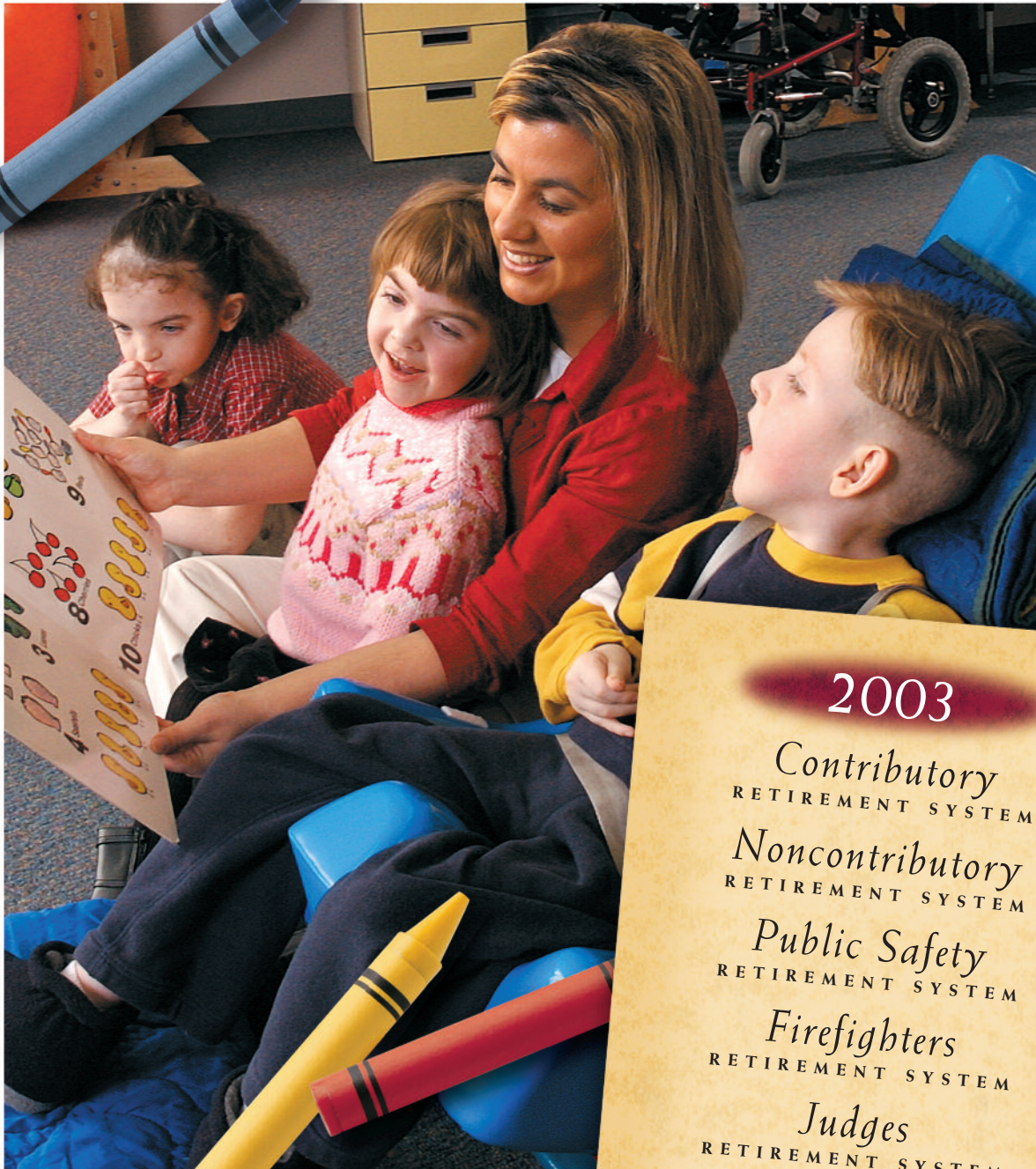


Utah Retirement Systems

UTAH RETIREMENT SYSTEMS

Comprehensive Annual Financial Report

For the Year Ended December 31, 2003



2003

Contributory
RETIREMENT SYSTEM

Noncontributory
RETIREMENT SYSTEM

Public Safety
RETIREMENT SYSTEM

Firefighters
RETIREMENT SYSTEM

Judges
RETIREMENT SYSTEM

Governors and Legislative
PENSION PLAN

401(k) and 457 Plans

Certificate of Achievement for Excellence in Financial Reporting

Presented to
**Utah Retirement
Systems**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2002

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Edward Hagan
President

Jeffrey L. Esser
Executive Director



Public Pension Coordinating Council Public Pension Standards 2003 Award

Presented to
Utah Retirement Systems

In recognition of meeting professional standards for
plan design and administration as set forth in the Public Pension Standards.

*Presented by the Public Pension Coordinating Council, a confederation of
National Association of State Retirement Administrators (NASRA)
National Conference on Public Employee Retirement Systems (NCPERS)
National Council on Teacher Retirement (NCTR)*

Alan H. Winkle
Alan H. Winkle
Program Administrator

*On the Cover:
Stephanie Schaugaard,
Paraeducator,
Jordan School District,
with (left to right)
Emily, Brittea and Hagan*

Utah Retirement Systems

UTAH RETIREMENT SYSTEMS

2003 Comprehensive Annual Financial Report

For the Year Ended December 31, 2003

Contributory

RETIREMENT SYSTEM

Noncontributory

RETIREMENT SYSTEM

Public Safety

RETIREMENT SYSTEM

Firefighters

RETIREMENT SYSTEM

Judges

RETIREMENT SYSTEM

Governors and Legislative

PENSION PLAN

401(k) and 457 Plans

Prepared by

Finance Department ■ Utah Retirement Systems
560 East 200 South ■ Salt Lake City, Utah 84102-2021
www.urs.org

Robert V. Newman, Executive Director
Robert J. Stringham, CPA, Chief Financial Officer

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INTRODUCTORY
SECTION



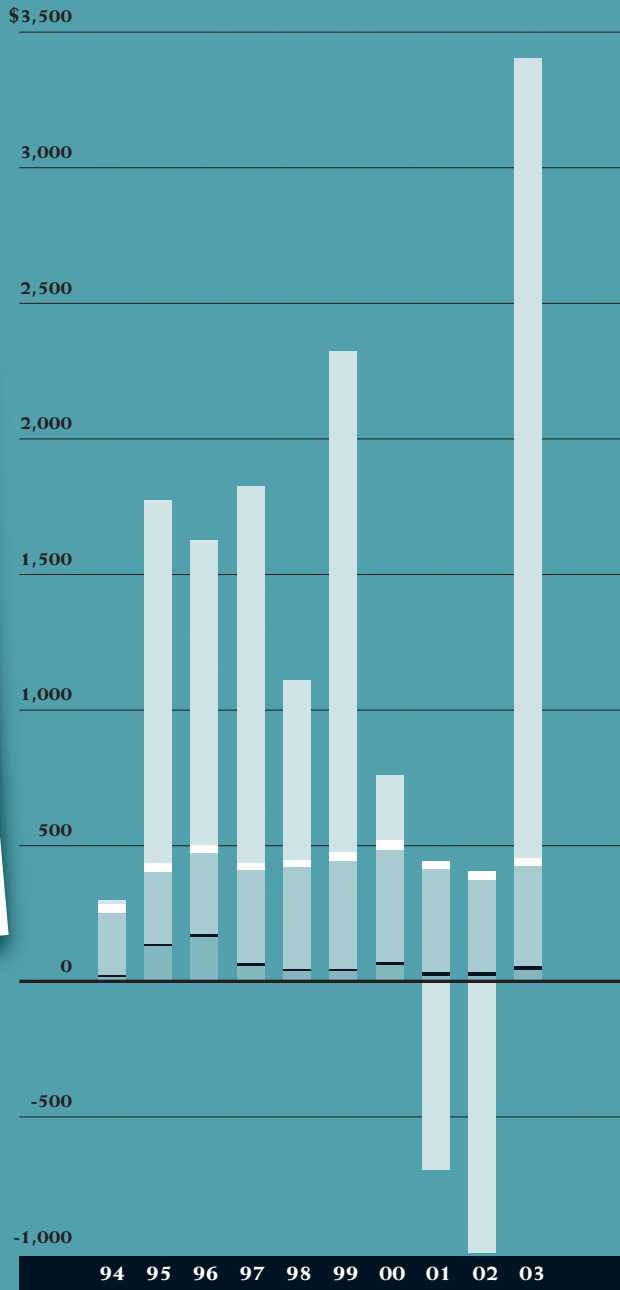
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All Retirement Systems

(in millions)

Additions by Source

ADDITIONS
BY SOURCE



(in millions)

	94	95	96	97	98	99	00	01	02	03
Net Investment Income (Loss)	\$14	1,330	1,118	1,381	958	1,836	239	(693)	(999)	2,929
Member Contributions	33	34	28	29	29	33	34	31	31	31
Employer Contributions	234	266	302	344	374	397	414	388	341	369
Court Fees and Fire Insurance Tax	5	6	6	6	6	6	8	10	12	11
Transfers from Systems	6	124	158	52	32	33	55	8	15	37
Totals	\$292	1,760	1,612	1,812	1,399	2,305	750	(256)	(600)	3,377

Letter of Transmittal

UTAH STATE RETIREMENT BOARD
UTAH RETIREMENT SYSTEMS
560 East 200 South
Salt Lake City, Utah 84102-2021
(801) 366-7700
(800) 365-8772 TOLL FREE
(801) 366-7734 FAX

ROBERT V. NEWMAN
EXECUTIVE DIRECTOR

February 27, 2004

Utah State Retirement Board
560 East 200 South
Salt Lake City, UT 84102-2021

Dear Board Members:

We are pleased to present the 2003 Comprehensive Annual Financial Report of the Utah Retirement Systems (Systems) and 401(k) and 457 Plans (Plans), a component unit of the State of Utah, administered by the Utah State Retirement Board (Board) for calendar year 2003. The financial reporting entity of the Systems and Plans include the Public Employees Contributory and Non-contributory Retirement Systems, for both government and public education employees, the Public Safety, Firefighters and Judges Retirement Systems, the Governors and Legislative Pension Plan, and the 401(k) and 457 Plans.

Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the management of the Systems and Plans. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the fiduciary funds.

For financial reporting purposes, the Systems and Plans utilize Governmental Accounting Standards Board (GASB) Statement No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*, GASB Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, GASB Statement No. 37, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments: Omnibus*, GASB Statement No. 38, *Certain Financial Statement Note Disclosures*, and GASB Statement No. 40, *Deposit and Investment Risk Disclosures*. Assets of the Systems and Plans are presented at fair value. The actuarial value of assets and the actuarial accrued liability are presented in the required supplementary information following the notes to the basic financial statements.

The Utah Retirement Systems and 401(k) and 457 Plans were established by legislation and authorized as indicated in the notes to the basic financial statements on page 44. The Summaries of Plan Provisions are presented on pages 114 through 123. The number of active and retired members and beneficiaries for each system is presented in the Systems' Highlights on pages 12 through 24. The purpose of the Systems and Plans is to provide benefits for all eligible State, local government and most public education

employees whose employers have elected to participate. Services provided by the staff are performed to meet that objective.

The 2003 Comprehensive Annual Financial Report is presented in five sections. The Introductory Section contains the letter of transmittal, the Board President's letter, identification of the Systems' administrative organization and professional consultants, as well as Systems' Highlights for each retirement system and plan. The Financial Section contains the opinion of the independent auditors, management's discussion and analysis (MD&A), the basic financial statements and required supplementary information of the Systems, and further information about the Systems at division levels. The Investment Section contains investment information and a list of the largest holdings. The Actuarial Section contains the independent consulting actuary's certification, an outline of actuarial assumptions and methods, and other actuarial statistics. The Statistical Section contains tables of significant data pertaining to the Systems.

Management's Discussion and Analysis

The MD&A beginning on page 28 provides an overview and analysis of the Systems and Plans Basic Financial Statements. This Letter of transmittal is intended to complement the MD&A and should be read in conjunction with it.

Letter of Transmittal *(Continued)*

Economic Condition and Outlook

The economic condition of the Systems is based primarily upon investment earnings. The Systems' investments were evaluated at year end by Callan Associates Inc., Investment Measurement Service. A comparative analysis of rates of return is presented on page 94 of this report.

For the Future

During 2003, actuarial assumptions and contribution rates were based on the recommendations of our actuary. See the Actuarial Section of this report and the notes to the basic financial statements for explanations of these rates. Rate changes resulted from actuarial assumption modifications, economic conditions, actuarial experience gains and losses and benefit enhancements in the Systems.

The Utah Retirement Systems are maintained on an actuarially sound basis as certified in this report by our actuary, thus protecting participants' future benefits. We anticipate that investment earnings on a long term basis will continue to meet or exceed the actuarially assumed earning rate. We expect all systems to continue towards fully funded positions in accordance with actuarial assumptions.

Financial Information

Management is responsible for maintaining a system of adequate internal accounting controls designed to provide reasonable assurance that transactions are executed in accordance with management's general or specific authorization, and are recorded as necessary to maintain accountability for assets and to permit preparation of financial

statements in accordance with generally accepted accounting principles. This system includes written policies and procedures and an internal audit department that reports to the Board. Discussion and analysis of net assets and related additions and deductions is presented in the MD&A beginning on page 28.

