

UTAH RETIREMENT SYSTEMS

ACTUARIAL VALUATION REPORT

AS OF JANUARY 1, 2014



August 19, 2014

Utah State Retirement Board 540 East 200 South Salt Lake City, UT 84102

Dear Members of the Board:

#### Subject: Actuarial Valuation as of January 1, 2014

This report describes the current actuarial condition of the Utah Retirement Systems (URS), determines the calculated employer contribution rates, and analyzes changes in these contribution rates. In addition, the report provides various summaries of the data. A separate report is issued with regard to valuation results determined in accordance with Governmental Accounting Standards Board (GASB) Statements 67 and 68. Results of this report should not be used for any other purpose without consultation with the undersigned. Valuations are prepared annually as of January 1, the first day of the URS plan year. This report was prepared at the request of the Board and is intended for use by the URS staff and those designated or approved by the Board. This report may be provided to parties other than URS staff only in its entirety and only with the permission of the Board.

Under URS statutes, the Board of Trustees must certify employer contribution rates annually. These rates are determined actuarially, based on the Board's funding policy, although, as discussed below, under certain circumstances the Board may choose not to reduce the current rate if it is greater than the actuarially calculated rate. Contribution rates determined by a given actuarial valuation become effective eighteen months after the valuation date. In other words, the rates determined by this January 1, 2014 actuarial valuation will be used by the Board when certifying the employer contribution rates for the year beginning July 1, 2015 and ending June 30, 2016. If new legislation is enacted between the valuation date and the date the contribution rates become effective, the Board may adjust the calculated rates before certifying them in order to reflect this new legislation. Such adjustments are based on information supplied by the actuary.

#### FINANCING OBJECTIVES AND FUNDING POLICY

In setting contribution rates, the Board's principal objectives are:

- To set rates so that the unfunded actuarial accrued liability (UAAL) will be amortized over a reasonable period from the current valuation date
- To set rates so that they remain relatively level over time.

To accomplish this, the Board's funding policy requires that the employer contribution rate be at least equal to the sum of the employer normal cost rate (which pays the current year's cost) and

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an amortization rate which results in the amortization of the UAAL over 20 years in installments that increase at the assumed rate of growth in payroll for URS.

Under this policy, the objective of maintaining a relatively level contribution rate over time is achieved in normal conditions such as consistent financial markets.

Section 49-11-301(5) of the Utah Code allows the Board to set the employer contribution rate at the prior year's rate, if the rate otherwise would decrease and if the funded ratio is less than 110%. In such a case, the rate set by the Board would be higher than the actuarially determined contribution rate. The purpose of this legislation is to enhance the Board's ability to maintain more level contribution rates while targeting a 100% - 110% funded level. The Board has historically followed this policy, so the recommended contribution rate may be greater than the actuarially determined rate.

#### PROGRESS TOWARD REALIZATION OF FINANCING OBJECTIVES

The funded ratio (the ratio of the actuarial value of assets to the actuarial accrued liability) is a standard measure of a plan's funded status. In the absence of benefit improvements, it should increase over time, until it reaches at least 100%.

For all systems on a combined basis, the funded ratio increased from 77.1% to 81.7%. This increase was due to the recognition of favorable investment and liability experience, as well as the adoption of recommended assumptions resulting from an assumption review conducted in 2014. Absent unfavorable actuarial experience, we expect the funded ratio to gradually increase in future years.

If market value had been used in the calculation instead of actuarial value, the aggregate funded ratio for all funds combined would have been 87.6% compared to 79.9% in the prior year. The increase in the funded ratio on a market value basis is largely due to the asset return exceeding the expected return assumption during calendar year 2013. Specifically, the market value of assets earned a 14.8% return on a dollar-weighted basis for the 2013 calendar year, net of expenses, which provided \$1.6 billion more in assets than was expected.

#### **BENEFIT PROVISIONS**

The benefit provisions reflected in this valuation are those which were in effect on January 1, 2014, or which were adopted by the end of the 2014 legislative session and are effective on or before July 1, 2015. There were no legislative changes enacted since the previous valuation that had a measurable effect on the current valuation.

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#### ASSUMPTIONS AND METHODS

The Board, in consultation with the actuary, sets the actuarial assumptions and methods used in the valuation. Current Board policy is to have the actuary perform an experience study every three years. In connection with the appropriate valuation, the actuary conducts a thorough review of plan experience for the preceding five years, and then makes recommendations to the Board.

An experience analysis was carried out in connection with this valuation, and as a result, we recommended, and the Board adopted a number of changes in the actuarial assumptions. Our recommendations included:

- Decrease the wage inflation assumption for all employee groups from 3.75% to 3.50%. Modify the rate of salary increases for most of the groups.
- Decrease the payroll growth assumption from 3.50% to 3.25%.
- Improve the post-retirement mortality assumption for female educators.
- Minor adjustments to the pre-retirement mortality assumption.
- Modify the retirement rates for most groups. The changes generally resulted in an overall decrease in rates at which active members are assumed to retire.
- Modify the termination rates which generally resulted in overall increase in rates at which active members are assumed to terminate for most groups.
- Modify the disability rates for some groups. The rates of disability incidence were generally decreased for those groups.

The investment return assumption remains unchanged at 7.50%. This investment return assumption was reviewed in detail and we determined its use continued to be appropriate for performing the January 1, 2014 actuarial valuation. The actuary reviews the investment return assumption each year and provides consultation to the Board regarding its appropriateness. The Board has the authority to change this assumption each year.

The results of the actuarial valuation are dependent on the actuarial assumptions used. Actual results can and almost certainly will differ, as actual experience deviates from the assumptions. Even seemingly minor changes in the assumptions can materially change the liabilities and calculated contribution rates.

It is our opinion that the assumptions used to perform this valuation are internally consistent and are reasonable based on past and anticipated future experience of the System.

#### **DATA**

Member data for retired, active and inactive members was supplied as of December 31, 2013 by the URS staff. The staff also supplied asset information as of December 31, 2013. We did not audit this data, but we did apply a number of tests to the data and concluded that it was

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reasonable and consistent with the prior year's data. GRS is not responsible for the accuracy or completeness of the information provided to us by URS.

#### **CERTIFICATION**

We certify that the information presented herein is accurate and fairly portrays the actuarial position of URS as of January 1, 2014.

All of our work conforms with generally accepted actuarial principles and practices and with the Actuarial Standards of Practice issued by the Actuarial Standards Board. In our opinion, our calculations also comply with the requirements of Utah state law and, where applicable, the Internal Revenue Code, ERISA, and the Statements of the Governmental Accounting Standards Board.

The undersigned are independent actuaries and consultants. Mr. White is an Enrolled Actuary and a Member of the American Academy of Actuaries and meets the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein. Both consultants below are experienced in performing valuations for large public retirement systems.

Sincerely,

Daniel J. White, FSA, EA, MAAA

**Senior Consultant** 

Lewis Ward Consultant

Lewis Ward

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EXECUTIVE SUMMARY

#### **EXECUTIVE SUMMARY AND CONTRIBUTION REQUIREMENTS**

- There were no increases in the gross recommended contribution rates from the prior year.
  - The contribution rate for the Noncontributory State & School Fund (Fund 16) is 22.19% of payroll.
  - The contribution rate for the Noncontributory Local Government Fund (Fund 15) is 18.47% of payroll.
  - The recommended contribution rate for the defined benefit portion of the Tier II Public Employee Retirement System and Tier II Public Safety and Firefighter Retirement System is 8.22% and 10.67% of pay, respectively. Both Tier II funds continue to have a funded ratio greater than 100%.
  - Due to a decrease in the average fire insurance premium receipts, the net employer contribution rates for both firefighter funds increased by 0.17% of pay. The employer rate for Fund 31 (Division A) increased from 3.82% to 3.99% and the rate for Fund 32 (Division B) increased from 6.59% to 6.76%. The member contribution rates remained unchanged at 15.05% for Division A and 16.71% for Division B.
    - See Exhibit 2(b) for details about the offsets applied to contribution rates for Firefighters.
  - Due to a decrease in the average court fee receipts, the net employer contribution rates for the Judicial fund increased by 1.57% of pay to 41.58%.
    - See Exhibit 2(b) for details about the offsets applied to contribution rates for Judges System.
- Total projected contributions for all funds combined are estimated to be \$1.1 billion for fiscal year 2015.
- Exhibits 1(a) and 1(b) show the recommended contribution rates for FY 2016, and compare these to the rates certified for FY 2015 based on the last valuation.
  - Rates include funding for the 3% substantial substitute benefit, where applicable.
  - Rates do not include the 1.50% 401(k) contribution.
  - Offsets for Firefighters System and Judges System are shown.
  - Rates shown on Exhibits 1(a) and 1(b), column 6 are for the twelve-month period beginning July 1, 2015 (FY 2016).
  - Rates may need to be adjusted for the effect of 2015 legislation.
- Exhibits 1(c) and 1(d) show the development of the recommended rates under §49-11-301(5). The recommended rates are the larger of the actuarially calculated rates from the current valuation (Col. 2) and the rates certified for FY 2015 (Col. 3).
  - §49-11-301(5) permits the Board to set the contribution rate at the prior year's level if the actuarially calculated rate would be less and the funded ratio is less than 110%.

- The funded ratio for the Tier II Public Safety and Firefighter Hybrid System exceeds 110%. Therefore, the rates are being adjusted from the prior year level. See the discussion on page 7.
- The policy is applied to the gross rates for the Tier I Firefighter funds and the Judges, i.e., before application of the offsets for the fire insurance premium tax receipts and the court fees.
- This policy is separately applied to the contribution rate for the 3% substantial substitute that is included with the contribution rates for the State and School funds, the State Public Safety funds and the Judges.
- Exhibit 2(a) shows the components of the actuarially determined contribution rate, and Exhibit 4(a) reconciles the actuarially calculated rates determined by this valuation and the previous valuation.
  - All of the funds, except the 3% Substantial Substitute fund, experienced a decrease in their actuarially calculated contribution rate primarily due to favorable investment experience and the changes in the actuarial assumptions.
- There were no legislative changes enacted since the previous valuation that had a measurable effect on the current valuation.
- Recommend adoption of new assumptions. Principle assumption changes include:
  - Decrease the wage inflation assumption from 3.75% to 3.50% for all groups
  - Decrease the payroll growth rate assumption from 3.50% to 3.25%
  - Overall decrease in the rates of retirement for most groups
  - Overall increase in the rates of termination for most groups
  - Minor adjustments were also made to most over assumptions. Refer to the Actuarial Methods and Assumptions section of the Discussion Section for a more comprehensive list and discussion
- Amortization payments for the calculated contribution rates are based on:
  - A 20-year amortization period is used for determining the contribution rates
  - Contributions determined as level percentage of pay (except for Governors and Legislators Plan, where amortization is in level payments)
  - Total payroll assumed to increase 3.25% per year
  - No future growth in the number of active members is taken into account
- The plan earned 14.80%, net of investment and administrative expenses, on a market-value basis during 2013
  - The actual market value as of December 31, 2013 (\$25.096 billion) was \$1.6 billion more than the expected market assets at this date based on a 7.50% return assumption

- Plan uses actuarial value to determine contribution rates and funded status
  - 5-year smoothing of net earnings above or below the investment return assumption
  - Method reflects just 20% of investment gain or loss each year
- The local government, state and school, firefighters, as well as a majority of the public safety funds experienced liability gains.
  - Impact on contribution rates shown on Exhibit 4(a) col. (5), and Exhibit 4(b) col. (4)
- The Governors and Legislative Plan was 77.6% funded as of January 1, 2014. We recommend a \$421,429 appropriation be made to the plan on or before June 30, 2016. Please see Exhibit 16.

## SECTION II

DISCUSSION

#### **DETERMINATION OF CALCULATED CONTRIBUTION RATES**

The URS retirement systems, except for the Governors' and Legislators' Retirement Plan, are funded by employer contributions which are expressed as a percent of pay, and in some cases by member contributions. The Firefighters System and the Judges System receive additional funding from outside sources. As shown in Exhibit 2(a), the calculated employer contribution rate can have as many as four components:

- The normal cost percentage (NC%)
- The amortization percentage (UAAL%)
- The contribution required to fund the 3% substantial substitute benefit (3%SS)
- The offset for fire insurance premium taxes and court fees which reduce the employer contribution rates in the Firefighters System and the Judges System, respectively.

The NC% is the theoretical amount which would be required to pay the members' benefits, based on the current plan provisions, if this amount had been contributed from each member's entry date and if the fund's experience exactly followed the actuarial assumptions. This is the amount it should cost to provide the benefits for an average new member. The NC% for each fund is shown in Exhibit 6(a).

Some of the funds require active member contributions, and for these, only the excess of the NC% over the member contribution rate is included in the employer contribution rate, as shown in Exhibit 6(b) and in column 2 of Exhibit 2(a).

The actuarial accrued liability (AAL) is the difference between (i) the actuarial present value of all future benefits for all current members of the fund, including active, inactive and retired members, and (ii) the actuarial present value of future normal costs. Thus, the AAL represents the liability associated with past years. The unfunded actuarial accrued liability (UAAL) is the difference between the AAL and the actuarial value of assets (AVA). It is the shortfall/excess between the liability associated with prior years (the AAL) and the assets actually accumulated (the AVA). This shortfall/excess can arise from several sources, including actuarial gains and losses which are caused by differences between actual experience and the plan's assumptions, changes to the plan's actuarial assumptions, and amendments to the benefit provisions.

The UAAL% is the amount required to fund this difference. It is the amount, expressed as a level percentage of payroll, necessary to amortize the UAAL. The Board's current policy calls for developing the actuarially determined contribution by amortizing the UAAL over an open 20 year period. Column 3 of Exhibit 2(a) shows the UAAL% of the calculated rates for each fund.

The 3% Substantial Substitute component of the employer contribution rate is only required for funds whose members are employees of the state (or who are paid by state funding). This piece is the amount necessary to fund the 3% Substantial Substitute. It is shown in column 4 of Exhibit 2(a), and is described in greater detail later. The last piece of the contribution rate is the offset. The Firefighters System receives a portion of the fire insurance premium taxes collected by the state, and the Judges System receives a portion of court fees collected by the judiciary. The calculation of the offsets is shown in Exhibit 2(b).

Section 49-11-301(5) of the Utah Code gives the Board the option of setting contribution rates at the higher of the previous year's rate and the current year's actuarially calculated rate. The Board does not have to decrease the contribution rate from the prior year as long as it is funding towards or maintaining a funded ratio of 110%. The Board has historically followed the policy of holding the rates constant, but not less than the actuarially calculated rate, as permitted by §49-11-301(5).

Under the policy, the actuarial rates and last year's certified rates are compared, and the larger is set as the new certified rate. This is done separately for: (1) the 3% Substantial Substitute fund, (2) each Tier II hybrid fund, (3) the total contribution rate applicable to the payroll of Tier I members, and (4) the total contribution rate applicable to the payroll of Tier II members. Then the offset for the fire insurance premium tax and the court fees are applied, as shown in Exhibit 1(a). Because the Tier II Public Safety and Firefighter Hybrid System's funded ratio is greater than 110%, the defined benefit contribution rate could no longer be held at the prior year's rate. Therefore, we determined a credit to the contribution rate for the assets in excess of 110% of the liabilities and applied this credit to the prior year's rate. This credit amounted to a 0.05% reduction in the defined benefit contribution rate and a corresponding 0.05% increase in the contribution to these members' defined contribution account.

The Governors' and Legislators' Retirement Plan, unlike the other systems, is funded by direct legislative appropriations. Similar to last year, we are recommending an appropriation be made for this plan by the end of FY 2016. Please see the discussion about the determination of the appropriation later in this section and the calculation of the appropriation on Exhibit 16.

Exhibit 2(a) also shows the development of the calculated contribution rate for the Tier II Hybrid systems. The State makes contributions on Tier II payroll towards the 3% substantial substitute. However, since the Tier II Hybrid Plans are cost sharing plans and the State and local governments participating in the plans do not have separate Tier II Hybrid Plan contribution rates, the rates shown on Table 2(a) exclude the 3% Substantial Substitute contribution.

All employers in Tier II must make an additional contribution, based on the payroll of their Tier II employees, towards the amortization of their Tier I unfunded liabilities. This additional contribution rate is not shown on Exhibit 2(a) because it varies by employer. However, the additional amortization payment for each fund is shown in Column 7 of Table 1(d). This additional amortization payment also includes the payment for the 3% Substantial Substitute if applicable.

#### FINANCIAL DATA AND EXPERIENCE

As of December 31, 2013, the retirement systems that are part of URS have a total market value of \$25.096 billion. This excludes assets of the defined contribution plans that are also administered by URS. Assets of the various funds and systems are commingled for investment purposes. Financial information was gathered from the 2013 URS Comprehensive Annual Financial Report, with additional information provided by the URS staff.

This report includes a number of exhibits related to plan assets. Exhibit 11(a) shows how the total market value is distributed among the various classes of investments. Currently, 65% of invested assets are held in equities and alternative investments, compared with 63% last year and 62% the year before.

Exhibit 11(b) shows a reconciliation, for each fund, of the market values between the beginning and end of 2013. The contributions shown in column 3 of Exhibit 11(b) include employer and member contributions, as well as court fees and fire insurance premium tax receipts. The 3% substantial substitute fund is shown as a separate item.

During 2013, the total investment return on market values was 14.8%, as shown on Exhibit 12(a). This return is net of all investment and administrative expenses.

In determining the contribution rates and funded status of the funds, an actuarial value of assets (AVA) is used, rather than the market value of assets. The method used to compute the AVA takes the difference between actual earnings and expected earnings (based on the assumed rate of investment return) each year, and recognizes the difference over five years, at 20% per year. This is intended to reduce the volatility of the contribution rates from year to year. This "smoothed" asset value is then subjected to the further constraint that the actuarial value of assets cannot be less than 75% or more than 125% of the market value of assets. For 2014, the five-year smoothed asset value is \$23.4 billion for all systems combined, or 93% of the market value of assets.

The development of the AVA is shown on Exhibits 13 and 14. URS staff prepared the initial calculation of the AVAs, but these were reviewed and if necessary modified by GRS.

Some funds in the Contributory Public Employees System and the Contributory Public Safety System are paired with funds in the Noncontributory Public Employees and Noncontributory Public Safety systems. For example, Fund 23, Other Division A, in the Contributory Public Safety System is paired with Fund 43, Other Division A, in the Noncontributory Public Safety System. In these cases, URS has established a policy of maintaining either the same difference between contribution rates for pairs of funds, or it maintains equal amortization percentages. To accomplish this, assets are transferred each year between fund pairs, as necessary. Because the 4% COLA funds in the Public Safety funds also contain employers that have members in both the Contributory and Noncontributory systems, we have continued the practice of pairing funds and transferring assets between the paired funds to produce the same amortization payment as a percentage of pay. For this purpose, Funds 77 & 75 are paired as are Funds 74 & 76. Exhibit 14, column 6 shows the change that must occur to the AVA in order to accomplish this. Exhibit 14, column 3 shows how much must be transferred between systems to accomplish this in terms of market value.

In addition to the market return, Exhibit 12(a) also shows the return on the actuarial value for URS. For 2013, this return was 11.0%. Because this is greater than the assumed 7.50% investment return, the plan experienced a gain on the actuarial value of assets. Exhibit 12(b) shows a summary of market and actuarial return rates in recent years.

Exhibits 4a and 4b show the reconciliation of the contribution rates and the unfunded actuarial accrued liabilities from the last valuation to this one, including the effect of asset and liability gains and losses, changes in assumptions, changes in plan provisions, etc.

#### MEMBER DATA

Member data was supplied by URS staff on electronic files as of December 31, 2013. While we did not audit this data, we did perform various tests to ensure that it was internally consistent, consistent with the prior year's data, and was reasonable overall.

The number of public employees decreased from 92,744 to 91,934. On the other hand, the number of public safety and firefighters increased from 9,580 to 9,708. The following table provides the number of Tier I and Tier II employees as of the valuation date for these two groups.

Tier I and Tier II Employee Count					
			Tier II		
		Tier II	Defined		
	Tier I	<b>Hybrid Plan</b>	${f Contribution}^1$	Total	
All Public Employee Funds <sup>2</sup>	77,075	13,352	1,507	91,934	
All Public Safety and Firefighter Funds	8,791	843	74	9,708	

<sup>&</sup>lt;sup>1</sup> Tier II members electing the defined contribution plan will be moved into that plan after their first year of employment and their election becomes irrevocable.

For all the funds combined, the number of retirees (including disables and beneficiaries) increased from 51,677 to 54,117. There are now 1.9 employees for every retiree in the Retirement System.

Exhibit 8 shows the number of members by category (active, inactive, retired, etc.) and by fund. Exhibit 9 shows active member statistics by fund, and Exhibit 10 shows retiree statistics by fund. Exhibits 17(a)-17(i) show summaries of certain historical data, including membership statistics, for each system.

<sup>&</sup>lt;sup>2</sup> Excludes employees in the Judges and Governors and Legislative Retirement Funds.

#### **BENEFIT PROVISIONS**

Appendix 2 includes a summary of the benefit provisions for each of the retirement systems in URS. The valuation would typically reflect any benefit changes enacted by the 2014 legislature. Although not effective on the valuation date, such legislation would generally be effective on or before the contribution rates actually go into effect at July 1, 2015.

However, there were no legislative changes made since the previous valuation that had a measurable effect on the current valuation.

This valuation reflects all benefits promised to URS members, either by the statutes, or in the case of the special supplement for the Governors' and Legislators' Retirement Plan and the ROPP payments (discussed later), by the Board. There are no ancillary benefits that might be deemed a URS liability if continued beyond the availability of funding by the current funding source.

#### **ACTUARIAL METHODS AND ASSUMPTIONS**

Appendix 1 includes a summary of the actuarial assumptions and methods used in this valuation.

The actuary reviews the investment return assumption each year and provides consultation to the Board regarding its appropriateness. Current Board policy is to perform an experience study every three years. In connection with the appropriate valuation, the actuary conducts a thorough review of plan experience for the preceding five years, and then makes recommendations to the Board. An experience study was conducted in conjunction with this valuation which resulted in a number of changes to the assumptions.

The following is a description of the main findings and recommendations of our study:

- Overall decrease in the rate of salary increase. Decrease the wage inflation assumption from 3.75% to 3.50% (i.e. 2.75% price inflation plus 0.75% for productivity), and slight modifications to the service-related salary increase assumptions.
- Decrease the payroll growth assumption from 3.50% to 3.25%.
- Modify the retirement rates for most groups. The changes result in an overall decrease in the rates at which active members are expected to retire.
- Modify the termination rates for most groups. The updates generally result in a slight increase in the rates at which active members are expected to terminate.
- Minor adjustments to the pre-retirement mortality assumption. Update the post-retirement mortality assumption for female teachers.

The investment return assumption remains unchanged at 7.50%. This investment return assumption was reviewed in detail and we determined it continues to be appropriate for performing the January 1, 2014 actuarial valuation. The actuary reviews the investment return assumption each year and provides consultation to the Board regarding its appropriateness. The Board has the authority to change this assumption each year.

For a more thorough discussion of the analysis of the experience and the assumption recommendations, please see our Actuarial Experience Study dated August 19, 2014. Please refer to Appendix 1 of this report for a complete description of these assumptions.

#### GOVERNORS AND LEGISLATIVE PENSION PLAN

The Governors and Legislative Pension Plan (Leg/Gov Plan) is funded by direct appropriations rather than through pay-period contributions. Since the plan continues to be less than fully funded for 2014, we are recommending an appropriation for fiscal year 2016. Please see Exhibit 16 for the determination of the appropriation amount. We also anticipate that appropriations will be recommended for each fiscal year for the next several years.

The Leg/Gov Plan is unique among the retirement systems in URS in that neither the benefits of the plan nor the contributions to the plan are tied to member pay. As a result, the calculation of the appropriation is performed in a slightly different manner than the determination of the contribution rates for the other funds.

The Entry Age Normal funding method is used to determine the cost allocation of the contribution requirements because it produces a cost pattern that remains level over time (if the assumptions are met). With the other URS systems, the cost is determined so as to remain level as a percentage of pay over time. Since neither the contributions nor benefits of the Leg/Gov Plan are pay related, we have determined the cost as a level dollar amount. This method will produce appropriations that should remain level over time (if the actuarial assumptions are exactly met).

The Entry Age Normal level dollar approach will be used to determine the normal cost and actuarial accrued liabilities of the Leg/Gov Plan. In addition, the determination of the amortization payment for amortizing the unfunded liabilities of the system is determined using a level dollar approach as well. This valuation determines the appropriation for fiscal year 2016. Because of the lag between the determination of the dollar contribution amount and the payment of the contribution, we included an adjustment for interest in the determination of the appropriation.

The recommended appropriation for fiscal year 2016 is \$421,429. The allocation of this appropriation to the Governor's Office, House, and Senate is \$18,201, \$290,790, and \$112,438, respectively.

The allocation of the Plan's normal cost was based on the number of active positions in each of the branches of government. Since the current Governor does not participate in the defined benefit plan, there is no normal cost assigned to the Governor's Office. Therefore, the normal cost was allocated to just the House and Senate based on their percentage of positions that are eligible for coverage (75 House members and 29 Senators). Because there are only three former governors on whose behalf benefits are payable (or will be payable in the future), we directly determined the liability and amortization charge directly for the Governor's office based on that percentage of the total liability of the Plan. We then allocated the remaining liability between the House and Senate in the same manner as the allocation of the normal cost. Finally, the interest charge was allocated in proportion to the sum of the normal cost and amortization charges.

We believe this procedure fairly allocates the required appropriation to the three entities.

#### FIREFIGHTERS AND JUDGES OFFSETS

A portion of the fire insurance premium taxes collected by the State of Utah is contributed to the Firefighters System, and a portion of the court fees collected by the state judiciary is contributed to the Judges System. To account for this prospectively, the recommended contribution rates for the funds in these systems are reduced.

In order to dampen year-to-year fluctuations in the offsets, we use a rolling three-year average of the fire insurance premium receipts and court cost in computing the offsets. The offset is first applied to reduce the amortization cost. The remaining offset (if any) will reduce the employer's normal cost. The calculation of the offsets is shown on Exhibit 2(b).

For the Firefighters, the offset for the amortization costs is determined using the combined payroll of Tier I and Tier II. The offset, if any, for the normal cost is determined only using the expected pay from Tier I. In addition, it is assumed that all of the offset will be contributed to Tier I.

Due to a decrease in the insurance premium receipts for calendar year 2013, the offset for the Firefighter System slightly decreased from 11.71% to 11.54%. Similarly, a decrease in the amount of court fees received during 2013 decreased the offset for the Judges System from 11.90% to 10.33%.

The gross employer contribution rate for both Firefighter funds is larger than the offset, so employers will be required to make contributions. Member contribution rates will remain at last year's rate of 15.05% and 16.71% for Division A and Division B respectively.

The 2004 Legislature enacted legislation which created the Public Safety Retirees' Cost-of-Living Increases Restricted Account (Restricted Account). As a result of this legislation a portion of fire insurance premium tax receipts that would normally have been contributed to the Firefighter System may instead be redirected to this new account. No funds were transferred to this account in calendar year 2013.

#### 3% SUBSTANTIAL SUBSTITUTE

Due to the removal of the state income tax exemption for benefits paid by URS, legislation was passed to provide a 3% retirement benefit increase for URS retirees who were members of URS prior to January 1, 1989. All future retirees who were members of URS prior to January 1, 1989 will be eligible for this benefit as well, as will beneficiaries of eligible members.

The 3% increase applies to all benefits paid to eligible members, including benefits earned after January 1, 1989 and including future cost-of-living increases. However, the 3% increase does not apply to refunds of employee contributions or to the Restoration of Purchasing Power (ROPP) benefits; see the next section.

Due to legislation passed in 1994, this benefit is now pre-funded. The obligation for payment of this benefit belongs to the state, however, not to the employer. Therefore the contribution needed to fund the benefit is determined as an addition to the employer contribution rates required for the State and School Funds in the Public Employees Contributory and Noncontributory Systems, the State of Utah funds in the Public Safety Contributory and Noncontributory Systems, and the Judges System. Contributions are also collected on the payroll of state employees covered under the Tier II systems.

The actuarially determined contribution required to pay for this benefit is 0.71%, 0.14% less than the current contribution rate of 0.85%. Details of the calculation are shown in Exhibit 15(a), while Exhibit 15(b) shows a distribution of the liabilities associated with this benefit.

The Board has the authority, under Section 11-49-301(5), to hold the contribution rate for the Substantial Substitute at 0.85% (last year's rate).

## RESTORATION OF PURCHASING POWER (ROPP)

URS provides a special benefit to a closed group of retired members. This benefit was granted by the Board of Trustees, not by the legislature, and hence it does not appear in the statutes governing URS. The Board provided this benefit, called the Restoration of Purchasing Power benefit or ROPP benefit, to retired members during the 1980s, in order to counteract some of the impact of inflation.

The ROPP benefit is a fixed amount that does not increase and is not adjusted for changes in the cost of living. It is provided only to the closed group of members who were retired at the time of the Board's action. Therefore, since the group is closed and since the benefit amount cannot increase, this liability decreases from year to year as the retiree group receiving the ROPP grows older and decreases in size due to mortality.

Exhibit 5(e) shows the liabilities for the ROPP benefits in column 5.





