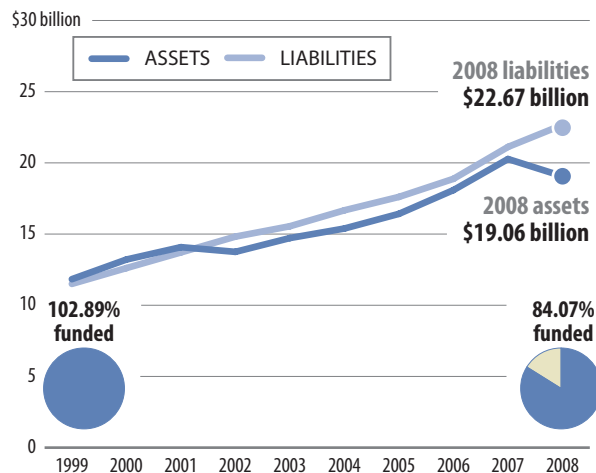


UTAH is managing its long-term pension liability well, but it needs to improve how it handles the bill coming due for its retiree health care and other benefits. The state has funded 84 percent of its total pension bill—above the 80 percent benchmark that the U.S. Government Accountability Office says is preferred by experts—and has consistently met its actuarially required contributions in recent years. Because Utah conducts its actuarial valuations on December 31, the state’s latest data reflect more of the impact of the financial crisis on pension fund investments than do states with actuarial valuations on June 30. Utah is one of several states to change its assumption of returns on its investments. In 2008, the state shifted from an 8 percent interest rate assumption to 7.75 percent. Meanwhile, Utah has relatively limited long-term liabilities for retiree health care and other benefits—\$677.5 million—but as of 2006 had set aside only \$4.7 million to cover that bill coming due.

PENSIONS, 1999 – 2008

Utah’s pension liabilities grew 97 percent between 1999 and 2008, outpacing assets, which grew only 61 percent in that period.



Total Bill Coming Due:	\$22,674,673
Portion Unfunded:	\$3,611,399
Annual Required Contribution (ARC):	\$641,690
Percentage ARC Funded:	100.00%



PENSIONS: SOLID PERFORMER



Solid performer



Needs improvement



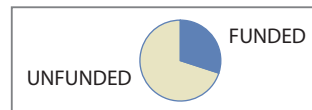
Serious concerns

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.

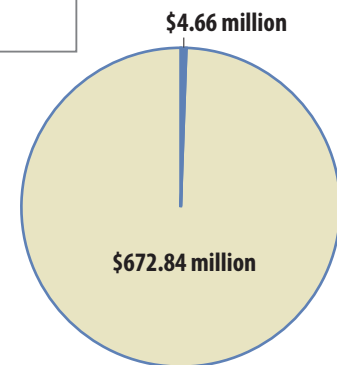
For more details, read the full report at www.pewcenteronthestates.org/TrillionDollarGap.

HEALTH CARE & OTHER BENEFITS, 2006

Retiree health care and other benefits are 3 percent of Utah’s total retirement bill but are 16 percent of the state’s retirement funding shortfall.



Utah’s health care and other post-employment benefit programs are **0.69% funded**.



Total Bill Coming Due:	\$677,499
Portion Unfunded:	\$672,843
Annual Required Contribution (ARC):	\$53,969
Percentage ARC Funded:	98.74%



HEALTH CARE & OTHER BENEFITS: NEEDS IMPROVEMENT