Funding

Funds are derived from the excess of additions, which include contributions and investment earnings, over deductions, which are comprised of benefits and administrative expenses. Funds are accumulated to meet future benefit obligations to retirees and beneficiaries. This accumulated balance is referred to as the "net assets held in trust for pension benefits" in the Statements of Fiduciary Net Assets in the Financial Section of this report. The actuarial accrued liability is not disclosed in the basic financial statements but is disclosed in the required supplementary information schedules immediately following the notes to the basic financial statements. These schedules show the actuarial value of assets, which is based on a five-year smoothed expected rate of return, wherein the excess or shortfall of investment income over or under the actuarial assumed income of 8% is recognized over a five-year period. This is the value of assets used by the actuary in determining contribution rates for the Systems as disclosed in note 5 to the basic financial statements.

The actuarial accrued liability of the Systems is determined by the actuary. It is a measure of the present value of actuarial accrued liabilities estimated to be payable in the future to current retirees, beneficiaries and employees for service earned to date.

The percentage computed by dividing the actuarial value of net assets available for benefits by the actuarial accrued liability is generally referred to as the "funded ratio". This ratio provides an indication of the funded status of the Systems on a going-concern basis and generally, the greater this percentage, the stronger the system. A higher level of funding gives the participants a greater degree of assurance that their pension benefits are secure.

Although the historical level of funding is good, constant effort will be directed at achieving full funded status, assuring participants of financially sound retirement systems. Funded status and progress for overall Systems are presented in the Required Supplementary Information Schedules of Funding Progress on page 60. The current funded ratios range from 93% to 126%.

Investments

The investment portfolio mix at fair value as of the end of 2003 was 21% debt securities, 55% equities, 5% private equity, 8% real estate and 11% short term. The 21% debt securities are comprised of 16% domestic and 5% international instruments. The 55% equities are comprised of 37% domestic and 18% international equities. See MD&A and Investment Section for more detailed analysis and information. The Systems' investment outlook is long-term allowing the portfolio to take advantage of the favorable risk-return characteristics of equities by placing more emphasis on this category.

Letter of Transmittal *(Continued)*

The Board utilizes internal and external portfolio managers employing both passive (indexed) and active strategies. The portfolio is broadly diversified among equities, debt securities, real estate and private equity with additional diversification achieved through domestic and international investing.

Investment Risk

The investment policy is to minimize credit and market risks while maintaining a competitive yield on its portfolio. Accordingly, deposits are either insured by federal depository insurance or collateralized. All collateral on deposits is held in the counterparties' joint custody accounts at the Federal Reserve Bank. On occasion, deposits may be significantly greater than collateral due to investment purchase "fails", receipt of interest earnings on the 15th of each month and proceeds from investment sales and maturities. Of approximately \$16.4 billion in investments at fair value as of December 31, 2003, none of the investments were in the category of highest custodial credit risk as defined by the GASB.

Independent Audit

An annual audit of the Systems and Plans was conducted by the independent accounting firm of Deloitte & Touche LLP. The auditors' report on the basic financial statements is included in the Financial Section of this report.

Actuarial Valuation

An actuarial valuation of the Systems is performed annually. An assumption experience study is performed at least every other year. The actuarial firm Gabriel, Roeder, Smith & Company completed the actuarial reviews and valuations and served as technical advisor to the Systems. Actuarial certification and supporting statistics are included in the Actuarial and Statistical Sections of this report.

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Utah Retirement Systems for its Comprehensive Annual Financial Report for the fiscal year ended December 31, 2002. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such financial reports must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of

Achievement is valid for a period of one year only. The Utah Retirement Systems has received a Certificate of Achievement for the last 19 years. We believe our current report continues to conform to the Certificate of Achievement Program requirements, and we are submitting it to GFOA.

In addition the Utah Retirement Systems were awarded the Public Pension Coordinating Council Public Pension Standards 2003 Award. This award is in recognition of meeting professional standards for plan design and administration as set forth in the Public Pension Standards.

Acknowledgments

The compilation of this report reflects the combined efforts of the staff under the leadership of the Utah State Retirement Board. The report is intended to provide extensive and reliable information for making management decisions, determining compliance with legal provisions, and determining responsible stewardship for the assets contributed by the Systems' members and their employers.

We would like to take this opportunity to express our gratitude to the Board, the staff, the advisors, and the many people who have worked so diligently to assure the successful operation and financial soundness of the Utah Retirement Systems.

Sincerely yours,



Robert J. Stringham, CPA
Chief Financial Officer



Robert V. Newman
Executive Director

Board President's Letter

UTAH STATE RETIREMENT BOARD
UTAH RETIREMENT SYSTEMS
560 East 200 South
Salt Lake City, Utah 84102-2021
(801) 366-7700
(800) 365-8772 TOLL FREE
(801) 366-7734 FAX

ROBERT V. NEWMAN
EXECUTIVE DIRECTOR

February 27, 2004

Dear members of the Retirement Systems:

As I report on the activities and programs of the Utah Retirement Systems for 2003, I'm pleased to note that over 33,000 retirees now enjoy monthly benefits from the Retirement Systems, and more than 95,000 working members of the Systems are earning future retirement benefits.

As Board members we serve as trustees to ensure that members' interests are properly safeguarded. We have the responsibility and mandate to provide retirement benefits to eligible members for the valued service they've rendered to the public. Thanks to far-sighted actuarial funding principles established over several decades by governors, legislatures and boards, the outlook for the Systems is positive. Benefits to retired members will continue to be paid in timely fashion, and working members of the retirement systems can be assured of receiving promised retirement benefits upon completion of their careers.

Financial markets rebound in 2003.

Despite initial weakness in the first months of the year, investment returns for 2003 were ultimately gratifying. Thanks to investment returns of 26%, assets of the Retirement Systems increased by \$2.8 billion to a new high of more than \$14.2 billion. Over the past ten years, the Systems have returned 8.9%, exceeding the actuarial goal of 8%. As the economy continues to improve, the Systems are poised for the opportunities and growth it will bring.

Investments show prudent, long-term planning.

I'm pleased to report that member contributions to the 401(k) and 457 plans continue to grow. Account balances in these plans exceeded \$1.8 billion in 2003. While participants' individual rates of return varied according to their investment choices, overall, most participants were rewarded with investment gains not seen for several years.

Board and Staff.

I express my appreciation to outgoing Board members Duane Frisby, James Cowan, and Clifford White for their dedicated service. In the same spirit, I'm happy to welcome to the Board Kenneth L. Serre and David B. Winder. A third position is awaiting gubernatorial appointment. I also express the Board's confidence and appreciation to Executive Director Robert Newman and his staff for their excellent management of the Systems.

Sincerely,



Edward T. Alter
President
Utah State Retirement Board



*Retirement Board** (pictured left to right)

Kenneth L. Serre
 ■ Appointed July 1, 2003
 ■ Term expires July 1, 2007
 ■ Represents public employees

David B. Winder
 ■ Appointed Oct. 20, 2003
 ■ Term expires July 1, 2007
 ■ Represents investment community

Edward T. Alter
President
 ■ Member since Jan. 1, 1981
 ■ Ex-officio member
 ■ State Treasurer

Phyllis Sorensen
 ■ Appointed Sept. 25, 2002
 ■ Term expires July 1, 2007
 ■ Represents education employees

John L. Lunt
Vice-President
 ■ Appointed July 1, 2001
 ■ Term expires July 1, 2005
 ■ Represents investment community

Phillip W. Clinger
 ■ Appointed June 21, 2002
 ■ Term expires July 1, 2005
 ■ Represents investment community

*At December 31, 2003, one board position was open pending appointment by the Governor.

Executive Director



Robert V. Newman
Executive Director

Membership Council

Member / Represents

Ms. Elaine Tzourtzouklis*, *Chairperson*
 Represents Utah Education Association

Mr. Marty Peterson*, *Vice-chairperson*
 Represents Professional Firefighters of Utah

Mr. G. Kent Abel*
 Represents Utah Retired School Employees Association

Mr. G. Steven Baker*
 Represents Utah Association of Counties

Ms. Patricia Thompson*
 Represents Utah School Employees Association

Honorable Judith M. Billings
 Represents Utah Judicial Council

*Executive Committee

Member / Represents

Mr. Dean Drew
 Represents Utah Public Employees Association

Officer Mike Galieti
 Represents Utah Peace Officers Association

Mr. Tom Hardy
 Represents Utah League of Cities and Towns

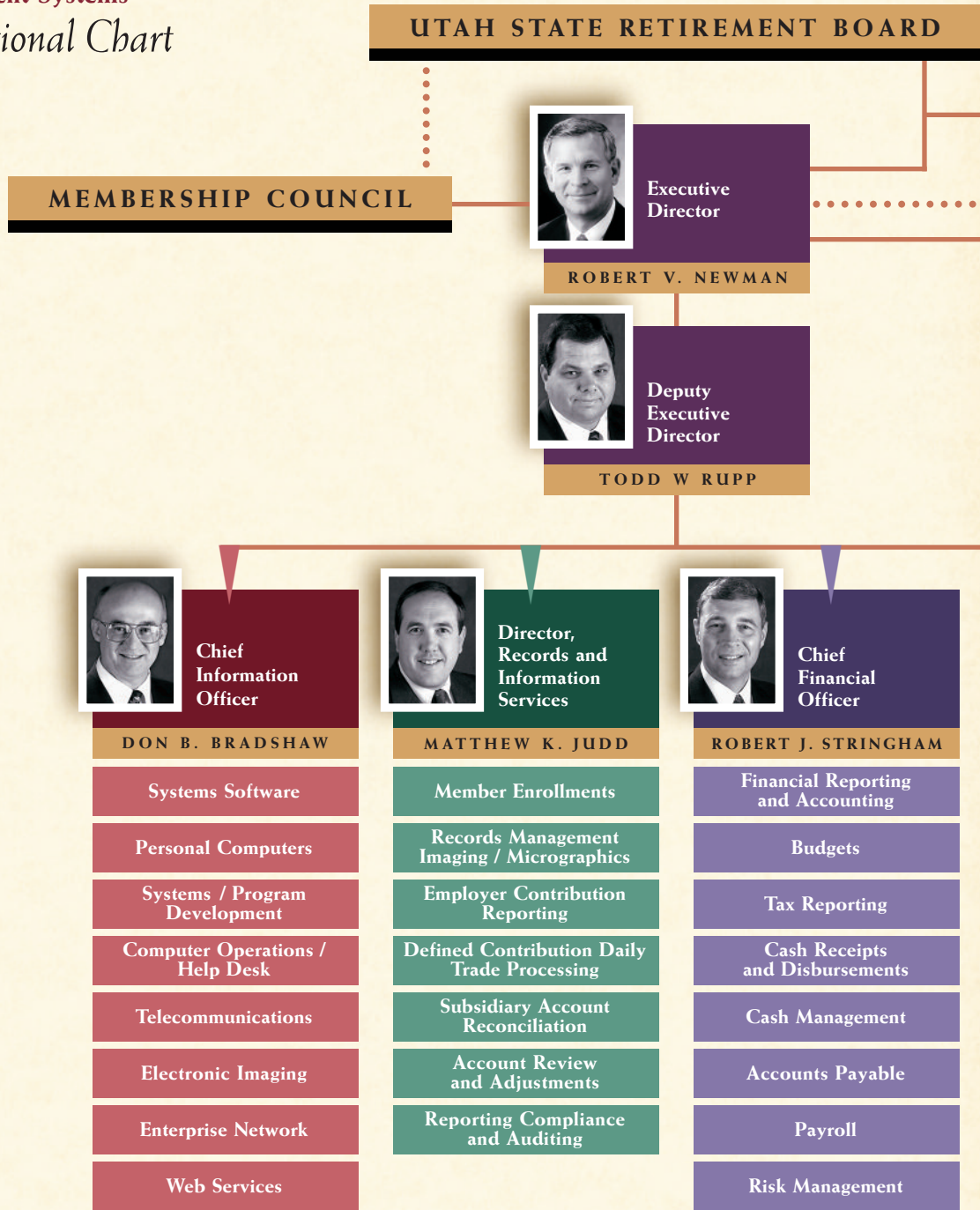
Mr. Dean Holbrook
 Represents Utah Association of Retired Public Employees

Mr. Russell S. Judd
 Represents Utah Education Association

Ms. Pat Rusk
 Represents Utah Education Association

Ms. Patti Wayman
 Represents Utah Public Employees Association

Utah Retirement Systems Organizational Chart



Administrative Staff

Robert V. Newman, CPA
Executive Director

Todd W Rupp, CPA
Deputy Executive Director

Steven M. West, CPA, CFE
Director, Internal Audit

Don B. Bradshaw
Chief Information Officer

Robert J. Stringham, CPA
Chief Financial Officer

Matthew K. Judd
Director, Records and Information Services

Don G. Pugmire
Director, Human Resources

Sherrie Archibald
Director, Retirement

Craige D. Stone
Director, Defined Contribution Plans and Education / Marketing

Bruce H. Cundick, CFA
Chief Investment Officer



**Director,
Internal
Audit**

STEVEN M. WEST

PROFESSIONAL SERVICES

Actuary • Auditor • Legal • Consultants
Investment Advisors • Medical Advisor

Details for professional service providers is shown at right.
Investment professionals are presented on pages 96 and 99.



