



# URS Update & Outlook and Event Preview

*Daniel D. Andersen*

URS/PEHP Employer Event

March 26, 2025



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# Utah public pension system is considered ‘better than most’

State’s retirement system compares favorably with other states and “is not just sustainable but thriving.”

By **BROCK MARCHANT**

*The Salt Lake Tribune*

Cathy Jensen retired from the state of Utah twice — once in 2010 after 33 years as a teacher and principal, and again in 2023 after about 14 years working for the Utah State Office of Education.

“The first several months was really, really hard. I didn’t like it at all,” she said of retirement. “I

loved my work and had a hard time finding fulfillment.”

Working with Utah Retirement Systems, however, has been easy — and she said a group of retired teachers she now hikes with twice weekly feel similarly.

“They think it’s so seamless, well-run, they never make mistakes,” she said. “It’s been really good.”

*Please see PENSION, A2*



TRENT NELSON | *The Salt Lake Tribune*

After working for 47 years in Utah’s education system, Cathy Jensen says she’s been happy with her experience with the Utah Retirement Systems.

TRUTH . EMPOWERMENT . COMMUNITY .

# The Salt Lake Tribune

THURSDAY, FEBRUARY 13, 2025

PULITZER PRIZE WINNER



TRENT NELSON | The Salt Lake Tribune

Utah lawmakers in 2010 made changes to limit the amount of retirement costs that public employers pay. Employees hired during or after July 2011 were given a "Tier 2" retirement program that limits employers' required contributions.

## Utah public retirement 'a pretty healthy system,' says national research director

### Pension

Continued from A1

But how does Jensen's experience relate to how Utah Retirement Systems is operating now? And what kind of experiences can Utah's public employees expect in the future?

#### HOW UTAH'S RETIREMENT BENEFITS STACK UP NEXT TO OTHER STATES

According to Keith Brainard, the research director for the National Association of State Retirement Administrators, Utah

He said Utah Retirement Systems is on track to achieve its 100% funding-status goal. Still, Brainard said an actuary ratio alone doesn't determine the entire health of a pension plan.

A lot of it comes down to the fiscal condition of the plan sponsor, he said. In the case of URS, that's the state of Utah and its employers — towns, school districts, counties and other entities.

If, he explained, a plan was funded at 50% — "which is not a good funding level" — but the sponsor is financially solid, with revenues expected to keep incoming, the sponsor could be able to pay down the unfunded portion and provide benefits.

employers aren't required to pay their contributions.

"Utah has never done this," Holland noted. "At URS, our participating employers share our long-term perspective and value careful funding today for the sake of a healthy, sustainable pension fund tomorrow."

#### HOW EMPLOYER CONTRIBUTIONS HAVE CHANGED

In 2010, state lawmakers changed Utah Retirement Systems to limit the total amount of retirement costs that public employers pay.

Any employees hired during or after July 2011 were given a "Tier

with at least four years of service don't face any allowance reductions when retiring.

"Tier 2" employees also have the option to forgo a state pension plan and have their employers contribute the 10% or 14% to a 401(k).

"Eligibility requirements didn't change, but the benefits did. Tier 2 benefits are not quite as rich as Tier 1 benefits," Holland said.

He explained that the changes helped Utah Retirement Systems secure a solid footing among successful public pension plans in the country and that, even though it doesn't match what the "Tier 1" plan offered, "[i]t's still an outstanding benefit, especial-

paid out more than \$2.15 billion to more than 70,000 Utahns.

"For perspective," Holland said, "this is larger than the earnings paid by many entire industries in Utah, including motor vehicle and parts dealers, truck transportation, and repair and maintenance."

#### WHAT THE FUTURE HOLDS

Since the 2020 COVID-19 pandemic, Holland said Utah's public employees are receiving "rapid salary growth."

