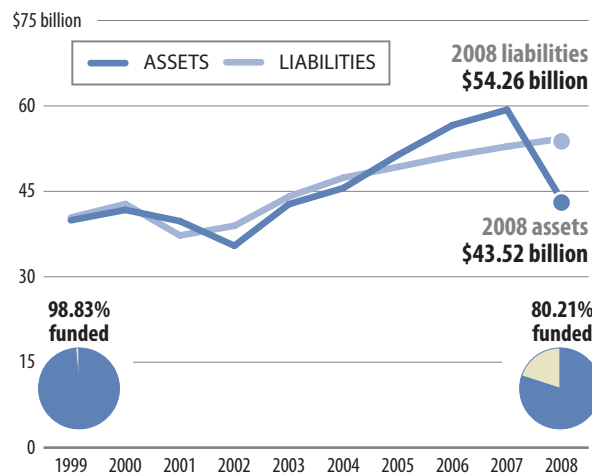


OREGON needs to improve the way it manages its long-term pension liability, but is doing a relatively good job of handling the bill coming due for its retiree health care and other benefits. The Beaver State's pension funding level declined from a high of 112 percent in 2007 to 80 percent just one year later—right at the minimum benchmark that the U.S. Government Accountability Office says is preferred by experts. Much of this loss can be explained by declines in investment returns from 2008. Oregon does not smooth its assets over time, meaning that its data immediately reflect investment losses. Oregon also conducts its actuarial valuation on December 31, more fully accounting for declines in investment returns than plans with valuation dates of June 30. But Oregon has also failed to meet its actuarially required contribution in recent years. Meanwhile, the state has a relatively limited long-term obligation for retiree health care and other benefits—\$868.4 million—and already has set aside \$258.6 million to cover this bill coming due.

PENSIONS, 1999 – 2008

Oregon's pension liabilities grew 34 percent between 1999 and 2008, outpacing assets, which grew only 9 percent in that period.



Total Bill Coming Due:	\$54,260,000
Portion Unfunded:	\$10,739,000
Annual Required Contribution (ARC):	\$707,400
Percentage ARC Funded:	100.00%

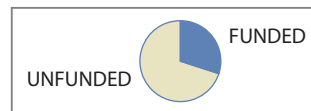
Note: In thousands



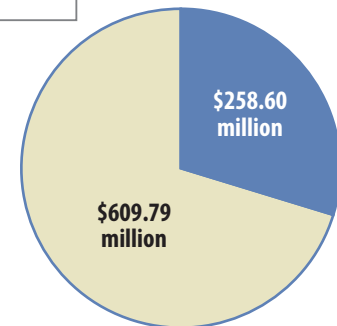
PENSIONS: NEEDS IMPROVEMENT

HEALTH CARE & OTHER BENEFITS, 2007

Retiree health care and other benefits are 2 percent of Oregon's total retirement bill but are 5 percent of the state's retirement funding shortfall.



Oregon's health care and other post-employment benefit programs are **29.78% funded**.



Total Bill Coming Due:	\$868,393
Portion Unfunded:	\$609,793
Annual Required Contribution (ARC):	\$67,126
Percentage ARC Funded:	67.61%

Note: In thousands



HEALTH CARE & OTHER BENEFITS: SOLID PERFORMER



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.