**Chief
Investment
Officer**

BRUCE H. CUNDICK

Equity Investments

Debt Securities

Real Estate

Private Equity



**Director,
Defined
Contribution
Plans and
Education /
Marketing**

CRAIGE D. STONE

401(k) Plan

457 Plan

Education and Marketing

Branch Office



**Director,
Human
Resources**

DON G. PUGMIRE

Human Resources

Communications

Maintenance / Engineering

Safety / Security



**Director,
Retirement**

SHERRIE ARCHIBALD

Retirement Benefits

Death Benefits

Redeposits, Purchases
and Adjustments

Refunds

Utah Retirement Systems

Professional Consultants

Actuary

Gabriel, Roeder,
Smith & Company
Suite 4200
2001 Ross Avenue
Dallas, TX 75201

Auditor

Deloitte & Touche LLP
Certified Public
Accountants
Suite 1800
50 South Main,
Salt Lake City,
UT 84144

Legal Counsel

Howard, Phillips &
Anderson
560 East 200 South
Suite 300
Salt Lake City,
UT 84102

Medical Advisor

Howard McQuarrie,
M.D.
910 Donner Way,
#702
Salt Lake City,
UT 84108

Other Consultants

Advanced Risk Mgmt.
Techniques Inc.
23701 Birtcher Dr.
Lake Forest, CA 92630

The Segal Company
6300 S. Syracuse Way
Suite 200
Englewood, CO 80111

Contributory COMPOSITE

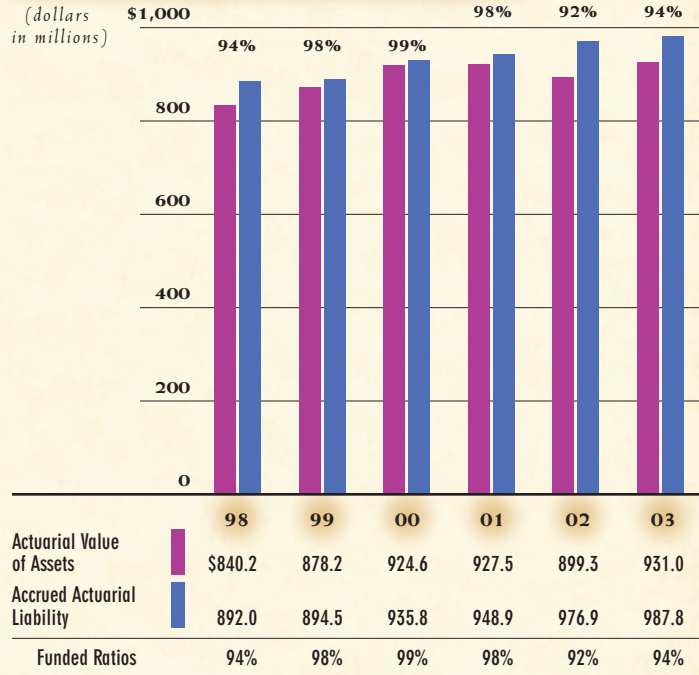
Utah Retirement Systems

Total Membership.....11,927
 Active3,493
 Terminated vested.....1,492
 Retired.....6,942

2003 Active Members3,493
 Average age.....50.4
 Average years of service.....18.8
 Average annual salary.....\$39,666

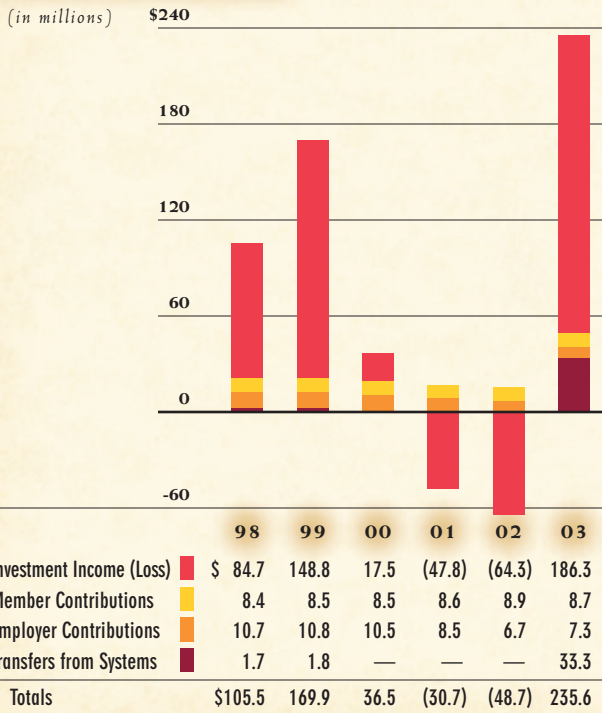
2003 Retirees
 Number122
 Average age.....62.1
 Average years of service.....22.7
 Final average annual salary.....\$33,438
 Average annual benefit.....\$14,242
 Average annual benefit—all retirees...\$7,865

Funding Progress with Funded Ratios

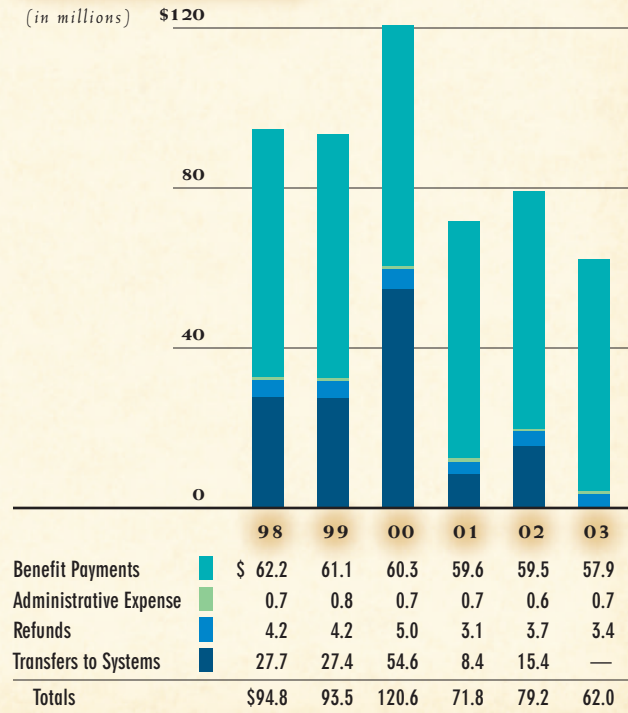


Contributory CONTRIBUTORY SYSTEM HIGHLIGHTS

Additions by Source



Deductions by Type





Pictured Above:
Virginia C. Duke
Fleet and Sanitation Superintendent
Public Works Department
West Valley City

Contributory SUMMARY

Membership

The Public Employees Contributory Retirement System includes eligible public employees of the State of Utah and its political subdivisions and public education employees of those entities covered by the System.

Service Retirement

Age	Years of Service	Allowance Reduction
Any age.....	30	None
60-61	20.....	3% each year before age 65
62-64	10.....	3% each year before age 65
65	4	None

Service Benefit Formula

1. Number of years of service before 7-1-75 x 1.25% x FAS*.
2. Number of years of service after 6-30-75 x 2.0% x FAS*.
3. Plan 1 allowance = total of 1 and 2.

* FAS (Final Average Salary) = highest five years' earnings converted to a monthly average. Yearly salary increases are limited to 10% plus a COLA determined by the CPI.

** If FAS is \$500 or less the formula is 1.15% for each year of service before 7-1-67.

Cost of Living Allowance

Up to 4% annually on original retirement benefit.

Contribution Rates (as of 12-31-2003)

Member rate is 6.00% of covered salary. Employer rate for the State and School Division (Level A) is 7.21% of covered salary and 5.61% for the Local Government Division (Level B).

For more detail see Summary of Plan Provisions on page 114.

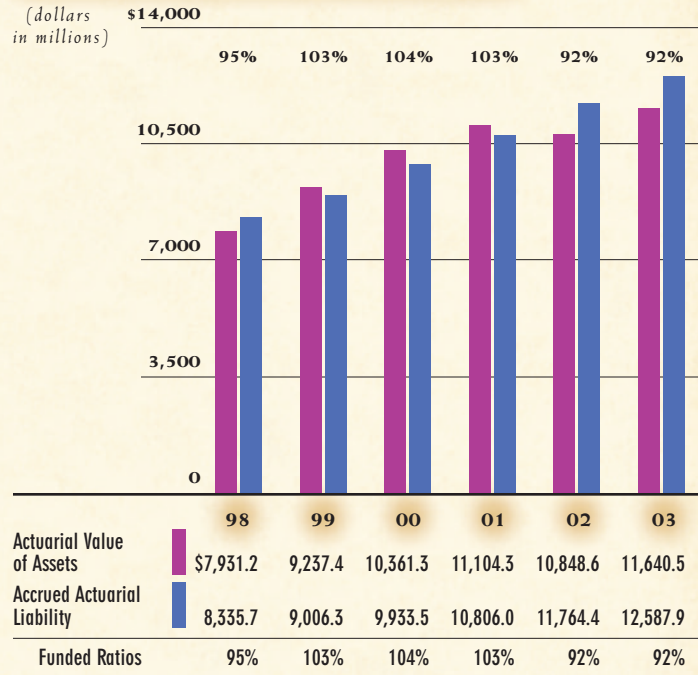
Noncontributory COMPOSITE

Total Membership.....127,661
Active83,156
Terminated vested22,290
Retired.....22,215

2003 Active Members83,156
Average age.....44.5
Average years of service.....10.1
Average annual salary.....\$35,806

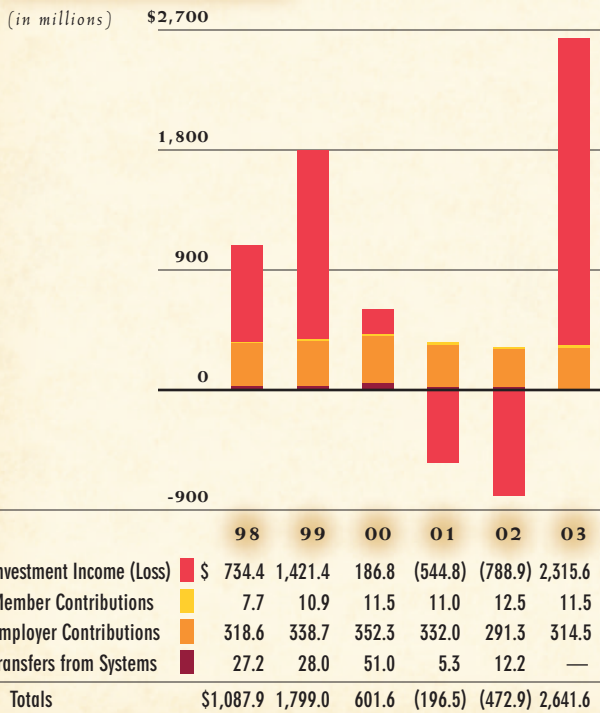
2003 Retirees
Number1,805
Average age.....61.7
Average years of service22.8
Final average annual salary\$41,029
Average annual benefit.....\$19,013
Average annual benefit—all retirees...\$16,884

Funding Progress with Funded Ratios

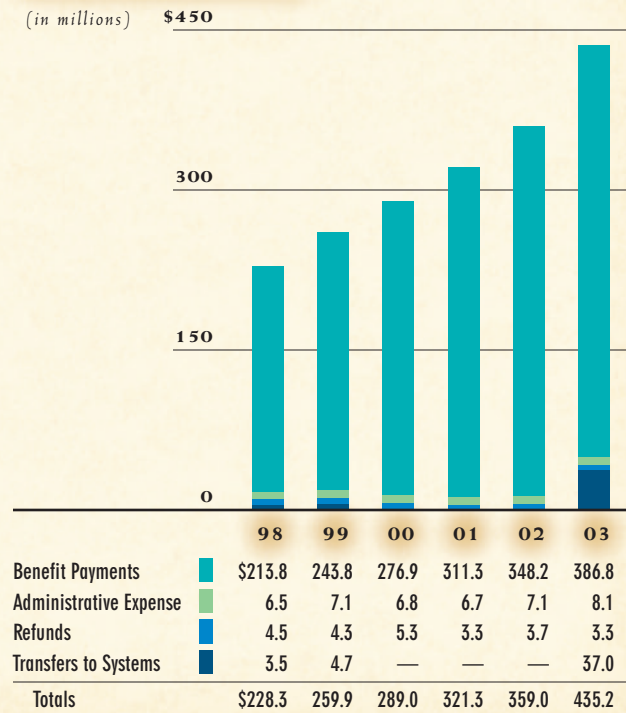


Noncontributory NONCONTRIBUTORY SYSTEM HIGHLIGHTS

Additions by Source



Deductions by Type





Pictured Above:
Paul Bauer
Plans Examiner / Senior Field Inspector
Layton

Noncontributory SUMMARY

Membership

The Public Employees Noncontributory Retirement System includes eligible public employees of the State of Utah and its political subdivisions and public education employees of those entities covered by the System.