"We're happy to see public employees in Utah, such as teachers, firefighters and police officers, get the higher salaries that most peo-

“ The URS funding ratio is well above average compared to other public pension plans around the United States ... You're able to say, overall, it's a pretty healthy system. It's doing pretty well. ”

## Keith Brainard

*National Association of State*

*Retirement Administrators (NASRA)*

# Pension Fund in 2024

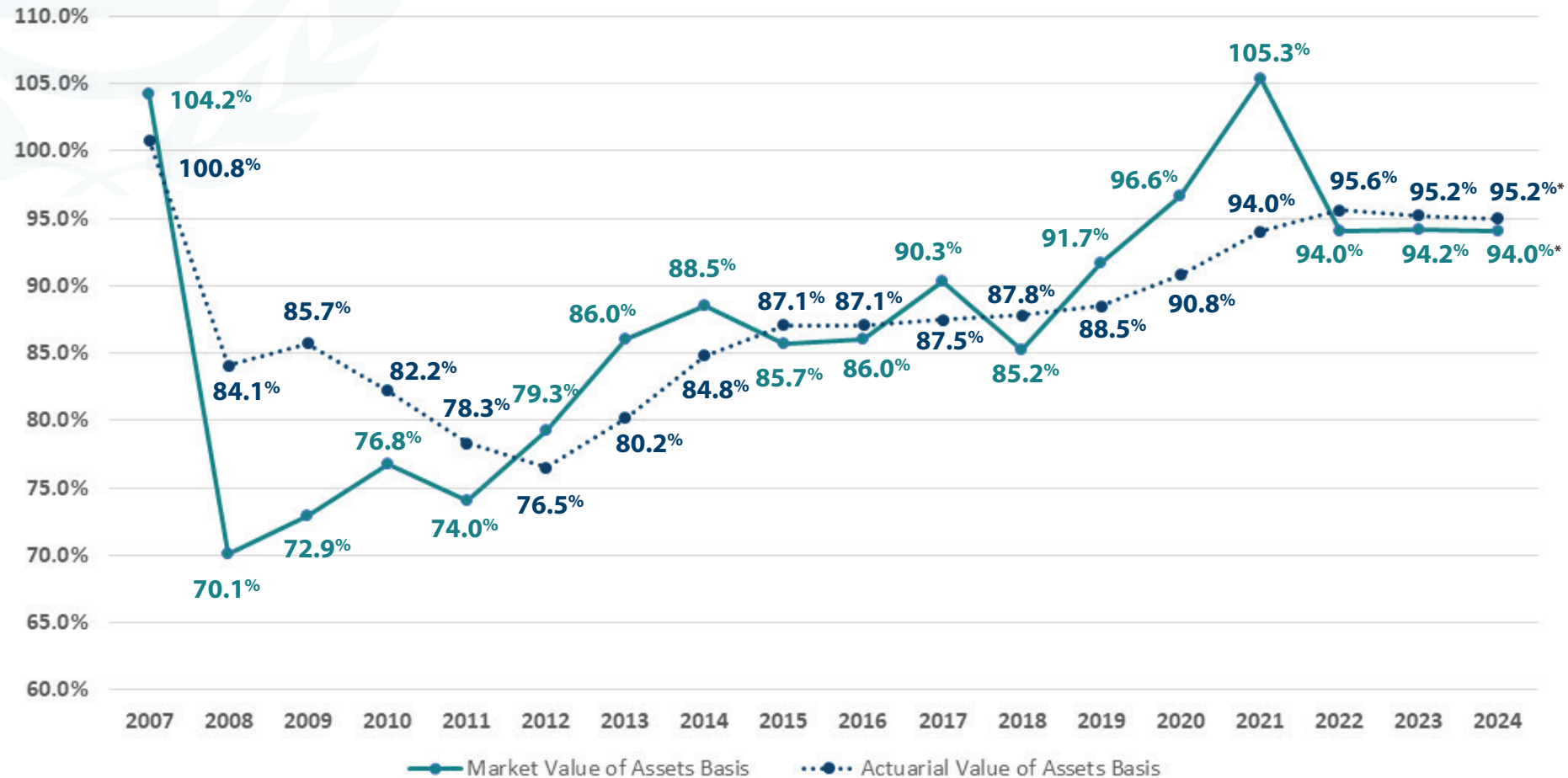
Tentative figures (subject to change)