SUPPORTING EXHIBITS

## Comparison of Tier I Prior Year Certified and Current Year Recommended Contribution Rates

		Pri	or Year Valuat	ion	Curi	ent Year Valua	ation	Increase/
			ed Rates for F		1	ended Rates for		(Decrease)
	Fund/Division	Member	Employer	Total	Member	Employer	Total	in Total
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
I.	Public Employees Contributory							
	A. Local Government	6.00%	14.46%	20.46%	6.00%	14.46%	20.46%	0.00%
	B. State and School	6.00%	17.70%	23.70%	6.00%	17.70%	23.70%	0.00%
II.	Public Employees Noncontributory							
	A. Local Government	0.00%	18.47%	18.47%	0.00%	18.47%	18.47%	0.00%
	B. State and School	0.00%	22.19%	22.19%	0.00%	22.19%	22.19%	0.00%
III.	Public Safety Contributory							
	A. State	12.29%	29.70%	41.99%	12.29%	29.70%	41.99%	0.00%
	B. Other Division A (2.5% COLA)	12.29%	22.75%	35.04%	12.29%	22.75%	35.04%	0.00%
	C. Other Division A (4% COLA)	12.29%	24.33%	36.62%	12.29%	24.33%	36.62%	0.00%
	D. Logan	11.13%	31.80%	42.93%	11.13%	31.80%	42.93%	0.00%
	E. Other Division B (2.5% COLA)	10.50%	22.29%	32.79%	10.50%	22.29%	32.79%	0.00%
	F. Other Division B (4% COLA)	10.50%	28.95%	39.45%	10.50%	28.95%	39.45%	0.00%
IV.	Public Safety Noncontributory							
	A. State	0.00%	41.35%	41.35%	0.00%	41.35%	41.35%	0.00%
	B. Other Division A (2.5% COLA)	0.00%	34.04%	34.04%	0.00%	34.04%	34.04%	0.00%
	C. Other Division A (4% COLA)	0.00%	35.71%	35.71%	0.00%	35.71%	35.71%	0.00%
	D. Salt Lake City	0.00%	46.67%	46.67%	0.00%	46.67%	46.67%	0.00%
	E. Ogden	0.00%	48.68%	48.68%	0.00%	48.68%	48.68%	0.00%
	F. Provo	0.00%	42.16%	42.16%	0.00%	42.16%	42.16%	0.00%
	G. Logan	0.00%	41.92%	41.92%	0.00%	41.92%	41.92%	0.00%
	H. Bountiful	0.00%	47.33%	47.33%	0.00%	47.33%	47.33%	0.00%
	I. Other Division B (2.5% COLA)	0.00%	32.20%	32.20%	0.00%	32.20%	32.20%	0.00%
	J. Other Division B (4% COLA)	0.00%	38.94%	38.94%	0.00%	38.94%	38.94%	0.00%
V.	Firefighters							
	A. Division A							
	<ol> <li>Gross Rate</li> </ol>	15.05%	15.53%	30.58%	15.05%	15.53%	30.58%	0.00%
	<ol><li>Less Estimated Offset</li></ol>	-0.00%	<u>-11.71%</u>	<u>-11.71%</u>	0.00%	<u>-11.54%</u>	<u>-11.54%</u>	0.17%
	3. Net Rate	15.05%	3.82%	18.87%	15.05%	3.99%	19.04%	0.17%
	B. Division B							
	1. Gross Rate	16.71%	18.30%	35.01%	16.71%	18.30%	35.01%	0.00%
	<ol><li>Less Estimated Offset</li></ol>	0.00%	<u>-11.71%</u>	<u>-11.71%</u>	0.00%	-11.54%	-11.54%	0.17%
	3. Net Rate	16.71%	6.59%	23.30%	16.71%	6.76%	23.47%	0.17%
VI.	Judges							
	A. Gross Rate	0.00%	51.91%	51.91%	0.00%	51.91%	51.91%	0.00%
	B. Less Estimated Offset	-0.00%	<u>-11.90%</u>	<u>-11.90%</u>	-0.00%	-10.33%	-10.33%	1.57%
	C. Net Rate	0.00%	40.01%	40.01%	0.00%	41.58%	41.58%	1.57%
								ļ

Note: Rates reflect 3% Substantial Substitute where applicable

The recommended contribution rate for the Public Employees Retirement Funds for FY 2015 and FY 2016 includes the cost of the 75% of pay active death benefit.

Recommended rates reflect application of U.C. Sec. 49-11-301(5)



### Comparison of Tier II Prior Year Certified and Current Year Recommended Contribution Rates

	or Year Valuat	IOII	Curi	rent Year Valua	шоп	Increase/
Certifi	ed Rates for F	Y 2015	Recomme	ended Rates for	FY 2016	(Decrease)
M ember	Employer	Total	Member	Employer	Total	in Total
(2)	(3)	(4)	(5)	(6)	(7)	(8)
0.00%	18.48%	18.48%	0.00%	18.45%	18.45%	-0.03%
0.00%	16.72%	16.72%	0.00%	16.69%	16.69%	-0.03%
0.00%	20.05%	20.05%	0.00%	20.02%	20.02%	-0.03%
0.00%	23.83%	23.83%	0.00%	23.83%	23.83%	0.00%
0.00%	24.99%	24.99%	0.00%	24.99%	24.99%	0.00%
0.00%	21.83%	21.83%	0.00%	21.83%	21.83%	0.00%
0.00%	28.00%	28.00%	0.00%	28.00%	28.00%	0.00%
0.00%	30.54%	30.54%	0.00%	30.54%	30.54%	0.00%
0.00%	23.83%	23.83%	0.00%	23.83%	23.83%	0.00%
0.00%	24.99%	24.99%	0.00%	24.99%	24.99%	0.00%
0.00%	36.25%	36.25%	0.00%	36.25%	36.25%	0.00%
0.00%	38.35%	38.35%	0.00%	38.35%	38.35%	0.00%
0.00%	31.64%	31.64%	0.00%	31.64%	31.64%	0.00%
0.00%	31.41%	31.41%	0.00%	31.41%	31.41%	0.00%
0.00%	36.96%	36.96%	0.00%	36.96%	36.96%	0.00%
0.00%	21.72%	21.72%	0.00%	21.72%	21.72%	0.00%
0.00%	28.00%	28.00%	0.00%	28.00%	28.00%	0.00%
0.00%	12.08%	12.08%	0.00%	12.08%	12.08%	0.00%
0.00%	12.08%	12.08%	0.00%	12.08%	12.08%	0.00%
	Member (2)  0.00%  0.00%  0.00%  0.00%  0.00%  0.00%  0.00%  0.00%  0.00%  0.00%  0.00%  0.00%  0.00%  0.00%  0.00%  0.00%	Member         Employer           (2)         (3)           0.00%         18.48%           0.00%         16.72%           0.00%         20.05%           0.00%         23.83%           0.00%         24.99%           0.00%         21.83%           0.00%         28.00%           0.00%         30.54%           0.00%         23.83%           0.00%         24.99%           0.00%         36.25%           0.00%         31.64%           0.00%         31.41%           0.00%         21.72%           0.00%         28.00%           0.00%         12.08%	(2)       (3)       (4)         0.00%       18.48%       18.48%         0.00%       16.72%       16.72%         0.00%       20.05%       20.05%         0.00%       23.83%       23.83%         0.00%       24.99%       24.99%         0.00%       21.83%       21.83%         0.00%       28.00%       28.00%         0.00%       30.54%       30.54%         0.00%       23.83%       23.83%         0.00%       24.99%       24.99%         0.00%       36.25%       36.25%         0.00%       31.64%       31.64%         0.00%       31.41%       31.41%         0.00%       36.96%       36.96%         0.00%       21.72%       21.72%         0.00%       28.00%       28.00%	Member         Employer         Total         Member           (2)         (3)         (4)         (5)           0.00%         18.48%         18.48%         0.00%           0.00%         16.72%         16.72%         0.00%           0.00%         20.05%         20.05%         0.00%           0.00%         23.83%         23.83%         0.00%           0.00%         24.99%         24.99%         0.00%           0.00%         21.83%         21.83%         0.00%           0.00%         28.00%         28.00%         0.00%           0.00%         30.54%         30.54%         0.00%           0.00%         23.83%         23.83%         0.00%           0.00%         24.99%         0.00%         0.00%           0.00%         24.99%         24.99%         0.00%           0.00%         36.25%         36.25%         0.00%           0.00%         31.64%         31.64%         0.00%           0.00%         31.41%         31.41%         0.00%           0.00%         36.96%         36.96%         0.00%           0.00%         21.72%         21.72%         0.00%           <	Member         Employer         Total         Member         Employer           (2)         (3)         (4)         (5)         Employer           (6)         (6)           0.00%         18.48%         0.00%         18.45%           0.00%         16.72%         0.00%         16.69%           0.00%         20.05%         0.00%         20.02%           0.00%         23.83%         23.83%         0.00%         23.83%           0.00%         24.99%         0.00%         24.99%         0.00%         24.99%           0.00%         21.83%         21.83%         0.00%         21.83%           0.00%         28.00%         0.00%         28.00%           0.00%         30.54%         0.00%         23.83%           0.00%         23.83%         0.354%         0.00%         23.83%           0.00%         24.99%         0.00%         23.83%         0.00%         23.83%           0.00%         24.99%         0.00%         24.99%         0.00%         24.99%           0.00%         36.25%         36.25%         0.00%         38.35%           0.00%         31.64%         0.00%         31.64% <t< td=""><td>Member         Employer         Total         Member         Employer         Total           (2)         (3)         (4)         (5)         (6)         (7)           0.00%         18.48%         18.48%         0.00%         18.45%         18.45%           0.00%         16.72%         16.72%         0.00%         16.69%         16.69%           0.00%         20.05%         20.05%         0.00%         20.02%         20.02%           0.00%         23.83%         23.83%         0.00%         23.83%         23.83%           0.00%         24.99%         0.00%         24.99%         24.99%           0.00%         21.83%         21.83%         0.00%         21.83%         21.83%           0.00%         28.00%         28.00%         28.00%         28.00%         28.00%         28.00%           0.00%         30.54%         30.54%         0.00%         30.54%         30.54%         30.54%           0.00%         23.83%         23.83%         0.00%         23.83%         23.83%           0.00%         30.54%         0.00%         30.54%         30.54%           0.00%         24.99%         0.00%         24.99%         24.99%<!--</td--></td></t<>	Member         Employer         Total         Member         Employer         Total           (2)         (3)         (4)         (5)         (6)         (7)           0.00%         18.48%         18.48%         0.00%         18.45%         18.45%           0.00%         16.72%         16.72%         0.00%         16.69%         16.69%           0.00%         20.05%         20.05%         0.00%         20.02%         20.02%           0.00%         23.83%         23.83%         0.00%         23.83%         23.83%           0.00%         24.99%         0.00%         24.99%         24.99%           0.00%         21.83%         21.83%         0.00%         21.83%         21.83%           0.00%         28.00%         28.00%         28.00%         28.00%         28.00%         28.00%           0.00%         30.54%         30.54%         0.00%         30.54%         30.54%         30.54%           0.00%         23.83%         23.83%         0.00%         23.83%         23.83%           0.00%         30.54%         0.00%         30.54%         30.54%           0.00%         24.99%         0.00%         24.99%         24.99% </td

Note: Recommended contribution rates include the contribution to the Tier II DC Plan and the Tier I amortization cost Rates reflect 3% Substantial Substitute where applicable

The contribution rates shown above include the cost of the 75% of pay active death benefit. The cost of the death benefit for public employee funds for FY 2015 and FY 2016 was 0.11% and 0.08%, respectively. Similarly, the cost of the death benefit for public safety and firefighter funds for FY 2015 and FY 2016 was 0.08% for each fiscal year.

Recommended rates reflect application of U.C. Sec. 49-11-301(5)



## **Development of Recommended Tier I Employer Contribution Rates**

	Fund/Division	Actuarially Calculated Rates for Current Year*	Certified Rates from Prior Year*	Larger of Columns (2,3)*	Recommended Rates Including 3% Substantial Substitute
	(1)	(2)	(3)	(4)	(5)
_					
I.	Public Employees Contributory				4.4.4.
	A. Local Government	12.71%	14.46%	14.46%	14.46%
	B. State and School	15.22%	16.85%	16.85%	17.70%
II.	Public Employees Noncontributory				
	A. Local Government	16.72%	18.47%	18.47%	18.47%
	B. State and School	19.71%	21.34%	21.34%	22.19%
III.	Public Safety Contributory				
	A. State	25.20%	28.85%	28.85%	29.70%
	B. Other Division A (2.5% COLA)	18.67%	22.75%	22.75%	22.75%
	C. Other Division A (4% COLA)	21.16%	24.33%	24.33%	24.33%
	D. Logan	29.48%	31.80%	31.80%	31.80%
	E. Other Division B (2.5% COLA)	19.24%	22.29%	22.29%	22.29%
	F. Other Division B (4% COLA)	23.00%	28.95%	28.95%	28.95%
IV.	Public Safety Noncontributory				
	A. State	36.81%	40.50%	40.50%	41.35%
	B. Other Division A (2.5% COLA)	30.07%	34.04%	34.04%	34.04%
	C. Other Division A (4% COLA)	32.56%	35.71%	35.71%	35.71%
	D. Salt Lake City	43.85%	46.67%	46.67%	46.67%
	E. Ogden	46.25%	48.68%	48.68%	48.68%
	F. Provo	37.76%	42.16%	42.16%	42.16%
	G. Logan	39.66%	41.92%	41.92%	41.92%
	H. Bountiful	45.94%	47.33%	47.33%	47.33%
	I. Other Division B (2.5% COLA)	28.97%	32.20%	32.20%	32.20%
	J. Other Division B (4% COLA)	33.13%	38.94%	38.94%	38.94%
V.	Firefighters				
	A. Division A	10.93%	15.53%	15.53%	15.53%
	B. Division B	12.08%	18.30%	18.30%	18.30%
VI.	Judges	49.76%	51.06%	51.06%	51.91%
VII.	3% Substantial Substitute	0.71%	0.85%	0.85%	N/A

<sup>\*</sup> Rates exclude 3% Substantial Substitute

Note: Rates shown for Firefighters and Judges exclude offsets for fire insurance premium tax and court fees Rates include the cost of the 75% of pay active death benefit Rates in Column (4) reflect application of U.C. Sec. 49-11-301(5).



## **Development of Recommended Tier II Employer Contribution Rates**

	Fund/Division (1)	Certified Rates from Prior Year* (2)	Actuarially Calculated Rates for Current Year* (3)	Recommended Rate Greater of (2) and (3)**	Hybrid Plan DC Rate (5)	Total Tier II Rate (6)	Tier I Certified Amortization % (7)	Total Employer Rate on Behalf of Tier II Members (8)
I.	Public Employees Contributory							
	A. Local Government	8.22%	7.82%	8.22%	1.78%	10.00%	8.37%	18.37%
II.	Public Employees Noncontributory							
	A. Local Government	8.22%	7.82%	8.22%	1.78%	10.00%	6.61%	16.61%
	B. State and School	8.22%	7.82%	8.22%	1.78%	10.00%	9.94%	19.94%
III.	Public Safety Contributory							
	B. Other Division A (2.5% COLA)	10.72%	10.01%	10.67%	1.33%	12.00%	11.75%	23.75%
	C. Other Division A (4% COLA)	10.72%	10.01%	10.67%	1.33%	12.00%	12.91%	24.91%
	E. Other Division B (2.5% COLA)	10.72%	10.01%	10.67%	1.33%	12.00%	9.75%	21.75%
	F. Other Division B (4% COLA)	10.72%	10.01%	10.67%	1.33%	12.00%	15.92%	27.92%
IV.	Public Safety Noncontributory							
	A. State	10.72%	10.01%	10.67%	1.33%	12.00%	18.46%	30.46%
	B. Other Division A (2.5% COLA)	10.72%	10.01%	10.67%	1.33%	12.00%	11.75%	23.75%
	C. Other Division A (4% COLA)	10.72%	10.01%	10.67%	1.33%	12.00%	12.91%	24.91%
	D. Salt Lake City	10.72%	10.01%	10.67%	1.33%	12.00%	24.17%	36.17%
	E. Ogden	10.72%	10.01%	10.67%	1.33%	12.00%	26.27%	38.27%
	F. Provo	10.72%	10.01%	10.67%	1.33%	12.00%	19.56%	31.56%
	G. Logan	10.72%	10.01%	10.67%	1.33%	12.00%	19.33%	31.33%
	H. Bountiful	10.72%	10.01%	10.67%	1.33%	12.00%	24.88%	36.88%
	I. Other Division B (2.5% COLA)	10.72%	10.01%	10.67%	1.33%	12.00%	9.64%	21.64%
	J. Other Division B (4% COLA)	10.72%	10.01%	10.67%	1.33%	12.00%	15.92%	27.92%
V.	Firefighters							
	A. Division A	10.72%	10.01%	10.67%	1.33%	12.00%	0.00%	12.00%
	B. Division B	10.72%	10.01%	10.67%	1.33%	12.00%	0.00%	12.00%

<sup>\*</sup> Contribution rate for the Tier II defined benefit plan. Rates shown above do not include the cost of the 75% of pay death benefit provided to active members.

Note: Tier I certified amortization rates include 3% Substantial Substitute where applicable.

Tier I certified amortization percentage is the difference between the total Tier I rate after reflecting application of U.C. Sec. 49-11-301(5) and the net normal cost. Rates shown for Firefighters and Judges exclude offsets for fire insurance premium tax and court fees.



<sup>\*\*</sup> The recommended contribution rate for the public employees hybrid plan is equal to the greater of the calculated rate for the current year and the certified rate from the prior year. The recommended contribution rate for the public safety and firefighter plan is equal to the great of the calculated rate for the current year and the certified rate from the prior year decreased by 0.05% for amortization credit for assets in excess of 110% of the actuarial accrued liability.

## **Components of Actuarially Calculated Contribution Rates**

					Gross		Net
		Net		3%	Employer		Employer
		Normal	Amortization	Substantial	Rate		Rate <sup>1</sup>
	Fund/Division	Cost	of UAAL	Substitute	(2+3+4)	Offset	(5 - 6)
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
I.	Public Employees Contributory						
	A. Local Government	5.44%	7.27%	0.00%	12.71%	0.00%	12.71%
	B. State and School	4.75%	10.47%	0.71%	15.93%	0.00%	15.93%
II.	Public Employees Noncontributory						
	A. Local Government	11.24%	5.48%	0.00%	16.72%	0.00%	16.72%
	B. State and School	11.75%	7.96%	0.71%	20.42%	0.00%	20.42%
III.	Public Safety Contributory						
	A. State	10.15%	15.05%	0.71%	25.91%	0.00%	25.91%
	B. Other Division A (2.5% COLA)	9.77%	8.90%	0.00%	18.67%	0.00%	18.67%
	C. Other Division A (4% COLA)	10.25%	10.91%	0.00%	21.16%	0.00%	21.16%
	D. Logan	11.25%	18.23%	0.00%	29.48%	0.00%	29.48%
	E. Other Division B (2.5% COLA)	11.69%	7.55%	0.00%	19.24%	0.00%	19.24%
	F. Other Division B (4% COLA)	11.85%	11.15%	0.00%	23.00%	0.00%	23.00%
IV.	Public Safety Noncontributory						
	A. State	21.76%	15.05%	0.71%	37.52%	0.00%	37.52%
	B. Other Division A (2.5% COLA)	21.17%	8.90%	0.00%	30.07%	0.00%	30.07%
	C. Other Division A (4% COLA)	21.65%	10.91%	0.00%	32.56%	0.00%	32.56%
	D. Salt Lake City	21.37%	22.48%	0.00%	43.85%	0.00%	43.85%
	E. Ogden	21.25%	25.00%	0.00%	46.25%	0.00%	46.25%
	F. Provo	21.34%	16.42%	0.00%	37.76%	0.00%	37.76%
	G. Logan	21.43%	18.23%	0.00%	39.66%	0.00%	39.66%
	H. Bountiful	21.37%	24.57%	0.00%	45.94%	0.00%	45.94%
	I. Other Division B (2.5% COLA)	21.43%	7.54%	0.00%	28.97%	0.00%	28.97%
	J. Other Division B (4% COLA)	21.99%	11.14%	0.00%	33.13%	0.00%	33.13%
V.	Firefighters						
	A. Division A	9.39%	1.54%	0.00%	10.93%	11.54%	0.00%
	B. Division B	7.59%	4.49%	0.00%	12.08%	11.54%	0.54%
VI.	Judges	31.60%	18.16%	0.71%	50.47%	10.33%	40.14%
V.	Tier II - Hyrbid Plans <sup>2</sup>						
	A. Public Employees	7.89%	-0.07%	0.00%	7.82%	0.00%	7.82%
	B. Public Safety and Firefighter	10.14%	-0.13%	0.00%	10.01%	0.00%	10.01%

<sup>&</sup>lt;sup>1</sup> The net employer rate may be less than the recommended contribution rates because they do not reflect the Board's policy of maintaining the prior year's rate, if greater, as permitted by U.C. Sec. 49-11-301(5).

<sup>&</sup>lt;sup>2</sup> These rates exclude the Tier I amortization payment and the 3% Substantial Substitute. The normal cost excludes the 75% of pay death benefit provided to active members.



## **Determination of Contribution Rate Offsets for Firefighters and Judges**

A.	Fire	efighter's Offset				
	1.	Calendar year	 2011	2012		2013
	2.	Annual fire insurance premium receipts	\$ 12,689,000	\$ 16,057,000	\$	11,285,000
	3.	3-year average of premium receipts				13,343,667
	4.	Expected Tier I amortization payment				11,152,351
	5.	Payroll (Tier I + Tier II)			1	116,497,717
	6.	Amortization payment as % of pay (4. / 5.)				9.57%
	7.	Remaining available offset (3 4.)				2,191,316
	8.	Tier I payroll			1	111,305,396
	9.	Normal cost rate offset (7. / 8.)				1.97%
	10.	Total offset as % of pay (6. + 9.)				11.54%
B.	Juc	lge's Offset				
	1.	Calendar year	2011	2012		2013
	2.	Court fees	\$ 1,815,000	\$ 1,666,000	\$	1,498,000
	3.	3-year average of court fees			\$	1,659,667
	4.	Payroll				16,072,242

5. Offset: average of court fees as a percent of payroll

10.33%

## **Schedule of Funding Progress**

I.	Fund/Division (1)  Public Employees Contributory A. Local Government B. State and School C. Subtotal	Actuarial Value of Assets (2) 407,779 757,223 1,165,002	Actuarial Accrued Liability (AAL) (3) 466,128 819,723 1,285,851	Unfunded AAL (UAAL) (3 - 2) (4)  58,349 62,500 120,849	Funded Ratio (2 / 3) (5)  87.5% 92.4% 90.6%	Covered Payroll (6) 50,335 38,540 88,875	UAAL as a Percentage of Covered Payroll (4 / 6) (7) 115.9% 162.2% 136.0%
II.	Public Employees Noncontributory						
	<ul><li>A. Local Government</li><li>B. State and School</li><li>C. Subtotal</li></ul>	3,464,106 14,932,370 18,396,476	4,174,545 18,286,982 22,461,527	710,439 3,354,612 4,065,051	83.0% 81.7% 81.9%	826,063 2,660,444 3,486,507	86.0% 126.1% 116.6%
Ш	Public Safety Contributory						
111.	A. State B. Other Division A (2.5% COLA) C. Other Division A (4% COLA) D. Logan E. Other Division B (2.5% COLA) F. Other Division B (4% COLA) G. Subtotal	50,013 129,438 26,201 12,363 32,884 7,728 258,627	50,301 135,231 26,641 13,581 33,149 8,290 267,193	288 5,793 440 1,218 265 562 8,566	99.4% 95.7% 98.3% 91.0% 99.2% 93.2% 96.8%	128 4,202 287 443 241 345 5,646	225.0% 137.9% 153.3% 274.9% 110.0% 162.9%
IV.	Public Safety Noncontributory A. State B. Other Division A (2.5% COLA) C. Other Division A (4% COLA) D. Salt Lake City E. Ogden F. Provo G. Logan H. Bountiful I. Other Division B (2.5% COLA) J. Other Division B (4% COLA) K. Subtotal	824,355 701,119 196,141 210,673 49,961 37,464 9,489 16,149 197,660 29,071 2,272,082	1,078,733 843,773 248,547 300,879 70,522 50,656 14,975 22,318 257,076 36,834 2,924,313	254,378 142,654 52,406 90,206 20,561 13,192 5,486 6,169 59,416 7,763 652,231	76.4% 83.1% 78.9% 70.0% 70.8% 74.0% 63.4% 72.4% 76.9% 78.9%	110,333 103,562 32,418 27,176 5,384 5,296 1,959 1,751 53,959 4,706	230.6% 137.7% 161.7% 331.9% 381.9% 249.1% 280.0% 352.3% 110.1% 165.0%
V.	Firefighters A. Division A B. Division B C. Subtotal	145,137 758,490 903,627	151,267 812,307 963,574	6,130 53,817 59,947	95.9% 93.4% 93.8%	26,101 82,206 108,307	23.5% 65.5% 55.3%
VI.	Judges	145,121	185,113	39,992	78.4%	15,932	251.0%
VII.	Governors and Legislative	9,457	12,186	2,729	77.6%	854	319.6%
VIII	. 3% Substantial Substitute	205,036	520,058	315,022	39.4%	N/A	N/A
IX.	Tier II - Hyrbid Plans A. Public Employees B. Public Safety and Firefighter	46,239 3,819	42,328 3,269	(3,911) (550)	109.2% 116.8%	410,861 30,887	-1.0% -1.8%
X.	Grand Total	23,405,486	28,665,412	5,259,926	81.7%	4,494,413	117.0%

Note: Amounts shown are in \$ thousands

Columns may not add to total due to rounding

Covered Payroll consists of payroll for members in the Tier I and Tier II Hybrid Retirement System



## **Comparison of Funded Ratios**

	Funded Ratios as of January 1						
Fund/Division	2014	2013	2012				
(1)	(2)	(3)	(4)				
. Public Employees Contributory							
A. Local Government	87.5%	84.5%	85.8%				
B. State and School	92.4%	90.7%	91.5%				
C. Subtotal	90.6%	88.5%	89.5%				
I. Public Employees Noncontributory							
A. Local Government	83.0%	78.0%	80.2%				
B. State and School	81.7%	77.3%	80.1%				
C. Subtotal	81.9%	77.4%	80.1%				
II. Public Safety Contributory							
A. State	99.4%	99.1%	99.0%				
B. Other Division A (2.5% COLA)	95.7%	94.1%	94.9%				
C. Other Division A (4% COLA)	98.3%	98.0%	98.3%				
D. Logan	91.0%	90.5%	90.8%				
E. Other Division B (2.5% COLA)	99.2%	98.3%	98.1%				
F. Other Division B (4% COLA)	93.2%	90.1%	90.6%				
G. Subtotal	96.8%	95.7%	96.1%				
V. Public Safety Noncontributory							
A. State	76.4%	70.7%	72.5%				
B. Other Division A (2.5% COLA)	83.1%	76.3%	77.9%				
C. Other Division A (4% COLA)	78.9%	73.4%	73.5%				
D. Salt Lake City	70.0%	65.5%	66.9%				
E. Ogden	70.8%	66.9%	69.3%				
F. Provo	74.0%	68.5%	71.4%				
G. Logan	63.4%	55.5%	55.5%				
H. Bountiful	72.4%	70.1%	74.1%				
I. Other Division B (2.5% COLA)	76.9%	69.6%	68.4%				
J. Other Division B (4% COLA)	78.9%	70.7%	70.6%				
K. Subtotal	77.7%	71.7%	73.0%				
. Firefighters							
A. Division A	95.9%	89.2%	90.5%				
B. Division B	93.4%	86.9%	89.6%				
C. Subtotal	93.8%	87.2%	89.7%				
I. Judges	78.4%	75.0%	77.7%				
II. Governors and Legislative	77.6%	76.1%	79.5%				
III. 3% Substantial Substitute	39.4%	36.4%	36.9%				
K. Tier II - Hyrbid Plans							
A. Public Employees	109.2%	106.3%	92.7%				
B. Public Safety and Firefighter	116.8%	111.5%	88.8%				
K. Grand Total	81.7%	77.1%	79.5%				



## **Analysis of Changes in Calculated Contribution Rates**

		Calculated						Calculated	
		Rate From	- D II		Changes in Calculated Rate Due T				Rate
	Fund/Division	Jan. 1, 2013 Valuation	Payroll Growth	Investment Return	Liabilities	Benefit Changes	Act. vs Exp.	Assumption & Methods Change	Jan. 1, 2014 Valuation
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	` '	(2)	(3)	(4)	(3)	(0)	(7)	(6)	(9)
I.	Public Employees Contributory								
	A. Local Government	14.46%	0.05%	-0.86%	-0.12%	0.00%	0.07%	-0.89%	12.71%
	B. State and School	17.56%	0.27%	-1.17%	-0.32%	0.00%	0.14%	-0.57%	15.93%
II.	Public Employees Noncontributory								
	A. Local Government	18.47%	0.05%	-0.86%	-0.12%	0.00%	0.07%	-0.89%	16.72%
	B. State and School	22.05%	0.27%	-1.17%	-0.32%	0.00%	0.14%	-0.57%	20.42%
III.	Public Safety Contributory								
	A. State	29.56%	0.17%	-1.61%	-0.58%	0.00%	0.19%	-1.84%	25.91%
	B. Other Division A (2.5% COLA)	22.75%	0.14%	-1.53%	-0.95%	0.00%	0.19%	-1.93%	18.67%
	C. Other Division A (4% COLA)	24.33%	-0.25%	-1.37%	0.52%	0.00%	0.00%	-2.07%	21.16%
	D. Logan	31.80%	0.69%	-1.86%	0.53%	0.00%	0.25%	-1.93%	29.48%
	E. Other Division B (2.5% COLA)	21.30%	0.02%	-0.81%	0.50%	0.00%	-0.18%	-1.59%	19.24%
	F. Other Division B (4% COLA)	28.95%	-1.22%	-1.52%	-1.15%	0.00%	-0.20%	-1.86%	23.00%
IV.	Public Safety Noncontributory								
	A. State	41.21%	0.17%	-1.61%	-0.63%	0.00%	0.19%	-1.83%	37.52%
	B. Other Division A (2.5% COLA)		0.14%	-1.53%	-0.88%	0.00%	0.19%	-1.89%	30.07%
	C. Other Division A (4% COLA)	35.71%	-0.25%	-1.37%	0.51%	0.00%	0.00%	-2.04%	32.56%
	D. Salt Lake City	46.67%	0.63%	-1.65%	-0.22%	0.00%	0.17%	-1.75%	43.85%
	E. Ogden	48.68%	0.64%	-1.96%	0.08%	0.00%	0.39%	-1.58%	46.25%
	F. Provo	42.16%	-0.48%	-1.46%	-0.74%	0.00%	0.10%	-1.82%	37.76%
	G. Logan	41.92%	0.69%	-1.86%	0.54%	0.00%	0.25%	-1.88%	39.66%
	H. Bountiful	47.33%	0.18%	-2.14%	1.61%	0.00%	0.44%	-1.48%	45.94%
	I. Other Division B (2.5% COLA)	31.32%	0.02%	-0.81%	0.25%	0.00%	-0.18%	-1.63%	28.97%
	J. Other Division B (4% COLA)	38.94%	-1.22%	-1.52%	-1.02%	0.00%	-0.20%	-1.85%	33.13%
V.	Firefighters								
	A. Division A	15.53%	-0.09%	-1.01%	-0.49%	0.00%	0.16%	-3.17%	10.93%
	B. Division B	18.30%	0.08%	-2.00%	-1.15%	0.00%	0.31%	-3.46%	12.08%
VI.	Judges	51.77%	-0.43%	-2.11%	0.55%	0.00%	0.44%	0.23%	50.47%
VII.	3% Substantial Substitute	0.71%	0.02%	-0.01%	-0.02%	0.00%	-0.01%	-0.69%	0.71%
VIII	Tier II - Hyrbid Plans								
, 111.	A. Public Employees	8.16%	0.00%	0.00%	0.08%	0.00%	-0.02%	-0.40%	7.82%
	B. Public Safety and Firefighter	10.51%	0.01%	0.00%	0.04%	0.00%	-0.02%	-0.53%	10.01%
	barety and I menighter	10.01/0	0.01/0	0.0070	0.0.73	0.0070	0.0270	0.2270	10.01/0

Notes: Rates shown as of Jan. 1, 2013 do not include any adjustments for 2013 legislation

Rates shown include contribution for 3% Substantial Substitute, if applicable. Rates shown do not include the offsets for court fees or for fire insurance premium taxes. For paired funds, rates include asset rebalancing at each point of the analysis

Rates for Tier II Hybrid Plans exclude the cost of the 75% of pay active death benefit