Service Retirement

Age	Years of Service	Allowance Reduction
Any age	30	None
Any age	25	Full actuarial before age 60
60-61	20	3% each year before age 65
62-64	10	3% each year before age 65
65	4	None

Service Benefit Formula

Number of years of service x 2.00% x FAS*

* FAS (Final Average Salary) = highest three years' earnings converted to a monthly average. Yearly salary increases are limited to 10% plus a COLA determined by the CPI.

Cost of Living Allowance

Up to 4% annually on original retirement benefit.

Contribution Rates (as of 12-31-2003)

Employer rate for the State and School Division (Level A) is 11.70% of covered salary and 9.62% for the Local Government Division (Level B).

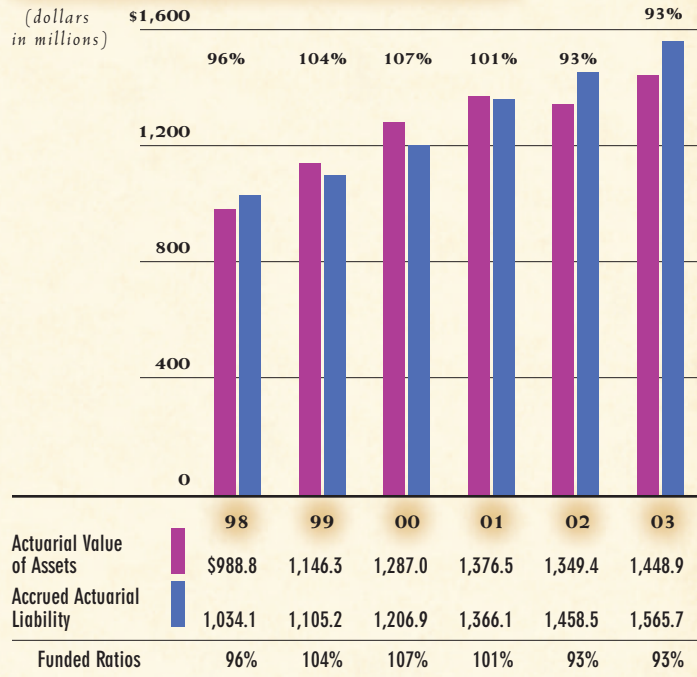
For more detail see Summary of Plan Provisions on page 115.

Total Membership.....10,986
Active7,041
Terminated vested.....1,067
Retired.....2,878

2003 Active Members7,041
Average age.....38.8
Average years of service.....9.0
Average annual salary.....\$39,579

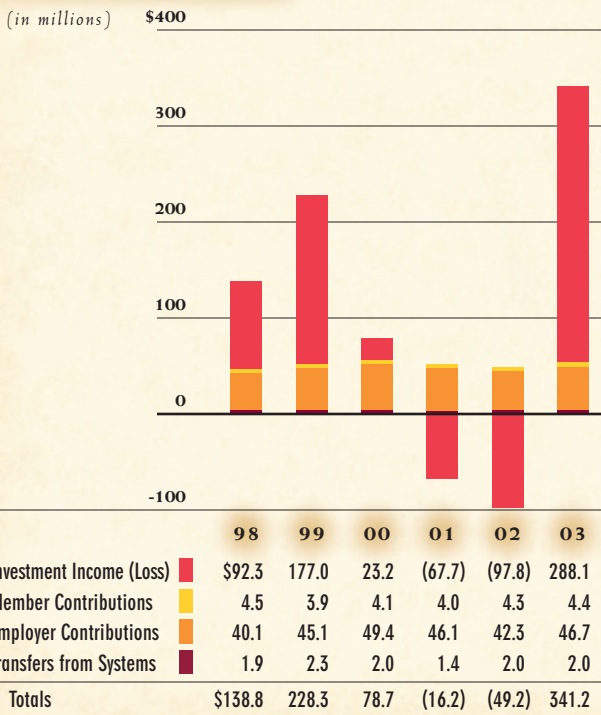
2003 Retirees
Number183
Average age.....53.6
Average years of service23.2
Final average annual salary\$50,769
Average annual benefit.....\$29,188
Average annual benefit—all retirees...\$19,796

Funding Progress with Funded Ratios

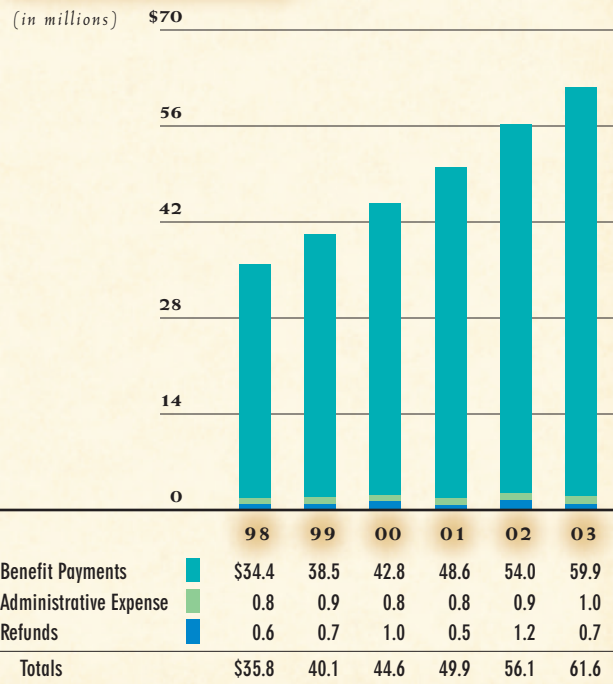


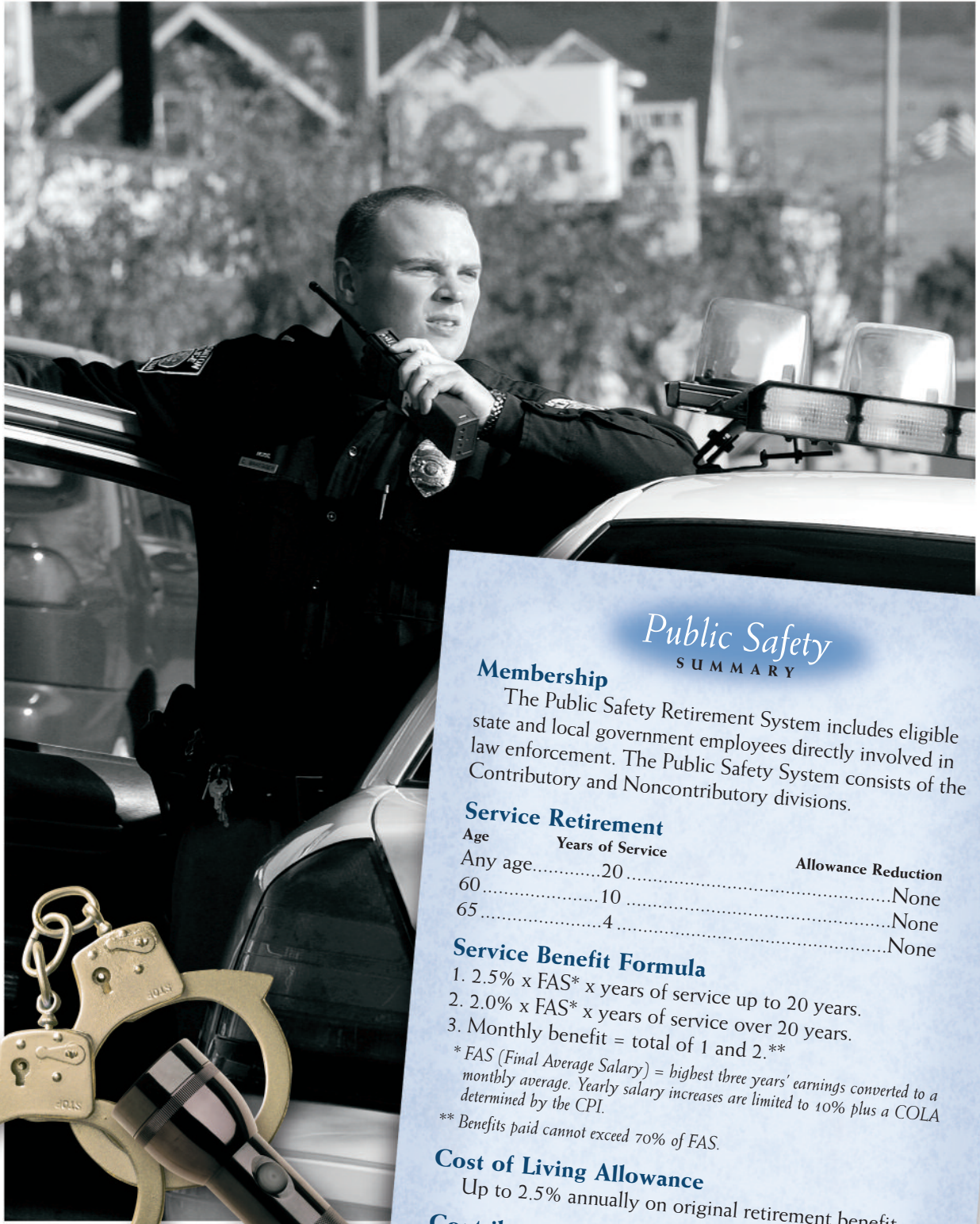
Public Safety
PUBLIC SAFETY
SYSTEM HIGHLIGHTS

Additions by Source



Deductions by Type





Pictured Above:
Chris Braegger
Police Officer
Tremonton Police Department

Public Safety SUMMARY

Membership

The Public Safety Retirement System includes eligible state and local government employees directly involved in law enforcement. The Public Safety System consists of the Contributory and Noncontributory divisions.

Service Retirement

Age	Years of Service	Allowance Reduction
Any age.....	20	None
60	10	None
65	4	None

Service Benefit Formula

- 2.5% x FAS* x years of service up to 20 years.
- 2.0% x FAS* x years of service over 20 years.
- Monthly benefit = total of 1 and 2.**

* FAS (Final Average Salary) = highest three years' earnings converted to a monthly average. Yearly salary increases are limited to 10% plus a COLA determined by the CPI.

** Benefits paid cannot exceed 70% of FAS.

Cost of Living Allowance

Up to 2.5% annually on original retirement benefit.

Contribution Rates (as of 12-31-2003)

Contributory — Member rates range from 10.50% to 13.74% of covered salary. Employer rates range from 4.52% to 17.61% of covered salary.

Noncontributory — Employer rates range from 16.24% to 30.05% of covered salary.

For more detail see Summary of Plan Provisions on page 116.

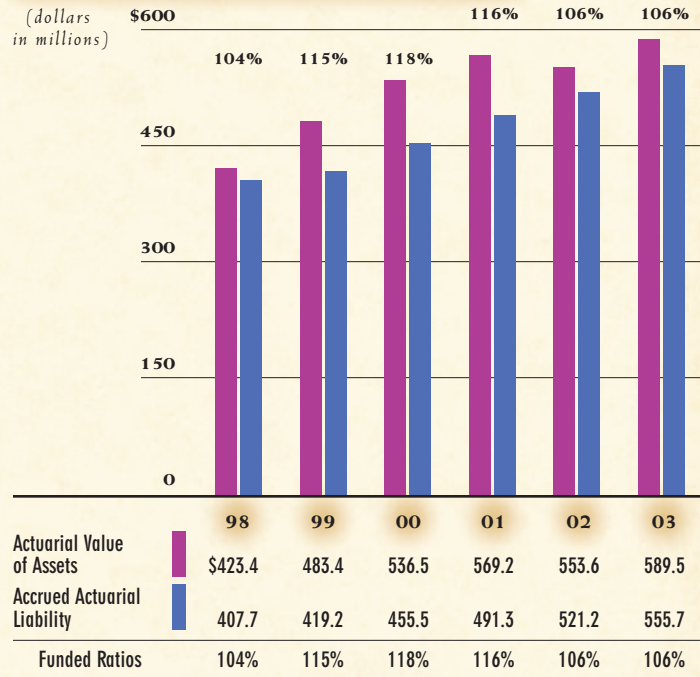
Firefighters COMPOSITE

Total Membership.....2,554
 Active.....1,568
 Terminated vested.....65
 Retired.....921

2003 Active Members.....1,568
 Average age.....39.3
 Average years of service.....10.5
 Average annual salary.....\$48,132

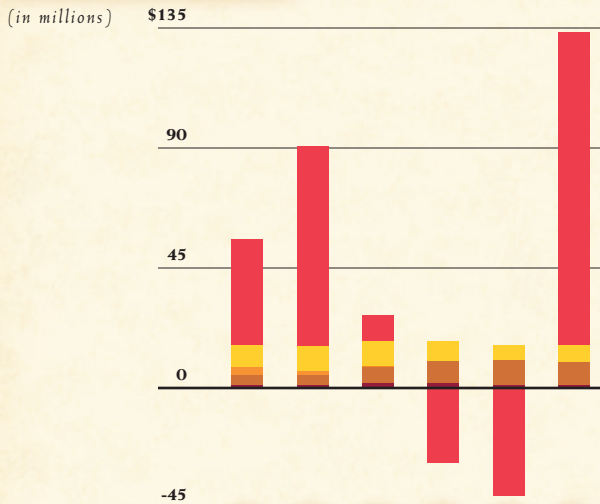
2003 Retirees
 Number.....40
 Average age.....54.3
 Average years of service.....27.6
 Final average annual salary.....\$56,350
 Average annual benefit.....\$36,052
 Average annual benefit—all retirees...\$22,573

Funding Progress with Funded Ratios

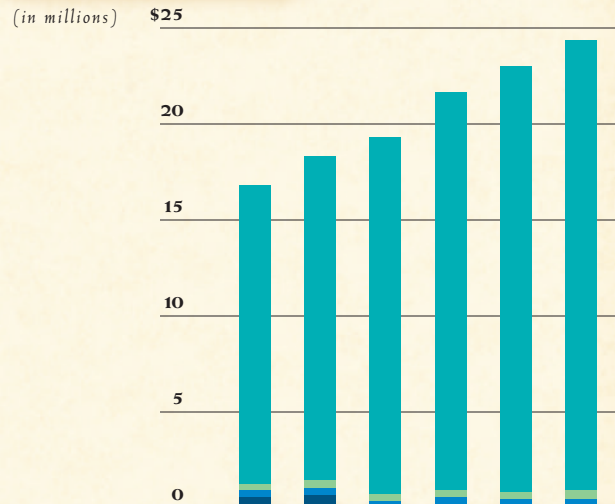


Firefighters SYSTEM HIGHLIGHTS

Additions by Source



Deductions by Type





Pictured Above:
 Mark Hoyt
 Engineer/Paramedic
 Layton Fire Department

Firefighters SUMMARY

Membership

The Firefighters Retirement System includes eligible state and local government employees directly involved in fire fighting and whose duties are classified as hazardous.