**7.4%** » Overall growth in 2024

**94.0%** » Funding Level as of Dec. 31, 2024  
**Market Value** (fair value)

**95.0%** » Funding Level as of Dec. 31, 2024  
**Actuarial Value** (smoothed basis)

# Pension Funded Ratio



\* 2024 data is preliminary and subject to change

# Pension Funded Ratio

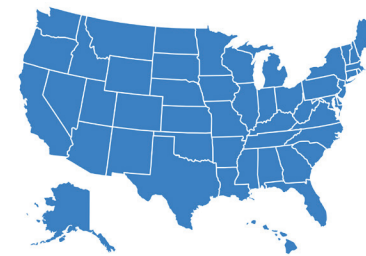
How URS  
compares  
to national  
average  
(market  
value)



**2024 data**  
Preliminary and  
subject to change

94.0%

76.4%

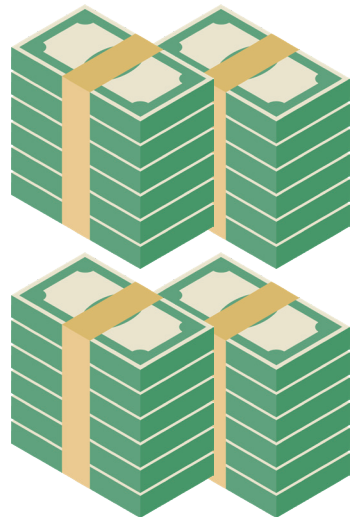


**2023 data**  
Source: NASRA  
Summary of Findings  
for FY 2023

# URS Pension Payouts: 2024

**\$2.1  
BILLION**

IN PENSION BENEFITS  
PAID IN UTAH



**72,400**



UTAHNS  
RECEIVED  
PENSION  
BENEFITS



**0.9%**

EQUIVALENT  
PORTION OF  
THE STATE'S TOTAL  
PERSONAL INCOME



**66.5%**

AVERAGE PORTION OF  
BENEFITS PAID THROUGH  
INVESTMENT RETURNS  
OVER THE PAST 10 YEARS

# Economic Impact on Utah

In 2024, URS pension payouts supported...

