

New Jersey Has Significant Long Term Obligations Which Result in Large Annual Budget Requirements

Long Term Obligations		Annual Budget Impact	
Debt	\$30 billion	Debt Service	\$2.6 billion
Unfunded Pension Liability ¹	\$25 billion	Pension Contribution	\$1.1 billion
Post Retirement Medical Liability	\$58 billion	Post Retirement Medical Expense	\$1.1 billion
Total	\$113 billion	Total	\$4.8 billion

Annually Required Contribution FY2008		Annually Required Contribution FY2010	
Debt Service	\$2.60 billion	Debt Service ²	\$2.80 billion
Pension Contribution	\$2.30 billion	Pension Contribution	\$2.35 billion
Post Retirement Medical Liability	\$4.90 billion	Post Retirement Medical Expense ³	\$4.90 billion
Total	\$9.80 billion	Total	\$10.05 billion

Notes:

1 Excludes "current" pension obligation

2 Assuming \$1.1 bn/year for TTFA, \$1.0 bn/year for SCC, \$200mm GO FY08 and \$100mm Building Authority FY08

3 Pension Retirement Medical Expense will increase based upon medical inflation and number of retirees presuming no pre-funding of unfunded liabilities