Service Retirement

Age	Years of Service	Allowance Reduction
Any age.....	20	None
60.....	10	None
65.....	4	None

Service Benefit Formula

1. 2.5% x FAS* x years of service up to 20 years.
2. 2.0% x FAS* x years of service over 20 years.
3. Monthly benefit = total of 1 and 2.**

* FAS (Final Average Salary) = highest three years' earnings converted to a monthly average. Yearly salary increases are limited to 10% plus a COLA determined by the CPI.

** Benefits paid cannot exceed 70% of FAS.

Cost of Living Allowance

Up to 4% annually on original retirement benefit.

Contribution Rates (as of 12-31-2003)

Member rate for Division A (with Social Security) is 8.21% of covered salary and 7.83% for Division B (without Social Security).

Employer rate for Division A is 0.00% of covered salary and 0.00% for Division B.

For more detail see Summary of Plan Provisions on page 118.

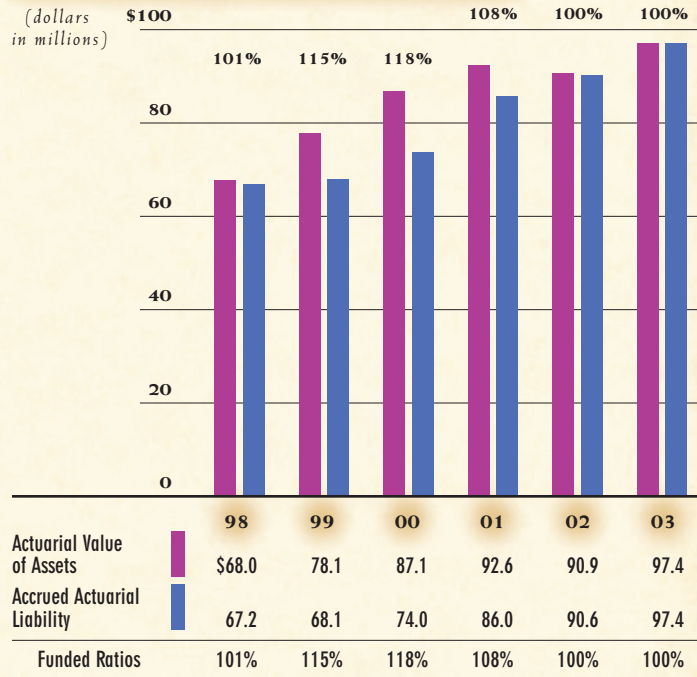
Judges COMPOSITE

Total Membership194
Active106
Terminated vested5
Retired83

2003 Active Members106
Average age54.9
Average years of service10.7
Average annual salary\$106,613

2003 Retirees
Number8
Average age62.9
Average years of service21.8
Final average annual salary\$106,190
Average annual benefit\$75,647
Average annual benefit—all retirees ...\$51,023

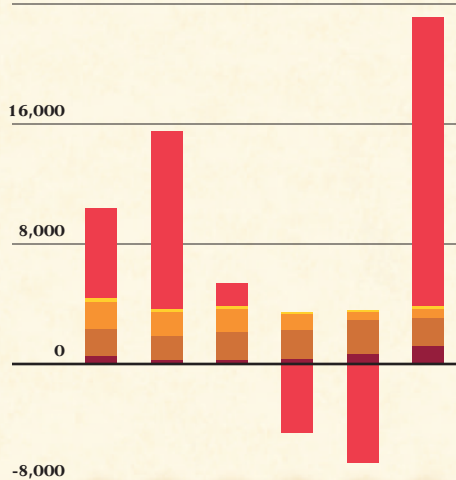
Funding Progress with Funded Ratios



Judges JUDGES SYSTEM HIGHLIGHTS

Additions by Source

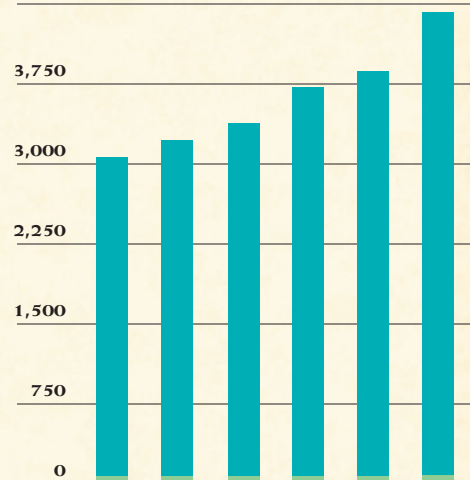
(in thousands) \$24,000



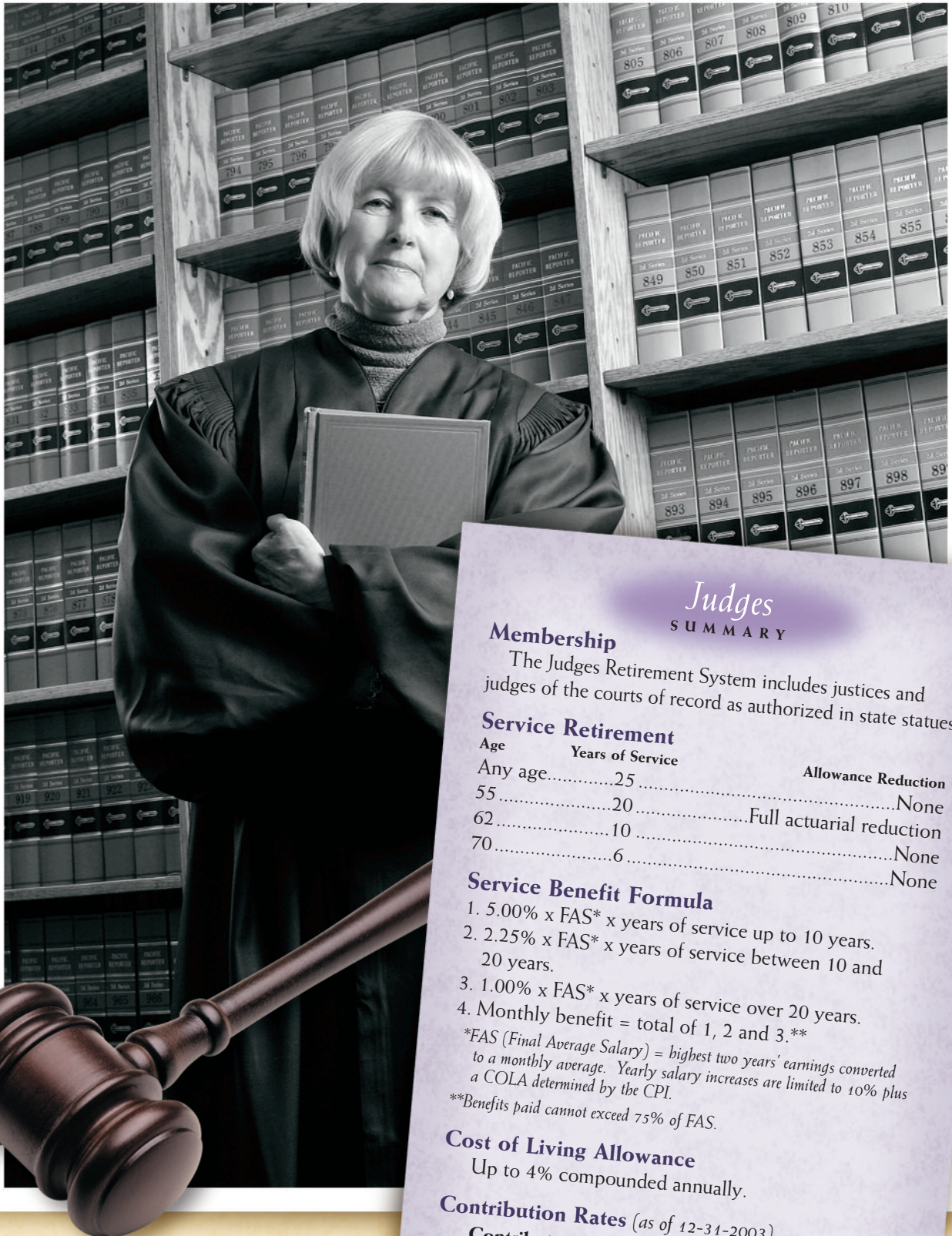
	98	99	00	01	02	03
Investment Income (Loss)	\$ 6,260	12,048	1,571	(4,559)	(6,564)	19,417
Member Contributions	15	8	8	7	5	103
Employer Contributions	1,792	1,637	1,476	1,007	472	551
Court Fees	1,912	1,681	1,946	2,046	2,381	1,939
Transfers from Systems	427	116	183	239	560	1,128
Totals	\$10,406	15,490	5,184	(1,260)	(3,146)	23,138

Deductions by Type

(in thousands) \$4,500



	98	99	00	01	02	03
Benefit Payments	\$3,002	3,160	3,322	3,659	3,804	4,361
Administrative Expense	55	59	52	52	57	63
Totals	\$3,055	3,219	3,374	3,711	3,861	4,424



Pictured Above:
Judge Pamela T. Greenwood
Utah Court of Appeals

Judges

SUMMARY

Membership

The Judges Retirement System includes justices and judges of the courts of record as authorized in state statutes.

Service Retirement

Age	Years of Service	Allowance Reduction
Any age	25	None
55	20	Full actuarial reduction
62	10	None
70	6	None

Service Benefit Formula

- 5.00% x FAS* x years of service up to 10 years.
- 2.25% x FAS* x years of service between 10 and 20 years.
- 1.00% x FAS* x years of service over 20 years.
- Monthly benefit = total of 1, 2 and 3.**

*FAS (Final Average Salary) = highest two years' earnings converted to a monthly average. Yearly salary increases are limited to 10% plus a COLA determined by the CPI.

**Benefits paid cannot exceed 75% of FAS.

Cost of Living Allowance

Up to 4% compounded annually.

Contribution Rates (as of 12-31-2003)

Contributory — Member rate is 7.08% of covered salary. Employer rate is 0.00% of covered salary.

Noncontributory — Employer rate for Division is 7.08% of covered salary.

For more detail see Summary of Plan Provisions on page 120.