7,200

UTAH JOBS



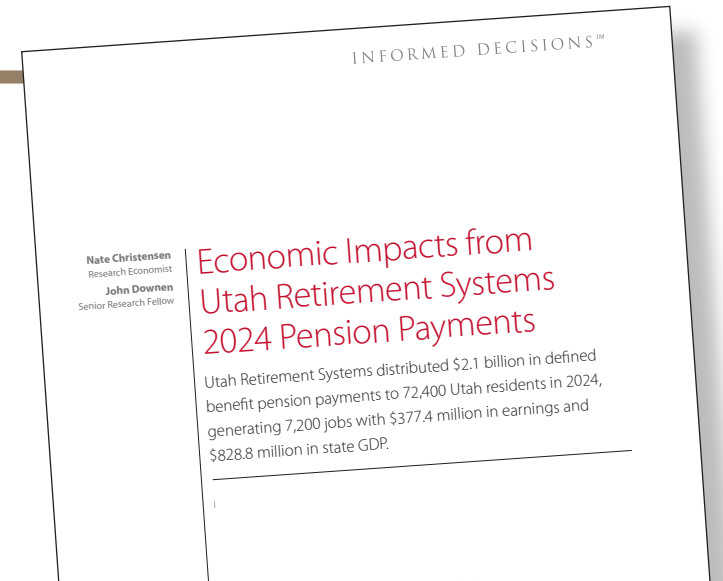
\$377.4 Million

UTAH WAGES



**\$828.8 Million**  
YEARLY ECONOMIC  
IMPACT IN UTAH

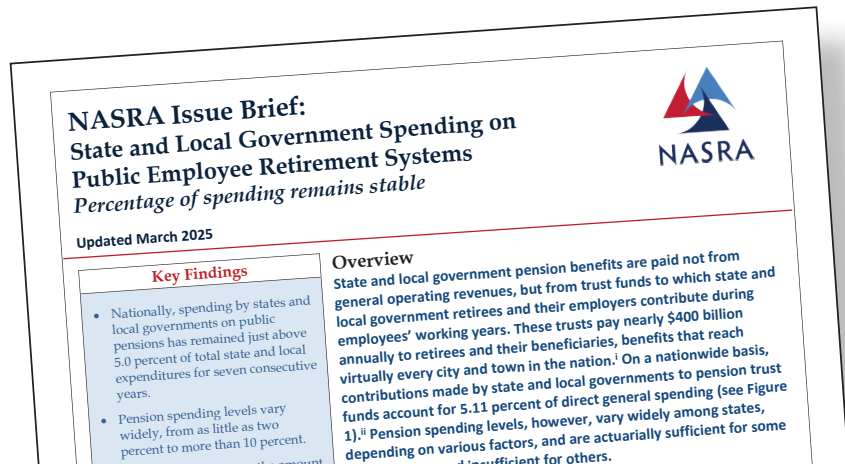
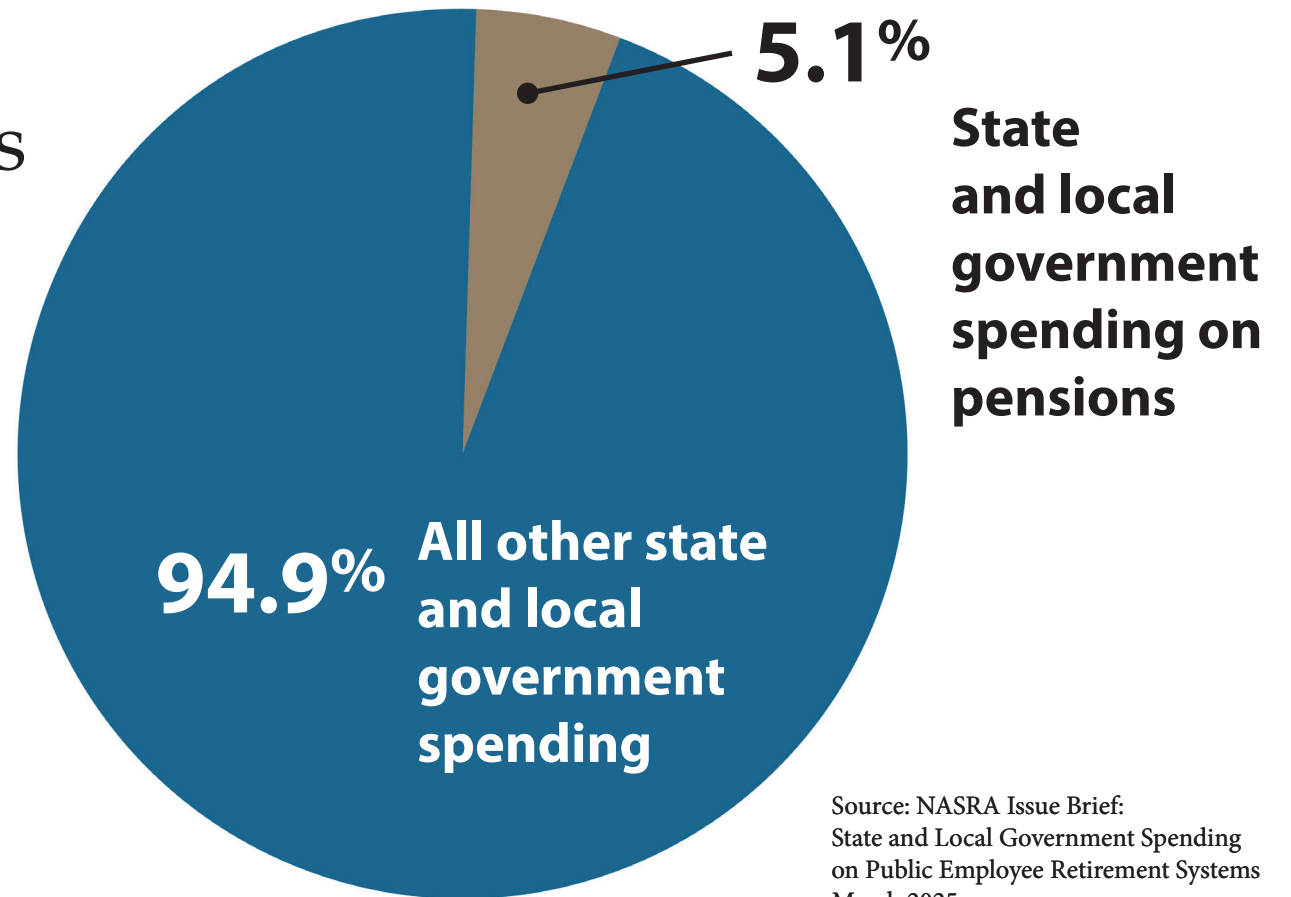
Source: University of Utah's Kem C. Gardner Policy Institute.