## **Analysis of Change in UAAL**

			Changes in Unfunded Actuarial Accrued Liability Due To Change in Other						
	P 18:	Jan. 1, 2013	Amortization	Liability	Asset	Benefit	Change in	Asset	Jan. 1, 201
	Fund/Division (1)	UAAL	Payments	(Gain)\Loss (4)	(Gain)\Loss (5)	Provisions (6)	Assumptions (7)	Transfers (8)	UAAL
	. ,	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	Public Employees Contributory	<b>5</b> 0.000		(# 0 co)			(2.04.0)	0.040	#0.040
	A. Local Government	70,939	1,142	(5,062)	(13,766)	0	(2,914)	8,010	58,349
	B. State and School	76,464	1,353	(7,949)	(27,425)	0	(731)	20,789	62,500
	C. Subtotal	147,403	2,495	(13,011)	(41,191)	Ü	(3,645)	28,799	120,849
I.	Public Employees Noncontributory								
	A. Local Government	877,596	15,072	(13,649)	(107,682)	0	(52,889)	(8,010)	710,439
	B. State and School	4,019,756	83,718	(141,853)	(481,187)	0	(105,032)	(20,789)	3,354,612
	C. Subtotal	4,897,352	98,790	(155,502)	(588,869)	0	(157,921)	(28,799)	4,065,051
II.	Public Safety Contributory								
	A. State	474	16	(484)	(2,166)	0	(20)	2,467	288
	B. Other Division A (2.5% COLA)	8,034	187	(1,459)	(4,813)	0	(631)	4,475	5,793
	C. Other Division A (4% COLA)	546	7	(308)	(1,134)	0	(47)	1,375	440
	D. Logan	1,281	22	(55)	(446)	0	(76)	492	1,218
	E. Other Division B (2.5% COLA)	566	58	(41)	(1,146)	0	(24)	852	265
	F. Other Division B (4% COLA)	811	13	(122)	(257)	0	(48)	166	562
	G. Subtotal	11,712	303	(2,469)	(9,962)	0	(846)	9,827	8,566
V.	Public Safety Noncontributory								
	A. State	307,209	4,927	(12,219)	(25,497)	0	(17,576)	(2,467)	254,378
	B. Other Division A (2.5% COLA)	194,480	4,206	(14,717)	(21,246)	0	(15,594)	(4,475)	142,654
	C. Other Division A (4% COLA)	62,166	370	2,456	(5,671)	0	(5,540)	(1,375)	52,406
	D. Salt Lake City	101,563	1,152	(1,195)	(6,763)	0	(4,551)	0	90,206
	E. Ogden	22,581	427	25	(1,650)	0	(822)	0	20,561
	F. Provo	15,631	159	(542)	(1,196)	0	(859)	0	13,192
	G. Logan	6,192	110	274	(254)	0	(344)	(492)	5,486
	H. Bountiful	6,417	143	387	(549)	0	(229)	0	6,169
	I. Other Division B (2.5% COLA)	71,032	(1,069)	1,073	(5,388)	0	(5,380)	(852)	59,416
	J. Other Division B (4% COLA)	10,333	(107)	(726)	(902)	0	(669)	(166)	7,763
	K. Subtotal	797,604	10,318	(25,184)	(69,116)	0	(51,564)	(9,827)	652,231
<b>V</b> .	Firefighters								
	A. Division A	15,429	834	(2,013)	(4,092)	0	(4,028)	0	6,130
	B. Division B	105,302	4,565	(15,150)	(24,557)	0	(16,344)	0	53,817
	C. Subtotal	120,731	5,399	(17,163)	(28,649)	0	(20,372)	0	59,947
Л.	Judges	43,706	1,254	(124)	(4,714)	0	(130)	0	39,992
⁄IΙ.	Governors and Legislative	2,848	55	167	(342)	0	0	0	2,729
ЛII.	3% Substantial Substitute	334,152	(967)	(12,067)	(5,508)	0	(588)	0	315,022
X.	Tier II - Hyrbid Plans								
	A. Public Employees	(1,062)	58	(1,147)	(374)	0	(1,385)	0	(3,911
	B. Public Safety and Firefighter	(119)	7	(286)	(25)	0	(127)	0	(550
ζ.	Grand Total	6,354,326	117,711	(226,786)	(748,750)	0	(236,577)	0	5,259,926

Note: Amounts shown are in \$ thousands Columns may not add to total due to rounding



# Actuarial Present Value of Future Benefits by Fund and Status

	77 1/75	Retirees and	Inactive	Active	m . 1
	Fund/Division	Beneficiaries	Members	Members	Total
	(1)	(2)	(3)	(4)	(5)
I.	Public Employees Contributory				
	A. Local Government	229,710	39,740	236,431	505,881
	B. State and School	488,132	60,050	286,465	834,646
	C. Subtotal	717,842	99,790	522,896	1,340,527
II.	Public Employees Noncontributory				
	A. Local Government	1,657,917	325,201	2,967,387	4,950,505
	B. State and School	9,140,959	926,254	10,847,169	20,914,381
	C. Subtotal	10,798,876	1,251,455	13,814,556	25,864,886
III.	Public Safety Contributory				
111.	A. State	48,412	795	1,192	50,399
	B. Other Division A (2.5% COLA)	106,023	13,535	23,535	143,093
	C. Other Division A (4% COLA)	24,352	657	2,023	27,032
	D. Logan	10,438	422	3,274	14,134
	E. Other Division B (2.5% COLA)	29,600	1,969	1,807	33,375
	F. Other Division B (4% COLA)	5,803	553	2,375	8,731
	G. Subtotal	224,628	17,931	34,206	276,764
IV.	Public Safety Noncontributory				
11.	A. State	585,905	33,932	647,327	1,267,164
	B. Other Division A (2.5% COLA)	371,474	90,187	574,206	1,035,867
	C. Other Division A (4% COLA)	103,038	11,739	193,048	307,825
	D. Salt Lake City	182,707	5,015	159,871	347,593
	E. Ogden	49,333	1,602	29,800	80,736
	F. Provo	27,554	1,270	31,191	60,015
	G. Logan	6,430	957	11,275	18,662
	H. Bountiful	16,475	318	8,989	25,782
	I. Other Division B (2.5% COLA)	95,981	10,063	248,052	354,096
	J. Other Division B (4% COLA)	18,865	2,078	25,297	46,241
	K. Subtotal	1,457,762	157,161	1,929,056	3,543,981
V.	Firefighters				
	A. Division A	63,173	7,359	154,843	225,375
	B. Division B	481,470	9,904	534,295	1,025,670
	C. Subtotal	544,643	17,263	689,138	1,251,045
VI.	Judges	111,132	3,424	103,831	218,388
VII.	Governors and Legislative	7,037	3,178	2,344	12,559
VIII	. Tier II - Hyrbid Plans				
	A. Public Employees	0	0	359,605	359,605
	B. Public Safety and Firefighter	0	0	51,360	51,360
IX.	Grand Total	13,861,920	1,550,202	17,506,992	32,919,115

Notes: Amounts shown are in \$ thousands

Columns may not add to total due to rounding



#### Actuarial Present Value of Future Benefits Details for Retirees and Beneficiaries, by Status

	Fund/Division	Retired Members	Disabled Members	Beneficiaries	Total
	(1)	(2)	(3)	(4)	(5)
I.	Public Employees Contributory				
	A. Local Government	203,170	7,424	19,115	229,710
	B. State and School	431,251	17,671	39,210	488,132
	C. Subtotal	634,421	25,095	58,325	717,842
II.	Public Employees Noncontributory				
	A. Local Government	1,499,630	34,292	123,995	1,657,917
	B. State and School	8,523,946	125,607	491,405	9,140,959
	C. Subtotal	10,023,576	159,899	615,400	10,798,876
III.	Public Safety Contributory				
	A. State	31,813	1,867	14,732	48,412
	B. Other Division A (2.5% COLA)	90,834	1,528	13,661	106,023
	C. Other Division A (4% COLA)	19,327	233	4,792	24,352
	D. Logan	10,294	111	33	10,438
	E. Other Division B (2.5% COLA)	27,950	739	911	29,600
	F. Other Division B (4% COLA)	5,229	0	574	5,803
	G. Subtotal	185,447	4,478	34,703	224,628
IV.	Public Safety Noncontributory				
	A. State	550,237	7,042	28,626	585,905
	B. Other Division A (2.5% COLA)	342,582	4,603	24,289	371,474
	C. Other Division A (4% COLA)	97,989	574	4,475	103,038
	D. Salt Lake City	162,958	4,027	15,721	182,707
	E. Ogden	43,881	503	4,949	49,333
	F. Provo	24,825	0	2,729	27,554
	G. Logan	6,122	0	308	6,430
	H. Bountiful	15,732	362	381	16,475
	I. Other Division B (2.5% COLA)	87,829	2,186	5,966	95,981
	J. Other Division B (4% COLA)	18,248	0	617	18,865
	K. Subtotal	1,350,403	19,297	88,061	1,457,762
V.	Firefighters				
	A. Division A	50,040	7,321	5,813	63,173
	B. Division B	408,331	20,515	52,625	481,470
	C. Subtotal	458,371	27,836	58,438	544,643
VI.	Judges	100,763	0	10,369	111,132
VII.	Governors and Legislative	6,052	0	984	7,037
VIII	. Tier II - Hyrbid Plans				
	A. Public Employees	0	0	0	0
	B. Public Safety and Firefighter	0	0	0	0
IX.	Grand Total	12,759,033	236,605	866,280	13,861,920

Notes: Amounts shown are in \$ thousands

Columns may not add to total due to rounding



#### Actuarial Present Value of Future Benefits Details for Inactive Members, by Status

	Fund/Division	Disabled	Other Vested	Nonvested	Total
	(1)	(2)	(3)	(4)	(5)
	Public Employees Contributory				
•	A. Local Government	3,555	34,056	2,129	39,740
	B. State and School	2,832	57,182	36	60,050
	C. Subtotal	6,387	91,238	2,165	99,790
_					
I.	Public Employees Noncontributory	26.422	207.607	1.071	225 201
	A. Local Government	36,433	287,697	1,071	325,201
	B. State and School	111,288	810,235	4,730	926,254
	C. Subtotal	147,721	1,097,932	5,801	1,251,455
Π.	Public Safety Contributory				
	A. State	0	785	11	795
	B. Other Division A (2.5% COLA)	0	13,166	369	13,535
	C. Other Division A (4% COLA)	0	647	10	657
	D. Logan	0	422	0	422
	E. Other Division B (2.5% COLA)	0	1,856	113	1,969
	F. Other Division B (4% COLA)	379	174	0	553
	G. Subtotal	379	17,050	503	17,931
V.	Public Safety Noncontributory				
٧.	A. State	1,686	32,234	11	33,932
	B. Other Division A (2.5% COLA)	3,012	87,141	35	90,187
	C. Other Division A (4% COLA)	799	10,940	0	11,739
	D. Salt Lake City	345	4,668	1	5,015
	E. Ogden	238	1,365	0	1,602
	F. Provo	0	1,269	0	1,270
	G. Logan	0	957	0	957
	H. Bountiful	0	318	0	318
	I. Other Division B (2.5% COLA)	1,224	8,819	20	10,063
	J. Other Division B (4% COLA)	0	2,078	0	2,078
	K. Subtotal	7,304	149,789	67	157,161
		•	,		, ,
V.	Firefighters	2	7.060	200	5 050
	A. Division A	0	7,060	299	7,359
	B. Division B	0	9,649	256	9,904
	C. Subtotal	0	16,709	555	17,263
Л.	Judges	515	2,909	0	3,424
ЛI.	Governors and Legislative	0	3,173	5	3,178
III	. Tier II - Hyrbid Plans				
	A. Public Employees	0	0	0	0
	B. Public Safety and Firefighter	0	0	0	0
	-				

Notes: Amounts shown are in \$ thousands



#### Actuarial Present Value of Future Benefits Details for Active Members, by Benefit

			Deferred				
	Fund/Division	Retirement	Termination	Disability	Refunds	Death	Total
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
I.	Public Employees Contributory						
	A. Local Government	222,062	4,092	2,995	2,139	5,143	236,431
	B. State and School	282,406	0	288	0	3,772	286,465
	C. Subtotal	504,468	4,092	3,283	2,139	8,915	522,896
II.	Public Employees Noncontributory						
	A. Local Government	2,655,306	156,129	77,726	0	78,226	2,967,387
	B. State and School	10,040,091	429,835	192,284	1	184,958	10,847,169
	C. Subtotal	12,695,397	585,964	270,010	1	263,184	13,814,556
III.	Public Safety Contributory						
	A. State	1,188	0	0	0	4	1,192
	B. Other Division A (2.5% COLA)	22,395	327	268	313	232	23,535
	C. Other Division A (4% COLA)	1,968	16	12	7	20	2,023
	D. Logan	3,236	7	5	3	23	3,274
	E. Other Division B (2.5% COLA)	1,789	0	0	0	18	1,807
	F. Other Division B (4% COLA)	2,323	14	10	4	25	2,375
	G. Subtotal	32,899	364	295	327	322	34,206
IV.	Public Safety Noncontributory						
	A. State	620,613	12,746	6,908	0	7,059	647,327
	B. Other Division A (2.5% COLA)	546,495	13,941	7,331	0	6,439	574,206
	C. Other Division A (4% COLA)	184,781	4,019	2,187	0	2,062	193,048
	D. Salt Lake City	153,474	2,929	1,554	0	1,913	159,871
	E. Ogden	28,401	661	352	0	387	29,800
	F. Provo	29,868	610	318	0	396	31,191
	G. Logan	10,816	214	109	0	137	11,275
	H. Bountiful	8,472	264	136	0	117	8,989
	I. Other Division B (2.5% COLA)	235,097	5,712	3,265	0	3,978	248,052
	J. Other Division B (4% COLA)	23,906	654	352	0	386	25,297
	K. Subtotal	1,841,923	41,750	22,512	0	22,874	1,929,056
V.	Firefighters						
	A. Division A	146,034	1,031	4,471	874	2,433	154,843
	B. Division B	509,190	2,529	10,184	1,967	10,424	534,295
	C. Subtotal	655,224	3,560	14,655	2,841	12,857	689,138
VI.	Judges	101,942	0	0	0	1,890	103,831
VII.	Governors and Legislative	1,749	578	0	0	17	2,344
VIII.	Tier II - Hyrbid Plans						
	A. Public Employees	289,977	49,767	8,838	0	11,023	359,605
	B. Public Safety and Firefighter	45,567	2,323	1,452	0	2,018	51,360
IX.	Grand Total	16,169,146	688,398	321,045	5,308	323,100	17,506,992

Notes: Amounts shown are in \$ thousands



### Actuarial Present Value of Future Benefits Details for Members Receiving Benefits, by Benefit

				Subtotal		Total
	Fund/Division	Basic Benefit	COLA	(2) + (3)	ROPP	(4) + (5)
	(1)	(2)	(3)	(4)	(5)	(6)
I.	Public Employees Contributory					
	A. Local Government	164,740	64,897	229,637	73	229,710
	B. State and School	342,739	145,010	487,749	383	488,132
	C. Subtotal	507,479	209,907	717,386	456	717,842
II.	Public Employees Noncontributory					
	A. Local Government	1,180,855	477,062	1,657,917	0	1,657,917
	B. State and School	6,425,896	2,715,063	9,140,959	0	9,140,959
	C. Subtotal	7,606,751	3,192,125	10,798,876	0	10,798,876
III.	Public Safety Contributory					
	A. State	26,172	21,256	47,428	984	48,412
	B. Other Division A (2.5% COLA)	68,338	37,261	105,599	424	106,023
	C. Other Division A (4% COLA)	13,861	10,259	24,120	232	24,352
	D. Logan	6,849	3,585	10,434	4	10,438
	E. Other Division B (2.5% COLA)	20,363	9,235	29,598	2	29,600
	F. Other Division B (4% COLA)	3,767	2,036	5,803	0	5,803
	G. Subtotal	139,350	83,632	222,982	1,646	224,628
IV.	Public Safety Noncontributory					
	A. State	400,780	185,122	585,902	3	585,905
	B. Other Division A (2.5% COLA)	260,934	110,540	371,474	0	371,474
	C. Other Division A (4% COLA)	71,110	31,928	103,038	0	103,038
	D. Salt Lake City	120,883	61,548	182,431	276	182,707
	E. Ogden	32,868	16,428	49,296	37	49,333
	F. Provo	18,532	8,983	27,515	40	27,554
	G. Logan	4,710	1,720	6,430	0	6,430
	H. Bountiful	11,615	4,854	16,469	6	16,475
	I. Other Division B (2.5% COLA)	69,359	26,622	95,981	0	95,981
	J. Other Division B (4% COLA)	13,467	5,398	18,865	0	18,865
	K. Subtotal	1,004,258	453,143	1,457,401	362	1,457,762
V.	Firefighters					
	A. Division A	43,443	19,607	63,050	124	63,173
	B. Division B	315,357	164,521	479,878	1,593	481,470
	C. Subtotal	358,800	184,128	542,928	1,717	544,643
VI.	Judges	74,508	36,624	111,132	0	111,132
VII.	Governors and Legislative	4,513	1,879	6,392	645	7,037
VIII	. Tier II - Hyrbid Plans					
	A. Public Employees	0	0	0	0	0
	B. Public Safety and Firefighter	0	0	0	0	0
VIII	. Grand Total	9,695,659	4,161,438	13,857,097	4,826	13,861,920

Notes: Amounts shown are in \$ thousands



#### **Normal Cost**

Fund/Division (1)	Retirement (2)	Deferred Termination (3)	Disability (4)	Refunds (5)	Death (6)	Total(7)
<ul><li>I. Public Employees Contributory</li><li>A. Local Government</li><li>B. State and School</li></ul>	8.34%	0.88%	0.54%	1.34%	0.34%	11.44%
	7.85%	0.65%	0.40%	1.61%	0.24%	10.75%
<ul><li>II. Public Employees Noncontributory</li><li>A. Local Government</li><li>B. State and School</li></ul>	8.51%	1.79%	0.59%	0.00%	0.35%	11.24%
	9.40%	1.66%	0.45%	0.00%	0.24%	11.75%
<ul> <li>III. Public Safety Contributory</li> <li>A. State</li> <li>B. Other Division A (2.5% COLA)</li> <li>C. Other Division A (4% COLA)</li> <li>D. Logan</li> <li>E. Other Division B (2.5% COLA)</li> <li>F. Other Division B (4% COLA)</li> </ul>	19.53%	0.62%	0.64%	1.51%	0.14%	22.44%
	18.94%	0.67%	0.63%	1.52%	0.30%	22.06%
	19.23%	0.76%	0.69%	1.50%	0.36%	22.54%
	19.74%	0.48%	0.43%	1.36%	0.37%	22.38%
	18.56%	0.90%	0.81%	1.29%	0.63%	22.19%
	19.09%	0.73%	0.69%	1.30%	0.54%	22.35%
IV. Public Safety Noncontributory A. State B. Other Division A (2.5% COLA) C. Other Division A (4% COLA) D. Salt Lake City E. Ogden F. Provo G. Logan H. Bountiful I. Other Division B (2.5% COLA) J. Other Division B (4% COLA)	19.33% 18.96% 19.46% 19.08% 19.02% 19.00% 19.35% 18.98% 18.99% 19.41%	1.36% 1.24% 1.22% 1.18% 1.15% 1.20% 1.07% 1.34% 1.25% 1.33%	0.73% 0.65% 0.65% 0.63% 0.61% 0.64% 0.56% 0.69% 0.69%	0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00%	0.34% 0.32% 0.32% 0.48% 0.47% 0.50% 0.45% 0.36% 0.50%	21.76% 21.17% 21.65% 21.37% 21.25% 21.34% 21.43% 21.37% 21.43% 21.99%
V. Firefighters A. Division A B. Division B	21.69%	0.30%	1.41%	0.56%	0.48%	24.44%
	21.57%	0.27%	1.19%	0.61%	0.66%	24.30%
<ul><li>VI. Judges</li><li>VII. Tier II - Hyrbid Plans</li><li>A. Public Employees</li><li>B. Public Safety and Firefighter</li></ul>	30.59%	0.00%	0.00%	0.00%	1.01%	31.60%
	6.34%	1.18%	0.20%	0.00%	0.17%	7.89%
	9.02%	0.50%	0.29%	0.00%	0.33%	10.14%

Note: Columns may not add to total due to rounding.

The normal cost for the Tier II Hybrid Plans does not include the cost of the 75% of pay death benefit provided to active members.



#### **Net Employer Normal Cost**

	Fund/Division	Total Normal Cost	Member Rate	Net Employe Normal Cost (2) - (3)
	(1)	(2)	(3)	(4)
[ <b>.</b> ]	Public Employees Contributory			
	A. Local Government	11.44%	6.00%	5.44%
-	B. State and School	10.75%	6.00%	4.75%
Ι. Ι	Public Employees Noncontributory			
	A. Local Government	11.24%	0.00%	11.24%
	B. State and School	11.75%	0.00%	11.75%
П.	Public Safety Contributory			
	A. State	22.44%	12.29%	10.15%
	B. Other Division A (2.5% COLA)	22.06%	12.29%	9.77%
	C. Other Division A (4% COLA)	22.54%	12.29%	10.25%
	D. Logan	22.38%	11.13%	11.25%
	E. Other Division B (2.5% COLA)	22.19%	10.50%	11.69%
į	F. Other Division B (4% COLA)	22.35%	10.50%	11.85%
V.	Public Safety Noncontributory			
	A. State	21.76%	0.00%	21.76%
	B. Other Division A (2.5% COLA)	21.17%	0.00%	21.17%
	C. Other Division A (4% COLA)	21.65%	0.00%	21.65%
	D. Salt Lake City	21.37%	0.00%	21.37%
	E. Ogden	21.25%	0.00%	21.25%
	F. Provo	21.34%	0.00%	21.34%
	G. Logan	21.43%	0.00%	21.43%
	H. Bountiful	21.37%	0.00%	21.37%
	I. Other Division B (2.5% COLA)	21.43%	0.00%	21.43%
	J. Other Division B (4% COLA)	21.99%	0.00%	21.99%
<b>/.</b> :	Firefighters			
	A. Division A	24.44%	15.05%	9.39%
	B. Division B	24.30%	16.71%	7.59%
√I	Judges	31.60%	0.00%	31.60%
√II. ′	Tier II - Hyrbid Plans			
	A. Public Employees	7.89%	0.00%	7.89%
	B. Public Safety and Firefighter	10.14%	0.00%	10.14%



#### **Determination of Actuarial Accrued Liability**

						Actuarial
		Actuarial				Accrued
		Present Value of		ent Value of Futur		Liability
	Fund/Division	Future Benefits	Members	Employers	Total	(2) - (5)
	(1)	(2)	(3)	(4)	(5)	(6)
I.	Public Employees Contributory					
	A. Local Government	505,881	20,849	18,904	39,753	466,128
	B. State and School	834,646	8,329	6,594	14,923	819,723
	C. Subtotal	1,340,527	29,178	25,498	54,676	1,285,851
II.	Public Employees Noncontributory	•				
	A. Local Government	4,950,505	0	775,960	775,960	4,174,545
	B. State and School	20,914,381	0	2,627,399	2,627,399	18,286,982
	C. Subtotal	25,864,886	0	3,403,359	3,403,359	22,461,527
III.	Public Safety Contributory					
	A. State	50,399	54	45	99	50,301
	B. Other Division A (2.5% COLA	143,093	4,380	3,482	7,862	135,231
	C. Other Division A (4% COLA)	27,032	214	178	392	26,641
	D. Logan	14,134	275	278	553	13,581
	E. Other Division B (2.5% COLA	33,375	107	119	226	33,149
	F. Other Division B (4% COLA)	8,731	207	233	440	8,290
	G. Subtotal	276,764	5,237	4,335	9,572	267,193
IV.	Public Safety Noncontributory					
	A. State	1,267,164	0	188,431	188,431	1,078,733
	B. Other Division A (2.5% COLA		0	192,095	192,095	843,773
	C. Other Division A (4% COLA)	307,825	0	59,277	59,277	248,547
	D. Salt Lake City	347,593	0	46,714	46,714	300,879
	E. Ogden	80,736	0	10,214	10,214	70,522
	F. Provo	60,015	0	9,359	9,359	50,656
	G. Logan	18,662	0	3,687	3,687	14,975
	H. Bountiful	25,782	0	3,464	3,464	22,318
	I. Other Division B (2.5% COLA		0	97,020	97,020	257,076
	J. Other Division B (4% COLA)	46,241	0	9,406	9,406	36,834
	K. Subtotal	3,543,981	0	619,667	619,667	2,924,313
V.	Firefighters					
	A. Division A	225,375	45,635	28,473	74,108	151,267
	B. Division B	1,025,670	146,720	66,643	213,363	812,307
	C. Subtotal	1,251,045	192,355	95,116	287,471	963,574
VI.	Judges	218,388	0	33,275	33,275	185,113
VII.	Governors and Legislative	12,559	0	372	372	12,186
VIII	I. Tier II - Hyrbid Plans					
	A. Public Employees	359,605	0	317,276	317,276	42,328
	B. Public Safety and Firefighter	51,360	0	48,092	48,092	3,269
IX.	Grand Total	32,919,115	226,770	4,546,990	4,773,760	28,145,354

Notes: Amounts shown are in \$ thousands



# Actuarial Accrued Liability Details of Member and Employer Financing

		Ins	active Member	rs	A	ctive Members	
		Accumulated Member	Employer		Accumulated Member	Employer	
	Fund/Division	Contributions	Financed	Total	Contributions	Financed	Total
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
I.	Public Employees Contributory						
	A. Local Government	33,092	6,648	39,740	84,173	112,505	196,678
	B. State and School	51,354	8,696	60,050	117,401	154,141	271,542
	C. Subtotal	84,446	15,344	99,790	201,574	266,646	468,220
II.	Public Employees Noncontributory	/					
	A. Local Government	29,793	295,408	325,201	82,745	2,108,682	2,191,427
	B. State and School	82,773	843,481	926,254	259,825	7,959,945	8,219,770
	C. Subtotal	112,566	1,138,889	1,251,455	342,570	10,068,627	10,411,197
III.	Public Safety Contributory						
	A. State	577	218	795	536	557	1,093
	B. Other Division A (2.5% COLA	9,534	4,001	13,535	7,448	8,225	15,673
	C. Other Division A (4% COLA)	621	36	657	794	837	1,631
	D. Logan	411	11	422	1,091	1,630	2,721
	E. Other Division B (2.5% COLA	1,700	269	1,969	722	859	1,581
	F. Other Division B (4% COLA)	286	267	553	828	1,107	1,935
	G. Subtotal	13,129	4,802	17,931	11,419	13,215	24,634
IV.	Public Safety Noncontributory						
	A. State	1,151	32,781	33,932	3,551	455,345	458,896
	B. Other Division A (2.5% COLA	6,767	83,420	90,187	11,348	370,763	382,111
	C. Other Division A (4% COLA)	962	10,777	11,739	2,202	131,569	133,771
	D. Salt Lake City	181	4,834	5,015	1,475	111,682	113,157
	E. Ogden	114	1,488	1,602	450	19,136	19,586
	F. Provo	1,129	141	1,270	6,914	14,918	21,832
	G. Logan	363	594	957	1,642	5,946	7,588
	H. Bountiful	0	318	318	58	5,467	5,525
	I. Other Division B (2.5% COLA	1,654	8,409	10,063	7,740	143,292	151,032
	J. Other Division B (4% COLA)	639	1,439	2,078	1,124	14,767	15,891
	K. Subtotal	12,960	144,201	157,161	36,504	1,272,885	1,309,389
V.	Firefighters						
	A. Division A	4,667	2,692	7,359	28,011	52,724	80,735
	B. Division B	4,759	5,145	9,904	104,034	216,898	320,932
	C. Subtotal	9,426	7,837	17,263	132,045	269,622	401,667
VI.	Judges	694	2,730	3,424	2,873	67,683	70,556
VII.	Governors and Legislative	92	3,086	3,178	3	1,969	1,972
VIII	. Tier II - Hyrbid Plans						
	A. Public Employees	0	0	0	0	42,328	42,328
	B. Public Safety and Firefighter	0	0	0	0	3,269	3,269
IX.	Grand Total	233,313	1,316,889	1,550,202	726,988	12,006,244	12,733,232

Notes: Amounts shown are in \$ thousands



#### **Number of Members**

				Inactive Members		Me	embers Receiving E	Benefits	
	Fund/Division	Active	Disabled	Vested	Nonvested	Regular Retirees	Disabled Retirees	Beneficiaries	Total
-	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	` '	(-)	(5)	(.)	(5)	(0)	(,)	(0)	(2)
I.	Public Employees Contributory  A. Local Government	983	15	880	712	945	48	223	3,806
	B. State and School	711	13	592	11	2,458	133	604	4,522
	C. Subtotal	1,694	28	1,472	723	3,403	181	827	8,328
		1,074	20	1,472	723	3,403	101	027	0,320
II.	Public Employees Noncontributory					- 40=			
	A. Local Government	16,548	237	11,885	323	6,487	202	797	36,479
	B. State and School C. Subtotal	58,833 75,381	706 943	32,627 44,512	875 1,198	32,107 38,594	778 980	2,991 3,788	128,917
		73,381	943	44,512	1,198	38,394	980	3,788	165,396
III.	Public Safety Contributory								
	A. State	2	0	10	9	140	11	139	311
	B. Other Division A (2.5% COLA)	84	0	211	53	283	6	119	756
	C. Other Division A (4% COLA)	6	0	23	3	89	1	47	169
	D. Logan	8	0	6	0	27	1	1	43
	E. Other Division B (2.5% COLA)	4	0	49	13	64 23	4	8	142
	<ul><li>F. Other Division B (4% COLA)</li><li>G. Subtotal</li></ul>	110	1	302	<u>0</u> 	626	23	<u>5</u> 319	1,459
		110	1	302	76	020	23	319	1,439
IV.	Public Safety Noncontributory								
	A. State	2,244	9	1,325	1	1,316	28	165	5,088
	B. Other Division A (2.5% COLA)	2,131	12	1,736	3	813	20	111	4,826
	C. Other Division A (4% COLA)	668	3	339	0	234	2	24	1,270
	D. Salt Lake City	429	1	145	1	372	16	102	1,066
	E. Ogden	114	1	72	0	114	2	40	343
	F. Provo G. Logan	92 43	0	27 15	0	56 12	0	16 1	192 71
	G. Logan H. Bountiful	33	0	8	0	36	1	3	81
	I. Other Division B (2.5% COLA)	1,007	6	279	3	187	6	30	1,518
	J. Other Division B (4% COLA)	86	0	27	0	33	0	3	149
	K. Subtotal	6,847	32	3,973	9	3,173	75	495	14,604
* 7		-,		-,-,-	Í	-,-,-			- 1,00
V.	Firefighters A. Division A	483	0	201	42	106	22	27	881
	A. Division A B. Division B	483 1,351	0	201 154	42 88	796	64	256	2,709
	C. Subtotal	1,834	0	355	130	902	86	283	3,590
		,	-						,
VI.	Judges	111	1	4	0	92	0	35	243
VII.	Governors and Legislative	76	0	111	2	164	0	71	424
VIII	Tier II - Hyrbid Plans								
	A. Public Employees	13,352	0	0	0	0	0	0	13,352
	B. Public Safety and Firefighter	843	0	0	0	0	0	0	843
IX.	Grand Total	100,248	1,005	50,729	2,140	46,954	1,345	5,818	208,239

Note: The counts for the inactive members shown above includes members who may have a benefit in multiple funds/divisions.