Governors and Legislative COMPOSITE

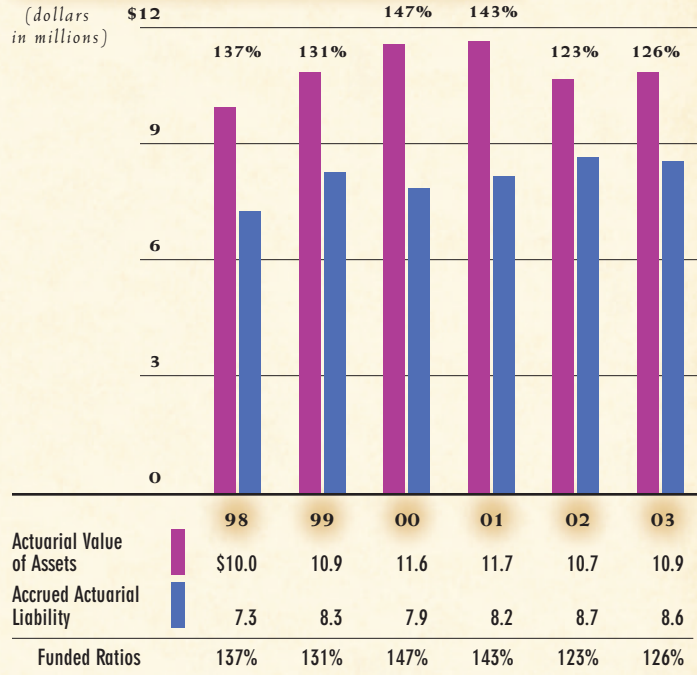
Utah Retirement Systems

Total Membership.....	411
Active.....	97
Terminated vested.....	91
Retired.....	223

2003 Active Members.....	97
Average age.....	51.8
Average years of service.....	6.0
Average annual salary.....	\$6,388

2003 Retirees	
Number.....	3
Average age.....	64.4
Average years of service.....	7.1
Final average annual salary.....	\$2,975
Average annual benefit.....	\$1,986
Average annual benefit—all retirees....	\$2,817

Funding Progress with Funded Ratios



Governors and Legislative GOVERNORS AND LEGISLATIVE PENSION PLAN HIGHLIGHTS

Additions by Source

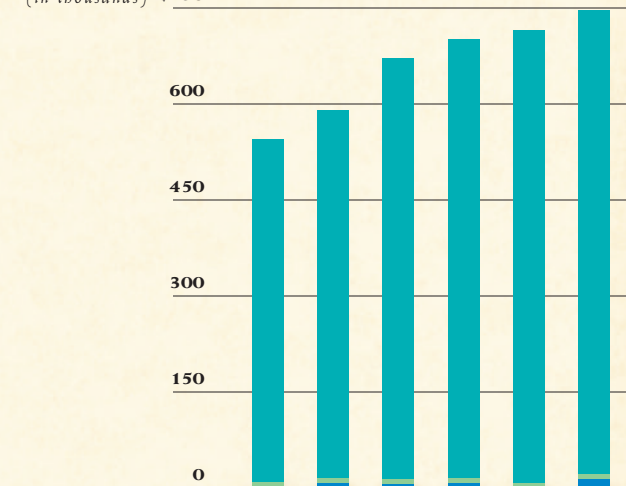
(in thousands) \$2,400



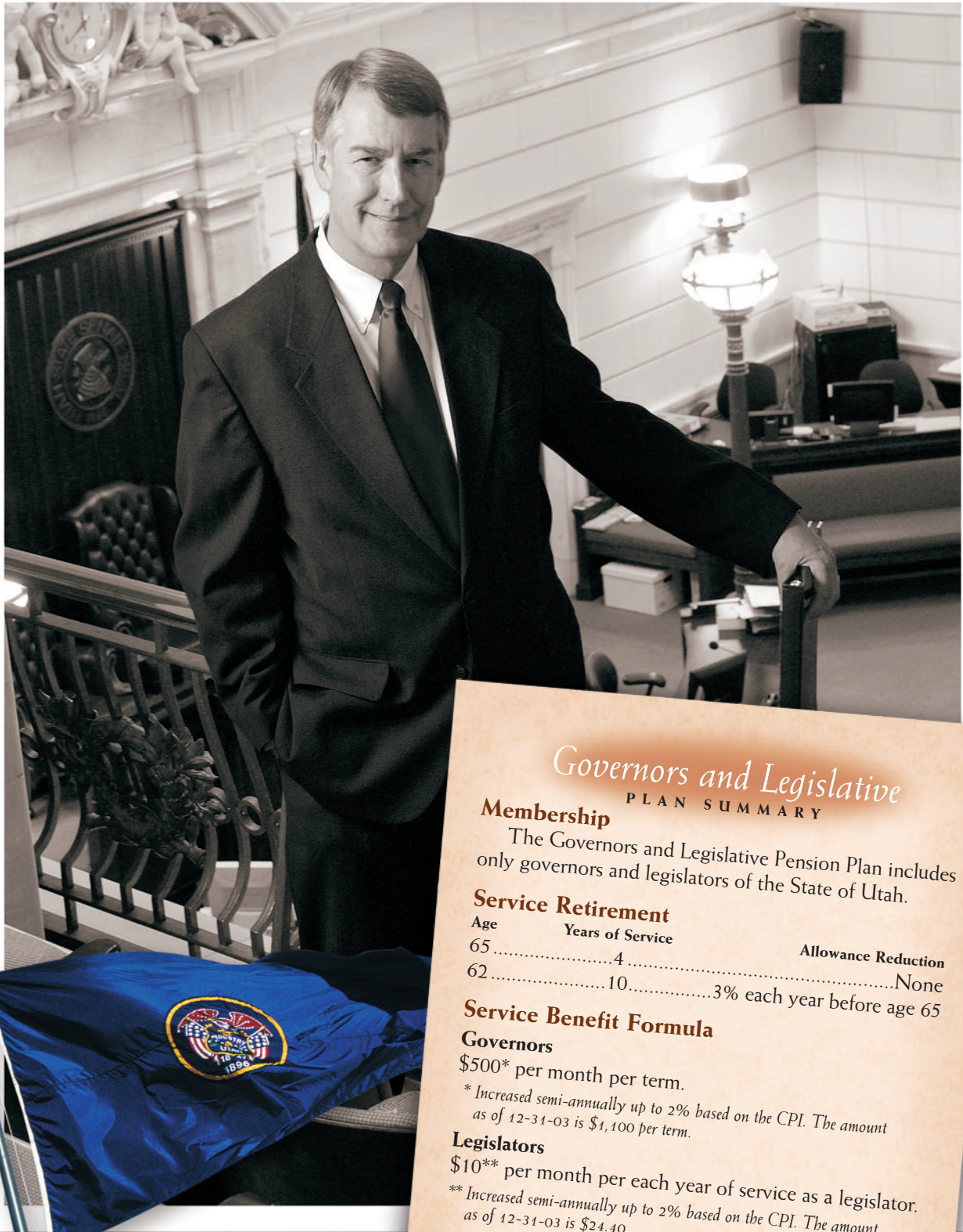
	98	99	00	01	02	03
Investment Income (Loss)	\$973	1,757	218	(595)	(806)	2,202
Transfers from Systems	16	17	16	18	3	—
Totals	\$989	1,774	234	(577)	(803)	2,202

Deductions by Type

(in thousands) \$750



	98	99	00	01	02	03
Benefit Payments	\$538	583	662	691	708	726
Administrative Expense	6	6	6	6	5	6
Refunds	—	2	1	2	—	12
Totals	\$544	591	669	699	713	744



Pictured Above:
 John L. Valentine
 Utah State Senator
 District 14, Utah County

Governors and Legislative PLAN SUMMARY

Membership

The Governors and Legislative Pension Plan includes only governors and legislators of the State of Utah.

Service Retirement

Age	Years of Service	Allowance Reduction
65	4	None
62	10	3% each year before age 65

Service Benefit Formula

Governors

\$500* per month per term.

* Increased semi-annually up to 2% based on the CPI. The amount as of 12-31-03 is \$1,100 per term.

Legislators

\$10** per month per each year of service as a legislator.

** Increased semi-annually up to 2% based on the CPI. The amount as of 12-31-03 is \$24.40.

Cost of Living Allowance

Up to 4% annually on original retirement benefit.

Contribution Rates (as of 12-31-2003)

There are currently no required contributions.

For more detail see Summary of Plan Provisions on page 121.

401(k) and 457

401(k) AND 457 PLAN HIGHLIGHTS

THE PURPOSE OF THE 401(k) AND 457 PLANS IS TO ALLOW PUBLIC employees throughout Utah to adequately prepare themselves for retirement by investing a portion of their pre-tax income in one or both of these supplemental retirement plans. It has long been recognized that for employees to experience the comfortable and rewarding retirement they

desire, they cannot rely entirely upon Social Security and their employer-provided retirement. Employees should take the initiative to personally put aside a portion of their salary into some type of long-term savings plan.

The Plans provide the following benefits:

- Convenient, automatic payroll deduction
- Eleven investment options
- Tax deferred savings
- Increase or decrease contributions as often as every pay period
- Change allocation of future contributions as often as desired
- Transfer funds between investment options as often as every seven days
- Rollover funds into any eligible plan or IRA upon termination or retirement
- Upon death, funds transfer to beneficiaries
- Immediate vesting
- No sales commissions
- Low investment and administrative fees
- Plan Loans
- Hardship and Emergency withdrawals

Each year the number of employees participating in these plans increases. Individuals may participate in more than one option. As of December 31, 2003 the number of participants by investment plan are shown to the right.

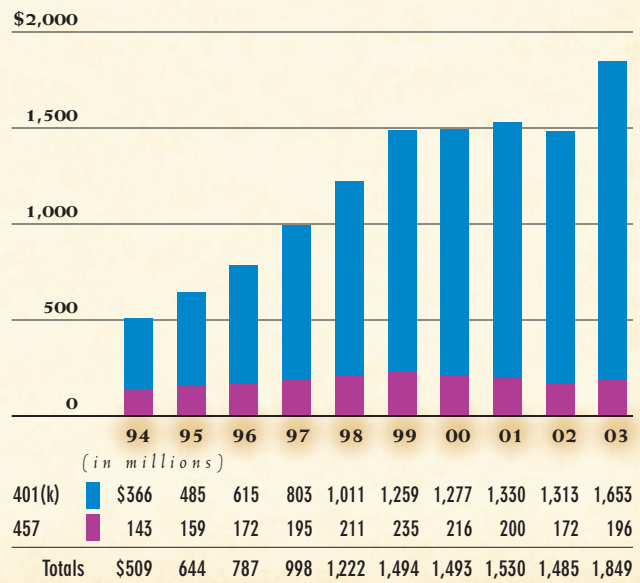
Annualized rates of returns for the Investment Funds are shown on page 99.

Membership Information

AT DECEMBER 31, 2003	401(k)	457
Number of active employees eligible to participate	89,367	79,362
Employee contributions (excluding employer contributions):		
Number of employees contributing	40,465	4,352
Percent of eligible employees contributing	45.3%	5.5%
Average percent of salary deferred by employees	6.0%	7.7%
Total participants	121,070	11,272
Average participant account balance	\$13,656	17,408

401(k) and 457 Member Balances

(in millions)



Financial Section

FINANCIAL SECTION



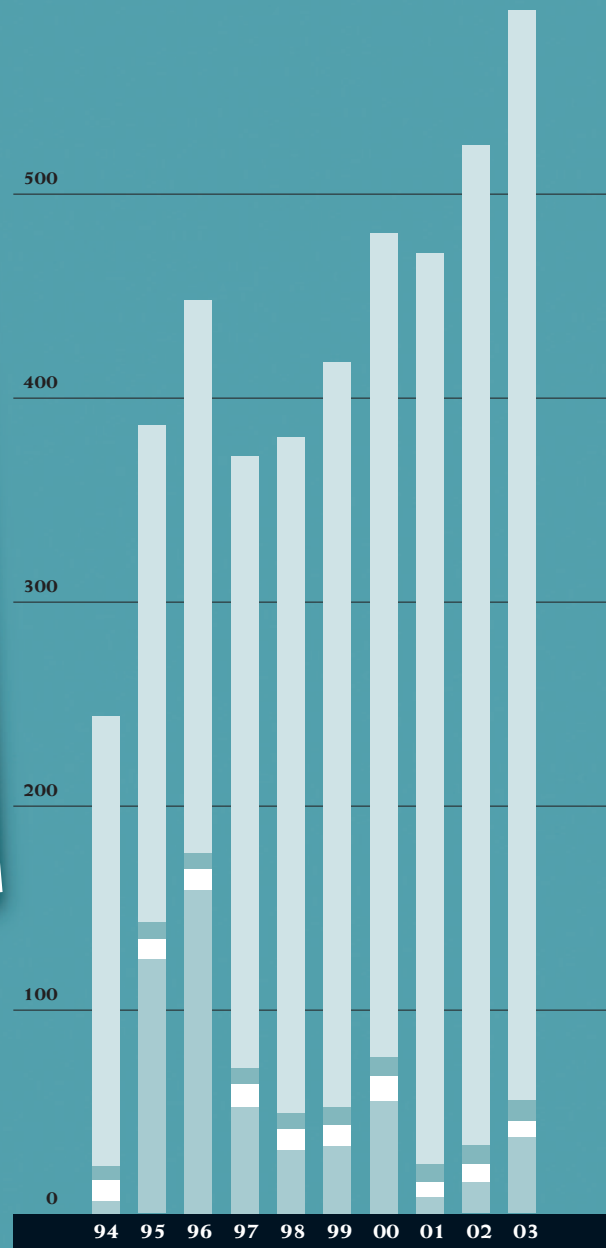
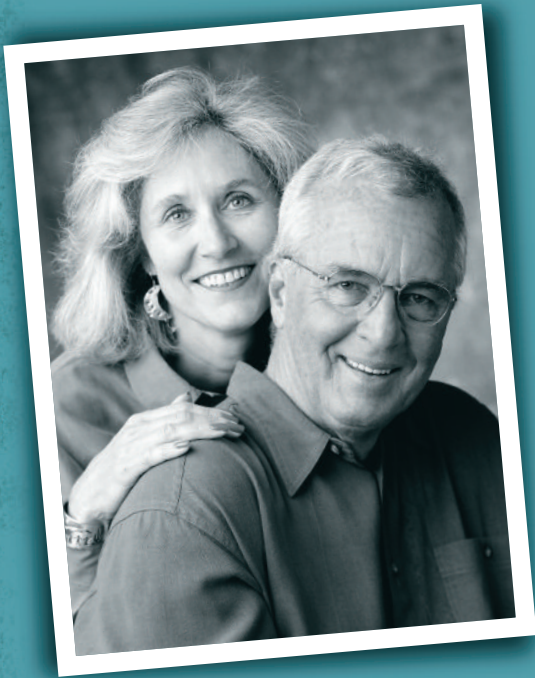
	27	Independent Auditors' Report	
	28	Management's Discussion and Analysis	
40	Basic Financial Statements	60	Required Supplementary Information
64	Individual Retirement Systems' Schedules by Division		
84	401(k) and 457 Plans' Schedules by Investment Fund		
88	Schedules of Administrative and Investment Expenses		