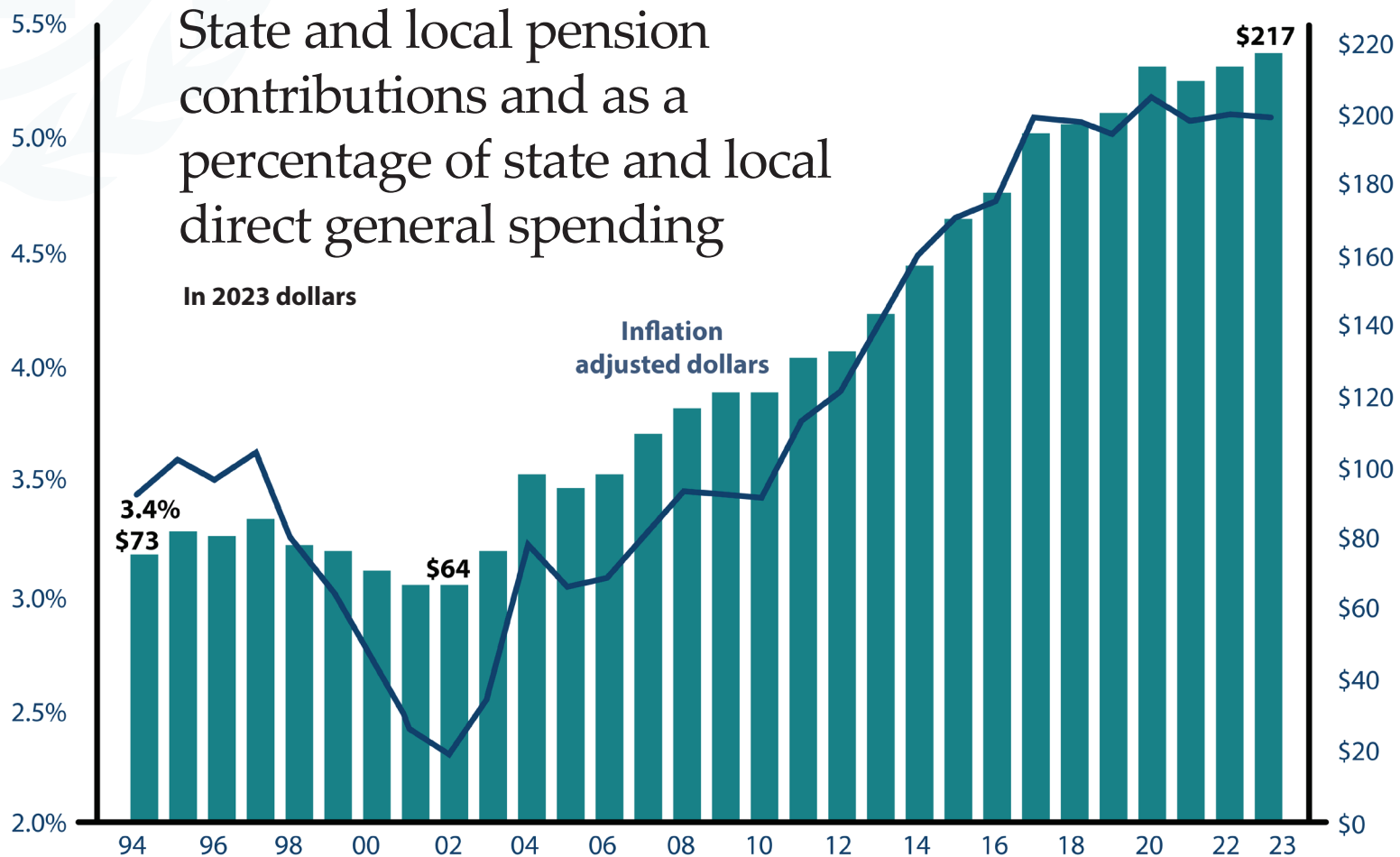
# Spending on Public Pensions

State and local government contributions to pensions as a percentage of all direct general spending