## **Active Membership Statistics**

	Fund/Division	Number	Total Compensation \$ Thousands	Average Compensation (\$'s)	Accumulated Member Contributions With Interest \$ Thousands	Average Age	Average Service
-	(1)	(2)	(3)	(4)	(5)	(6)	(7)
I.	Public Employees Contributory A. Local Government B. State and School C. Subtotal	983 711 1,694	50,335 38,540 88,875	51,205 54,205 52,464	84,173 117,401 201,574	51.0 58.1 54.0	16.8 30.9 22.7
II.	Public Employees Noncontributory A. Local Government B. State and School C. Subtotal	16,548 58,833 75,381	826,063 2,660,444 3,486,507	49,919 45,220 46,252	82,745 259,825 342,570	47.4 48.2 48.0	12.4 13.3 13.1
III.	Public Safety Contributory A. State B. Other Division A (2.5% COLA) C. Other Division A (4% COLA) D. Logan E. Other Division B (2.5% COLA) F. Other Division B (4% COLA) G. Subtotal	2 84 6 8 4 6	128 4,202 287 443 241 345 5,646	63,997 50,023 47,825 55,343 60,194 57,473 51,320	536 7,448 794 1,091 722 828 11,419	55.0 40.9 48.0 42.4 52.3 47.2	28.0 11.2 17.3 17.9 20.8 17.0
IV.	Public Safety Noncontributory A. State B. Other Division A (2.5% COLA) C. Other Division A (4% COLA) D. Salt Lake City E. Ogden F. Provo G. Logan H. Bountiful I. Other Division B (2.5% COLA) J. Other Division B (4% COLA) K. Subtotal	2,244 2,131 668 429 114 92 43 33 1,007 86 6,847	110,333 103,562 32,418 27,176 5,384 5,296 1,959 1,751 53,959 4,706	49,168 48,598 48,530 63,348 47,226 57,562 45,550 53,048 53,584 54,726 50,612	3,551 11,348 2,202 1,475 450 6,914 1,642 58 7,740 1,124	42.7 40.2 40.4 41.5 38.9 41.0 38.3 39.5 41.1 39.8 41.2	12.2 11.0 12.1 12.5 10.7 12.2 10.8 8.9 7.8 9.6
V. VI.	Firefighters A. Division A B. Division B C. Subtotal Judges	483 1,351 1,834	26,101 82,206 108,307 15,932	54,039 60,848 59,055 142,249	28,011 104,034 132,045 2,873	40.7 41.6 41.4 57.2	9.8 12.7 11.9 10.0
	ŭ		,		· ·		
	Governors and Legislative  Tier II - Hyrbid Plans  A. Public Employees  B. Public Safety and Firefighter  Grand Total	76 13,352 843 100,248	854 410,861 30,887 4,494,413	12,200 30,771 36,639 44,833	3 0 0 726,988	55.5 35.6 32.4 47.5	7.0 1.1 1.1 13.1



# Retired Member Statistics (Including Disabled Retirees and Beneficiaries)

			Annual Total Benefits	Average Monthly Benefit
	Fund/Division	Number	(\$ Thousands)	(\$'s)
	(1)	(2)	(3)	(4)
I.	Public Employees Contributory			
	A. Local Government	1,216	20,980	1,438
	B. State and School	3,195	49,767	1,298
	C. Subtotal	4,411	70,747	1,337
II.	Public Employees Noncontributory			
	A. Local Government	7,486	145,943	1,625
	B. State and School	35,876	813,871	1,890
	C. Subtotal	43,362	959,814	1,845
III.	Public Safety Contributory			
-11.	A. State	290	6,072	1,745
	B. Other Division A (2.5% COLA)	408	9,380	1,916
	C. Other Division A (4% COLA)	137	2,548	1,550
	D. Logan	29	865	2,487
	E. Other Division B (2.5% COLA)	76	2,137	2,343
	F. Other Division B (4% COLA)	28	453	1,349
	G. Subtotal	968	21,455	1,847
IV.	Public Safety Noncontributory			
1 V .	A. State	1,509	45,071	2,489
	B. Other Division A (2.5% COLA)	944	28,171	2,487
	C. Other Division A (4% COLA)	260	7,366	2,361
	D. Salt Lake City	490	15,389	2,617
	E. Ogden	156	3,990	2,131
	F. Provo	72	2,285	2,645
	G. Logan	13	415	2,660
	H. Bountiful	40	1,254	2,613
	I. Other Division B (2.5% COLA)	223	6,709	2,507
	J. Other Division B (4% COLA)	36	1,303	3,017
	K. Subtotal	3,743	111,953	2,493
V.	Firefighters			
٧.	A. Division A	155	4,735	2,545
	B. Division B	1,116	39,885	2,978
	C. Subtotal	1,271	44,620	2,926
VI.	Judges	127	10,244	6,722
VII.	Governors and Legislative	235	867	307
VIII	. Tier II - Hyrbid Plans			
	A. Public Employees	0	0	0
	B. Public Safety and Firefighter	0	0	0
IX.	Grand Total	54,117	1,219,700	1,878



# Market Value of Assets (All Retirement Systems Combined)

	Item	December 31, 2012	December 31, 2013
	(1)	(2)	(3)
1.	Cash	2,897	5,112
2.	Receivables		
	a. Member contributions	909	823
	b. Employer contributions	45,689	51,386
	c. Fire insurance premium tax &		
	court fees	672	1,030
	d. Investments	343,781	247,263
	e. Total	391,051	300,502
3.	Investments		
	a. Short-term securities	1,336,608	1,711,194
	b. Debt securities	4,092,501	4,094,119
	c. Equity investments	8,272,384	9,674,621
	d. Absolute return	3,474,308	4,298,264
	e. Private equity	2,593,847	2,839,908
	f. Real assests	3,094,442	3,147,036
	g. Mortgage loans	6,847	0
	h. Total	22,870,937	25,765,142
4.	Other	1,596,502	2,011,058
5.	Total Assets	24,861,387	28,081,814
6.	Liabilities		
	a. Securities lending liability	(1,590,130)	(2,005,347)
	b. Other accounting liabilities		
	and reserves	(1,120,658)	(980,396)
	c. Total	(2,710,788)	(2,985,743)
7.	Net assets	22,150,599	25,096,071

Note: Assets exclude the defined contribution plans

Amount shown are in \$ thousands

Amounts shown are from the December 31, 2013 Comprehensive Annual Financial Report and may differ from other numbers contained in this report due to rounding.



#### Reconciliation of Market Value of Assets (MVA)

(1) Public Employees Contributory A. LocalGovernment B. State and School C. Subtotal	394,084	(3)	(4)	(5)	(6)	(7)
A. LocalGovernment B. State and School	,					(, )
	742,570 1,136,654	10,382 8,869 19,251	(22,464) (53,619) (76,084)	58,361 110,670 169,030	5,790 27,304 33,095	446,152 835,794 1,281,946
Public Employees Noncontributory A. LocalGovernment B. State and School C. Subtotal	3,232,997 14,199,837 17,432,834	149,742 550,312 700,054	(150,510) (826,586) (977,096)	476,964 2,074,991 2,551,955	(5,302) (4,543) (9,846)	3,703,892 15,994,013 19,697,905
Public Safety Contributory A. State B. Other Division A (2.5% COLA) C. Other Division A (4% COLA) D. Logan E. Other Division B (2.5% COLA) F. Other Division B (4% COLA) G. Subtotal	50,171 126,070 26,204 12,398 31,775 7,457 254,075	57 1,436 100 177 78 130	(6,032) (9,437) (2,536) (857) (2,393) (456)	7,613 19,061 3,970 1,822 4,831 1,112 38,409	4,622 6,697 2,009 273 1,942 242 15,785	56,430 143,826 29,747 13,812 36,234 8,485 288,534
Public Safety Noncontributory A. State B. Other Division A (2.5% COLA) C. Other Division A (4% COLA) D. Saft Lake City E. Ogden F. Provo G. Logan H. Bountiful I Other Division B (2.5% COLA) J. Other Division B (4% COLA) K. Subtotal	772,918 656,730 179,674 199,508 47,464 35,287 8,242 15,627 170,456 26,073 2,111,979	43,439 34,117 11,482 12,440 2,525 2,158 817 716 18,463 1,868	(46,404) (29,333) (7,613) (15,751) (3,862) (2,485) (464) (1,371) (7,458) (1,501)	113,495 96,113 26,599 29,268 6,948 5,186 1,215 2,263 25,953 3,955 310,995	(2,564) (11,421) (1,512) 447 535 16 (185) 99 2,846 629 (11,110)	880,885 746,205 208,630 225,912 53,609 40,163 9,624 17,334 210,259 31,024
Fire fighters A. Division A B. Division B C. Subtotal	132,030 721,747 853,777	7,469 25,634 33,103	(4,885) (39,968) (44,853)	19,594 105,737 125,331	796 506 1,303	155,004 813,656 968,661
Judges	136,129	6,488	(10, 188)	20,064	3,187	155,680
Governors and Legislative	9,444	252	(890)	1,340	19	10,165
3% Substantial Substitute	196,603	25,088	(40)	28,697	(32,432)	217,915
Tier II - Hyrbid Plans A. Public Employees B. Public Safety and Fire fighter Grand Total	17,935 1,168 22,150,598	25,743 2,455 942,436	0 0 (1,247,103)	4,0 10 3 14 3,250,145	3 (3) 0	47,690 3,934 25,096,075
	A. LocalGovernment B. State and School C. Subtotal Public Safety Contributory A. State B. Other Division A (2.5% COLA) C. Other Division A (4% COLA) D. Logan E. Other Division B (4% COLA) G. Subtotal Public Safety Noncontributory A. State B. Other Division A (2.5% COLA) C. Other Division A (2.5% COLA) C. Other Division A (4% COLA) D. Salt Lake City E. Ogden F. Provo G. Logan H. Bountiful I Other Division B (2.5% COLA) J. Other Division B (2.5% COLA) K. Subtotal Fire fighters A. Division A B. Division B C. Subtotal Judges Governors and Legislative 3% Substantial Substitute Tier II- Hyrbid Plans A. Public Employees B. Public Safety and Fire fighter	A. LocalGovernment B. State and School C. Subtotal T1,432,834  Public Safety Contributory A. State B. Other Division A (2.5% COLA) C. Other Division A (4% COLA) D. Logan E. Other Division B (2.5% COLA) T1,457 G. Subtotal  Public Safety Noncontributory A. State T1,457 T2,918 T2,918 T3,075  Public Safety Noncontributory A. State T1,298 T2,918 T2,918 T3,075  Public Safety Noncontributory A. State T1,2918 T2,918 T3,075 T4,457 T5,000 T6,000 T6,	A. Local Government B. State and School C. Subtotal T.4,199,837 T.550,312 T.4,32,834 T.700,054  Public Safety Contributory A. State B. Other Division A (2.5% COLA) D. Logan E. Other Division B (2.5% COLA) T.4,275 T.50 T.50 T.50 T.50 T.50 T.50 T.50 T.5	A. Local Government 3,232,997 149,742 (150,510) B. State and School 14,199,837 550,312 (826,586) C. Subtotal 17,432,834 700,054 (977,096)  Public S a fety Contributory A. State 50,171 57 (6,032) B. Other Division A (2.5% COLA) 126,070 1,436 (9,437) C. Other Division B (2.5% COLA) 126,070 1,436 (9,437) C. Other Division B (2.5% COLA) 1,175 78 (2,393) E. Other Division B (2.5% COLA) 31,775 78 (2,393) F. Other Division B (4% COLA) 254,075 1,979 (21,712)  Public S a fety Noncontributory A. State 772,918 43,439 (46,404) B. Other Division A (2.5% COLA) 179,674 11,482 (7,613) D. Salt Lake City 199,508 12,440 (15,751) E. Ogden 47,464 2,525 (3,862) F. Provo 35,287 2,158 (2,485) G. Logan 8,242 817 (464) H. Bountiful 15,627 716 (1,371) I. Other Division B (2.5% COLA) 26,073 1,868 (1,501) J. Other Division B (2.5% COLA) 26,073 1,868 (1,501) K. Subtotal 1,19,79 128,023 (116,241)  Fire fighters A. Division B (4% COLA) 2,111,979 128,023 (116,241)  Fire fighters A. Division B (3,502) 444 25,034 (39,968) C. Subtotal 136,129 6,488 (10,188)  Governors and Legis lative 9,444 252 (890) 3% Substantial Substitute 196,603 25,088 (40)  Tire II - Hyrbid Plans A. Public Safety and Fire fighter 1,168 2,455 0	A Local Government 3,232,997 149,742 (150,510) 476,964 B. State and School 14,199,837 550,312 (826,586) 2,074,991 C. Subtotal 17,432,834 700,054 (977,096) 2,551,955 Public Safety Contributory  A. State and School 2,5% COLA) 7,432,834 700,054 (977,096) 2,551,955 Public Safety Contributory  A. State 50,171 57 (6,032) 7,613 Physician A(2.5% COLA) 126,070 1,436 (9,437) 19,061 C. Other Division A (4% COLA) 26,204 100 (2,536) 3,970 Physician B (2.5% COLA) 31,775 78 (2,393) 4,831 Physician B (2.5% COLA) 31,775 78 (2,393) 4,831 Physician B (2.5% COLA) 7,457 130 (456) 1,112 Physician B (4% COLA) 254,075 1,979 (21,712) 38,409 Public Safety None ontributory  A. State 772,918 43,439 (46,404) 113,495 Public Safety None ontributory  A. State 772,918 43,439 (46,404) 113,495 Physician A(4% COLA) 179,674 11,482 (7,613) 26,599 Physician A(4% COLA) 179,674 11,482 (7,613) 29,268 Physician A(4% COLA) 170,674 11,482 (7,613) 26,599 Physician A(4% COLA) 170,456 18,463 (7,485) 5,186 Physician B (2,5% COLA) 170,456 18,463 (7,485) 25,953 Physician B	A. LocalGovenment 3,232,997   149,742   (150,510)   476,964   (5,302)   B. State and School   14,199,837   550,312   (826,586)   2,074,991   (4,543)   C. Subtotal   17,432,834   700,054   (977,096)   2,551,955   (9,846)   Public Safety Contributory  A. State   50,171   57   (6,032)   7,613   4,622   B. Other Division A (2,5% COLA)   126,070   1,436   (9,437)   19,061   6,697   C. Other Division A (4% COLA)   26,204   100   (2,536)   3,970   2,009   D. Logan   12,398   177   (857)   1,822   273   E. Other Division B (2,5% COLA)   31,775   78   (2,393)   4,831   1,942   E. Other Division B (4% COLA)   254,075   1,979   (21,712)   38,409   15,785   Public Safety Noncontributory  A. State   772,918   43,439   (46,404)   113,495   (2,564)   B. Other Division A (2,5% COLA)   656,730   34,117   (29,333)   96,113   (11,421)   C. Other Division A (4% COLA)   179,674   11,482   (7,613)   26,599   (1,512)   D. Safe Lake Cây   199,508   12,440   (15,751)   29,268   447   E. Ogden   47,464   2,525   (3,862)   6,948   535   E. Ogden   47,464   2,525   (3,862)   6,948   535   E. Ogden   47,464   2,525   (3,862)   6,948   535   E. Ogden   47,464   1,182   (7,613)   2,263   99   E. Other Division B (2,5% COLA)   179,674   11,482   (7,613)   2,263   99   E. Other Division B (3,5% COLA)   179,674   11,482   (7,613)   2,255   (3,862)   6,948   535   E. Ogden   47,464   2,525   (3,862)   6,948   535   E. Ogden   47,464   2,525   (3,862)   6,948   535   E. Order Division B (2,5% COLA)   170,456   18,463   (7,458)   2,5953   2,846   E. Other Division B (3,5% COLA)   170,456   18,463   (7,458)   2,5953   2,846   E. Other Division B (3,5% COLA)   170,456   18,463   (7,458)   2,5953   2,846   E. Other Division B (3,5% COLA)   170,456   18,463   (7,458)   2,5953   2,846   E. Other Division B (3,5% COLA)   170,456   18,463   (7,458)   2,5953   2,593   2,846   E. Other Division B (3,5% COLA)   170,456   18,463   (7,458)   2,5953   2,5953   2,846   E. Other Division B (3,5% COLA)   170,456   18,463   (7,458)   19,594   17,594   E. Other Di

Notes: Amounts shown are in \$ thousands



#### **Investment Return Rates for Prior Year**

	Assets

		Market Value (1)	Actuarial Value (2)
1.	Beginning of year assets	22,150,598	21,370,068
2.	Contributions to fund during year	942,436	942,436
3.	Benefit payments during year (including refunds of contributions)	(1,247,103)	(1,247,103)
4.	Transfers to and (from) URS	0	0
5.	Investment income, net of investment and administrative expenses	3,250,145	2,340,085
6.	End of year assets	25,096,075	23,405,486
7.	Investment rate return	14.8%	11.0%

Note: Amounts shown are in \$ thousands

Columns may not add to total due to rounding

## **Summary of Investment Return Rates**

	Return on	Return on
Year	Market Value	Actuarial Value
(1)	(2)	(3)
1992	4.3%	10.5%
1993	15.7%	13.8%
1994	0.0%	8.8%
1995	21.4%	11.6%
1996	14.7%	11.7%
1997	15.8%	13.7%
1998	9.4%	12.6%
1999	16.3%	14.7%
2000	1.8%	11.2%
2001	-5.3%	6.8%
2002	-8.0%	-1.5%
2003	25.6%	8.0%
2004	13.7%	5.3%
2005	9.2%	7.4%
2006	14.4%	11.1%
2007	6.6%	13.0%
2008	-23.4%	-1.1%
2009	13.2%	6.1%
2010	13.2%	2.9%
2011	2.5%	1.3%
2012	12.6%	2.7%
2013	14.8%	11.0%
Average return		
Last 5 years:	11.2%	4.7%
Last 10 years:	7.0%	5.9%
Last 15 years:	6.4%	6.5%
Last 20 years:	7.8%	7.8%



## Calculation of Actuarial Value of Assets (All Retirement Systems Combined)

1. Market value of assets

\$ 25,096,075

2. Adjustments to smooth asset values based on excess/shortfall of expected investment income for:

	Year	Total Excess / (Shortfall)	Weight Subtracted	Weight Subtracted
a.	2013	1,600,276	80%	1,280,221
b.	2012	1,016,923	60%	610,154
c.	2011	(977,081)	40%	(390,832)
d.	2010	955,219	20%	191,044
e.	2009	855,756	0%	0
f.	Total			1,690,587

3. Preliminary actuarial value of assets (1-2f)

\$ 23,405,488

4. Corridor Limits

CO	HIGOT LIHIUS	
a.	75% of market value	\$ 18,822,056
b.	125% of market value	31,370,093
c.	Actuarial value (Item 3, not more than 4b, not less than 4a)	\$ 23,405,488

5. Ratio of actuarial value to market value

93.3%

Note: Amounts shown are in \$ thousands



#### **Transfer Adjustments to Asset Values**

		Market Value	of Assets (MVA) at J	January 1, 2014	Actuarial Value	e of Assets (AVA) at	January 1, 2014
		MVA Before	Transfer	MVA After	AVA Before	Transfer	AVA After
	Fund/Division	Transfer	Amount	Transfer	Transfer	Amount	Transfer
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
I.	Public Employees Contributory						
	A. Local Government	446,152	(8,595)	437,557	415,789	(8,010)	407,779
	B. State and School	835,794	(22,333)	813,461	778,012	(20,789)	757,223
	C. Subtotal	1,281,946	(30,928)	1,251,018	1,193,801	(28,799)	1,165,002
I.	Public Employees Noncontributory						
	A. Local Government	3,703,892	8,595	3,712,487	3,456,096	8,010	3,464,106
	B. State and School	15,994,013	22,333	16,016,346	14,911,581	20,789	14,932,370
	C. Subtotal	19,697,905	30,928	19,728,833	18,367,677	28,799	18,396,476
II.	Public Safety Contributory						
	A. State	56,430	(2,653)	53,777	52,480	(2,467)	50,013
	B. Other Division A (2.5% COLA)	143,826	(4,798)	139,028	133,913	(4,475)	129,438
	C. Other Division A (4% COLA)	29,747	(1,474)	28,272	27,576	(1,375)	26,201
	D. Logan	13,812	(529)	13,283	12,855	(492)	12,363
	E. Other Division B (2.5% COLA)	36,234	(914)	35,320	33,736	(852)	32,884
	F. Other Division B (4% COLA)	8,485	(178)	8,307	7,894	(166)	7,728
	G. Subtotal	288,534	(10,546)	277,988	268,454	(9,827)	258,627
V.	Public Safety Noncontributory						
	A. State	880,885	2,653	883,538	821,888	2,467	824,355
	B. Other Division A (2.5% COLA)	746,205	4,798	751,003	696,644	4,475	701,119
	C. Other Division A (4% COLA)	208,630	1,474	210,104	194,766	1,375	196,141
	D. Salt Lake City	225,912	0	225,912	210,673	0	210,673
	E. Ogden	53,609	0	53,609	49,961	0	49,961
	F. Provo	40,163	0	40,163	37,464	0	37,464
	G. Logan	9,624	529	10,153	8,997	492	9,489
	H. Bountiful	17,334	0	17,334	16,149	0	16,149
	I. Other Division B (2.5% COLA)	210,259	914	211,173	196,808	852	197,660
	J. Other Division B (4% COLA)	31,024	178	31,202	28,905	166	29,071
	K. Subtotal	2,423,646	10,546	2,434,192	2,262,255	9,827	2,272,082
	Firefighters						
	A. Division A	155,004	0	155,004	145,137	0	145,137
	B. Division B	813,656	0	813,656	758,490	0	758,490
	C. Subtotal	968,661	0	968,661	903,627	0	903,627
/Ι.	Judges	155,680	0	155,680	145,121	0	145,121
II.	Governors and Legislative	10,165	0	10,165	9,457	0	9,457
III.	3% Substantial Substitute	217,915	0	217,915	205,036	0	205,036
	Tier II - Hyrbid Plans	•		•	•		•
	A. Public Employees	47,690	0	47,690	46,239	0	46,239
	B. Public Safety and Firefighter	3,934	0	3,934	3,819	0	3,819
,							
Κ.	Grand Total  Notes: Amounts shown are in \$ thous  Columns may not add to total		0	25,096,075	23,405,486	0	23,405,486



#### Actuarially Determined Contribution Rate for 3% Substantial Substitute

1. <i>A</i>	Actuarial	accrued	liability,	all funds	combined
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1.	110	tuatian decreed intolling, an raises combined	
	a.	Retirees	369,781
	b.	Inactives	16,234
	c.	Actives	134,043
	d.	Total	520,058
2.	Ac	tuarial value of assets	205,036
3.	Un	funded actuarial accrued liability	315,022
4.	Co	vered compensation of state funds that will pay for benefit	3,260,273
5.	Ca	kulated rate (20-year funding period and 3.25% PGR)	0.71%

Notes: Amounts shown are in \$ thousands

#### **Liabilities for 3% Substantial Substitute**

	Fund/Division	Retirees and Beneficiaries	Inactive Members	Active Members	Total
	(1)	(2)	(3)	(4)	(5)
I.	Public Employees Contributory				
	A. Local Government	6,551	834	4,691	12,076
	B. State and School	14,588	1,800	8,594	24,982
	C. Subtotal	21,139	2,634	13,285	37,058
II.	Public Employees Noncontributory				
	A. Local Government	41,866	2,952	20,812	65,630
	B. State and School	246,310	8,421	89,906	344,636
	C. Subtotal	288,176	11,373	110,718	410,266
III.	Public Safety Contributory				
	A. State	1,406	24	36	1,466
	B. Other Division A (2.5% COLA)	2,952	285	116	3,352
	C. Other Division A (4% COLA)	701	16	11	728
	D. Logan	312	5	0	317
	E. Other Division B (2.5% COLA)	794	32	16	843
	F. Other Division B (4% COLA)	159	5	0	164
	G. Subtotal	6,324	367	179	6,870
V.	Public Safety Noncontributory				
	A. State	14,886	351	2,383	17,620
	B. Other Division A (2.5% COLA)	9,116	931	1,468	11,515
	C. Other Division A (4% COLA)	2,355	77	500	2,931
	D. Salt Lake City	5,008	36	503	5,548
	E. Ogden	1,358	10	75	1,443
	F. Provo	748	15	171	934
	G. Logan	112	10	67	189
	H. Bountiful	425	1	20	446
	I. Other Division B (2.5% COLA)	2,088	142	525	2,755
	J. Other Division B (4% COLA)	460	35	139	634
	K. Subtotal	36,556	1,608	5,851	44,015
V.	Firefighters				
	A. Division A	1,397	50	524	1,971
	B. Division B	13,419	148	2,641	16,208
	C. Subtotal	14,816	198	3,165	18,179
VI.	Judges	2,629	23	840	3,493
VII.	Governors and Legislative	141	30	6	177
VIII.	Tier II - Hyrbid Plans				
	A. Public Employees	0	0	0	0
	B. Public Safety and Firefighter	0	0	0	0
VIII.	Grand Total	369,781	16,233	134,044	520,058

Notes: Amounts shown are in \$ thousands



#### Governors and Legislative Pension Plan Determination of Contribution

<ol> <li>Actuarial Accrued Liabi</li> </ol>
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1.	Actual at Accided Latourly						
	a. Retirees	7,036,595					
	b. Inactives	3,177,668					
	c. Actives	1,972,016					
	d. Total	12,186,279					
2.	Actuarial Value of Assets	9,457,000					
3.	Unfunded Actuarial Accrued Liability (UAAL) (1d) - (2)	2,729,279					
4.	Normal Cost	105,740					
5.	Total Recommended Appropriation Payable by June 30, 2016						
	a. Normal Cost	105,740					
	b. Amortization Charge	258,936					
	c. Subtotal	364,676					
	d. Interest Adjustment (two years at 7.50%)	56,753					
	e. Total	421,429					



#### Historical Summary of Statistical Data Public Employees Retirement System (Contributory)

							Retirement			
							Benefits in	Average		
Plan Year					Covered		Force Annual	Retiree	Market Value	Actuarial Value
Beginning		Participa	nt Counts		_ Payroll	Average	Amount	Monthly	of Assets	of Assets
January 1st	Active	Inactive	Retired	Total	(\$ Thousands)	Pay	(\$ Thousands)	Benefit	(\$ Thousands)	(\$ Thousands)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
1993	11,405	1,497	11,858	24,760	283,299	24,840	57,608	405	833,053	800,806
1994	10,826	1,733	11,444	24,003	280,655	25,924	57,861	421	929,993	880,979
1995	10,421	1,805	11,115	23,341	284,657	27,316	58,345	437	922,155	935,845
1996	6,954	2,028	10,645	19,627	195,717	28,145	58,238	456	919,007	852,034
1997	4,673	1,906	10,176	16,755	135,083	28,907	57,770	473	859,304	772,977
1998	4,396	1,975	9,724	16,095	134,341	30,560	57,496	493	916,532	809,388
1999	4,144	2,089	9,208	15,441	133,440	32,201	56,599	512	927,169	840,215
2000	3,967	2,134	8,717	14,818	133,615	33,682	55,716	533	974,834	878,190
2001	3,827	2,149	8,264	14,240	134,816	35,228	56,264	567	936,798	924,573
2002	3,703	2,262	7,822	13,787	137,721	37,192	55,569	592	827,741	927,523
2003	3,608	2,269	7,375	13,252	137,743	38,177	54,765	619	749,408	899,290
2004	3,444	2,293	6,916	12,653	134,144	38,950	53,815	648	873,520	913,948
2005	3,318	2,285	6,550	12,153	134,810	40,630	53,630	682	971,242	933,974
2006	3,140	2,321	5,963	11,424	131,437	41,859	51,646	722	1,014,414	951,540
2007	2,964	2,372	5,687	11,023	127,588	43,046	53,059	777	1,105,890	1,004,452
2008	2,821	2,425	5,718	10,964	128,030	45,385	57,596	839	1,142,078	1,102,107
2009	2,701	2,476	5,408	10,585	128,970	47,749	58,318	899	878,169	1,097,711
2010	2,470	2,467	5,171	10,108	120,258	48,687	62,382	1,005	939,905	1,116,735
2011	2,289	2,416	4,947	9,652	110,691	48,358	64,170	1,081	1,046,886	1,132,661
2012	2,110	2,364	4,751	9,225	104,065	49,320	65,688	1,152	1,065,149	1,135,251
2013	1,891	2,306	4,573	8,770	95,985	50,759	68,055	1,240	1,176,614	1,133,433
2014	1,694	2,223	4,411	8,328	88,875	52,464	70,747	1,337	1,251,018	1,165,002
2011	1,001	2,223	.,	0,320	00,075	52,101	70,717	1,337	1,231,010	1,105,002

#### Historical Summary of Statistical Data Public Employees Retirement System (Noncontributory)

							Retirement			
							Benefits in	Average		
Plan Year					Covered		Force Annual	Retiree	Market Value	Actuarial Value
Beginning		Participa	nt Counts		Payroll	Average	Amount	Monthly	of Assets	of Assets
January 1st	Active	Inactive	Retired	Total	(\$ Thousands)	Pay	(\$ Thousands)	Benefit	(\$ Thousands)	(\$ Thousands)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
1993	59,739	7,911	7,023	74,673	1,425,612	23,864	89,557	1,063	3,609,761	3,480,582
1994	63,448	9,507	8,025	80,980	1,536,528	24,217	104,731	1,088	4,258,021	4,039,120
1995	67,698	10,131	9,143	86,972	1,688,967	24,949	121,850	1,111	4,312,948	4,372,190
1996	69,922	12,413	10,458	92,793	1,862,940	26,643	142,838	1,138	5,497,373	5,128,203
1997	73,478	13,965	11,841	99,284	2,048,876	27,884	166,432	1,171	6,547,598	5,954,796
1998	76,728	15,383	13,242	105,353	2,231,957	29,089	192,723	1,213	7,711,808	6,896,740
1999	77,360	17,494	14,645	109,499	2,343,986	30,300	220,230	1,253	8,560,909	7,894,249
2000	80,639	18,630	16,163	115,432	2,486,200	30,831	248,366	1,281	10,112,606	9,186,463
2001	81,850	20,357	17,728	119,935	2,611,413	31,905	280,910	1,320	10,367,596	10,294,444
2002	83,690	27,385	19,145	130,220	2,801,564	33,475	314,821	1,370	9,848,682	11,021,828
2003	83,925	26,664	20,623	131,212	2,888,853	34,422	351,690	1,421	8,963,388	10,756,065
2004	84,039	28,673	22,202	134,914	2,915,008	34,686	388,305	1,457	11,191,566	11,551,092
2005	85,502	30,498	23,782	139,782	3,058,487	35,771	426,813	1,496	12,639,732	12,093,408
2006	86,502	33,035	25,446	144,983	3,121,800	36,089	466,287	1,527	13,756,039	12,935,862
2007	87,960	34,820	27,866	150,646	3,284,295	37,339	532,188	1,592	15,664,709	14,295,945
2008	91,342	36,713	30,325	158,380	3,583,525	39,232	596,337	1,639	16,564,574	16,026,629
2009	93,633	38,324	32,104	164,061	3,837,934	40,989	642,434	1,668	12,533,979	15,667,473
2010	92,847	39,583	34,433	166,863	3,888,415	41,847	726,282	1,758	13,992,989	16,434,614
2011	91,871	40,928	36,612	169,411	3,842,855	41,828	778,376	1,772	15,585,991	16,663,090
2012	87,220	42,646	38,708	168,574	3,760,961	43,120	830,698	1,788	15,704,227	16,615,078
2013	80,837	44,655	40,959	166,451	3,610,948	44,669	892,610	1,816	17,392,873	16,777,789
2014	75,381	46,653	43,362	165,396	3,486,507	46,252	959,814	1,845	19,728,833	18,396,476

