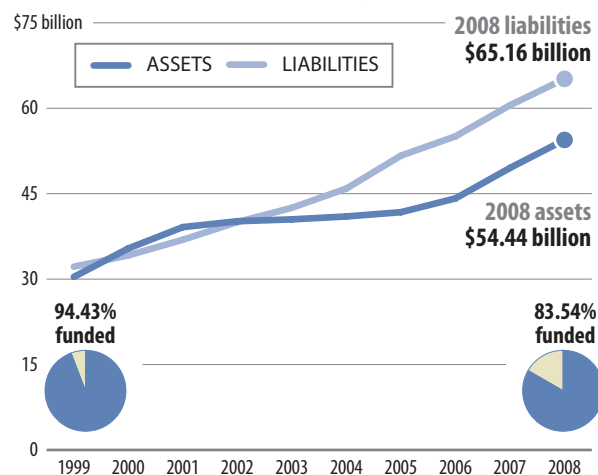


**VIRGINIA** needs to improve how it manages its long-term pension liability, but is doing a relatively good job of handling the bill coming due for its retiree health care and other benefits. Virginia has fallen short of meeting its actuarially required contributions, although it did slightly increase the amount set aside in 2008. While 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—the health of the system has declined sharply in recent years. Meanwhile, Virginia ranks fourth in the country in terms of the percentage of long-term liability for retiree health care and other non-pension benefits that is funded, with \$1.3 billion set aside to cover a bill coming due of nearly \$4 billion.

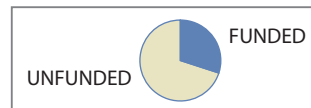
### PENSIONS, 1999 – 2008

Virginia's pension liabilities grew 102 percent between 1999 and 2008, outpacing assets, which grew only 79 percent in that period.

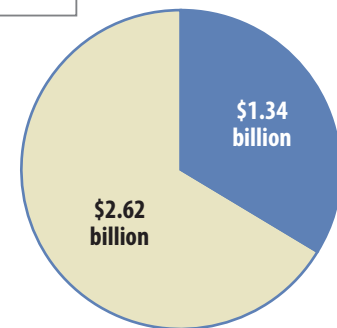


### HEALTH CARE & OTHER BENEFITS, 2007

Retiree health care and other benefits are 6 percent of Virginia's total retirement bill but are 20 percent of the state's retirement funding shortfall.



Virginia's health care and other post-employment benefit programs are **33.86% funded**.



Total Bill Coming Due:	\$65,164,000
Portion Unfunded:	\$10,723,000
Annual Required Contribution (ARC):	\$1,486,768
Percentage ARC Funded:	92.54%

Note: In thousands



PENSIONS: **NEEDS IMPROVEMENT**

Total Bill Coming Due:	\$3,963,000
Portion Unfunded:	\$2,621,000
Annual Required Contribution (ARC):	\$541,163
Percentage ARC Funded:	82.47%

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](http://www.pewcenteronthestates.org/TrillionDollarGap).