Source: NASRA Issue Brief: State and Local Government Spending on Public Employee Retirement Systems March 2025

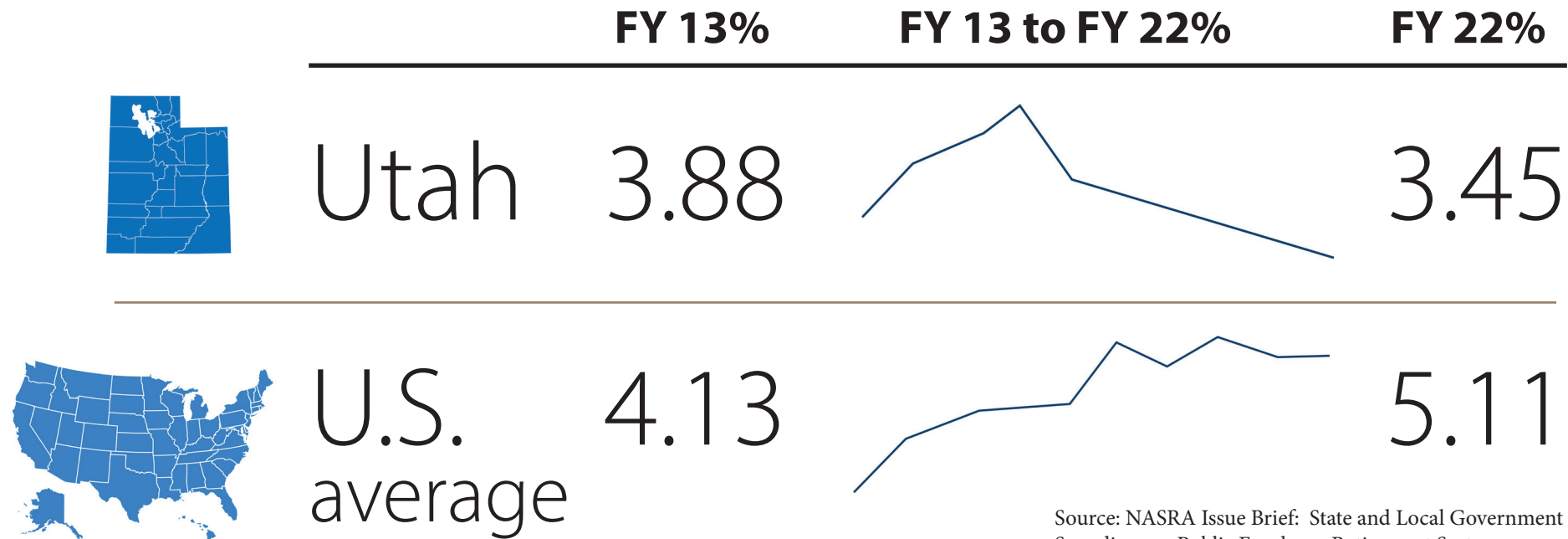
# Differences in Pension Costs



Source: NASRA Issue Brief: State and Local Government Spending on Public Employee Retirement Systems March 2025

# Government Pension Funding

State and local government contributions to pensions as a percentage of all direct general spending

