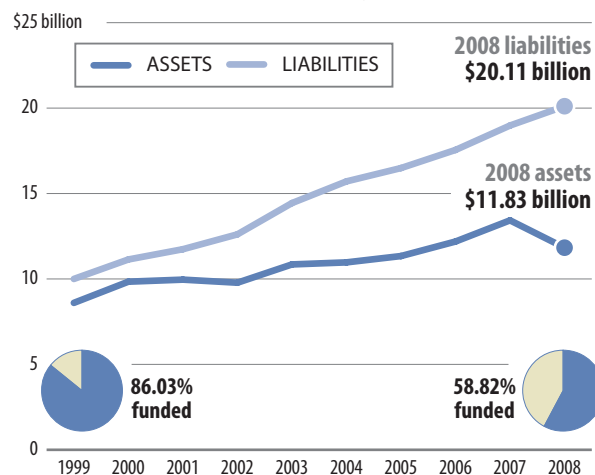


**KANSAS'** management of its long-term pension liability is cause for serious concern and the state needs to improve how it handles its retiree health care and other benefit obligations. It has funded only 59 percent of its total pension bill—well below the 80 percent benchmark that the U.S. Government Accountability Office says is preferred by experts—and faces an unfunded liability of \$8.3 billion. The state has failed to meet actuarially required contributions during the past 10 years, funding less than 80 percent annually. Because Kansas conducts its actuarial valuation on December 31, financial reports reflect the decline in investment returns during the second half of 2008; however, its pension system was only 71 percent funded prior to the financial collapse. In 2007, Kansas created a new pension plan tier, with new service requirements and increased employee contributions. Meanwhile, Kansas has a relatively limited retiree health care and other benefits—with a bill coming due of \$316.6 million.

### PENSIONS, 1999 – 2008

Kansas' pension liabilities grew 101 percent between 1999 and 2008, outpacing assets, which grew only 38 percent in that period.



Total Bill Coming Due:	\$20,106,787
Portion Unfunded:	\$8,279,168
Annual Required Contribution (ARC):	\$607,662
Percentage ARC Funded:	65.10%



PENSIONS: **SERIOUS CONCERNS**

Note: In thousands



Solid performer



Needs improvement



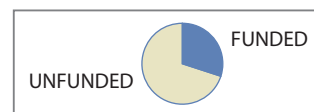
Serious concerns

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.

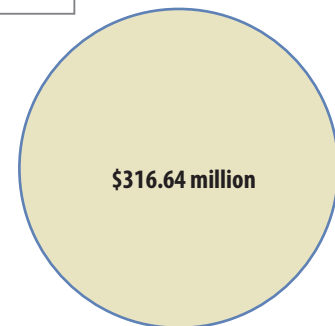
For more details, read the full report at [www.pewcenteronthestates.org/TrillionDollarGap](http://www.pewcenteronthestates.org/TrillionDollarGap).

### HEALTH CARE & OTHER BENEFITS, 2008

Retiree health care and other benefit liabilities are 2 percent of Kansas' total retirement bill but are 4 percent of the state's retirement funding shortfall.



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



Total Bill Coming Due:	\$316,640
Portion Unfunded:	\$316,640
Annual Required Contribution (ARC):	\$16,039
Percentage ARC Funded:	31.83%

Note: In thousands



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