#### Historical Summary of Statistical Data Public Safety Retirement System (Contributory)

Plan Year Beginning		•	nt Counts		Covered Payroll	Average	Retirement Benefits in Force Annual Amount	Average Retiree Monthly	Market Value of Assets	Actuarial Value of Assets
January 1st	Active	Inactive	Retired	Total	(\$ Thousands)	Pay	(\$ Thousands)	Benefit	(\$ Thousands)	(\$ Thousands)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
1993	1,591	705	1,251	3,547	44,934	28,244	14,860	990	295,915	285,043
1994	1,601	714	1,273	3,588	46,728	29,187	15,373	1,006	326,536	311,148
1995	1,280	568	1,294	3,142	38,571	30,134	16,087	1,036	284,198	289,572
1996	971	525	1,321	2,817	30,304	31,209	17,323	1,093	310,209	291,478
1997	952	543	1,322	2,817	31,940	33,550	17,735	1,118	335,065	304,699
1998	1,006	531	1,340	2,877	34,262	34,058	18,487	1,150	364,531	324,488
1999	855	498	1,344	2,697	29,704	34,742	19,147	1,187	347,477	316,739
2000	804	486	1,333	2,623	28,957	36,016	19,351	1,210	363,654	327,635
2001	794	479	1,243	2,516	30,021	37,810	18,611	1,248	331,370	326,949
2002	795	503	1,257	2,555	30,783	38,721	19,480	1,291	293,617	328,959
2003	789	502	1,250	2,541	31,501	39,925	20,222	1,348	269,041	322,275
2004	759	519	1,249	2,527	31,688	41,749	20,759	1,385	316,514	331,432
2005	740	522	1,241	2,503	32,446	43,846	21,202	1,424	352,753	339,304
2006	698	526	1,256	2,480	31,443	45,047	22,127	1,468	368,717	345,699
2007	693	534	1,252	2,479	32,291	46,596	23,020	1,532	398,502	361,788
2008	539	505	1,101	2,145	25,700	47,681	20,452	1,548	330,176	318,303
2009	188	431	1,027	1,646	9,507	50,569	19,531	1,585	201,270	267,761
2010	165	404	1,046	1,615	8,398	50,906	21,177	1,687	222,779	271,894
2011	140	408	1,018	1,566	6,933	49,514	21,200	1,735	243,309	269,379
2012	130	398	1,003	1,531	6,475	49,817	21,293	1,769	244,173	263,771
2013	120	386	990	1,496	6,067	50,549	21,448	1,805	271,029	260,591
2014	110	381	968	1,459	5,646	51,320	21,455	1,847	277,988	258,627



#### Historical Summary of Statistical Data Public Safety Retirement System (Noncontributory)

							Retirement			
							Benefits in	Average		
Plan Year					Covered		Force Annual	Retiree	Market Value	Actuarial Value
Beginning		Participa	nt Counts		Payroll	Average	Amount	Monthly	of Assets	of Assets
January 1st	Active	Inactive	Retired	Total	(\$ Thousands)	Pay	(\$ Thousands)	Benefit	(\$ Thousands)	(\$ Thousands)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
1993	3,198	185	175	3,558	85,678	26,791	2,935	1,398	200,668	193,301
1994	3,289	198	238	3,725	89,839	27,315	4,272	1,496	251,536	236,786
1995	3,899	360	304	4,563	111,292	28,544	5,684	1,558	297,278	300,101
1996	4,455	555	395	5,405	130,552	29,305	7,596	1,603	409,217	379,132
1997	4,720	614	492	5,826	149,086	31,586	9,870	1,672	496,197	450,407
1998	5,033	664	592	6,289	161,826	32,153	12,068	1,699	606,326	542,680
1999	5,427	752	747	6,926	180,904	33,334	15,603	1,741	726,304	672,062
2000	5,735	865	882	7,482	196,271	34,223	18,504	1,748	898,266	818,697
2001	5,974	832	1,118	7,924	212,442	35,561	23,428	1,746	964,708	960,047
2002	6,120	1,464	1,326	8,910	225,760	36,889	28,907	1,817	936,286	1,047,507
2003	6,228	1,733	1,462	9,423	237,192	38,085	33,444	1,906	855,508	1,027,160
2004	6,324	1,915	1,617	9,856	243,745	38,543	38,614	1,990	1,087,654	1,117,457
2005	6,428	2,093	1,808	10,329	257,241	40,019	44,508	2,051	1,241,290	1,185,601
2006	6,556	2,283	2,038	10,877	263,905	40,254	51,112	2,090	1,367,735	1,287,322
2007	6,740	2,481	2,205	11,426	282,955	41,981	57,294	2,165	1,582,989	1,447,411
2008	7,015	2,633	2,612	12,260	311,886	44,460	67,997	2,169	1,776,121	1,720,309
2009	7,642	2,854	2,841	13,337	356,186	46,609	75,602	2,218	1,409,649	1,745,887
2010	7,519	3,066	3,042	13,627	359,978	47,983	84,735	2,321	1,598,416	1,861,644
2011	7,443	3,186	3,207	13,836	355,318	47,739	91,555	2,379	1,809,515	1,919,525
2012	7,495	3,613	3,355	14,463	360,231	48,063	96,988	2,409	1,854,254	1,952,972
2013	7,129	3,877	3,550	14,556	350,623	49,183	104,366	2,450	2,095,022	2,023,320
2014	6,847	4,014	3,743	14,604	346,544	50,612	111,953	2,493	2,434,192	2,272,082



### **Historical Summary of Statistical Data Firefighters Retirement System**

							Retirement			
							Benefits in	Average		
Plan Year					Covered		Force Annual	Retiree	Market Value	Actuarial Value
Beginning		Participa	nt Counts		_ Payroll	Average	Amount	Monthly	of Assets	of Assets
January 1st	Active	Inactive	Retired	Total	(\$Thousands)	Pay	(\$ Thousands)	Benefit	(\$ Thousands)	(\$ Thousands)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
1993	1,072	89	587	1,748	36,500	34,049	8,209	1,165	211,975	203,985
1994	1,079	100	595	1,774	37,191	34,468	8,678	1,215	247,715	234,501
1995	1,123	103	618	1,844	39,669	35,324	9,811	1,323	249,712	253,304
1996	1,165	116	644	1,925	42,599	36,566	10,397	1,415	315,063	293,816
1997	1,229	123	675	2,027	47,550	38,690	12,049	1,488	362,555	329,475
1998	1,285	130	707	2,122	50,886	39,600	13,747	1,620	421,184	376,178
1999	1,352	156	736	2,244	54,402	40,238	14,940	1,692	460,190	423,405
2000	1,380	160	772	2,312	57,664	41,786	16,112	1,739	532,783	483,373
2001	1,433	173	823	2,429	61,593	42,982	18,163	1,839	540,822	536,503
2002	1,504	179	866	2,549	66,871	44,462	20,008	1,925	508,565	569,151
2003	1,545	197	884	2,626	71,347	46,179	22,246	2,097	461,324	553,589
2004	1,577	222	920	2,719	75,148	47,653	22,859	2,071	570,160	589,502
2005	1,608	237	948	2,793	79,168	49,234	24,242	2,131	637,979	610,688
2006	1,647	294	979	2,920	83,495	50,695	26,064	2,219	686,062	644,496
2007	1,690	315	1,021	3,026	87,089	51,532	28,312	2,311	773,774	705,051
2008	1,786	338	1,098	3,222	94,488	52,905	31,944	2,424	814,674	787,663
2009	1,852	370	1,120	3,342	101,508	54,810	33,985	2,529	612,696	765,871
2010	1,899	396	1,168	3,463	105,341	55,472	37,991	2,711	682,218	802,576
2011	1,890	399	1,199	3,488	105,471	55,805	39,823	2,768	756,256	810,216
2012	1,931	451	1,227	3,609	108,222	56,045	41,291	2,804	765,526	810,764
2013	1,874	463	1,262	3,599	107,495	57,361	43,349	2,862	853,776	824,060
2014	1,834	485	1,271	3,590	108,307	59,055	44,620	2,926	968,661	903,627



### Historical Summary of Statistical Data Judges Retirement System

							Retirement			
							Benefits in	Average		
Plan Year					Covered		Force Annual	Retiree	Market Value	Actuarial Value
Beginning		•	nt Counts		_ Payroll	Average	Amount	Monthly	of Assets	of Assets
January 1st	Active	Inactive	Retired	Total	(\$ Thousands)	Pay	(\$ Thousands)	Benefit	(\$ Thousands)	(\$ Thousands)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
1993	80	1	62	143	6,434	80,424	1,597	2,147	31,388	30,254
1994	85	1	68	154	6,897	81,142	1,930	2,365	37,398	35,479
1995	87	0	70	157	7,263	83,488	2,193	2,610	38,220	38,726
1996	98	3	70	171	8,480	86,534	2,309	2,749	47,531	44,304
1997	100	1	69	170	9,202	92,019	2,396	2,894	55,757	50,721
1998	102	1	72	175	9,298	91,158	2,778	3,215	66,299	59,373
1999	103	2	73	178	9,667	93,850	2,970	3,391	73,650	67,998
2000	106	2	73	181	10,150	95,750	3,078	3,514	85,921	78,130
2001	104	4	75	183	10,318	99,208	3,299	3,666	87,731	87,139
2002	106	4	78	188	10,910	102,925	3,608	3,855	82,760	92,649
2003	106	4	77	187	11,095	104,674	3,728	4,035	75,753	90,904
2004	106	5	83	194	11,163	105,311	4,306	4,324	94,467	97,412
2005	108	6	84	198	11,820	109,442	4,431	4,396	105,483	100,814
2006	109	5	85	199	11,721	107,533	4,711	4,618	113,353	106,374
2007	110	5	87	202	12,336	112,143	5,145	4,928	128,300	116,879
2008	110	6	96	212	13,387	121,700	5,931	5,149	134,366	129,847
2009	110	5	97	212	14,347	130,423	6,190	5,318	100,896	126,120
2010	108	4	107	219	14,458	133,873	7,435	5,791	111,727	131,491
2011	110	5	115	230	14,849	134,987	8,555	6,199	123,037	131,869
2012	112	4	118	234	15,061	134,477	8,692	6,138	123,237	130,561
2013	111	4	119	234	14,922	134,432	9,149	6,407	136,129	131,217
2014	111	5	127	243	15,932	142,249	10,244	6,722	155,680	145,121



### Historical Summary of Statistical Data Legislative and Governors Retirement System

Plan Year Beginning January 1st	Active	Participa: Inactive	nt Counts Retired	Total	Covered Payroll (\$ Thousands)	Average Pay	Retirement Benefits in Force Annual Amount (\$ Thousands)	Average Retiree Monthly Benefit	Market Value of Assets (\$ Thousands)	Actuarial Value of Assets (\$ Thousands)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
(1)	(2)	(3)	(1)	(3)	(0)	(,,	(0)	(>)	(10)	(11)
1993	84	120	180	384	246	2,925	396	183	7,443	7,122
1994	93	126	188	407	427	4,593	385	171	8,089	7,683
1995	89	112	196	397	412	4,628	422	180	7,684	7,804
1996	96	111	201	408	439	4,569	445	184	8,788	8,185
1997	75	115	200	390	367	4,892	457	190	9,561	8,636
1998	90	108	208	406	488	5,419	476	191	10,531	9,318
1999	91	99	211	401	495	5,440	504	199	10,976	9,988
2000	94	101	221	416	511	5,437	531	200	12,159	10,946
2001	86	96	218	400	478	5,557	536	205	11,724	11,569
2002	94	107	228	429	601	6,391	562	206	10,448	11,710
2003	94	105	231	430	592	6,297	585	211	8,932	10,719
2004	100	110	223	433	610	6,097	573	214	10,390	10,906
2005	97	103	221	421	521	5,374	577	218	11,066	10,650
2006	88	113	224	425	788	8,955	608	226	11,319	10,587
2007	89	110	216	415	797	8,955	604	233	12,163	10,983
2008	92	118	220	430	538	5,850	596	226	12,195	11,736
2009	91	111	222	424	532	5,850	580	218	8,673	10,841
2010	94	117	223	434	585	6,224	773	289	8,995	10,770
2011	83	119	221	423	547	6,587	778	293	9,337	10,197
2012	96	116	219	431	505	5,256	819	312	8,932	9,565
2013	74	125	224	423	390	5,265	806	300	9,444	9,077
2014	76	113	235	424	854	12,200	867	307	10,165	9,457



### Historical Summary of Statistical Data Tier II Public Employees' Hybrid Retirement System

							Retirement				
							Benefits in	Average			
Plan Year					Covered		Force Annual	Retiree	Market Value	Actuarial Value	
Beginning		Participa	nt Counts		Payroll	Average	Amount	Monthly	of Assets	of Assets	
January 1st	Active	Inactive	Retired	Total	(\$ Thousands)	Pay	(\$ Thousands)	Benefit	(\$ Thousands)	(\$ Thousands)	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	
2012	4,342	0	0	4,342	115,876	26,687	0	0	2,799	2,833	
2013	9,510	0	0	9,510	269,287	28,316	0	0	17,935	17,817	
2014	13,352	0	0	13,352	410,861	30,771	0	0	47,690	46,239	



## Historical Summary of Statistical Data Tier II Public Safety and Firefighter Hybrid Retirement System

Plan Year Beginning		Participa	nt Counts		Covered Payroll	Average	Retirement Benefits in Force Annual Amount	Average Retiree Monthly	Market Value of Assets	Actuarial Value of Assets
January 1st	Active	Inactive	Retired	Total	(\$ Thousands)	Pay	(\$ Thousands)	Benefit	(\$ Thousands)	(\$ Thousands)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
2012	87	0	0	87	3,146	36,161	0	0	90	90
2013	439	0	0	439	16,152	36,793	0	0	1,172	1,161
2014	843	0	0	843	30,887	36,639	0	0	3,934	3,819



## Prelmininary Tier I Retirement Contribution Rates as a Percentage of Salary and Wages Fiscal Year July 1, 2015 - June 30, 2016

	Preliminary Tier I 2015-2016 Rates						
	(1)	(2)	(3)	(4)	(5)	(6)	(Decrease)
	(2)	(=)	Normal cost	Amortization	Net Employer	Total	From
	Employee	Employer	(1) + (2)	of UAAL*	(2) + (4)	(3) + (4)	Prior Year
Public Employees							
Contributory Retirement System							
11- Local Government	6.00%	6.09%	12.09%	8.37%	14.46%	20.46%	0.00%
12- State and School	6.00%	5.45%	11.45%	12.25%	17.70%	23.70% 1,2	0.00%
Public Employees							
Noncontributory Retirement System							
15- Local Government	-	11.86%	11.86%	6.61%	18.47%	18.47%	0.00%
16- State and School	-	12.25%	12.25%	9.94%	22.19%	22.19% 1,2	0.00%
Public Safety							
Contributory Retirement System							
Division A							
22- State with 4% COLA	12.29%	11.24%	23.53%	18.46%	29.70%	41.99% 1	0.00%
23- Other Division A with 2.5% COLA	12.29%	11.00%	23.29%	11.75%	22.75%	35.04%	0.00%
77- Other Division A with 4% COLA	12.29%	11.42%	23.71%	12.91%	24.33%	36.62%	0.00%
Division B							
27- Logan with 2.5% COLA	11.13%	12.47%	23.60%	19.33%	31.80%	42.93%	0.00%
29- Other Division B with 2.5% COLA	10.50%	12.54%	23.04%	9.75%	22.29%	32.79%	0.00%
74- Other Division B with 4% COLA	10.50%	13.03%	23.53%	15.92%	28.95%	39.45%	0.00%
Public Safety							
Noncontributory Retirement System							
Division A							
42- State with 4% COLA	-	22.89%	22.89%	18.46%	41.35%	41.35% 1	0.00%
23- Other Division A with 2.5% COLA	-	22.29%	22.29%	11.75%	34.04%	34.04%	0.00%
75- Other Division A with 4% COLA	-	22.80%	22.80%	12.91%	35.71%	35.71%	0.00%
48- Bountiful with 2.5% COLA	-	22.45%	22.45%	24.88%	47.33%	47.33%	0.00%
Division B							
44- Salt Lake City with 2.5% COLA	-	22.50%	22.50%	24.17%	46.67%	46.67%	0.00%
45- Ogden with 2.5% COLA	-	22.41%	22.41%	26.27%	48.68%	48.68%	0.00%
46- Provo with 2.5% COLA	-	22.60%	22.60%	19.56%	42.16%	42.16%	0.00%
47- Logan with 2.5% COLA	-	22.59%	22.59%	19.33%	41.92%	41.92%	0.00%
49- Other Division B with 2.5% COLA	-	22.56%	22.56%	9.64%	32.20%	32.20%	0.00%
76- Other Division B with 4% COLA	-	23.02%	23.02%	15.92%	38.94%	38.94%	0.00%
Firefighters' Retirement System							
Division A							
Gross Rate	15.05%	11.62%	26.67%	3.91%	15.53%	30.58%	0.00%
Insurance Premium Offset		<u>-7.63%</u>	<u>-7.63%</u>	<u>-3.91%</u>	<u>-11.54%</u>	<u>-11.54%</u>	0.17%
31- Net Rate	15.05%	3.99%	19.04%	-	3.99%	19.04%	0.17%
Division B							
Gross Rate	16.71%	9.80%	26.51%	8.50%	18.30%	35.01%	0.00%
Insurance Premium Offset		-3.04%	-3.04%	-8.50%	-11.54%	-11.54%	0.17%
32- Net Rate	16.71%	6.76%	23.47%	-	6.76%	23.47%	0.17%
Judges' Retirement System							
Gross Rate	-	31.60%	31.60%	20.31%	51.91%	51.91% 1	0.009
Court Fees Offset	_	-	-	-10.33%	-10.33%	-10.33%	1.579
37- Net Rate- Noncontributory	-	31.60%	31.60%	9.98%	41.58%	41.58% 1	1.57%
Governors and Legislative							
14- Appropriation Payable by June 30, 2016					\$ 421,429	\$ 421,429	\$ 420

Note: The normal cost and amortization rates shown above are certified and maintained by the Board at the 2014-15 levels in accordance with Utah Code Subsection 49-11-301(5)(a).



<sup>1</sup> Includes funding of 3% Substantial Substitute based on salaries for all state and school employees.

<sup>2</sup> Does not include 1.5% 401(k).

<sup>\*</sup> Amortization of Unfunded Actuarial Accrued Liability (UAAL).

#### Preliminary Tier II Retirement Contribution Rates as a Percentage of Salary and Wages Fiscal Year July 1, 2015 - June 30, 2016

		,	Fier II Hybrid Re	etirement Syste	·m		Tier II Defined Contribution Plan				
	(1)	(2)	(3) Hybrid Plan	(4)	(5)	(6)	(1)	(2)	(3)	(4)	In
	Employer Tier II Rate	Hybrid DB Plan Rate	DC Plan Rate (1) - (2)	Death Benefit**	Tier I Amort %	Total (1) + (4) + (5)	Employer Tier II Rate	Death Benefit**	Tier I Amort %	Total (1) + (2) + (3)	(De
Public Employees										<u> </u>	
Contributory Retirement System											
11- Local Government	10.00%	8.22%	1.78%	0.08%	8.37%	18.45%	10.00%	0.08%	8.37%	18.45%	-0
Public Employees											
Noncontributory Retirement System											
15- Local Government	10.00%	8.22%	1.78%	0.08%	6.61%	16.69%	10.00%	0.08%	6.61%	16.69%	-0
16- State and School	10.00%	8.22%	1.78%	0.08%	9.94%	20.02%	10.00%	0.08%	9.94%	20.02%	-0.
Public Employees											
Contributory Retirement System											
23- Other Division A (2.5% COLA)	12.00%	10.67%	1.33%	0.08%	11.75%	23.83%	12.00%	0.08%	11.75%	23.83%	0.
77- Other Division A (4% COLA)	12.00%	10.67%	1.33%	0.08%	12.91%	24.99%	12.00%	0.08%	12.91%	24.99%	0.
29- Other Division B (2.5% COLA)	12.00%	10.67%	1.33%	0.08%	9.75%	21.83%	12.00%	0.08%	9.75%	21.83%	0.
74- Other Division B (4% COLA)	12.00%	10.67%	1.33%	0.08%	15.92%	28.00%	12.00%	0.08%	15.92%	28.00%	0.
Public Employees											
Noncontributory Retirement System											
42- State	12.00%	10.67%	1.33%	0.08%	18.46%	30.54%	12.00%	0.08%	18.46%	30.54%	0.0
43- Other Division A (2.5% COLA)	12.00%	10.67%	1.33%	0.08%	11.75%	23.83%	12.00%	0.08%	11.75%	23.83%	0.
75- Other Division A (4% COLA)	12.00%	10.67%	1.33%	0.08%	12.91%	24.99%	12.00%	0.08%	12.91%	24.99%	0.
44- Salt Lake City	12.00%	10.67%	1.33%	0.08%	24.17%	36.25%	12.00%	0.08%	24.17%	36.25%	0.
45- Ogden	12.00%	10.67%	1.33%	0.08%	26.27%	38.35%	12.00%	0.08%	26.27%	38.35%	0.
46- Provo	12.00%	10.67%	1.33%	0.08%	19.56%	31.64%	12.00%	0.08%	19.56%	31.64%	0.
47- Logan	12.00%	10.67%	1.33%	0.08%	19.33%	31.41%	12.00%	0.08%	19.33%	31.41%	0.
48- Bountiful	12.00%	10.67%	1.33%	0.08%	24.88%	36.96%	12.00%	0.08%	24.88%	36.96%	0.
49- Other Division B (2.5% COLA)	12.00%	10.67%	1.33%	0.08%	9.64%	21.72%	12.00%	0.08%	9.64%	21.72%	0.
76- Other Division B (4% COLA)	12.00%	10.67%	1.33%	0.08%	15.92%	28.00%	12.00%	0.08%	15.92%	28.00%	0.
Firefighters											
31- Division A*	12.00%	10.67%	1.33%	0.08%	0.00%	12.08%	12.00%	0.08%	0.00%	12.08%	0.
32- Division B*	12.00%	10.67%	1.33%	0.08%	0.00%	12.08%	12.00%	0.08%	0.00%	12.08%	0.0

Note: \* For Firefighters, the fire insurance premium offset was applied first to the amortization charge, leaving no amount owed to Tier I by employers for Tier II firefighters.

<sup>\*\*</sup> Employer paid active member death benefit (75% of salary) per Utah Code Section 49-22-501 and 49-23-501.

#### Preliminary Condensed Retirement Contribution Rate Guide Fiscal Year July 1, 2015 - June 30, 2016

Tier I DB System Tier I Post Retired Tier II - DB Hybrid System Tier II - DC Plan Post Retired Post Retired Contribution Reporting Fields Contribution Reporting Fields Tier II 2015-2016 Rates Tier II 2015-2016 Rates Contribution Reporting Fields Employment post Employment prior Tier I 2015-2016 Rates 6/30/2010 - No 401(k) July 1, 2010 Tier II Tier II Member Employer Total Amort of UAAL\*\* Optional 401(k) Cap 401(k) 401(k) Fund Employer Total Fund Employer Total **Public Employees** Contributory Retirement System 14.46% 8.37% 11- Local Government 6.00% 20.46% 12.09% 111 16.67% 1.78% 18.45% 211 8.45% 10.00% 18.45% 12- State and School 6.00% 17.70% 23.70% 12.25% 11.45% Public Employees Noncontributory Retirement System 15- Local Government 18.47% 18.47% 6.61% 11.86% 111 14.91% 1.78% 16.69% 211 6.69% 10.00% 16.69% 16- State and School 22.19% 22.19% 9.94% 12.25% 112 18.24% 1 78% 20.02% 212 10.02% 10.00% 20.02% **Public Employees** Contributory Retirement System Division A 22- State with 4% COLA 12.29% 29.70% 41.99% 18.46% 23.53% 23- Other Division A with 2.5% COLA 12.29% 22.75% 35.04% 11.75% 23.29% 122 22.50% 1.33% 23.83% 222 11.83% 12.00% 23.83% 77- Other Division A with 4% COLA 122 222 24.99% 12 29% 24 33% 36 62% 12.91% 23.71% 23.66% 1.33% 24.99% 12 99% 12.00% Division B 27- Logan with 2.5% COLA 11.13% 31.80% 42.93% 19.33% 23.60% 29- Other Division B with 2.5% COLA 10.50% 22.29% 32.79% 9.75% 23.04% 122 20.50% 1.33% 21.83% 222 9.83% 12.00% 21.83% 74- Other Division B with 4% COLA 10.50% 28.95% 39.45% 15.92% 23.53% 122 26.67% 1.33% 222 28.00% 28.00% 16.00% 12.00% **Public Employees** Contributory Retirement System Division A 42- State with 4% COLA 41.35% 41.35% 18.46% 22.89% 122 29.21% 1.33% 30.54% 222 18.54% 12.00% 30.54% 43- Other Division A with 2.5% COLA 34.04% 34.04% 11.75% 22.29% 122 22.50% 1.33% 23.83% 222 11.83% 12.00% 23.83% 75- Other Division A with 4% COLA 35.71% 35.71% 12.91% 22.80% 122 23.66% 1.33% 24.99% 222 12.99% 12.00% 24.99% 48- Boutiful with 2.5% COLA 24.88% 122 47.33% 47.33% 22.45% 35.63% 1.33% 36.96% 222 24.96% 12.00% 36.96% Division B 46.67% 46.67% 24.17% 22.50% 122 34.92% 1.33% 36.25% 24.25% 12.00% 36.25% Salt Lake City 222 Ogden 48.68% 48.68% 26.27% 22.41% 122 37.02% 1.33% 38 35% 222 26.35% 12.00% 38.35% 42.16% 42.16% 19.56% 22.60% 122 30.31% 1.33% 222 19.64% 31.64% Provo 31.64% 12.00% Logan 41.92% 41.92% 19.33% 22 59% 122 30.08% 1.33% 31.41% 222 19.41% 12.00% 31.41% Other Division B (2.5% COLA) 32.20% 32.20% 9 64% 22.56% 122 20.39% 1.33% 21 72% 222 9 72% 12.00% 21.72% Other Division B (4% COLA) 38.94% 38.94% 15.92% 23.02% 122 26.67% 1.33% 28.00% 222 16.00% 12.00% 28.00% Firefighters Retirement System Division A 31- Division A 15.05% 3.99% 19.04% 0.00% 19.04% 10.75% 1.33% 12.08% 0.08% 12.00% 12.08% Division A 32- Division B 0.00% 23 47% 10.75% 12.08% 16.71% 6.76% 23 47% 1 33% 12.08% 0.08% 12.00% Judges' Retirement System 32- Judges' Noncontributory 0.00% 41.58% 41.58%

Note: \* Does not include the required 1.5% 401(k) contribution.

<sup>\*\*</sup> Unfunded Actuarial Accrued Liability.



#### STATEMENT OF ACTUARIAL ASSUMPTIONS AND METHODS

#### 1. *Investment return rate*:

7.50% per annum, compounded annually, composed of a 2.75% inflation rate, a 4.75% net real rate of return.

#### 2. Active member mortality rates:

Active member mortality rates are a function of the member's sex, occupation, and age. These rates were developed based on plan experience. For the Public Safety and Firefighters Systems, 25% of deaths are assumed to be service related. Rates at selected ages are shown:

	Active Mal	e Members
	All Public Employees	
Age	Except Educators	Public Educators
20	.000276	.000173
25	.000301	.000188
30	.000355	.000222
35	.000618	.000387
40	.000863	.000540
45	.001206	.000754
50	.001710	.001069
55	.002423	.001515
60	.003902	.002439
65	.006058	.003787
70	.007938	.004961

	Active Female Members			
Age	All Public Employees Except Educators	Public Educators		
20	.000096	.000067		
25	.000104	.000072		
30	.000132	.000092		
35	.000238	.000166		
40	.000353	.000247		
45	.000562	.000393		
50	.000838	.000587		
55	.001263	.000884		
60	.001966	.001376		
65	.002911	.002037		
70	.003807	.002665		



#### 3. *Disability rates*:

Disability rates are a function of the member's sex, occupation, and age. These rates were developed based on plan experience. Rates are applied at all ages. For the Public Safety and Firefighters Systems, 25% of disabilities are assumed to be service related. Rates at selected ages are shown:

	Active Male Members				
Age	Local	Public	Public	Public	Firefighters
Age	Government	Employees	Educators	Safety	Firefighters
20	.000230	.000230	.000090	.000300	.000360
25	.000345	.000345	.000135	.000450	.000540
30	.000690	.000690	.000270	.000900	.001080
35	.001035	.001035	.000405	.001350	.001620
40	.001380	.001380	.000540	.001800	.002160
45	.002300	.002300	.000900	.003000	.003600
50	.002990	.002990	.001170	.003900	.004680
55	.004715	.004715	.001845	.006150	.007380
60	.006440	.006440	.002520	.008400	.010080

	Active Female Members				
	Local	Public	Public	Public	
Age	Government	Employees	Educators	Safety	Firefighters
20	.000200	.000200	.000120	.000300	.000360
25	.000300	.000300	.000180	.000450	.000540
30	.000600	.000600	.000360	.000900	.001080
35	.000900	.000900	.000540	.001350	.001620
40	.001200	.001200	.000720	.001800	.002160
45	.002000	.002000	.001200	.003000	.003600
50	.002600	.002600	.001560	.003900	.004680
55	.004100	.004100	.002460	.006150	.007380
60	.005600	.005600	.003360	.008400	.010080

**GRS** 

4. *Termination rates (for causes other than death, disability or retirement)*:

Termination rates are a function of the member's sex, occupation, and service. These rates were developed based on plan experience. Termination rates are not applied after a member becomes eligible for a reduced or unreduced retirement benefit.