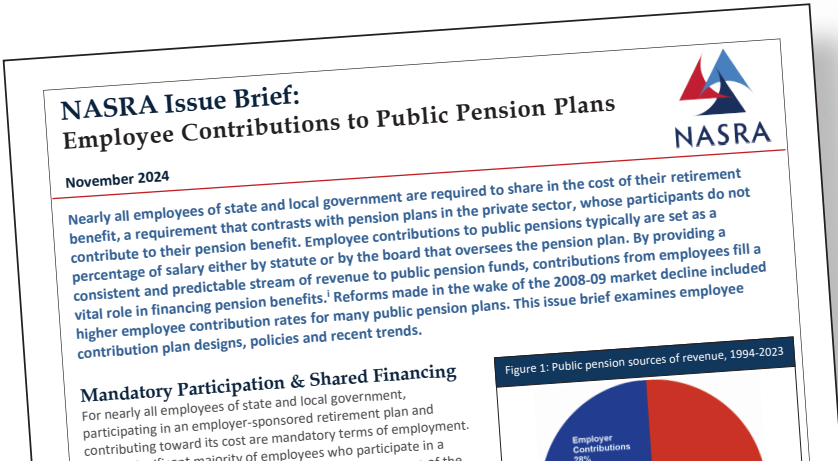
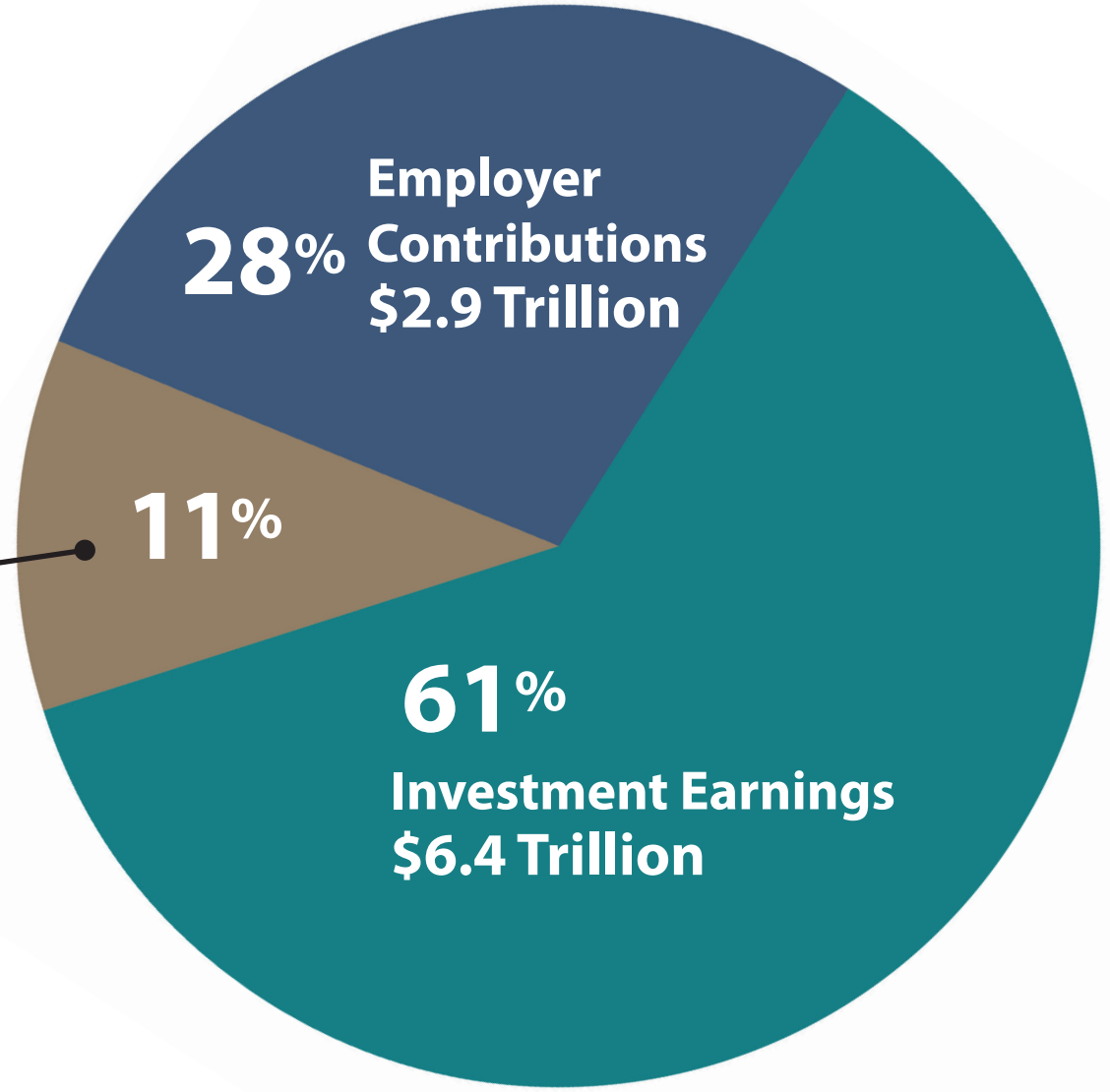


