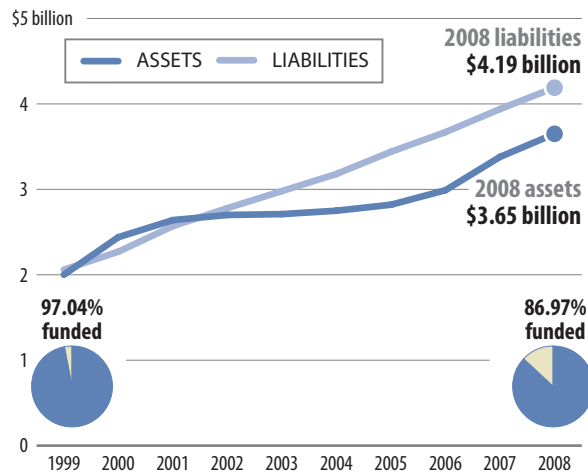


NORTH DAKOTA needs to improve the way it manages its long-term pension liability, but it is doing a relatively good job of handling the bill coming due for its retiree health care and other benefits. While the Peace Garden State has funded 87 percent of its total pension bill—above the 80 percent benchmark that the U.S. Government Accountability Office says is preferred by experts—it failed to fully pay its actuarially required contribution between 2002 and 2008. Meanwhile, the state has relatively limited retiree health care and other benefits, but already has set aside \$42.5 million, or about 34 percent, of the \$124 million long-term bill coming due for those obligations.

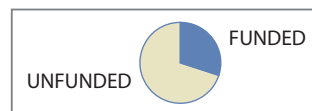
PENSIONS, 1999 – 2008

North Dakota's pension liabilities grew 103 percent between 1999 and 2008, outpacing assets, which grew 82 percent in that period.

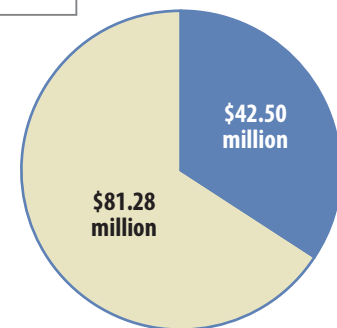


HEALTH CARE & OTHER BENEFITS, 2008

Retiree health care and other benefits are 3 percent of North Dakota's total retirement bill but are 13 percent of the state's retirement funding shortfall.



North Dakota's health care and other post-employment benefit programs are **34.34% funded**.



Total Bill Coming Due:	\$4,193,600
Portion Unfunded:	\$546,500
Annual Required Contribution (ARC):	\$80,928
Percentage ARC Funded:	74.02%

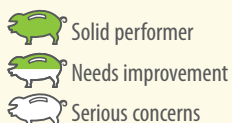
Note: In thousands

 **PENSIONS: NEEDS IMPROVEMENT**

Total Bill Coming Due:	\$123,776
Portion Unfunded:	\$81,276
Annual Required Contribution (ARC):	\$6,085
Percentage ARC Funded:	106.00%

Note: In thousands

 **HEALTH CARE & OTHER BENEFITS: SOLID PERFORMER**



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.