	Active Male Members				
	Years of Service				
	Local	Public	Public	Public	
Service	Government	Employees	Educators	Safety	Firefighters
0	0.1900	0.2800	0.1500	0.1200	0.0600
1	0.1500	0.2450	0.1300	0.0650	0.0350
2	0.1100	0.1500	0.0900	0.0550	0.0300
3	0.0900	0.1200	0.0750	0.0525	0.0250
4	0.0800	0.1000	0.0650	0.0500	0.0250
5	0.0700	0.0900	0.0500	0.0450	0.0200
6	0.0600	0.0750	0.0400	0.0425	0.0150
7	0.0550	0.0650	0.0350	0.0400	0.0150
8	0.0475	0.0550	0.0325	0.0350	0.0150
9	0.0400	0.0500	0.0300	0.0325	0.0150
10	0.0350	0.0425	0.0275	0.0300	0.0150
11	0.0325	0.0400	0.0250	0.0275	0.0150
12	0.0300	0.0375	0.0225	0.0250	0.0050
13	0.0300	0.0350	0.0225	0.0225	0.0050
14	0.0300	0.0300	0.0200	0.0150	0.0050
15	0.0275	0.0250	0.0175	0.0150	0.0050
16	0.0275	0.0225	0.0175	0.0150	0.0050
17	0.0275	0.0225	0.0175	0.0150	0.0050
18	0.0250	0.0200	0.0175	0.0150	0.0050
19	0.0250	0.0200	0.0150	0.0150	0.0050
20	0.0200	0.0200	0.0100	0.0000	0.0000
21	0.0200	0.0200	0.0100	0.0000	0.0000
22	0.0175	0.0200	0.0100	0.0000	0.0000
23	0.0150	0.0150	0.0100	0.0000	0.0000
24	0.0125	0.0150	0.0100	0.0000	0.0000
25+	0.0000	0.0000	0.0000	0.0000	0.0000

**GRS** 

# 4. *Termination rates (continued)*:

	Active Female Members					
	Years of Service					
Service	Local Government	Public Employees	Public Educators	Public Safety	Firefighters	
0	0.2400	0.3000	0.1800	0.1200	0.0600	
1	0.1800	0.2250	0.1700	0.0650	0.0350	
2	0.1400	0.1700	0.1350	0.0550	0.0300	
3	0.1200	0.1400	0.1250	0.0525	0.0250	
4	0.1100	0.1100	0.1000	0.0500	0.0250	
5	0.0975	0.0950	0.0800	0.0450	0.0200	
6	0.0800	0.0850	0.0750	0.0425	0.0150	
7	0.0750	0.0750	0.0550	0.0400	0.0150	
8	0.0650	0.0650	0.0450	0.0350	0.0150	
9	0.0600	0.0600	0.0450	0.0325	0.0150	
10	0.0550	0.0550	0.0400	0.0300	0.0150	
11	0.0500	0.0475	0.0300	0.0275	0.0150	
12	0.0450	0.0450	0.0250	0.0250	0.0050	
13	0.0400	0.0425	0.0200	0.0225	0.0050	
14	0.0375	0.0375	0.0200	0.0150	0.0050	
15	0.0350	0.0350	0.0200	0.0150	0.0050	
16	0.0325	0.0300	0.0200	0.0150	0.0050	
17	0.0325	0.0275	0.0175	0.0150	0.0050	
18	0.0300	0.0275	0.0150	0.0150	0.0050	
19	0.0275	0.0275	0.0125	0.0150	0.0050	
20	0.0250	0.0275	0.0125	0.0000	0.0000	
21	0.0250	0.0250	0.0125	0.0000	0.0000	
22	0.0225	0.0225	0.0125	0.0000	0.0000	
23	0.0200	0.0200	0.0125	0.0000	0.0000	
24	0.0200	0.0200	0.0125	0.0000	0.0000	
25+	0.0000	0.0000	0.0000	0.0000	0.0000	

#### 5. *Refund rates*:

Refund rates are the percentage of vested members electing to receive a refund of contributions upon termination of employment. This rate is only applied to members of the contributory systems; vested members in the noncontributory systems are assumed to defer their benefits until retirement, even if they have a contribution account from service prior to the establishment of the noncontributory system. The rate is a function of the member's sex, occupation and service. These rates are based on plan experience.

	Males					
Service	Local Government	Public Employees	Public Educators	Public Safety & Firefighters <sup>1</sup>		
0-3	100%	100%	100%	100%		
4	75%	86%	75%	76%		
5	73%	83%	73%	74%		
6	70%	80%	70%	71%		
7	67%	78%	66%	69%		
8	65%	77%	61%	67%		
9	62%	75%	57%	65%		
10	61%	73%	54%	57%		
11	59%	70%	50%	50%		
12	58%	68%	47%	42%		
13	55%	66%	42%	40%		
14	52%	65%	38%	37%		
15	49%	63%	33%	35%		
16	48%	61%	28%	33%		
17	46%	60%	22%	31%		
18	45%	58%	17%	29%		
19	23%	29%	09%	15%		
20 or more	00%	00%	00%	00%		

<sup>&</sup>lt;sup>1</sup> Male and female members combined.



# 5. Refund rates (continued):

Females						
Service	Local Government	Public Employees	Public Educators			
0-3	100%	100%	100%			
4	77%	80%	65%			
5	75%	79%	64%			
6	72%	77%	62%			
7	69%	74%	61%			
8	67%	71%	59%			
9	64%	68%	58%			
10	61%	64%	53%			
11	57%	60%	48%			
12	54%	56%	43%			
13	49%	55%	39%			
14	45%	53%	36%			
15	40%	52%	32%			
16	35%	49%	27%			
17	30%	46%	21%			
18	25%	43%	16%			
19	13%	22%	08%			
20 or more	0%	0%	0%			

#### 6. *Retirement rates*:

Retirement rates are a function of the member's age, sex and occupation (and service in the case of Firefighters, Public Safety and Judges). Rates are based on plan experience. Rates are applied only at ages at which the member is eligible for a reduced or unreduced retirement benefit. Members are assumed to retire no later than age 75 (age 70 for the public safety, firefighter and judges systems). Sample rates are shown below.

	Tier I - Local Government					
	Male Reduced Unreduced		Fer	nale		
Age			Reduced	Unreduced		
50	0.025	0.150	0.030	0.200		
51	0.025	0.150	0.030	0.200		
52	0.025	0.150	0.030	0.200		
53	0.025	0.150	0.030	0.200		
54	0.025	0.150	0.040	0.200		
55	0.030	0.150	0.040	0.250		
56	0.030	0.150	0.040	0.250		
57	0.030	0.150	0.040	0.250		
58	0.050	0.150	0.060	0.250		
59	0.050	0.150	0.060	0.250		
60	0.050	0.200	0.060	0.300		
61	0.050	0.200	0.120	0.300		
62	0.130	0.230	0.120	0.300		
63	0.130	0.230	0.120	0.300		
64	0.130	0.230	0.120	0.300		
65	N/A	0.230	N/A	0.250		
66	N/A	0.300	N/A	0.250		
67	N/A	0.220	N/A	0.250		
68	N/A	0.220	N/A	0.250		
69	N/A	0.220	N/A	0.250		
70	N/A	0.220	N/A	0.200		
71	N/A	0.180	N/A	0.150		
72	N/A	0.180	N/A	0.150		
73	N/A	0.180	N/A	0.150		
74	N/A	0.180	N/A	0.150		
75+	N/A	1.000	N/A	1.000		



		Tier II - Loca	l Government	
	Male		Fer	nale
Age	Reduced	Unreduced <sup>1</sup>	Reduced	Unreduced <sup>1</sup>
50	N/A	0.150	N/A	0.200
51	N/A	0.150	N/A	0.200
52	N/A	0.150	N/A	0.200
53	N/A	0.150	N/A	0.200
54	N/A	0.150	N/A	0.200
55	N/A	0.150	N/A	0.250
56	N/A	0.150	N/A	0.250
57	N/A	0.150	N/A	0.250
58	N/A	0.150	N/A	0.250
59	N/A	0.150	N/A	0.250
60	0.020	0.200	0.020	0.300
61	0.040	0.200	0.040	0.300
62	0.060	0.230	0.060	0.300
63	0.080	0.230	0.080	0.300
64	0.100	0.230	0.100	0.300
65	N/A	0.230	N/A	0.250
66	N/A	0.300	N/A	0.250
67	N/A	0.220	N/A	0.250
68	N/A	0.220	N/A	0.250
69	N/A	0.220	N/A	0.250
70	N/A	0.220	N/A	0.200
71	N/A	0.180	N/A	0.150
72	N/A	0.180	N/A	0.150
73	N/A	0.180	N/A	0.150
74	N/A	0.180	N/A	0.150
75+	N/A	1.000	N/A	1.000

<sup>&</sup>lt;sup>1</sup> The retirement rate at the age the member is first eligible for an unreduced retirement benefit prior to the age of 65 is increased by 30%.

	Tier I - Public Employees					
	M	ale	Fer	nale		
Age	Reduced	Unreduced	Reduced	Unreduced		
50	0.023	0.150	0.025	0.017		
51	0.023	0.150	0.025	0.016		
52	0.025	0.150	0.025	0.016		
53	0.025	0.150	0.025	0.016		
54	0.025	0.150	0.025	0.016		
55	0.025	0.160	0.040	0.016		
56	0.040	0.160	0.040	0.016		
57	0.040	0.160	0.040	0.016		
58	0.040	0.160	0.040	0.200		
59	0.050	0.160	0.040	0.200		
60	0.075	0.200	0.100	0.300		
61	0.075	0.200	0.100	0.300		
62	0.130	0.330	0.160	0.300		
63	0.130	0.330	0.160	0.300		
64	0.130	0.300	0.160	0.300		
65	N/A	0.220	N/A	0.260		
66	N/A	0.220	N/A	0.260		
67	N/A	0.220	N/A	0.220		
68	N/A	0.220	N/A	0.220		
69	N/A	0.220	N/A	0.220		
70	N/A	0.220	N/A	0.220		
71	N/A	0.220	N/A	0.220		
72	N/A	0.220	N/A	0.220		
73	N/A	0.220	N/A	0.220		
74	N/A	0.220	N/A	0.220		
75+	N/A	1.000	N/A	1.000		

	Tier II - Public Employees					
	Male		Fer	nale		
Age	Reduced	Unreduced <sup>1</sup>	Reduced	Unreduced <sup>1</sup>		
50	N/A	0.150	N/A	0.170		
51	N/A	0.150	N/A	0.160		
52	N/A	0.150	N/A	0.160		
53	N/A	0.150	N/A	0.160		
54	N/A	0.150	N/A	0.160		
55	N/A	0.160	N/A	0.160		
56	N/A	0.160	N/A	0.160		
57	N/A	0.160	N/A	0.160		
58	N/A	0.160	N/A	0.200		
59	N/A	0.160	N/A	0.200		
60	0.020	0.200	0.020	0.300		
61	0.040	0.200	0.040	0.300		
62	0.060	0.330	0.060	0.300		
63	0.080	0.330	0.080	0.300		
64	0.100	0.300	0.100	0.300		
65	N/A	0.220	N/A	0.260		
66	N/A	0.220	N/A	0.260		
67	N/A	0.220	N/A	0.220		
68	N/A	0.220	N/A	0.220		
69	N/A	0.220	N/A	0.220		
70	N/A	0.220	N/A	0.220		
71	N/A	0.220	N/A	0.220		
72	N/A	0.220	N/A	0.220		
73	N/A	0.220	N/A	0.220		
74	N/A	0.220	N/A	0.220		
75+	N/A	1.000	N/A	1.000		

<sup>&</sup>lt;sup>1</sup> The retirement rate is increased by 30% at the age the member is first eligible for an unreduced retirement benefit due to attaining 35 years of service prior to the age of 65.

		Tier I - Publ	ic Educators	
	M	ale	Fer	nale
Age	Reduced	Unreduced	Reduced	Unreduced
50	0.0225	0.200	0.0200	0.300
51	0.0225	0.200	0.0200	0.300
52	0.0225	0.200	0.0300	0.300
53	0.0275	0.200	0.0300	0.140
54	0.0275	0.120	0.0300	0.140
55	0.0400	0.120	0.0400	0.140
56	0.0400	0.120	0.0400	0.180
57	0.0400	0.120	0.0700	0.180
58	0.0400	0.120	0.0700	0.180
59	0.0400	0.120	0.0700	0.180
60	0.1000	0.230	0.1100	0.300
61	0.1000	0.230	0.1100	0.300
62	0.1300	0.300	0.1800	0.350
63	0.1300	0.300	0.1800	0.350
64	0.1300	0.300	0.1800	0.300
65	N/A	0.300	N/A	0.300
66	N/A	0.300	N/A	0.300
67	N/A	0.300	N/A	0.300
68	N/A	0.300	N/A	0.230
69	N/A	0.250	N/A	0.230
70	N/A	0.200	N/A	0.230
71	N/A	0.200	N/A	0.230
72	N/A	0.200	N/A	0.230
73	N/A	0.200	N/A	0.230
74	N/A	0.200	N/A	0.230
75+	N/A	1.000	N/A	1.000

	Tier II - Public Educators					
	Male		Fer	male		
Age	Reduced	Unreduced <sup>1</sup>	Reduced	Unreduced <sup>1</sup>		
50	N/A	0.200	N/A	0.300		
51	N/A	0.200	N/A	0.300		
52	N/A	0.200	N/A	0.300		
53	N/A	0.200	N/A	0.140		
54	N/A	0.120	N/A	0.140		
55	N/A	0.120	N/A	0.140		
56	N/A	0.120	N/A	0.180		
57	N/A	0.120	N/A	0.180		
58	N/A	0.120	N/A	0.180		
59	N/A	0.120	N/A	0.180		
60	0.020	0.230	0.020	0.300		
61	0.040	0.230	0.040	0.300		
62	0.060	0.300	0.060	0.350		
63	0.080	0.300	0.080	0.350		
64	0.100	0.300	0.100	0.300		
65	N/A	0.300	N/A	0.300		
66	N/A	0.300	N/A	0.300		
67	N/A	0.300	N/A	0.300		
68	N/A	0.300	N/A	0.230		
69	N/A	0.250	N/A	0.230		
70	N/A	0.200	N/A	0.230		
71	N/A	0.200	N/A	0.230		
72	N/A	0.200	N/A	0.230		
73	N/A	0.200	N/A	0.230		
74	N/A	0.200	N/A	0.230		
75+	N/A	1.000	N/A	1.000		

<sup>&</sup>lt;sup>1</sup> The retirement rate is increased by 30% at the age the member is first eligible for an unreduced retirement benefit due to attaining 35 years of service prior to the age of 65.



	Tier I - Public Safety (Unisex)			Tier I - Firefig	ghters (Unisex)
	Y	ears of Servic	e	Years of	f Service
Age	0 – 19	20 – 29	30+	0 – 29	30+
40-44	0.000	0.150	0.200	0.100	N/A
45	0.000	0.150	0.200	0.100	0.150
46	0.000	0.150	0.200	0.100	0.150
47	0.000	0.150	0.200	0.050	0.150
48	0.000	0.150	0.200	0.050	0.150
49	0.000	0.150	0.200	0.050	0.150
50	0.000	0.150	0.200	0.050	0.150
51	0.000	0.150	0.200	0.050	0.150
52	0.000	0.150	0.200	0.050	0.150
53	0.000	0.150	0.200	0.100	0.150
54	0.000	0.150	0.200	0.100	0.150
55	0.000	0.150	0.200	0.100	0.200
56	0.000	0.150	0.200	0.100	0.200
57	0.000	0.150	0.200	0.100	0.200
58	0.000	0.150	0.200	0.100	0.200
59	0.000	0.150	0.200	0.100	0.200
60	0.120	0.200	0.200	0.100	0.225
61	0.120	0.200	0.200	0.100	0.225
62	0.120	0.300	0.350	0.250	0.250
63	0.120	0.300	0.350	0.250	0.250
64	0.120	0.300	0.350	0.250	0.250
65	0.250	0.300	0.500	0.500	0.500
66	0.250	0.300	0.500	0.500	0.500
67	0.250	0.300	0.500	0.500	0.500
68	0.250	0.300	0.500	0.500	0.500
69	0.250	0.300	0.500	0.500	0.500
70+	1.000	1.000	1.000	1.000	1.000

	Tier II - Public Safety (Unisex)			Tier II - Firefi	ghters (Unisex)
	Y	ears of Service	ee	Years of	f Service
Age	0-191	20 - 29 <sup>1</sup>	30+	0 - 291	30+
40-44	N/A	0.090	N/A	0.060	N/A
45	N/A	0.090	0.120	0.060	0.090
46	N/A	0.090	0.120	0.060	0.090
47	N/A	0.090	0.120	0.030	0.090
48	N/A	0.090	0.120	0.030	0.090
49	N/A	0.090	0.120	0.030	0.090
50	N/A	0.090	0.120	0.030	0.090
51	N/A	0.090	0.120	0.030	0.090
52	N/A	0.090	0.120	0.030	0.090
53	N/A	0.090	0.120	0.060	0.090
54	N/A	0.090	0.120	0.060	0.090
55	N/A	0.090	0.120	0.060	0.120
56	N/A	0.090	0.120	0.060	0.120
57	N/A	0.090	0.120	0.060	0.120
58	N/A	0.090	0.120	0.060	0.120
59	N/A	0.090	0.120	0.060	0.120
60	N/A	0.250	0.250	0.200	0.400
61	N/A	0.300	0.300	0.200	0.400
62	0.120	0.350	0.350	0.300	0.400
63	0.120	0.350	0.350	0.300	0.400
64	0.120	0.350	0.350	0.300	0.400
65	0.250	0.500	0.500	0.600	0.600
66	0.250	0.500	0.500	0.600	0.600
67	0.250	0.500	0.500	0.600	0.600
68	0.250	0.500	0.500	0.600	0.600
69	0.250	0.500	0.500	0.600	0.600
70+	1.000	1.000	1.000	1.000	1.000

<sup>&</sup>lt;sup>1</sup>Retirement rates for reduced retirements are 50% of the rates shown in the table above.



	Judges - Males and Females					
		Years of Service				
Age	0 - 24	25 - 29	30+			
45	N/A	0.100	0.100			
46	N/A	0.100	0.100			
47	N/A	0.100	0.100			
48	N/A	0.100	0.100			
49	N/A	0.100	0.100			
50	N/A	0.100	0.100			
51	N/A	0.100	0.100			
52	N/A	0.100	0.100			
53	N/A	0.100	0.100			
54	N/A	0.100	0.100			
55	N/A	0.100	0.100			
56	N/A	0.100	0.100			
57	N/A	0.100	0.100			
58	N/A	0.100	0.100			
59	N/A	0.100	0.100			
60	N/A	0.100	0.100			
61	N/A	0.100	0.100			
62	0.250	0.200	0.200			
63	0.250	0.200	0.200			
64	0.250	0.200	0.200			
65	0.200	0.200	0.200			
66	0.200	0.200	0.200			
67	0.200	0.200	0.200			
68	0.200	0.200	0.200			
69	0.200	0.200	0.200			
70	1.000	1.000	1.000			



### 7. *Salary increase rates*:

Salaries for individual members are assumed to increase each year, as a function of the member's occupation and service. Rates are composed of a 2.75% inflation rate, a 0.75% general increase rate that applies to all, and a variable promotional/longevity component that is a function of the member's service.

Active Male and Female Members - Local Government					
Years of Service	Annual Promotional/Longevity Rates of Increase	Total Annual Rate of Increase Including 3.50% Wage Inflation			
0	5.75%	9.25%			
1	4.25	7.75			
2	3.50	7.00			
3	3.00	6.50			
4	2.50	6.00			
5	2.25	5.75			
6	2.00	5.50			
7	1.75	5.25			
8	1.50	5.00			
9	1.50	5.00			
10	1.25	4.75			
11	1.00	4.50			
12	1.00	4.50			
13	1.00	4.50			
14	1.00	4.50			
15	1.00	4.50			
16	0.75	4.25			
17	0.75	4.25			
18	0.75	4.25			
19	0.75	4.25			
20	0.50	4.00			
21	0.25	3.75			
22	0.25	3.75			
23	0.00	3.50			
24	0.00	3.50			
25+	0.00	3.50			

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Active Male and Female Members - Public Employees				
Years of Service	Annual Promotional/Longevity Rates of Increase	Total Annual Rate of Increase Including 3.50% Wage Inflation		
0	5.25%	8.75%		
1	4.50	8.00		
2	3.50	7.00		
3	2.75	6.25		
4	2.50	6.00		
5	2.00	5.50		
6	1.75	5.25		
7	1.50	5.00		
8	1.50	5.00		
9	1.25	4.75		
10	1.25	4.75		
11	1.00	4.50		
12	1.00	4.50		
13	1.00	4.50		
14	0.75	4.25		
15	0.50	4.00		
16	0.50	4.00		
17	0.50	4.00		
18	0.50	4.00		
19	0.50	4.00		
20	0.25	3.75		
21	0.25	3.75		
22	0.25	3.75		
23	0.25	3.75		
24	0.00	3.50		
25+	0.00	3.50		



Active Male and Female Members Public Educators				
Years of Service	Annual Promotional/Longevity Rates of Increase	Total Annual Rate of Increase Including 3.50% Wage Inflation		
0	7.00%	10.50%		
1	6.00	9.50		
2	5.00	8.50		
3	4.50	8.00		
4	4.25	7.75		
5	4.00	7.50		
6	4.00	7.50		
7	3.75	7.25		
8	3.50	7.00		
9	3.25	6.75		
10	2.75	6.25		
11	2.25	5.75		
12	2.00	5.50		
13	1.50	5.00		
14	1.25	4.75		
15	1.00	4.50		
16	0.75	4.25		
17	0.50	4.00		
18	0.50	4.00		
19	0.50	4.00		
20	0.50	4.00		
21	0.50	4.00		
22	0.50	4.00		
23	0.50	4.00		
24	0.25	3.75		
25+	0.00	3.50		



Active Male and Female Members Public Safety				
Years of Service	Annual Promotional/Longevity Rates of Increase	Total Annual Rate of Increase Including 3.50% Wage Inflation		
0	4.50%	8.00%		
1	3.50	7.00		
2	3.25	6.75		
3	3.00	6.50		
4	2.75	6.25		
5	2.50	6.00		
6	2.50	6.00		
7	2.25	5.75		
8	2.00	5.50		
9	2.00	5.50		
10	1.75	5.25		
11	1.50	5.00		
12	1.25	4.75		
13	1.25	4.75		
14	1.00	4.50		
15	1.00	4.50		
16	1.00	4.50		
17	0.75	4.25		
18	0.75	4.25		
19	0.75	4.25		
20	0.75	4.25		
21	0.50	4.00		
22	0.50	4.00		
23	0.25	3.75		
24	0.25	3.75		
25+	0.00	3.50		



Active Male and Female Members Firefighters					
Years of Service	Annual Promotional/Longevity Rates of Increase	Total Annual Rate of Increase Including 3.50% Wage Inflation			
0	5.75%	9.25%			
1	5.25	8.75			
2	5.00	8.50			
3	4.75	8.25			
4	4.50	8.00			
5	4.25	7.75			
6	4.25	7.75			
7	3.75	7.25			
8	3.50	7.00			
9	3.25	6.75			
10	2.75	6.25			
11	2.00	5.50			
12	1.75	5.25			
13	1.50	5.00			
14	1.50	5.00			
15	1.25	4.75			
16	1.25	4.75			
17	1.00	4.50			
18	0.75	4.25			
19	0.75	4.25			
20	0.75	4.25			
21	0.50	4.00			
22	0.25	3.75			
23	0.25	3.75			
24	0.25	3.75			
25+	0.00	3.50			



#### 8. *Annuitant mortality rates (nondisabled retirees)*:

#### All non-educator groups:

Male retirees: 100% of RP-2000 Combined Healthy for Males with White Collar adjustments, projected with Scale AA from 2000.

Female retirees: 120% of rates in a GRS table based on female teacher experience, projected with Scale AA from 2000.

#### Educator group:

Male retirees: 90% of rates in a GRS table based on male teacher experience, projected with Scale AA from 2000.

Female retirees: 100% of rates in a GRS table based on female teacher experience, projected with Scale AA from 2000.

Mortality Rates in Base Tables before Projection (Multipliers Applied)					
	Non-educators		Educators		
Age	Males	Females	Males	Females	
50	0.001978	0.001843	0.002496	0.001536	
55	0.003302	0.004522	0.004282	0.003620	
60	0.005583	0.005660	0.004028	0.004486	
65	0.011061	0.005232	0.005139	0.004044	
70	0.019275	0.010756	0.013480	0.008108	
75	0.033634	0.017066	0.022424	0.011635	
80	0.059412	0.038077	0.044386	0.025702	
85	0.104665	0.088752	0.088040	0.059913	
90	0.178273	0.166303	0.154143	0.122893	

The following table provides the life expectancy for individuals retiring in future years based on the assumption with full generational projection:

Life Expectancy for an Age 65 Retiree in Years					
	Year of Retirement				
Group	2015 2020 2025 2030 2035				
Noneducators - Male	20.3	20.6	21.0	21.3	21.6
Noneducators - Female	22.2	22.3	22.5	22.7	22.9
Educators - Male	22.3	22.6	22.9	23.2	23.5
Educators - Female	23.4	23.6	23.8	23.9	24.1



### 9. *Disabled annuitant mortality rates*:

Males: 100% of the RP-2000 for Disabled Males, projected with Scale AA from 2000. Females: 110% of the RP-2000 for Disabled females, projected with Scale AA from 2000.

Disabled Mortality Rates in Base Table before Projections (Multipliers Applied)				
Age	Males	Females		
20	0.022571	0.008195		
25	0.022571	0.008195		
30	0.022571	0.008195		
35	0.022571	0.008195		
40	0.022571	0.008195		
45	0.022571	0.008195		
50	0.028975	0.012689		
55	0.035442	0.018198		
60	0.042042	0.024023		
65	0.050174	0.030829		
70	0.062583	0.041398		
75	0.082067	0.057453		
80	0.109372	0.079543		
85	0.141603	0.110223		
90	0.183408	0.154054		

The following table provides the life expectancy for individuals retiring in future years based on the assumption with full generational projection:

Life Expectancy for an Age 65 Retiree in Years					
	Year of Retirement				
Gender	2015 2020 2025 2030 2035				
Males	14.1 14.6 15.1 15.6 16.1				
Females	16.1 16.4 16.7 16.9 17.2				



#### 10. Actuarial cost method:

The Entry Age Normal actuarial cost method is used. This method is designed to produce a relatively level funding pattern when expressed as a percent of pay.

First, the actuarial present value of all future expected benefits is determined for each member, including retired members, beneficiaries, inactive members and active members. This takes into account both the probability that a benefit will be paid at a given age and the time value of money. The sum of these amounts--the Present Value of Future Benefits (PVFB)--is then determined.

Next, the Entry Age Normal actuarial cost method is used to allocate the PVFB between the current year (the normal cost), prior years (the Actuarial Accrued Liability), and future years (future normal costs). The current and future normal costs are determined as a level percentage of pay, except that for the Legislators and Governors plan, which is not pay related, normal costs are determined as a level dollar amount.

A portion of the normal cost may be paid by employee contributions in which case the balance becomes the normal cost portion of the employer contribution rate.

The difference between the Actuarial Accrued Liability (the portion of the total actuarial present value of future benefits allocated to prior years) and the Actuarial Value of Assets is called the Unfunded Actuarial Accrued Liability (UAAL). This is funded over 20 years from the valuation date.

The total employer cost rate is the sum of (i) the normal cost rate, net of employee contributions if applicable, and (ii) the level percent-of-pay amortization of the UAAL. For the Judges' System and the Firefighters' System, certain specified revenues (court fees and a tax on fire insurance premiums, respectively) are used as an offset to the employer contribution rate each year, as described elsewhere in this report.

All contribution rates are based upon monthly payments of contributions.

#### 11. Actuarial value of assets:

The actuarial value of assets is equal to the market value, adjusted for a five-year phase in of actual investment return in excess of (or less than) expected investment return. The actual return is calculated net of investment and administrative expenses, and the expected investment return is equal to the assumed investment return rate multiplied by the prior year's market value of assets, adjusted for contributions, benefits paid, and refunds. The actuarial value of assets is further adjusted, if necessary, so that it is not less than 75% of market value and not more than 125% of market value.



#### 12. *Payroll growth rate*:

In determining the level percent of payroll amortization rate, payroll is assumed to grow annually at 3.25%. No allowance is made for future growth in the number of members.

#### 13. *Marital status*:

All nonretired members are assumed to be married with no children. Female members are assumed to be three years younger than their spouses, while male members are assumed to be three years older than their spouses.

#### 14. *Administrative and investment expenses*:

The assumed 7.50% investment return rate represents the anticipated net return after payment of all investment and administrative expenses. Administrative expenses are assumed to be 0.06% of plan assets each year.

#### 15. Judges System:

For the Judges System, no disability or withdrawal rates were used. Salaries are assumed to increase at 3.50% per year.

#### 16. *Governors and Legislative Pension Plan*:

A 10% withdrawal rate is assumed regardless of age or service. No disability rates are used. No salary increase rate is used because the benefits do not reflect pay. Members are assumed to retire at the earlier of (i) age 65 with four years of service, or (ii) age 62 with 10 years of service. Normal cost and actuarial accrued liability are based on Level Dollar Entry Age Cost Method (not Level Percent of Pay).

#### 17. Interest Credited on Member Contribution Account Balances:

In projecting member contribution account balances, we assume that the rate credited is 7.50% each year. (The actual rate is set by the Board of Trustees annually, based on investment performance.) Interest is not credited to account balances for members of the Firefighters Retirement System.

#### 18. *Mortality Improvement:*

For post-retirement mortality, both healthy and disabled, we assume continuous (generational) mortality improvement according to Scale AA from a base year of 2000. Mortality improvement is ignored for the pre-retirement mortality assumption, since it would not have a material effect on the liabilities.

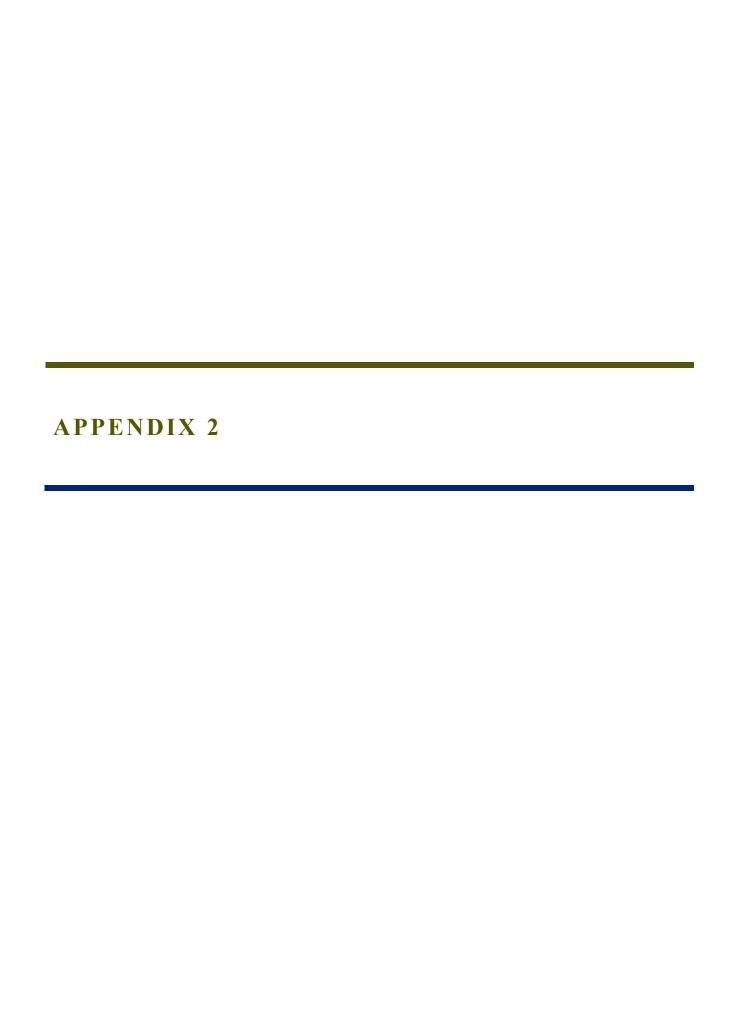
#### 19. LTD Benefit Protection Contracts:

It is assumed that all members of the Tier I Public Employee Retirement Systems are covered by an LTD Benefit Protection Contract. LTD benefit protection contract coverage for the Tier II Hybrid Retirement Systems (Public Employees and Public Safety and Firefighters) is being valued for those members who are employed by a participating employer that elected to provide coverage to their workforce.

