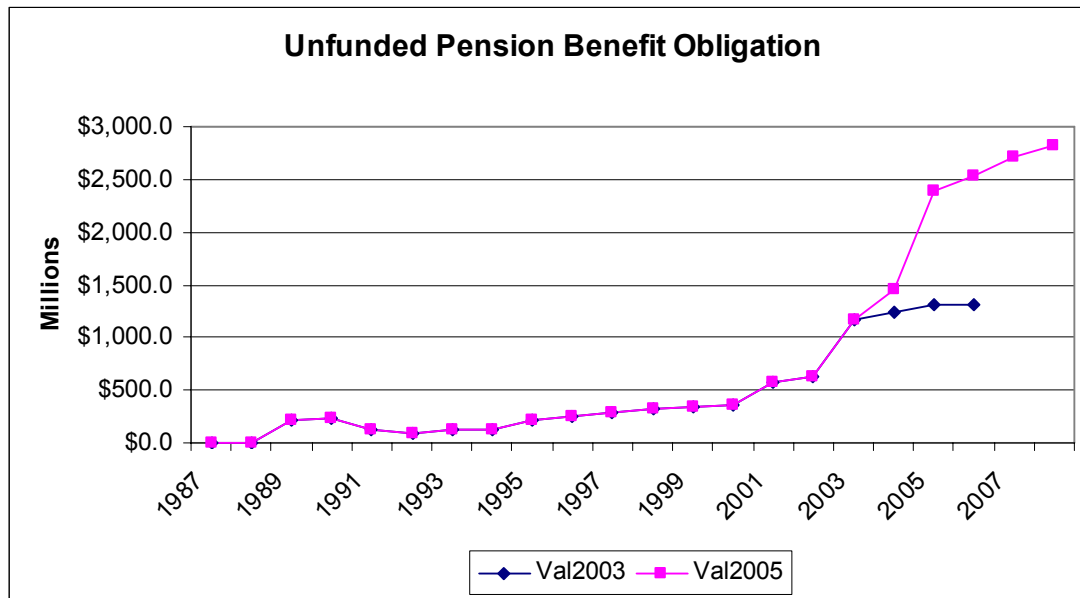


New Hampshire Retirement System Unfunded Obligations Seven Billion Dollars

The New Hampshire Retirement System (NHRS) is facing a crisis stemming from unfunded pension obligations that threaten the fiscal health of the state. The New Hampshire Center for Public Policy Studies, an independent, nonpartisan organization that pursues data-based research on public policy matters, estimated in September, 2007 that “Legislative promised made to state and local government employees and retirees **will be increasingly difficult to honor without increasing state and local taxes.**”

The 2003 and 2005 NHRS valuation reports show that within just a two year period, the actuarial funding ratio of the NHRS fell from about 80% to 60%. The chart below shows the unfunded pension obligations of the State of New Hampshire as of 2006:



From 2000 to 2006, the accrued liabilities of the pension fund increases by almost \$3 billion, while the net assets held for benefits increased by only about \$800 million.

However, this underestimates the overall shortfall of the retirement system. In 2008, in its General Obligation Capital Improvement Bond Statement (November 4, 2008), the State of New Hampshire disclosed the following overall retirement system obligations (figures in millions):

Unfunded Pension liability	\$2,519.3 million
Additional asset decline, from 6/30/2008 to 10/24/2008	1,430.0
Postemployment Health Benefit liability	494.7
Other Postemployment Benefits liability	2,559.5
Judicial Retirement System liability	4.3
TOTAL	\$7,007.8 million