All Retirement Systems

(in millions)

\$600

Deductions by Type
DEDUCTIONS
BY TYPE



(in millions)

	94	95	96	97	98	99	00	01	02	03
Benefits	\$ 220	243	270	299	330	364	403	445	489	533
Administrative Expense	7	8	8	8	8	9	9	9	9	10
Refunds	10	10	10	11	10	10	12	7	9	8
Transfers to Systems	6	124	158	52	31	33	55	8	15	37
Totals	\$243	385	446	370	379	416	479	469	522	588

Independent Auditors' Report



Deloitte & Touche LLP
Suite 1800
50 South Main St.
Salt Lake City, UT 84144
USA

INDEPENDENT AUDITORS' REPORT

Tel: +1 801 328 4706
Fax: +1 801 355 7515
www.deloitte.com

Utah State Retirement Board:

We have audited the accompanying basic financial statements of Utah Retirement Systems, a component unit of the State of Utah, administered by the Utah State Retirement Board as of December 31, 2003, and for the year then ended, listed in the foregoing table of contents. These financial statements are the responsibility of the management of Utah Retirement Systems. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, such basic financial statements present fairly, in all material respects, the plan net assets of the pension trust funds of Utah Retirement Systems administered by the Utah State Retirement Board as of December 31, 2003, and the changes in plan net assets of the pension trust funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Management's Discussion and Analysis and the Schedules of Funding Progress and of Employer Contributions, listed in the foregoing table of contents, are not required parts of the basic financial statements, but are supplementary information required by GASB. This supplementary information is also the responsibility of the management of Utah Retirement Systems. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental financial supporting schedules listed in the foregoing table of contents are presented for the purpose of additional analysis and are not a required part of the basic financial statements. The supplemental supporting schedules are also the responsibility of the management of Utah Retirement Systems. Such additional information has been subjected to the auditing procedures applied in our audit of the basic financial statements and, in our opinion, is fairly stated in all material respects when considered in relation to the basic financial statements taken as a whole.

The Introductory Section, Investment Section, Actuarial Section, and Statistical Section listed in the foregoing table of contents are presented for the purpose of additional analysis and are not a required part of the basic financial statements of Utah Retirement Systems. Such additional information has not been subjected to the auditing procedures applied in our audit of the basic financial statements and, accordingly, we express no opinion on it.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 27, 2004, on our consideration of Utah Retirement Systems' internal control over financial reporting and our tests of their compliance with certain provisions of laws and regulations. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Deloitte & Touche LLP

February 27, 2004

Member of
Deloitte Touche Tomatsu

Management's Discussion and Analysis

MANAGEMENT'S DISCUSSION AND ANALYSIS

THIS SECTION PRESENTS MANAGEMENT'S DISCUSSION AND ANALYSIS of the Utah Retirement Systems' (URS) financial position and performance for the year ended December 31, 2003. It is presented as a narrative overview and analysis. Please read it in conjunction with the Letter of Transmittal included in the Introductory Section, the financial statements and other information which are presented in the Financial Section of this Comprehensive Annual Financial Report.

URS is responsible for administering retirement and defined contribution benefits for State, local government and public education employees in the State of Utah. URS is comprised of six defined benefit pension systems (Systems) and two defined contribution plans (Plans). The six defined benefit pension systems are the Public Employees Contributory Retirement System (Contributory System), the Public Employees Noncontributory Retirement System (Noncontributory System), the Public Safety Retirement System (Public Safety System), the Firefighters Retirement System (Firefighters System), the Judges Retirement System (Judges System) and the Governors and Legislative Pension Plan (Governors and Legislative Plan). The two defined contribution plans (Plans) are the 401(k) and 457 Plans. All of these Systems and Plans are defined as pension

(and other employee benefit) trust funds, which are fiduciary funds. Throughout this discussion and analysis units of measure (i.e. billions, millions, thousands) are approximate, being rounded up or down to the nearest tenth of the respective unit value.

Financial Highlights

- **The URS Defined Benefit Pension Systems' combined total net assets increased by \$2.8 billion, or 24.3 percent during calendar year 2003. The increase was primarily due to the increase in equity markets and increasing retirement contributions.**
- **The URS Defined Benefit Pension Systems' rate of return on investments during calendar year 2003 was 26 percent compared with the calendar year 2002 rate of return of negative 7.5 percent. The increase in rate of return was due primarily to the increase in equity markets.**
- **The URS Defined Benefit Pension Systems were actuarially funded at an average of 92.8 percent as of January 1, 2003, a decrease from the comparative average of 102.7 percent as of January 1, 2002. During 2003 the funded ratio increased from 92.8 percent at the beginning of the year to 93.1 percent at December 31, 2003 due to higher than expected investment returns.**
- **The Defined Contribution Plans' net assets increased \$365 million during calendar year 2003 due to investment gain from the increase in equity markets and participant contributions.**
- **The Defined Contribution Plans' rates of return for investment options ranged from a high of 51.4 percent to a low of 3.9 percent compared to prior year investment option returns of a high of 10.5 and a low of negative 29.9 percent.**

Management's Discussion and Analysis *(Continued)*

Overview of the Financial Statements



THIS DISCUSSION AND ANALYSIS IS INTENDED to serve as an introduction to the URS financial reporting which is comprised of the following components:

- (1) basic financial statements,
- (2) notes to the basic financial statements,
- (3) required supplementary information, and
- (4) other supplementary schedules.

Collectively, this information presents the combined net assets held in trust for pension benefits for each of the funds administered by URS as of December 31, 2003. This financial information also summarizes the combined changes in net assets held in trust for pension benefits for the year then ended. The information in each of these components is briefly summarized as follows:

(1) Basic Financial Statements.

For the calendar year ended December 31, 2003, basic financial statements are presented for the fiduciary funds administered by URS. Fiduciary funds are used to account for resources held for the benefit of parties outside of URS. The fiduciary fund is comprised of eight pension (and other employee benefit) trust funds which consist of six defined benefit systems and two defined contribution plans.

- The Statements of Fiduciary Net Assets are presented for the pension trust funds at December 31, 2003 with combined total comparative information at December 31, 2002. These financial statements reflect the resources available to pay benefits to members, including retirees and beneficiaries, at the end of the years reported.
- The Statements of Changes in Fiduciary Net Assets are presented for the pension trust funds for the year ended December 31, 2003 with combined total comparative information for the year ended December 31, 2002. These financial statements reflect the changes in the resources available to pay benefits to members, including retirees and beneficiaries, for calendar years 2003 and 2002.

(2) Notes to the Basic Financial Statements. The Notes to the Basic Financial Statements provide additional information that is essential to a full understanding of the data provided in the basic financial statements. Information in the Notes to the Basic Financial Statements is described below.

- Note 1 provides a general description of URS as well as a description of each of the Systems and Plans administered by URS and a summary of benefits. Information regarding employer and member participation in the Systems and Plans administered by URS is also provided.
- Note 2 provides a summary of significant accounting policies, including the basis of accounting, investment accounting policies, management's use of estimates, information regarding the implementation of new accounting pronouncements, and other significant accounting policies.
- Note 3 describes deposits, investment risk disclosures, and additional information about cash, securities lending, and derivatives.

Management's Discussion and Analysis *(Continued)*

- Note 4 explains property and equipment of URS including depreciation and net carrying amounts.
 - Note 5 provides information about actuarial values and methods for the defined benefit systems administered by URS.
 - Note 6 provides information about contributions to the defined benefit systems administered by URS.
 - Note 7 explains transfers to or from affiliated systems.
 - Note 8 describes supplemental benefits.
 - Note 9 provides information about litigation.
 - Note 10 describes commitments for investment funding.
 - Note 11 provides information about pension plan participation.
 - Note 12 describes compensated absences, post employment benefits and insurance reserves.
 - Note 13 describes required supplementary information.
 - Note 14 provides information about risk management of URS.
 - Note 15 provides information about mortgages payable.
- (3) **Required Supplementary Information.** The required supplementary information consists of two schedules and related notes concerning actuarial information, funded status and required contributions of the defined benefit pension systems administered by URS.
- (4) **Other Supplementary Schedules.** Other schedules include more detailed information pertaining to the Systems and Plans as well as schedules of administrative expenses.

Financial Analysis of the Systems— Defined Benefit Plans

Investments

INVESTMENTS OF THE URS DEFINED BENEFIT Systems are combined in a commingled investment pool as authorized by state statute. Each system owns an equity position in the pool and receives proportionate investment income from the pool in accordance with each respective ownership percentage.

Each system's allocated share of each type of investment in the pool is shown in the Statement of Net Assets of each respective system. Investment gains or losses are reported in the Statement of Changes in Fiduciary Net Assets of each retirement system. The rate of return on investments is therefore approximately the same for each of the systems.

Systems Total Investments

At December 31, 2003, URS Defined Benefit Systems had total net assets of \$14.2 billion, an increase of \$2.8 billion from calendar year 2002 investment totals. The combined investment portfolio experienced a return of 26.0 percent compared with the URS investment benchmark return of 24.8 percent.

Investment results over time compared with URS benchmarks are presented on page 94 in the Investment Section.

Since investment gain in all of the retirement systems were about 26.0 percent of net assets, further investment performance will not be evaluated in each respective system.

Equities

At December 31, 2003, URS Defined Benefit Systems held \$8.1 billion in U.S. and international equity securities, an increase of \$1.7 billion from year 2002. U.S. equity and international equity securities



Management's Discussion and Analysis *(Continued)*

had returns of 39.3 percent and 40.4 percent respectively, for the 2003 calendar year, compared to URS benchmark returns of 31.1 percent and 41.9 percent respectively.

Debt Securities

At December 31, 2003, URS Defined Benefit Systems held \$3.1 billion in U.S. debt and international debt securities, an increase of \$363.8 million from year 2002. U.S. debt securities returned 4.9 percent while international debt securities returned 17.7 percent in calendar year 2003 compared with URS benchmark returns of 4.1 percent and 12.5 percent respectively.

Real Estate

At December 31, 2003, URS Defined Benefit Systems held \$1.2 billion in real estate investments, an increase of \$63.9 million from

year 2002. Real estate investments returned 9.9 percent in calendar year 2003 which was below the URS benchmark return of 10.9 percent.

Private Equity

At December 31, 2003, URS Defined Benefit Systems held \$654.3 million in private equity investments, a decrease of \$107.7 million from year 2002. Private equity investments returned 5.4 percent in calendar year 2003. The URS benchmark for private equity investments was 34.5 percent.

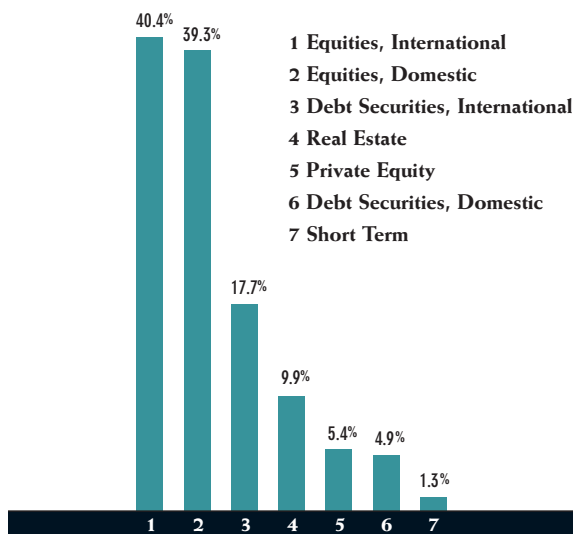
Short Term

At December 31, 2003, URS Defined Benefit Systems held \$1.6 billion in short-term investments, an increase of \$818.7 million from year 2002. Short-term investments returned 1.3 percent in calendar year 2003, which compared to the URS benchmark return of 1.2 percent.

Security Lending

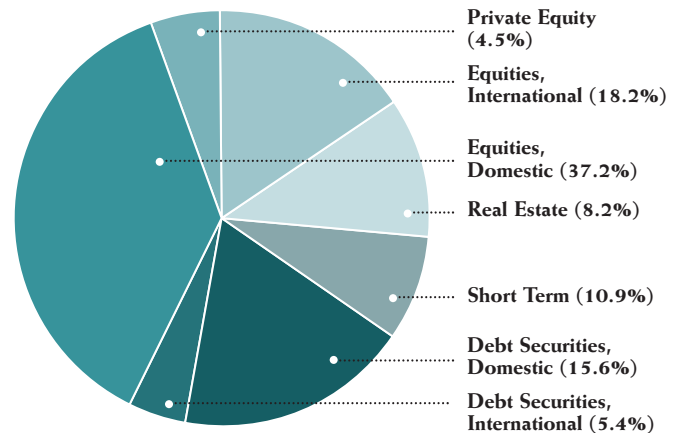
The Systems earn additional investment income by lending investment securities to brokers. This is done on a pooled basis by URS's custodial bank, The Northern Trust Company (TNT). The brokers provide collateral to TNT and generally use the borrowed securities to cover short sales and failed trades. TNT invests the cash collateral received from the brokers in order to earn interest. At December 31, 2003, the Systems had \$1.50 billion on loan secured by collateral of \$1.54 billion. For calendar year 2003, net securities lending income to the Systems amounted to \$4.2 million, an increase of \$187 thousand over calendar year 2002. The increase in security lending revenue for year 2003 represents mainly an increase in demand by brokers to borrow available securities.