#### 20. *Cost-of-living increases*:

Retirement benefits for all systems with a maximum 4.00% COLA are assumed to increase at 2.75% even though the maximum allowable rate is 4.00%. Retirement benefits for the funds with a maximum 2.50% COLA—e.g., some of the Public Safety funds—are assumed to increase at the maximum allowable rate of 2.50%.

For current retirees who have received cumulative COLAs less than the total of annual CPI increases since retirement, we assume higher COLAs, subject to the annual maximum, as long as the member has "banked" CPI increases left.



# SUMMARY OF BENEFIT PROVISIONS FOR PUBLIC EMPLOYEE RETIREMENT SYSTEMS (CONTRIBUTORY AND NONCONTRIBUTORY)

- 1. *Effective Date*: Contributory System July 1, 1961. Noncontributory System - July 1, 1986.
- 2. *Plan Year*: Twelve-month period ending December 31st.
- 3. *Administration*: The Systems are administered by a Board of Trustees (which also administers the other Utah Retirement Systems). The Board of Trustees is responsible for both administration of the Systems and investment of the fund assets.
- 4. *Type of Plan*: These are qualified governmental defined benefit retirement plans. Under GASB 25, they are considered to be cost-sharing multiple-employer plans.
- 5. Eligibility: These Systems cover eligible employees of the State of Utah, most local government employees, and most public education employees. Generally all employees are covered, except for those covered by another System--public safety employees, firefighters, judges, legislators, and higher education employees covered under TIAA-CREF. Eligible employees become participants immediately when hired, and are required to participate. The employer-selected plan determines whether new employees participate in the Contributory or Noncontributory System. Employees who were members of the Contributory System at the time their employer selected the Noncontributory System had an option to remain in the Contributory System. These Systems are closed to members hired on and after July 1, 2011.
- 6. *Employee Contributions*: Members of the Contributory System contribute 6.00% of salary per year. Employers may "pick-up" employee contributions under Section 414(h) of the Internal Revenue Code. No contributions are made by members of the Noncontributory System.
- 7. *Employer Contributions*: The current contribution rates differ between the Contributory and Noncontributory Systems, and also differ depending on whether the member is employed by a local government (Level B) or the State of Utah or a public school (Level A). Rates are set by the Board of Trustees, based upon the actuarial valuation report for the preceding year. The Funds participating in these systems are:
  - Fund 11 Local Government Contributory
  - Fund 12 State and School Contributory
  - Fund 15 Local Government Noncontributory
  - Fund 16 State and School Noncontributory
- 8. *Final Average Monthly Salary (FAMS)*: The monthly average of the member's highest salaries preceding retirement. For the Contributory System a five-year average is used, while a three-year average is used for the Noncontributory System.

- 9. Service Retirement (Unreduced):
  - a. <u>Eligibility</u>: A member may retire with an unreduced benefit at age 65 with four years of service or after 30 years of service if earlier.
  - b. <u>Monthly Benefit (Contributory)</u>: 2.00% times Final Average Monthly Salary (FAMS) times years of service earned since July 1, 1975, plus 1.25% of FAMS times service earned prior to July 1, 1975.
  - c. <u>Monthly Benefit (Noncontributory</u>): 2.00% of Final Average Monthly Salary times years of service.
  - d. <u>Payment Form</u>: Life annuity.
- 10. Service Retirement (Reduced):
  - a. <u>Eligibility</u>: A member may retire with a reduced benefit upon attaining age 62 with 10 years of service or age 60 with 20 years of service. A member of the Noncontributory System may retire at any age after earning 25 years of service.
  - b. <u>Reduction</u>: 3% per year that retirement is earlier than age 65. For Noncontributory System members retiring prior to age 60, actuarial reduction is applied to the 85% factor at age 60. The early retirement reduction factors are shown below:

Age	Factor	Age	Factor
64	97.00%	54	49.58%
63	94.00%	53	45.47%
62	91.00%	52	41.73%
61	88.00%	51	38.34%
60	85.00%	50	35.24%
59	77.49%	49	32.42%
58	70.73%	48	29.84%
57	64.62%	47	27.49%
56	59.10%	46	25.33%
55	54.11%	45	23.36%

c. Payment Form: Life annuity.

**GRS** 

#### 11. *Disability Retirement:*

- a. <u>Eligibility</u>: Member must be eligible for retirement under the Disability Act and must not be eligible for a 30-year service retirement at time of disability.
- b. <u>Monthly Benefits Payable Prior to Retirement</u>: A separate fund established under the Disability Act provides benefits from the time of disability until the age specified in 49-21-403. Benefits from this separate fund are not covered by these Systems.
- c. <u>Monthly Benefits Payable after Retirement</u>: An unreduced service retirement benefit is payable. The member receives service credit for time while disabled (both for computing the benefit amount and for determining whether the member is eligible for an unreduced service retirement benefit). Final Average Monthly Salary is increased by the same factors used for automatic cost-of-living benefit increases. I.e., the FAMS is adjusted by a cost-of-living increase up to 4.0% per year (simple interest).
- d. Payment Form: Life annuity.
- e. <u>Death while Disabled</u>: A disabled member is treated as an active member for purposes of determining a death benefit for the period prior to retirement.

#### 12. *Vesting and Refunds*:

- a. <u>Eligibility</u>: All members who are not vested are eligible for a refund when they terminate service. Members are vested after four years of service. Vested members may also elect to receive a refund in lieu of the deferred termination benefit described below. (Noncontributory System members hired after July 1, 1986, are ineligible for a refund.)
- b. <u>Amount</u>: The refund benefit is the accumulated value of the member's contributions plus interest credited by the fund. The amount of interest credited each year is set annually by the Board of Trustees.

#### 13. *Deferred Termination Benefit*:

- a. <u>Eligibility</u>: Member must be vested (4 years of service) and must elect to leave his/her contributions on deposit.
- b. <u>Monthly Benefit</u>: Same as the unreduced or reduced service retirement benefit, based on service and FAMS at termination, and commencing once the member is eligible.
- c. <u>Payment Form</u>: Life annuity.
- d. <u>Death Benefit</u>: The beneficiary of an inactive member who dies is entitled to receive the benefit described in 14.2.a. and 2.b.

- 14. *Death while an Active Member:* 
  - a. Members will receive benefits 1. and 2. described below.
    - 1. <u>Death Benefit Insurance</u>: A lump-sum payment that is equal to 75% of the member's highest annual salary.
    - 2.a. <u>In General</u>: A refund of the member's accumulated contributions (with interest) is paid to the beneficiary of a deceased member.
    - 2.b. Spousal Annuity: If the deceased member was married at the time of death and was either (i) eligible for reduced or unreduced service retirement, or (ii) had 25 years of service (15 years of service in the noncontributory system), the spouse may elect an annuity benefit in lieu of the refund benefit. The annuity is equal to the reduced or unreduced service retirement benefit payable as though Option 3 (a Joint and 100% Survivor annuity) were elected. If the member had 25 years of service or more, no reduction factor is applied in determining the service retirement benefit. If a member of the noncontributory system is not eligible for a retirement benefit and has less than 25 years of service, then the death benefit is equal to 1/3 of Option 3 benefit if the member has at least 15 and less than 20 years of service, and 2/3 of the Option 3 benefit if the member has at least 20 and less than 25 years of service.
- 15. Optional Forms of Benefit: The Systems permit members to elect from six forms of benefit at retirement. In each case the benefit amount is adjusted to be actuarially equivalent to the "Option 1" form. The six optional forms are:
  - Option 1 A life annuity with no benefits due following the member's death.
  - Option 2 Modified Cash Refund Annuity. A reduced annuity payable for the member's lifetime, plus a death benefit equal to the excess of the member's accumulated contributions (determined at retirement) over the sum of the member's annuity payments from retirement. (The annuity payments are that part of the original benefit derived from the member's own accumulated contributions.)
  - Option 3 Joint and 100% Survivor Annuity. An annuity payable as long as either the member or his/her spouse is living.
  - Option 4 Joint and 50% Survivor Annuity. An annuity payable during the member's lifetime, and after the member's death if the member's spouse is still living, an annuity to the spouse of 50% of the original benefit.
  - Option 5 Joint and 100% Pop-up Annuity. Same as Option 3, except that the benefit amount reverts to the Option 1 (life annuity) amount if the member's spouse predeceases the member.
  - Option 6 Joint and 50% Pop-up Annuity. Same as Option 4, except that the benefit amount reverts to the Option 1 (life annuity) amount if the member's spouse predeceases the member.

- 16. *Postretirement Death Benefit*: None, except as elected by the member. See Optional Forms of Benefit above.
- 17. Postretirement Benefit Increases: Benefits are increased annually to take into account changes in the cost of living, with a maximum annual increase of 4% of the original benefit (i.e., a maximum 4% simple interest increase). In years in which the cost of living increases more than 4%, the excess increase is accumulated and used in later years in which the cost-of-living increase is less than 4%. This calculation is made separately for each individual. In addition, a closed group of retirees also receives a second special increase amount paid as a level annuity under whichever form of payment was elected. This is the Restoration of Purchasing Power (ROPP) payment.
- 18. *3% Substantial Substitute*: All members whose service began before January 1, 1989, receive an additional annual payment equal to 3% of their benefit. These payments are made to offset the taxability of the retirement benefits under the State income tax provisions. Prior to July 1, 1995, this benefit was funded by annual appropriations made by the State on a pay-as-you go basis. Beginning July 1, 1995, this benefit is funded on an actuarial basis by increasing the employer contribution rate for those Funds which are funded by the State.

# SUMMARY OF BENEFIT PROVISIONS FOR PUBLIC SAFETY RETIREMENT SYSTEMS (CONTRIBUTORY AND NONCONTRIBUTORY)

- 1. *Effective Date*: Contributory System July 1, 1969. Noncontributory System - July 1, 1989.
- 2. *Plan Year*: Twelve-month period ending December 31st.
- 3. *Administration*: The Systems are administered by a Board of Trustees (which also administers the other Utah Retirement Systems). The Board of Trustees is responsible for both administration of the Systems and investment of the fund assets.
- 4. *Type of Plan*: These are qualified governmental defined benefit retirement plans. Under GASB 25, they are considered to be a combination of agent and cost-sharing multiple-employer plans.
- 5. *Eligibility*: These Systems cover eligible public safety employees of the State of Utah and some local governments. Eligible employees become participants immediately when hired, and are required to participate. The employer-selected plan determines whether new employees participate in the Contributory or Noncontributory System. Employees who were members of the Contributory System at the time their employer selected the Noncontributory System had an option to remain in the Contributory System. These Systems are closed to members hired on and after July 1, 2011.
- 6. *Employee Contributions*: Members of the Contributory System contribute a percentage of salary, as shown below. Employers may "pick-up" employee contributions under Section 414(h) of the Internal Revenue Code. No contributions are made by members of the Noncontributory System. Rates in the Contributory System vary by employer as follows:

Fund 22 - State of Utah	12.29%
Fund 23 - Other Division A (2.5% COLA)	12.29%
Fund 77 - Other Division A (4.0% COLA)	12.29%
Fund 27 - Logan	11.13%
Fund 29 - Other Division B (2.5% COLA)	10.50%
Fund 74 - Other Division B (4.0% COLA)	10.50%

7. *Employer Contributions*: The current contribution rates differ between the Contributory and Noncontributory Systems, and also differ depending on which fund (employer or group of employers) the member belongs to. Rates are set by the Board of Trustees, based upon the actuarial valuation report for the preceding year. The Funds included in these Systems are:

#### Contributory System

Fund 22 - State of Utah (Div A)

Fund 23 - Other Division A (2.5% COLA)

Fund 77 - Other Division A (4.0% COLA)

Fund 27 - Logan (Div B)

Fund 29 - Other Division B (2.5% COLA)

Fund 74 - Other Division B (4.0% COLA)

#### Noncontributory System

Fund 42 - State of Utah (Div A)

Fund 43 - Other Division A (2.5% COLA)

Fund 75 - Other Division A (4.0% COLA)

Fund 44 - Salt Lake City (Div B)

Fund 45 - Ogden (Div B)

Fund 46 - Provo (Div B)

Fund 47 - Logan (Div B)

Fund 48 - Bountiful (Div A)

Fund 49 - Other Division B (2.5% COLA)

Fund 76 - Other Division B (4.0% COLA)

The division designation (A or B) distinguishes between those employers covered by Social Security (A) and those not covered (B). Some plan provisions differ depending on the member's division.

- 8. *Final Average Monthly Salary (FAMS)*: The monthly average of the member's highest three salaries preceding retirement.
- 9. *Service Retirement*:
  - a. <u>Eligibility</u>: A member may retire with an unreduced benefit at age 65 with four years of service or at age 60 with 10 years of service or at any age with 20 years of service.
  - b. <u>Monthly Benefit</u>: 2.50% of Final Average Monthly Salary (FAMS) times years of service up to 20 years, plus 2.00% of FAMS times years of service in excess of 20.
  - c. <u>Payment Form</u>: For married members benefits are paid as an automatic unreduced Joint and 65% Survivor Annuity. A life annuity is payable to unmarried members (although children's benefits may also be due following the member's death).

#### 10. *Disability Retirement*:

- a. <u>Eligibility</u>: Member must be eligible for retirement under the Disability Act (or a substantially equivalent program) and must not be eligible for a 20-year service retirement at time of disability. Note that not all political subdivisions cover their members under a disability program.
- b. <u>Monthly Benefits Payable Prior to Retirement</u>: A separate fund established under the Disability Act (or an equivalent program) provides benefits from the time of disability until the age specified in 49-21-403. Benefits from this separate fund are not covered by these Systems.
- c. <u>Monthly Benefits Payable after Retirement</u>: An unreduced service retirement benefit is payable. The member receives service credit for time while disabled (both for computing the benefit amount and for determining whether the member is eligible for an unreduced service retirement benefit). Final Average Monthly Salary is increased by the same factors used for automatic cost-of-living benefit increases. I.e., the FAMS is adjusted by a cost-of-living increase up to 2.5% per year (up to 4% per year for the 4% COLA funds).
- d. Payment Form: Same as for Service Retirement.
- e. <u>Death while Disabled</u>: A disabled member is treated as an active member for purposes of determining a death benefit for the period prior to retirement.

#### 11. *Vesting and Refunds*:

- a. <u>Eligibility</u>: All members who are not vested are eligible for a refund when they terminate service. Members are vested after four years of service. Vested members may also elect to receive a refund in lieu of the deferred termination benefit described below. (Noncontributory System members hired after July 1, 1989, are ineligible for a refund.)
- b. <u>Amount</u>: The refund benefit is the accumulated value of the member's contributions credited by the fund. Interest is credited on the member's contribution account, beginning July 1, 1996. The amount of interest credited each year is set annually by the Board of Trustees.

#### 12. Deferred Termination Benefit:

- a. <u>Eligibility</u>: Member must be vested (4 years of service) and must elect to leave his/her contributions on deposit.
- b. <u>Monthly Benefit</u>: Same as the service retirement benefit, based on service and FAMS at retirement, and commencing once the member is eligible.
- c. Payment Form: Same as for service retirement.

- d. <u>Death Benefit</u>: The beneficiary of an inactive member who dies is entitled to receive a refund benefit (or \$500 if larger). The spouse of an inactive member with 20 years of service receives a monthly annuity equal to 50% of the service retirement benefit that would have been paid had the member died immediately prior to retirement. (An actuarial reduction factor is applied if the member was under age 50 at death.)
- 13. Death while an Active Member (On Duty): If death occurs in the line of duty, the lump-sum and annuity benefits described below will be paid to the spouse. (The benefits are not applicable to unmarried members, although children's benefits may be due.)
  - a. <u>Lump-sum (Division A members)</u>: \$1,500.
  - b. <u>Annuity (Division A members)</u>: 30% of member's FAMS.\*
  - c. Lump-sum (Division B members): \$1,500.
  - d. Annuity (Division B members): 37.5% of member's FAMS.
- 14. Death of an Active Member (Off Duty): If death occurs from a cause not related to the member's duties, the lump-sum and annuity benefits described below will be paid to the spouse. (The benefits are not applicable to unmarried members, although children's benefits may be due.)
  - a. <u>Lump-sum (Division A members)</u>: If the member has less than 10 years of service, the benefit is \$1,000 or a refund benefit, whichever is larger. If the member has 10 or more years of service, the benefit is \$500.
  - b. <u>Annuity (Division A members):</u> If the member has less than 10 years of service, no annuity is due. For members with 10 or more years of service, the benefit is 2% of FAMS per year of service, to a maximum of 30% of FAMS.\*
  - c. <u>Lump-sum (Division B members)</u>: If the member does not have two years of service, the benefit is the sum of 50% of the member's salary plus a refund benefit. If the member has two or more years of service, the benefit is \$1,500.
  - d. <u>Annuity (Division B members)</u>: If the member has fewer than two years of service, no annuity is due. If the member has two or more years of service, the annuity is 37.5% of the member's FAMS.
  - \*(For members of the Noncontributory System, not less than the benefit payable to the surviving spouse if the member had retired the day before the member's date of death.)
- 15. Optional Forms of Benefit: Married members may elect an optional Joint & 75% Survivor option in lieu of the standard Joint & 65% option. The amount of the Joint & 75% Survivor option is determined actuarially.
- 16. *Postretirement Death Benefit*: None, except for survivor benefit applicable to married members.

17. Postretirement Benefit Increases: Benefits are increased annually to take into account changes in the cost of living. Most funds have a maximum annual increase of 2.50% of the original benefit (i.e., a maximum 2.50% simple interest increase). A window was opened in 2008 to allow employers to make an election to provide a 4.00% maximum COLA. If elected, the 4.00% maximum applies to both current and future annuitants. The legislation opening the window mandated that the State public safety members would receive the 4.00% maximum COLA. The window was originally scheduled to close at the end of 2009, but it was extended in 2009 to December 2012.

In years in which the cost of living increases more than the maximum COLA, the excess increase is accumulated and used in later years in which the cost-of-living increase is less than the maximum COLA. This calculation is made separately for each individual. In addition, a closed group of retirees also receives a second special increase amount paid as a level annuity under whichever form of payment is applicable. This is the Restoration of Purchasing Power (ROPP) payment.

The table below shows which funds provide the 2.5% maximum COLA and which ones provide the 4.0% maximum COLA:

#### 2.50% Maximum COLA

Funds 23 & 43 - Other Division A

Fund 44 - Salt Lake City (Div B)

Fund 45 - Ogden (Div B)

Fund 46 - Provo (Div B)

Funds 27 & 47 - Logan (Div B)

Fund 48 - Bountiful (Div A)

Funds 29 & 49 - Other Division B

#### 4.00% Maximum COLA

Funds 22 & 42 - State of Utah (Div A)

Funds 75 & 77 - Other Division A

Funds 74 & 76 - Other Division B

18. 3% Substantial Substitute: All members whose service began before January 1, 1989, receive an additional annual payment equal to 3% of their benefit. These payments are made to offset the taxability of the retirement benefits under the State income tax provisions. Prior to July 1, 1995, this benefit was funded by annual appropriations made by the State on a pay-as-you go basis. Beginning July 1, 1995, this benefit is funded on an actuarial basis by increasing the employer contribution rate for those Funds which are funded by the State.

# SUMMARY OF BENEFIT PROVISIONS FOR FIREFIGHTERS RETIREMENT SYSTEM

- 1. Effective Date: July 1, 1971.
- 2. *Plan Year*: Twelve-month period ending December 31st.
- 3. *Administration*: The System is administered by a Board of Trustees (which also administers the other Utah Retirement Systems). The Board of Trustees is responsible for both administration of the System and investment of the fund assets.
- 4. *Type of Plan*: This is a qualified governmental defined benefit retirement plan. Under GASB 25, it is considered to be a cost-sharing multiple-employer plan.
- 5. *Eligibility*: This System covers eligible firefighters employed by participating local governments in Utah. Eligible employees become participants immediately when hired, and are required to participate. Employers are designated as either Division A (employers with Social Security coverage) or Division B (employers without Social Security coverage). Benefit provisions and contribution rates differ for members of different divisions. This System is closed to members hired on and after July 1, 2011.
- 6. *Employee Contributions*: Members contribute a percentage of salary, as shown below. Employers may "pick-up" employee contributions under Section 414(h) of the Internal Revenue Code.

Fund 31 - Division A 15.05% Fund 32 - Division B 16.71%

Contribution rates shown may be reduced by expected income from a tax on fire insurance premiums.

7. *Employer Contributions*: The current employer contribution rates depend on the Fund. Division A covers employers covered by Social Security and Division B covers other employers. The contribution rates are set by the Board of Trustees, based on the actuarial valuation for the preceding year. Contribution rates are reduced by expected income from a tax on fire insurance premiums. The Funds in this System are:

Fund 31 - Division A Fund 32 - Division B

8. *Final Average Monthly Salary (FAMS)*: The monthly average of the member's highest three salaries preceding retirement.

#### 9. *Service Retirement*:

- a. <u>Eligibility</u>: A member may retire with an unreduced benefit at age 65 with four years of service or at age 60 with 10 years of service or at any age with 20 years of service.
- b. <u>Monthly Benefit</u>: 2.50% of Final Average Monthly Salary (FAMS) times years of service up to 20 years, plus 2.00% of FAMS times years of service in excess of 20. There is a minimum benefit of \$500 per month.
- c. <u>Payment Form</u>: For married members benefits are paid as an automatic unreduced Joint and 75% Survivor Annuity. A life annuity is payable to unmarried members (although children's benefits may also be due following the member's death).

#### 10. *Disability Retirement*:

- a. <u>Eligibility</u>: Member must have five or more years of service or the disability must be related to the member's duties. In addition, the member must not be eligible for a 20-year service retirement at time of disability.
- b. <u>Monthly Benefits</u>: 50% of FAMS.
- c. <u>Payment Form</u>: Benefits are payable as long as the member is disabled. Upon reaching 20 years of service, including time while disabled, or at age 65 if earlier, benefits are converted to a retirement benefit. There are special rules governing when benefits must be converted for members who become disabled after age 60.
- d. <u>Death while Disabled</u>: Upon the death of a disabled firefighter, the spouse shall receive 75% of the benefit currently being paid.

#### 11. *Vesting and Refunds*:

- a. <u>Eligibility</u>: All members who are not vested are eligible for a refund when they terminate service. Members are vested after four years of service. Vested members may also elect to receive a refund in lieu of the deferred termination benefit described below.
- b. <u>Amount</u>: The refund benefit is the accumulated value of the member's contributions credited by the fund. Interest is not credited on member contributions.

#### 12. Deferred Termination Benefit:

- a. <u>Eligibility</u>: Member must be vested (4 years of service) and must elect to leave his/her contributions on deposit.
- b. <u>Monthly Benefit</u>: Same as the service retirement benefit, based on service and FAMS at termination, and commencing once the member is eligible.
- c. Payment Form: Same as for service retirement.

- d. <u>Death Benefit</u>: The beneficiary of an unmarried inactive member who dies with 20 or more years of service prior to retirement is entitled to receive a refund benefit (or \$500 if larger). The spouse of an inactive member with 20 years of service receives a monthly annuity equal to 50% of the service retirement benefit that would have been paid had the member died immediately prior to retirement. (An actuarial reduction factor is applied if the member was under age 50 at death.) If the inactive member had less than 20 years of service, no death benefit is due.
- 13. Death while an Active Member (On Duty): If death occurs in the line of duty, the lump-sum and annuity benefits described below will be paid to the spouse. (The benefits are not applicable to unmarried members, although children's benefits may be due.)
  - a. Lump-sum (Division A members): \$1,500.
  - b. <u>Annuity (Division A members)</u>: 30% of member's FAMS. For members with more than 20 years of service, the annuity is 75% of the retirement benefit earned by the member as of his/her date of death.
  - c. <u>Lump-sum (Division B members)</u>: \$1,500.
  - d. <u>Annuity (Division B members)</u>: 37.5% of member's FAMS. For members with more than 20 years of service, the annuity is 75% of the retirement benefit earned by the member as of his/her date of death.
- 14. <u>Death of an Active Member (Off Duty)</u>: If death occurs from a cause not related to the member's duties, the lump-sum and annuity benefits described below will be paid to the spouse. (The benefits are not applicable to unmarried members, although children's benefits may be due.)
  - a. <u>Lump-sum (Division A members)</u>: If the member has less than 10 years of service, the benefit is \$1,000 or a refund benefit, whichever is larger. If the member has 10 or more years of service, the benefit is \$500.
  - b. <u>Annuity (Division A members)</u>: If the member has less than 10 years of service, no annuity is due. For members with 10 or more years of service, the benefit is 2% of FAMS per year of service, to a maximum of 30% of FAMS.
  - c. <u>Lump-sum (Division B members)</u>: If the member does not have five years of service, the benefit is the sum of 50% of the member's salary plus a refund benefit. If the member has five or more years of service, the benefit is \$1,500.
  - d. <u>Annuity (Division B members):</u> If the member has fewer than five years of service, no annuity is due. If the member has five or more years of service, the annuity is 37.5% of the member's FAMS. For members with more than 20 years of service, the annuity is 75% of the retirement benefit earned by the member as of his/her date of death.
- 15. *Optional Forms of Benefit*: None.

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- 16. *Postretirement Death Benefit*: None, except for survivor benefit applicable to married members.
- 17. Postretirement Benefit Increases: Benefits are increased annually to take into account changes in the cost of living, with a maximum annual increase of 4% of the original benefit (i.e., a maximum 4% simple interest increase). In years in which the cost of living increases more than 4%, the excess increase is accumulated and used in later years in which the cost-of-living increase is less than 4%. This calculation is made separately for each individual. In addition, a closed group of retirees also receives a second special increase amount paid as a level annuity under whichever form of payment is applicable. This is the Restoration of Purchasing Power (ROPP) payment.
- 18. *3% Substantial Substitute*: All members whose service began before January 1, 1989, receive an additional annual payment equal to 3% of their benefit. These payments are made to offset the taxability of the retirement benefits under the State income tax provisions. Prior to July 1, 1995, this benefit was funded by annual appropriations made by the State on a pay-as-you go basis. Beginning July 1, 1995, this benefit is funded on an actuarial basis by increasing the employer contribution rate for those Funds which are funded by the State.

## SUMMARY OF BENEFIT PROVISIONS FOR JUDGES' NONCONTRIBUTORY RETIREMENT SYSTEM

- 1. Effective Date: July 1, 1963.
- 2. *Plan Year*: Twelve-month period ending December 31st.
- 3. *Administration*: The System is administered by a Board of Trustees (which also administers the other Utah Retirement Systems). The Board of Trustees is responsible for both administration of the System and investment of the fund assets.
- 4. *Type of Plan*: This is a qualified governmental defined benefit retirement plan. Under GASB 25, it is considered to be a single-employer plan.
- 5. *Eligibility*: This System covers judges of the State of Utah, including Supreme Court justices and appellate, district, circuit and juvenile court judges.
- 6. *Employee Contributions*: None. There are no longer any members in the Judges' Contributory Retirement System.
- 7. *Employer Contributions*: Fund 37 (Judges) has a contribution rate which is set by the Board of Trustees, based on the actuarial valuation for the preceding year. The rate is reduced by estimated court fees which are earmarked for this fund.
- 8. *Final Average Monthly Salary (FAMS)*: The monthly average of the member's highest two salaries preceding retirement.
- 9. *Service Retirement (Unreduced)*:
  - a. <u>Eligibility</u>: A member may retire with an unreduced benefit at age 70 with six years of service or after age 62 with 10 years of service or after 25 years of service.
  - b. <u>Monthly Benefit</u>: 5.00% times Final Average Monthly Salary (FAMS) times years of service up to 10, plus 2.25% of FAMS times years of service in excess of 10 but less than 20, plus 1.00% times FAMS times years of service in excess of 20. There is a minimum benefit equal to 110% of the formula benefit (but not greater than \$1,000 per month).
  - c. <u>Payment Form</u>: Married members receive an automatic, unreduced Joint and 65% Survivor annuity. Unmarried members receive a life annuity.

- 10. *Service Retirement (Reduced)*:
  - a. <u>Eligibility</u>: A member may retire with a reduced benefit upon attaining age 55 with 20 years of service.
  - b. <u>Reduction</u>: An actuarial reduction from age 65. The reduction factors are shown in the following table:

Age	Factor	Age	Factor
64	90.31%	59	55.57%
63	81.71%	58	50.62%
62	74.05%	57	46.16%
61	67.20%	56	42.14%
60	61.07%	55	38.50%

c. Payment Form: Same as for unreduced service retirement.

#### 11. Disability Retirement:

- . <u>Eligibility</u>: Member must be eligible for retirement under the Disability Act (or a substantially equivalent program) and must not be eligible for an unreduced service retirement benefit at time of disability.
- b. <u>Monthly Benefits Payable Prior to Retirement</u>: A separate fund established under the Disability Act (or an equivalent program) provides benefits from the time of disability until the age specified in 49-21-403. Benefits from this separate fund are not covered by these Systems.
- c. <u>Monthly Benefits Payable after Retirement</u>: An unreduced service retirement benefit is payable. The member receives service credit for time while disabled (both for computing the benefit amount and for determining whether the member is eligible for an unreduced service retirement benefit). Final Average Monthly Salary is increased by the same factors used for automatic cost-of-living benefit increases. I.e., the FAMS is adjusted by a cost-of-living increase up to 2.75% per year.
- d. Payment Form: Same as for Service Retirement.
- e. <u>Death while Disabled</u>: A disabled member is treated as an active member for purposes of determining a death benefit for the period prior to retirement.

#### 12. *Vesting and Refunds*:

a. <u>Eligibility</u>: All members who are not vested are eligible for a refund when they terminate service. Members are vested after six years of service. Vested members may also elect to receive a refund in lieu of the deferred termination benefit described below. (Although all judges are now members in the noncontributory system, some

- retain member contribution accounts from their participation in the Judges' Contributory Retirement System.)
- b. <u>Amount</u>: The refund benefit is the accumulated value of the member's contributions plus interest credited by the fund. The amount of interest credited each year is set annually by the Board of Trustees.

#### 13. Deferred Termination Benefit:

- a. <u>Eligibility</u>: Member must be vested (6 years of service) and must elect to leave his/her contributions on deposit.
- b. <u>Monthly Benefit</u>: Same as the unreduced or reduced service retirement benefit, based on service and FAMS at termination, and commencing once the member is eligible.
- c. Payment Form: Same as for unreduced service retirement.
- d. Death Benefit: Same as for an active member.
- 14. Death while an Active Member: A refund of the member's accumulated contributions (with interest) is paid to the beneficiary of a deceased member. In addition, 65% of the member's FAMS (annualized) is paid to the spouse if the member was married. Alternatively, the spouse may waive these benefits and elect instead an annuity. The annuity is equal to 65% of the benefit determined using the unreduced service retirement formula, and based on current service and FAMS at the time of death.
- 15. Optional Forms of Benefit: The System permits married members to elect a reduced Joint and 75% Survivor annuity in lieu of the automatic Joint and 65% Survivor annuity. No other optional payment forms are available.
- 16. *Postretirement Death Benefit*: None, except for the Joint and Survivor annuities available to married members.
- 17. Postretirement Benefit Increases: Benefits are increased annually to take into account changes in the cost of living, with a maximum annual increase of 4% of the current benefit (i.e., a maximum 4% compound interest increase). In years in which the cost of living increases more than 4%, the excess increase is accumulated and used in later years in which the cost-of-living increase is less than 4%. This calculation is made separately for each individual. In addition, judges retired prior to July 1, 1983 received an increase of \$120 per month (\$60 for beneficiaries).
- 18. 3% Substantial Substitute: All members whose service began before January 1, 1989, receive an additional annual payment equal to 3% of their benefit. These payments are made to offset the taxability of the retirement benefits under the State income tax provisions. Prior to July 1, 1995, this benefit was funded by annual appropriations made by the State on a pay-as-you go basis. Beginning July 1, 1995, this benefit is funded on an actuarial basis by increasing the employer contribution rate for those Funds which are funded by the State.