Source: NASRA Issue Brief: State and Local Government Spending on Public Employee Retirement Systems  
March 2025

# Public Pension Revenue Sources

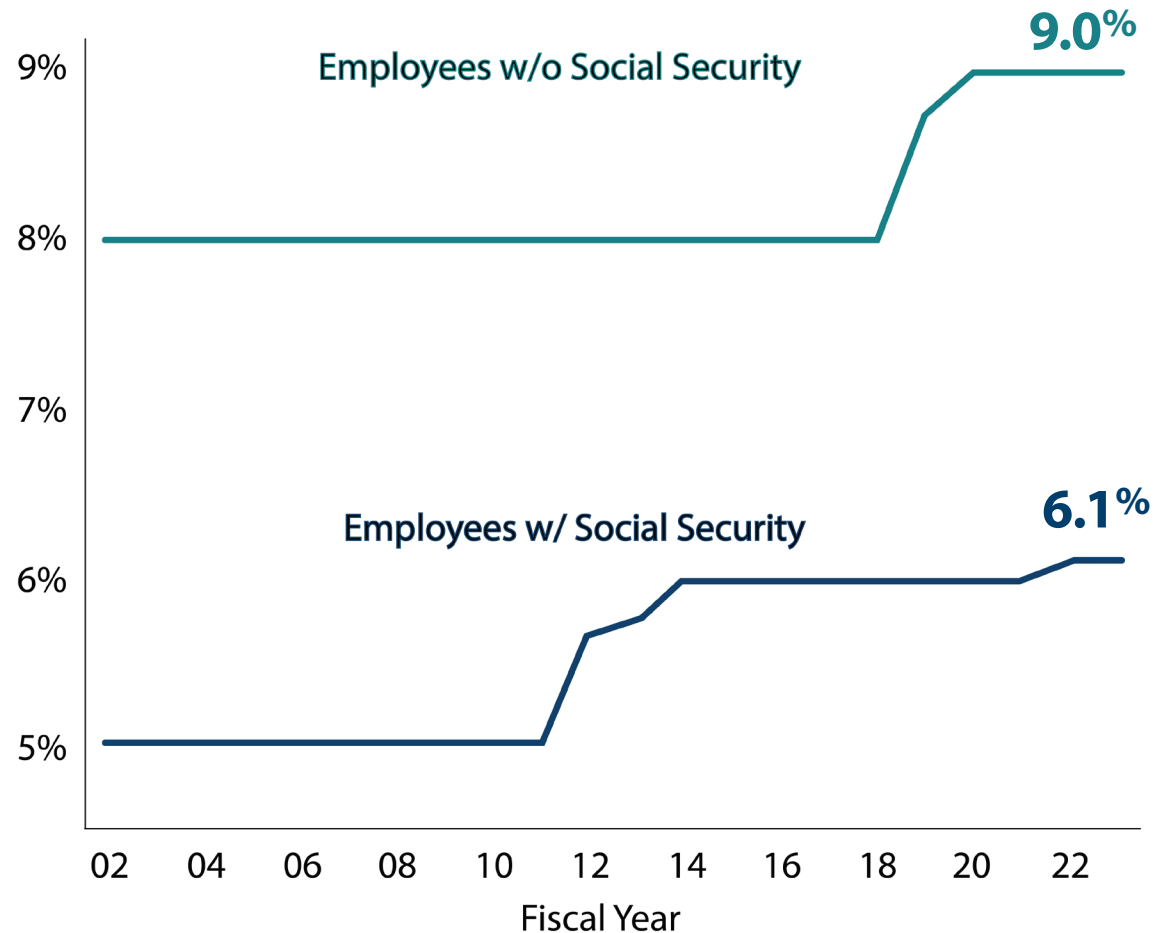
NASRA Issue Brief: Employee Contributions to Public Pension Plans  
November 2024

Employee Contributions  
\$1.2 Trillion



# Employee Contribution Trends

Median employee contribution rate by Social Security eligibility, FY 02 to FY 23 (non-public safety)





Utah Retirement Systems

**Trust • Commitment**  
**Value • Innovation • Excellence**