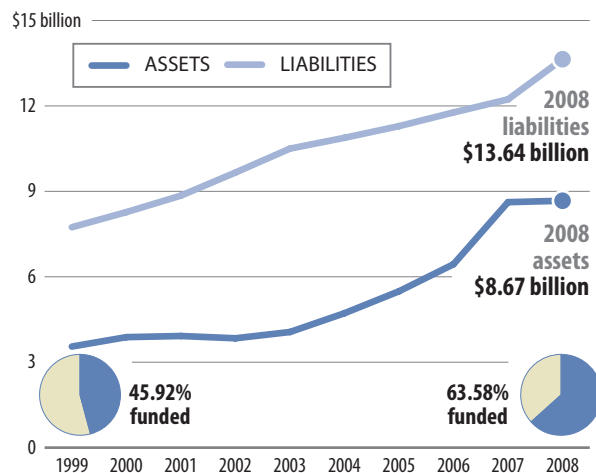


**WEST VIRGINIA'S** management of its long-term pension liability is cause for serious concern and it needs to improve how it handles its retiree health care and other benefit obligations. The Mountain State has funded only 64 percent of its total pension bill—well below the 80 percent benchmark that the U.S. Government Accountability Office says is preferred by experts. The total unfunded pension liability—nearly \$5 billion—is almost twice the size of the payroll of plan members. To its credit, West Virginia has significantly improved the health of its system since the low point of 2003, when only 39 percent of the liability was funded. Since 2000, the state has exceeded its actuarially required contributions in all but two years. West Virginia is one of only three states (along with Idaho and Oregon) in which pension assets reflect the market value—meaning that these states do not average gains and losses over a set period of time. Meanwhile, West Virginia has set aside 4 percent of the funds required to cover its \$6.4 billion long-term liability for retiree health care and other benefits.

### PENSIONS, 1999 – 2008

West Virginia's pension liabilities grew 76 percent between 1999 and 2008—outpaced by assets, which grew 144 percent.



Total Bill Coming Due:	\$13,642,584
Portion Unfunded:	\$4,968,709
Annual Required Contribution (ARC):	\$481,703
Percentage ARC Funded:	105.93%

Note: In thousands



PENSIONS: SERIOUS CONCERNS



Solid performer



Needs improvement



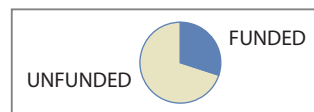
Serious concerns

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.

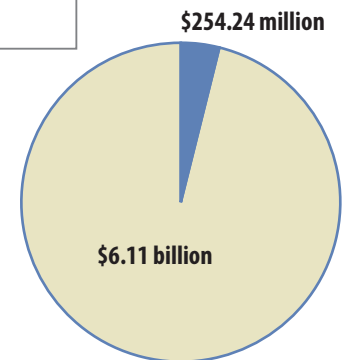
For more details, read the full report at [www.pewcenteronthestates.org/TrillionDollarGap](http://www.pewcenteronthestates.org/TrillionDollarGap).

### HEALTH CARE & OTHER BENEFITS, 2008

Retiree health care and other benefits are 32 percent of West Virginia's total retirement bill but are 55 percent of the state's retirement funding shortfall.



West Virginia's health care and other post-employment benefit programs are **4.00% funded**.



Total Bill Coming Due:	\$6,362,640
Portion Unfunded:	\$6,108,398
Annual Required Contribution (ARC):	\$174,842
Percentage ARC Funded:	82.12%

Note: In thousands



HEALTH CARE & OTHER BENEFITS: NEEDS IMPROVEMENT