## SUMMARY OF BENEFIT PROVISIONS FOR THE GOVERNORS AND LEGISLATIVE PENSION PLAN

- 1. Effective Date: July 1, 1967.
- 2. *Plan Year*: Twelve-month period ending December 31st.
- 3. *Administration*: The System is administered by a Board of Trustees (which also administers the other Utah Retirement Systems). The Board of Trustees is responsible for both administration of the System and investment of the fund assets.
- 4. *Type of Plan*: This is a qualified governmental defined benefit retirement plan. Under GASB 25, it is considered to be a single-employer plan.
- 5. *Eligibility*: This System covers state legislators with four or more years of service, and governors of the state who enter office before July 1, 2011, or accrued service credit in a Tier I system before July 1, 2011.
- 6. *Employee Contributions*: None.
- 7. *Employer Contributions*: The state annually appropriates an actuarially determined contribution.
- 8. *Benefit base*: The benefit base is used to determine the benefits payable at retirement.
  - a. <u>Legislators</u>: The base was \$10.00 per month per year of service as of July 1, 1967. The base is increased 2% each six months after that date. As of January 1, 2014, the benefit base is therefore \$28.60.
  - b. <u>Governors</u>: The base was \$500.00 per month per term as of July 1, 1973. The base is increased 2% each six months after that date. As of January 1, 2014, the benefit base is therefore \$1,310.00.
  - c. <u>Supplemental Benefit</u>: An additional benefit of \$3.50 per month per year of service. This benefit is not indexed nor are COLAs granted on it. This benefit only applies to members of the System on March 1, 2000 and is effective March 1, 2000.
- 9. *Service Retirement (Unreduced)*:
  - a. <u>Eligibility</u>: Age 65 with 4 years of service.
  - b. <u>Monthly Benefit</u>: Legislators receive the benefit base (see above) per year of service, while former governors receive the benefit base (see above) for each term served (maximum of two terms).
  - c. <u>Payment Form</u>: For married members, a Joint and 50% Survivor annuity. For unmarried members, a life annuity.

- 10. *Service Retirement (Reduced)*:
  - a. <u>Eligibility</u>: A member may retire with a reduced benefit upon attaining age 62 with 10 years of service.
  - b. Reduction: 3% per year that retirement is prior to age 65.
  - c. <u>Payment Form</u>: Same as for unreduced service retirement.
- 11. *Disability Retirement*: This System has no provisions applying to disability retirement.
- 12. *Vesting and Refunds*: A vested member who made contributions in another System and withdraws them forfeits all benefits under this System.
- 13. Deferred Termination Benefit:
  - a. <u>Eligibility</u>: Same as for reduced or unreduced service retirement. The member must not have withdrawn his/her contributions under another System.
  - b. <u>Monthly Benefit</u>: Same as the unreduced or reduced service retirement benefit, based on service at termination, and commencing once the member is eligible.
  - c. <u>Payment Form:</u> Same as for unreduced service retirement.
  - d. <u>Death Benefit</u>: Same as for an active member.
- 14. Death while an Active Member:
  - a. <u>Eligibility</u>: Four years of service as a legislator or governor.
  - b. <u>Monthly Benefit</u>: 50% of the unreduced service retirement benefit that the member would have been entitled to upon reaching age 65 based on the current benefit base. Benefit is paid to surviving spouse only.
- 15. *Optional Forms of Benefit*: None.
- 16. *Postretirement Death Benefit*: None, except for the Joint and Survivor annuity available to married members.
- 17. Postretirement Benefit Increases: Benefits are increased annually to take into account changes in the cost of living, with a maximum annual increase of 4% of the original benefit (i.e., a maximum 4% simple interest increase). In years in which the cost of living increases more than 4%, the excess increase is accumulated and used in later years in which the cost-of-living increase is less than 4%. This calculation is made separately for each individual. Note that the supplemental \$3.50 per month per year of service benefit is not eligible for these increases.

18. *3% Substantial Substitute*: All members whose service began before January 1, 1989, receive an additional annual payment equal to 3% of their benefit. These payments are made to offset the taxability of the retirement benefits under the State income tax provisions. Prior to July 1, 1995, this benefit was funded by annual appropriations made by the State on a pay-asyou go basis. Beginning July 1, 1995, this benefit is funded on an actuarial basis by increasing the employer contribution rate for those Funds which are funded by the State.

### SUMMARY OF BENEFIT PROVISIONS FOR TIER II PUBLIC EMPLOYEE HYBRID RETIREMENT SYSTEM

- 1. Effective Date: July 1, 2011.
- 2. *Plan Year*: Twelve-month period ending December 31st.
- 3. *Administration*: The Systems are administered by a Board of Trustees (which also administers the other Utah Retirement Systems). The Board of Trustees is responsible for both administration of the Systems and investment of the fund assets.
- 4. *Type of Plan*: This is a qualified governmental defined benefit retirement plan. Under GASB 25, it is considered to be a cost-sharing multiple-employer plan.
- 5. *Eligibility*: This System covers eligible employees (i.e. those employees first hired after June 30, 2011) of the State of Utah, most local government employees, and most public education employees. Generally all employees are covered, except for those covered by another System—public safety employees, firefighters, judges, legislators, and higher education employees covered under TIAA-CREF.
  - Eligible employees are required to make an election within their first 30 days after employment to participate in this Plan or to participate in the Tier II Defined Contribution System. This election is irrevocable beginning 1 year after employment.
- 6. *Employee Contributions*: Member contributions are required only when the certified contribution rate of the defined benefit portion of the Plan exceeds 10% in which case they must pay the excess. Employers may not elect to pay all or part of any required employee contributions.
- 7. *Employer Contributions*: Contribution rates are set by the Board of Trustees, based upon the actuarial valuation report for this preceding year, and the employers must pay up to 10% of employee compensation towards this rate. If the certified contribution rate is less than 10%, they must make a contribution to the member's 401(k) account equal to the difference. Finally, employers must pay the corresponding Tier I amortization rate on Tier II employees' compensation to be applied to the employer's corresponding Tier I System liability.
- 8. *Final Average Monthly Salary (FAMS)*: The monthly average of the member's five highest years of annual compensation preceding retirement.
- 9. Service Retirement (Unreduced):
  - a. <u>Eligibility</u>: A member may retire with an unreduced benefit at age 65 with four years of service or after 35 years of service if earlier.
  - b. <u>Monthly Benefit (Contributory)</u>: 1.50% times Final Average Monthly Salary (FAMS) times years of service.

- c. <u>Payment Form</u>: Life annuity.
- 10. Service Retirement (Reduced):
  - a. <u>Eligibility</u>: A member may retire with a reduced benefit upon attaining age 62 with 10 years of service or age 60 with 20 years of service.
  - b. <u>Reduction</u>: A full actuarial reduction is applied for each year of retirement prior to age 65 if a member has less than 35 years of service. The early retirement reduction factors are shown below:

Age	Factor	Age	Factor
64	90.51%	61	67.80%
63	82.07%	60	61.75%
62	74.54%		

c. <u>Payment Form</u>: Life annuity.

#### 11. *Disability Retirement:*

- a. <u>Eligibility</u>: Member must be eligible for retirement under the Disability Act and must not be eligible for a 35-year service retirement at time of disability. Note that not all political subdivisions cover their members under a disability program or provide LTD benefit protection contracts covering their Tier II members.
- b. <u>Monthly Benefits Payable Prior to Retirement</u>: A separate fund established under the Disability Act provides benefits from the time of disability until the age specified in 49-21-403. Benefits from this separate fund are not covered by these Systems.
- c. Monthly Benefits Payable after Retirement:
  - 1. Member is covered by an LTD benefit protection contract: An unreduced service retirement benefit is payable at eligibility for an unreduced retirement benefit. The member receives service credit for time while disabled (both for computing the benefit amount and for determining whether the member is eligible for an unreduced service retirement benefit). Final Average Monthly Salary is increased by the same factors used for automatic cost-of-living benefit increases. I.e., the FAMS is adjusted by a cost-of-living increase up to 2.5% per year (simple interest). Employers are required to contribute the full contribution rate on the imputed pay of the disabled member to the Retirement System while the member is disabled.
  - 2. <u>Member is not covered by an LTD benefit protection contract</u>: An unreduced service retirement benefit is payable at eligibility for an unreduced retirement benefit. The benefit is determined using the member's service and Final Average Monthly Salary as of the date of their disability. Employers do not make contributions to the retirement system on the imputed pay of their disabled members.
- d. Payment Form: Life annuity.

e. <u>Death while Disabled</u>: A disabled member is treated as an active member for purposes of determining a death benefit for the period prior to retirement.

#### 12. *Vesting and Refunds*:

- a. <u>Eligibility</u>: All members who are not vested are eligible for a refund when they terminate service. Members are vested after four years of service. Vested members may also elect to receive a refund in lieu of the deferred termination benefit described below.
- b. <u>Amount</u>: The refund benefit is the accumulated value of the member's contributions plus interest credited by the fund. The amount of interest credited each year is set annually by the Board of Trustees.

#### 13. Deferred Termination Benefit:

- a. <u>Eligibility</u>: Member must be vested (4 years of service) and must elect to leave his/her contributions on deposit.
- b. <u>Monthly Benefit</u>: Same as the unreduced or reduced service retirement benefit, based on service and FAMS at termination, and commencing once the member is eligible.
- c. <u>Payment Form</u>: Life annuity.
- d. <u>Death Benefit</u>: The beneficiary of an inactive member who dies is entitled to receive a benefit as described in 14.2.a or 14.2.b below.

#### 14. Death while an Active Member:

- a. Members will receive benefits 1. and 2. described below.
  - 1. <u>Death Benefit Insurance</u>: A lump-sum payment that is equal to 75% of the member's highest annual salary.
  - 2.a. <u>In General</u>: A refund of the member's accumulated contributions (with interest) is paid to the beneficiary of a deceased member.
  - 2.b. Spousal Annuity: If the deceased member was married at the time of death and was either (i) eligible for reduced or unreduced service retirement, or (ii) had 25 years of service (15 years of service in the noncontributory system), the spouse may elect an annuity benefit in lieu of the refund benefit. The annuity is equal to the reduced or unreduced service retirement benefit payable as though Option 3 (a Joint and 100% Survivor annuity) were elected. If the member had 25 years of service or more, no reduction factor is applied in determining the service retirement benefit. If a member of the noncontributory system is not eligible for a retirement benefit and has less than 25 years of service, then the death benefit is equal to 1/3 of Option 3 benefit if the member has at least 15 and less than 20 years of service, and 2/3 of the Option 3 benefit if the member has at least 20 and less than 25 years of service.

- 15. Optional Forms of Benefit: The Systems permit members to elect from six forms of benefit at retirement. In each case the benefit amount is adjusted to be actuarially equivalent to the "Option 1" form. The six optional forms are:
  - Option 1 A life annuity with no benefits due following the member's death.
  - Option 2 Modified Cash Refund Annuity. A reduced annuity payable for the member's lifetime, plus a death benefit equal to the excess of the member's accumulated contributions (determined at retirement) over the sum of the member's annuity payments from retirement. (The annuity payments are that part of the original benefit derived from the member's own accumulated contributions.)
  - Option 3 Joint and 100% Survivor Annuity. An annuity payable as long as either the member or his/her spouse is living.
  - Option 4 Joint and 50% Survivor Annuity. An annuity payable during the member's lifetime, and after the member's death if the member's spouse is still living, an annuity to the spouse of 50% of the original benefit.
  - Option 5 Joint and 100% Pop-up Annuity. Same as Option 3, except that the benefit amount reverts to the Option 1 (life annuity) amount if the member's spouse predeceases the member.
  - Option 6 Joint and 50% Pop-up Annuity. Same as Option 4, except that the benefit amount reverts to the Option 1 (life annuity) amount if the member's spouse predeceases the member.
- 16. *Postretirement Death Benefit*: None, except as elected by the member. See Optional Forms of Benefit above.
- 17. Postretirement Benefit Increases: Benefits are increased annually to take into account changes in the cost of living, with a maximum annual increase of 2.5% of the original benefit (i.e., a maximum 2.5% simple interest increase). In years in which the cost of living increases more than 2.5%, the excess increase is accumulated and used in later years in which the cost-of-living increase is less than 2.5%. This calculation is made separately for each individual.

# SUMMARY OF BENEFIT PROVISIONS FOR TIER II PUBLIC SAFETY AND FIREFIGHTERS HYBRID RETIREMENT SYSTEM

- 1. *Effective Date*: July 1, 2011.
- 2. *Plan Year*: Twelve-month period ending December 31st.
- 3. *Administration*: The Systems are administered by a Board of Trustees (which also administers the other Utah Retirement Systems). The Board of Trustees is responsible for both administration of the Systems and investment of the fund assets.
- 4. *Type of Plan*: These are qualified governmental defined benefit retirement plans. Under GASB 25, it is considered to be a cost-sharing multiple-employer plan.
- 5. *Eligibility*: This System covers eligible public safety employees (i.e. those employees first hired after June 30, 2011) of the State of Utah as well as eligible public safety employees and firefighters employed by participating local governments.
  - Eligible employees are required to make an election within their first 30 days after employment to participate in this Plan or to participate in the Tier II Defined Contribution System. This election is irrevocable beginning 1 year after employment.
- 6. *Employee Contributions*: Member contributions are required only when the certified contribution rate of the defined benefit portion of the Plan exceeds 12% in which case they must pay the excess. Employers may not elect to pay all or part of required employee contributions.
- 7. Employer Contributions: Contribution rates are set by the Board of Trustees, based upon the actuarial valuation report for this preceding year, and the employers must pay up to 12% of employee compensation towards this rate. If the certified contribution rate is less than 12%, they must make a contribution to the member's 401(k) account equal to the difference. Finally, employers must pay the corresponding Tier I amortization rate on Tier II employees' compensation to be applied to the employer's corresponding Tier I System liability.
- 8. *Final Average Monthly Salary (FAMS)*: The monthly average of the member's highest five salaries preceding retirement.
- 9. *Service Retirement*:
  - a. <u>Eligibility</u>: A member may retire with an unreduced benefit at age 65 with four years of service or at any age with 25 years of service.
  - b. <u>Monthly Benefit</u>: 1.50% of Final Average Monthly Salary (FAMS) times years of service.
  - c. Payment Form: Life annuity



#### 10. Service Retirement (Reduced):

- a. <u>Eligibility</u>: A member may retire with a reduced benefit upon attaining age 62 with 10 years of service or age 60 with 20 years of service.
- b. <u>Reduction</u>: A full actuarial reduction is applied for each year of retirement prior to age 65 if a member has less than 25 years of service. The early retirement reduction factors are shown below:

Age	Factor	Age	Factor
64	90.21%	61	66.99%
63	81.55%	60	60.87%
62	73.85%		

#### 11. *Disability Retirement*:

- a. <u>Eligibility</u>: Member must be eligible for retirement under the Disability Act (or a substantially equivalent program) and must not be eligible for a 25-year service retirement at time of disability. Note that not all political subdivisions cover their members under a disability program or provide LTD benefit protection contracts covering their Tier II members.
- b. <u>Monthly Benefits Payable Prior to Retirement</u>: A separate fund established under the Disability Act (or an equivalent program) provides benefits from the time of disability until the age specified in 49-21-403. Benefits from this separate fund are not covered by these Systems.
- c. Monthly Benefits Payable after Retirement:
  - 1. Member is covered by an LTD benefit protection contract: An unreduced service retirement benefit is payable at eligibility for an unreduced retirement benefit. The member receives service credit for time while disabled (both for computing the benefit amount and for determining whether the member is eligible for an unreduced service retirement benefit). Final Average Monthly Salary is increased by the same factors used for automatic cost-of-living benefit increases. I.e., the FAMS is adjusted by a cost-of-living increase up to 2.5% per year (simple interest). Employers are required to contribute the full contribution rate on the imputed pay of the disabled member to the Retirement System while the member is disabled.
  - 2. <u>Member is not covered by an LTD benefit protection contract</u>: An unreduced service retirement benefit is payable at eligibility for an unreduced retirement benefit. The benefit is determined using the member's service and Final Average Monthly Salary as of the date of their disability. Employers do not make contributions to the retirement system on the imputed pay of their disabled members.
- d. <u>Payment Form</u>: Life annuity.

e. <u>Death while Disabled</u>: A disabled member is treated as an active member for purposes of determining a death benefit for the period prior to retirement.

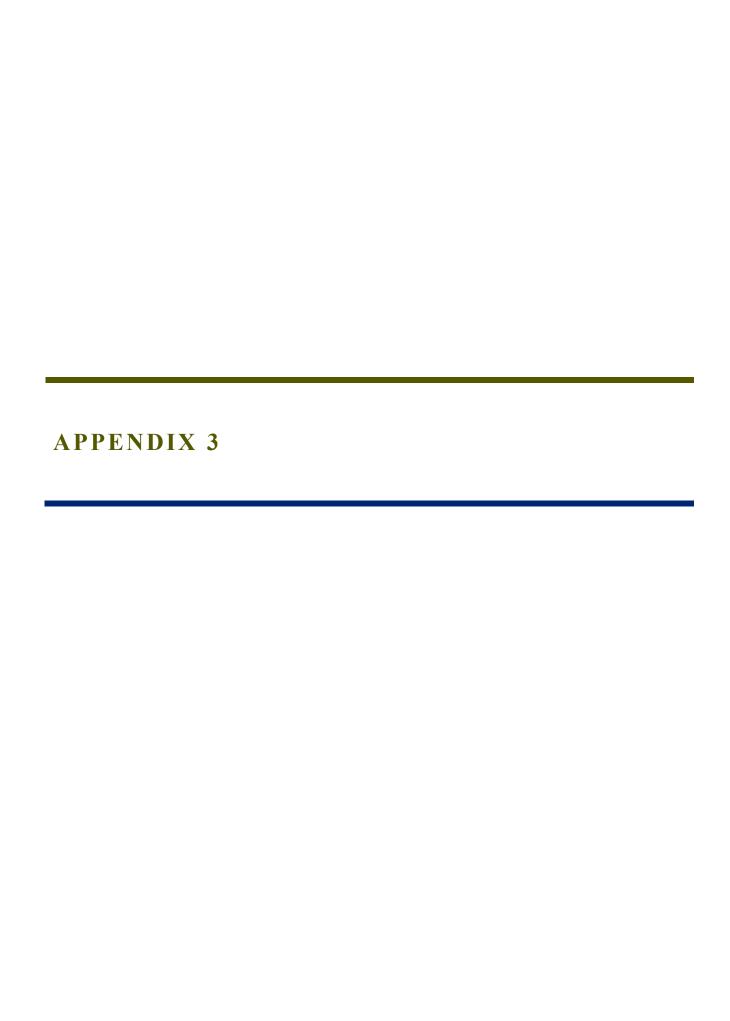
#### 12. *Vesting and Refunds*:

- a. <u>Eligibility</u>: All members who are not vested are eligible for a refund when they terminate service. Members are vested after four years of service. Vested members may also elect to receive a refund in lieu of the deferred termination benefit described below.
- b. <u>Amount</u>: The refund benefit is the accumulated value of the member's contributions credited by the fund. Interest is credited on the member's contribution account, and the amount of interest credited each year is set annually by the Board of Trustees.

### 13. Deferred Termination Benefit:

- a. <u>Eligibility</u>: Member must be vested (4 years of service) and must elect to leave his/her contributions on deposit.
- b. <u>Monthly Benefit</u>: Same as the service retirement benefit, based on service and FAMS at retirement, and commencing once the member is eligible.
- c. <u>Payment Form</u>: Life annuity.
- d. <u>Death Benefit</u>: The beneficiary of an inactive member who dies is entitled to receive a benefit as described in 14.2.a or 14.2.b below.
- 14. *Death while an Active Member*: All members who die while an active member receive a lump-sum payment that is equal to 75% of the member's highest annual salary. Members also receive death benefits described below depending on whether there death was duty related or non-duty related.
  - a. *Death while an Active Member (On Duty)*: If death occurs in the line of duty, the lumpsum and annuity benefits described below will be paid to the spouse. (The benefits are not applicable to unmarried members)
    - 1. Less than 20 years of service: \$1,000 lump sum payment plus an annuity equal to 30% of FAMS.
    - 2. 20 or more years of service: The option 1 benefit (life annuity) is calculated and paid to the spouse with no actuarial reduction.
  - b. Death of an Active Member (Off Duty): If the deceased member was married at the time of death and had (i) 15 or more years of service or (ii) attained age 62 with 10 or more years of service or (iii) attained age 65 with 4 or more years of service, the spouse may elect an annuity benefit in lieu of the refund benefit. The annuity is equal to the reduced or unreduced service retirement benefit payable as though Option 3 (a Joint and 100% Survivor annuity) were elected. If the member had 25 years of service or more, no reduction factor is applied in determining the service retirement benefit (the "full

- allowance"). If a member has 20 to 24 years of service but is not 60 or older, then the death benefit is equal to 2/3 of the "full allowance". If the member has at least 15 but less than 20 years of service and is below age 62, the benefit is 1/3 of the "full allowance". If the member is age 60 or older with at least 20 years of service, age 62 or older with at least 10 years of service, or age 65 with 4 or more years of service, the spouse will receive the Option 3 benefit with actuarial reductions.
- 15. Optional Forms of Benefit: The Systems permit members to elect from six forms of benefit at retirement. In each case the benefit amount is adjusted to be actuarially equivalent to the "Option 1" form. The six optional forms are:
  - Option 1 A life annuity with no benefits due following the member's death.
  - Option 2 Modified Cash Refund Annuity. A reduced annuity payable for the member's lifetime, plus a death benefit equal to the excess of the member's accumulated contributions (determined at retirement) over the sum of the member's annuity payments from retirement. (The annuity payments are that part of the original benefit derived from the member's own accumulated contributions.)
  - Option 3 Joint and 100% Survivor Annuity. An annuity payable as long as either the member or his/her spouse is living.
  - Option 4 Joint and 50% Survivor Annuity. An annuity payable during the member's lifetime, and after the member's death if the member's spouse is still living, an annuity to the spouse of 50% of the original benefit.
  - Option 5 Joint and 100% Pop-up Annuity. Same as Option 3, except that the benefit amount reverts to the Option 1 (life annuity) amount if the member's spouse predeceases the member.
  - Option 6 Joint and 50% Pop-up Annuity. Same as Option 4, except that the benefit amount reverts to the Option 1 (life annuity) amount if the member's spouse predeceases the member.
- 16. *Postretirement Death Benefit*: None, except as elected by the member. See Optional Forms of Benefit above.
- 17. Postretirement Benefit Increases: Benefits are increased annually to take into account changes in the cost of living. The maximum annual increase is 2.50% of the original benefit (i.e., a maximum 2.50% simple interest increase). However, in years in which the cost of living increases more than the maximum COLA, the excess increase is accumulated and used in later years in which the cost-of-living increase is less than the maximum COLA. This calculation is made separately for each individual.



#### GLOSSARY

Actuarial Accrued Liability (AAL): That portion, as determined by a particular Actuarial Cost Method, of the Actuarial Present Value of Future Plan Benefits which is not provided for by future Normal Costs. It is equal to the Actuarial Present Value of Future Plan Benefits minus the actuarial present value of future Normal Costs.

**Actuarial Assumptions:** Assumptions as to future experience under the Fund. These include assumptions about the occurrence of future events affecting costs or liabilities, such as:

- mortality, withdrawal, disablement, and retirement;
- future increases in salary;
- future rates of investment earnings and future investment and administrative expenses;
- characteristics of members not specified in the data, such as marital status;
- characteristics of future members;
- future elections made by members; and
- other relevant items.

Actuarial Cost Method or Funding Method: A procedure for allocating the Actuarial Present Value of Future Benefits to various time periods; a method used to determine the Normal Cost and the Actuarial Accrued Liability.

Actuarial Gain or Actuarial Loss: A measure of the difference between actual experience and that expected based upon a set of Actuarial Assumptions, during the period between two Actuarial Valuation dates. Through the actuarial assumptions, rates of decrements, rates of salary increases, and rates of fund earnings have been forecasted. To the extent that actual experience differs from that assumed, Actuarial Accrued Liabilities emerge which may be the same as forecasted, or may be larger or smaller than projected. Actuarial gains are due to favorable experience, e.g., the Fund's assets earn more than projected, salaries do not increase as fast as assumed, members retire later than assumed, etc. Favorable experience means actual results produce actuarial liabilities not as large as projected by the actuarial assumptions. On the other hand, actuarial losses are the result of unfavorable experience, i.e., actual results that produce actuarial liabilities which are larger than projected. Actuarial gains will decrease the calculated contribution rates while actuarial losses will increase the calculated contribution rates.

**Actuarially Equivalent:** Of equal actuarial present value, determined as of a given date and based on a given set of Actuarial Assumptions.

Actuarial Present Value (APV): The value of an amount or series of amounts payable or receivable at various times, determined as of a given date by the application of a particular set of Actuarial Assumptions. For purposes of this standard, each such amount or series of amounts is:

- a. adjusted for the probable financial effect of certain intervening events (such as changes in compensation levels, marital status, etc.)
- b. multiplied by the probability of the occurrence of an event (such as survival, death, disability, termination of employment, etc.) on which the payment is conditioned, and
- c. discounted according to an assumed rate (or rates) of return to reflect the time value of money.

Actuarial Present Value of Future Plan Benefits: The Actuarial Present Value of those benefit amounts which are expected to be paid at various future times under a particular set of Actuarial Assumptions, taking into account such items as the effect of advancement in age and past and anticipated future compensation and service credits. The Actuarial Present Value of Future Plan Benefits includes the liabilities for active members, retired members, beneficiaries receiving benefits, and inactive, nonretired members either entitled to a refund or a future retirement benefit. Expressed another way, it is the value that would have to be invested on the valuation date so that the amount invested plus investment earnings would be provide sufficient assets to pay all projected benefits and expenses when due.

Actuarial Valuation: The determination, as of a valuation date, of the Normal Cost, Actuarial Accrued Liability, Actuarial Value of Assets, and related Actuarial Present Values for a plan. An Actuarial valuation for a governmental retirement system typically also includes calculations of items needed for compliance with GASB 25, such as the funded ratio and the ARC.

Actuarial Value of Assets or Valuation Assets: The value of the Fund's assets as of a given date, used by the actuary for valuation purposes. This may be the market or fair value of plan assets, but commonly actuaries use a smoothed value in order to reduce the year-to-year volatility of calculated results, such as the funded ratio and the actuarially determined contribution rate.

**Actuarially Determined:** Values which have been determined utilizing the principles of actuarial science. An actuarially determined value is derived by application of the appropriate actuarial assumptions to specified values determined by provisions of the law.

Amortization Method: A method for determining the Amortization Payment. The most common methods used are level dollar and level percentage of payroll. Under the Level Dollar method, the Amortization Payment is one of a stream of payments, all equal, whose Actuarial Present Value is equal to the UAAL. Under the Level Percentage of Pay method, the Amortization payment is one of a stream of increasing payments, whose Actuarial Present Value is equal to the UAAL. Under the Level Percentage of Pay method, the stream of payments increases at the assumed rate at which total covered payroll of all active members will increase.

**Amortization Payment:** That portion of the pension plan contribution which is designed to pay interest on and to amortize the Unfunded Actuarial Accrued Liability.

*Closed Amortization Period:* A specific number of years that is counted down by one each year, and therefore declines to zero with the passage of time. For example if the amortization period is initially set at 30 years, it is 29 years at the end of one year, 28 years at the end of two years, etc. See Funding Period and Open Amortization Period.

**Decrements:** Those causes/events due to which a member's status (active-inactive-retiree-beneficiary) changes, that is: death, retirement, disability, or termination.

**Defined Benefit Plan:** A retirement plan that is not a Defined Contribution Plan. Typically a defined benefit plan is one in which benefits are defined by a formula applied to the member's compensation and/or years of service.

**Defined Contribution Plan:** A retirement plan, such as a 401(k) plan, a 403(b) plan, or a 457 plan, in which the contributions to the plan are assigned to an account for each member, and the plan's earnings are allocated to each account, and each member's benefits are a direct function of the account balance.

*Employer Normal Cost:* The portion of the Normal Cost to be paid by the employers. This is equal to the Normal Cost less expected member contributions.

*Experience Study:* A periodic review and analysis of the actual experience of the Fund which may lead to a revision of one or more actuarial assumptions. Actual rates of decrement and salary increases are compared to the actuarially assumed values and modified as deemed appropriate by the Actuary.

*Funded Ratio:* The ratio of the actuarial value of assets (AVA) to the actuarial accrued liability (AAL). Plans sometimes calculate a market funded ratio, using the market value of assets (MVA), rather than the AVA, although GASB 25 reporting requires the use of the AVA.

**Funding Period** or **Amortization Period**: The term "Funding Period" is used it two ways. In the first sense, it is the period used in calculating the Amortization Payment as a component of the ARC. This funding period is chosen by the Board of Trustees. In the second sense, it is a calculated item: the number of years in the future that will theoretically be required to amortize (i.e., pay off or eliminate) the Unfunded Actuarial Accrued Liability, based on the statutory employer contribution rate, and assuming no future actuarial gains or losses.

*GASB*: Governmental Accounting Standards Board.

Normal Cost: That portion of the Actuarial Present Value of pension plan benefits and expenses which is allocated to a valuation year by the Actuarial Cost Method. Any payment in respect of an Unfunded Actuarial Accrued Liability is not part of Normal Cost (see Amortization Payment). For pension plan benefits which are provided in part by employee contributions, Normal Cost refers to the total of employee contributions and employer Normal Cost unless otherwise specifically stated. Under the entry age normal cost method, the Normal Cost is intended to be the level cost (when expressed as a

percentage of pay) needed to fund the benefits of a member from hire until ultimate termination, death, disability or retirement.

*Open Amortization Period:* An open amortization period is one which is used to determine the Amortization Payment but which does not change over time. In other words, if the initial period is set as 20 years, the same 20-year period is used in determining the Amortization Period each year. In theory, if an Open Amortization Period is used to amortize the Unfunded Actuarial Accrued Liability, the UAAL will never completely disappear, but will become smaller each year, either as a dollar amount or in relation to covered payroll.

*Unfunded Actuarial Accrued Liability:* The excess of the Actuarial Accrued Liability over the Actuarial Value of Assets. This value may be negative in which case it may be expressed as a negative Unfunded Actuarial Accrued Liability, also called the Funding Surplus.

Valuation Date or Actuarial Valuation Date: The date as of which the value of assets is determined and as of which the Actuarial Present Value of Future Plan Benefits is determined. The expected benefits to be paid in the future are discounted to this date.