Defined Benefit Systems Investment Rates of Return by Investment Type for 2003



Defined Benefit Systems Asset Allocation at Fair Value

DECEMBER 31, 2003



Management's Discussion and Analysis *(Continued)*

Analysis of Individual Systems:

Contributory System

THE CONTRIBUTORY SYSTEM PROVIDES retirement benefits to covered State of Utah, local government and public education employees. Benefits of the system are funded by member and employer contributions and by earnings on investments. The system net assets held in trust for benefits at December 31, 2003 totaled \$889.8 million, an increase of \$173.7 million (24.3 percent) from \$716.1 million at December 31, 2002.

Additions to the Contributory System net assets held in trust for benefits include employer and member contributions, investment income and transfers. For the 2003 calendar year, member and employer contributions increased from \$15.7 million for the calendar year 2002 to \$16.0 million, an increase of \$312 thousand (2.0 percent). Contributions increased because contribution rates increased. For the most part the Contributory System is a closed system. For this reason both the numbers of active members and retired individuals are declining. The system recognized a net investment gain of \$186.3 million for the 2003 calendar year compared with net investment losses of \$64.3 million for the 2002 calendar year. The increase in investment income was mainly due to the increase in equity markets during 2003.

Deductions from the Contributory System net assets held in trust for benefits include retirement benefits, administrative expenses and transfers. For the 2003 calendar year, benefits amounted to \$61.2 million, a decrease of \$2.0 million (3.2 percent) from 2002 calendar year. The decrease in benefit payments was due to the decline in the number of retired members in the system. For the 2003 calendar year, the costs of administering the system totaled \$675 thousand, an increase of \$51 thousand (8.2 percent) from calendar year 2002.

An actuarial valuation of the Contributory System assets and benefit obligations is performed annually. At the date of the most recent actuarial valuation, January 1, 2003, the funded status of the system decreased to 92.1 percent from 97.7 percent at January 1, 2002. The amount by which the Contributory System actuarial assets were under

actuarial benefit liabilities was \$77.6 million at January 1, 2003, compared with \$21.4 million at January 1, 2002. The decrease in funded status as of the last actuarial valuation was a result of the lower than expected investment returns over the previous 3 years.

Noncontributory System

The Noncontributory System provides retirement benefits to covered State of Utah, local government and public education employees. Benefits of the system are funded by employer contributions and by earnings on investments. The system net assets held in trust for benefits at December 31, 2003 totaled \$11.3 billion, an increase of \$2.2 billion (24.3 percent) from \$9.1 billion at December 31, 2002.

Additions to the Noncontributory System net assets held in trust for benefits include employer contributions, investment income and transfers. For the 2003 calendar year, member and employer contributions increased from \$303.8 million for the calendar year 2002 to \$326.0 million, an increase of \$22.3 million (7.3 percent). Contributions increased because contribution rates increased. The system recognized a net investment gain of \$2.3 billion for the 2003 calendar year compared with net investment losses of \$788.9



Management's Discussion and Analysis *(Continued)*

million for the 2002 calendar year. The increase in investment income was mainly due to the increase in equity markets during 2003.

Deductions from the Noncontributory System net assets held in trust for benefits include retirement benefits, administrative expenses and transfers. For the 2003 calendar year, benefits amounted to \$390.1 million, an increase of \$38.2 million (10.8 percent) over 2002 calendar year. The increase in benefit payments was due to an increased number of benefit recipients and benefit increases. For the 2003 calendar year, the costs of administering the system totaled \$8.1 million, an increase of \$1.0 million (14.4 percent) from calendar year 2002.

An actuarial valuation of the Noncontributory System assets and benefit obligations is performed annually. At the date of the most recent actuarial valuation, January 1, 2003, the funded status of the system decreased to 92.2 percent from 102.8 percent at January 1, 2002. The amount by which the Noncontributory System actuarial assets were under actuarial benefit liabilities was \$915.8 million at January 1, 2003, compared with being over funded by \$298.3 million at January 1, 2002. The decrease in funded status as of the last actuarial valuation was a result of the lower than expected investment returns over the previous 3 years.

Public Safety System

The Public Safety System provides retirement benefits to eligible public safety employees of the State of Utah, local governments and higher education. Benefits of the system are funded by member and employer contributions and by earnings on investments. The system net assets held in trust for benefits at December 31, 2003 amounted to \$1.4 billion, an increase of \$279.6 million (24.9 percent) from \$1.1 billion at December 31, 2002.

Additions to the Public Safety System net assets held in trust for benefits include employer contributions, investment income and transfers. For the 2003 calendar year, member and employer contributions increased from \$46.5 million for the calendar year 2002 to \$51.1 million, an increase of \$4.6 million (9.8 percent). Contributions increased because contribution rates increased. The system recognized a net investment gain of \$288.1 million for the 2003 calendar year compared with net investment losses of \$97.8 million for the 2002 calendar year. The increase in investment income was mainly due to the increase in equity markets during 2003.

Deductions from the Public Safety System net assets held in trust for benefits include retirement benefits and administrative expenses. For the 2003 calendar year, benefits amounted to \$60.6 million, an increase of \$5.5 million (10.0 percent) over the 2002 calendar year. The increase in benefit payments was due to an increased number of benefit recipients and

benefit increases. For the 2003 calendar year, the costs of administering the system totaled \$1.0 million, an increase of \$107 thousand (11.9 percent) from calendar year 2002.

An actuarial valuation of the Public Safety System assets and benefit obligations is performed annually. At the date of the most recent actuarial valuation, January 1, 2003, the funded status of the system decreased to 92.5 percent from 100.8 percent at January 1, 2002. The amount by which the Public Safety System actuarial assets were under actuarial benefit liabilities was \$109.1 million at January 1, 2003, compared with being over funded by \$10.3 million at January 1, 2002. The decrease in funded status as of the last actuarial valuation was a result of the lower than expected investment returns over the previous 3 years.

Firefighters System

The Firefighters System provides retirement benefits to covered firefighters of the State of Utah and local governments. Benefits of the system are funded by member and employer contributions and by earnings on investments. The system net assets held in trust for benefits at December 31, 2003 amounted to \$570.2 million, an increase of \$108.8 million (23.6 percent) from \$461.3 million at December 31, 2002.

Additions to the Firefighters System net assets held in trust for benefits consist of employer contributions, including insurance premium taxes, investment income and transfers. For the 2003 calendar year, member and employer contributions decreased from \$15.3 million

Management's Discussion and Analysis (Continued)

Fiduciary Net Assets—Pension Trust Funds

DECEMBER 31

(dollars in thousands)

	Contributory System		Noncontributory System		Public Safety System	
	2003	2002	2003	2002	2003	2002
Assets:						
Cash and receivables	\$ 26,319	8,779	342,879	119,144	42,149	14,354
Investments at fair value	910,022	734,470	11,526,852	9,298,185	1,435,414	1,152,758
Invested securities lending collateral	94,078	85,494	1,191,653	1,082,326	148,395	134,183
Property and equipment	318	321	4,027	4,058	502	503
Total assets	1,030,737	829,064	13,065,411	10,503,713	1,626,460	1,301,798
Liabilities:						
Securities lending liability	94,078	85,494	1,191,653	1,082,326	148,395	134,183
Investment accounts and other payables	46,851	27,438	593,618	347,621	73,898	43,066
Total liabilities	140,929	112,932	1,785,271	1,429,947	222,293	177,249
Total net assets	\$ 889,808	716,132	11,280,140	9,073,766	1,404,167	1,124,549

Changes in Fiduciary Net Assets—Pension Trust Funds

YEAR ENDED DECEMBER 31

(dollars in thousands)

	Contributory System		Noncontributory System		Public Safety System	
	2003	2002	2003	2002	2003	2002
Additions:						
Contributions	\$ 15,970	15,658	326,028	303,752	51,103	46,522
Investment income (loss)	186,339	(64,251)	2,315,577	(788,906)	288,126	(97,816)
Transfers from affiliated systems	33,263	—	—	12,166	2,002	1,956
Total additions	235,572	(48,593)	2,641,605	(472,988)	341,231	(49,338)
Deductions:						
Pension benefits	57,863	59,497	386,791	348,230	59,941	53,962
Refunds	3,358	3,716	3,310	3,715	666	115
Administrative expenses	675	624	8,124	7,103	1,006	899
Transfers to affiliated systems	—	15,420	37,006	—	—	—
Total deductions	61,896	79,257	435,231	359,048	61,613	56,016
Increase (decrease) in net assets	\$ 173,676	(127,850)	2,206,374	(832,036)	279,618	(105,354)

for the calendar year 2002 to \$15.1 million, a decrease of \$140 thousand (.9 percent). Contributions decreased because insurance premium taxes decreased.

The system recognized a net investment gain of \$117.4 million for

the 2003 calendar year compared with net investment losses of \$40.2 million for the 2002 calendar year. The increase in investment income was mainly due to the increase in equity markets during 2003.

Deductions from the Firefighters

System net assets held in trust for benefits include retirement benefits and administrative expenses. For the 2003 calendar year, benefits amounted to \$23.9 million, an increase of \$1.2 million (5.4 percent) over the 2002 calendar year. The

Management's Discussion and Analysis (Continued)

Firefighters System		Judges System		Governors and Legislative Pension Plan		Total Defined Benefit Pension Plans		Percent Change
2003	2002	2003	2002	2003	2002	2003	2002	
16,525	5,364	2,875	1,176	298	101	431,045	148,918	189.5%
583,468	473,440	96,527	77,435	10,636	9,169	14,562,919	11,745,457	24.0
60,319	55,110	9,979	9,014	1,100	1,067	1,505,524	1,367,194	10.1
204	207	34	34	4	4	5,089	5,127	(0.7)
660,516	534,121	109,415	87,659	12,038	10,341	16,504,577	13,266,696	24.4
60,319	55,110	9,979	9,014	1,100	1,067	1,505,524	1,367,194	10.1
30,037	17,688	4,969	2,892	548	342	749,921	439,047	70.8
90,356	72,798	14,948	11,906	1,648	1,409	2,255,445	1,806,241	24.9
570,160	461,323	94,467	75,753	10,390	8,932	14,249,132	11,460,455	24.3%

Firefighters System		Judges System		Governors and Legislative Pension Plan		Total Defined Benefit Pension Plans		Percent Change
2003	2002	2003	2002	2003	2002	2003	2002	
15,114	15,254	2,593	2,858	—	—	410,808	384,044	7.0%
117,392	(40,198)	19,417	(6,564)	2,202	(806)	2,929,053	(998,541)	393.3
625	735	1,128	560	—	3	37,018	15,420	140.1
133,131	(24,209)	23,138	(3,146)	2,202	(803)	3,376,879	(599,077)	663.7
23,520	22,288	4,361	3,804	726	708	533,202	488,489	9.2
414	422	—	—	—	—	7,748	9,008	(14.0)
360	323	63	57	6	5	10,234	9,011	13.6
—	—	—	—	12	—	37,018	15,420	140.1
24,294	23,033	4,424	3,861	744	713	588,202	521,928	12.7
108,837	(47,242)	18,714	(7,007)	1,458	(1,516)	2,788,677	(1,121,005)	348.8%

increase in benefit payments was due to an increased number of benefit recipients and benefit increases. For the 2003 calendar year, the costs of administering the system totaled \$360 thousand, an increase of \$37 thousand (11.5 percent) from calen-

dar year 2002. An actuarial valuation of the Firefighters System assets and benefit obligations is performed annually. At the date of the most recent actuarial valuation, January 1, 2003, the funded status of the system decreased to 106.2 percent from

115.9 percent at January 1, 2002. The amount by which the Firefighters System actuarial assets were over actuarial benefit liabilities was \$32.4 million at January 1, 2003, compared with \$77.9 million at January 1, 2002. The decrease in funded status

Management's Discussion and Analysis *(Continued)*

as of the last actuarial valuation was a result of the lower than expected investment returns over the previous 3 years.

Judges System

The Judges System provides retirement benefits to judges in the State of Utah who are eligible to participate in the system. Benefits of the system are funded by employer contributions and by earnings on investments. The system net assets held in trust for benefits at December 31, 2003 amounted to \$94.5 million, an increase of \$18.7 million (24.7 percent) from \$75.8 million at December 31, 2002.

Additions to the Judges System net assets held in trust for benefits consist of employer contributions, including court fees, investment income and transfers. For the 2003 calendar year, member and employer contributions decreased from \$2.9 million for the calendar year 2002 to \$2.6 million, a decrease of \$265 thousand (9.3 percent). Contributions decreased because court fees decreased. The system recognized a net investment gain of \$19.4 million for the 2003 calendar year compared with net investment losses of \$6.6 million for the 2002 calendar year. The increase in investment income was mainly due to the increase in equity markets during 2003.

Deductions from the Judges System net assets held in trust for benefits include retirement benefits and administrative expenses. For the 2003 calendar year, benefits amounted to \$4.4 million, an increase of \$557 thousand (14.6 percent) over 2002 calendar year.

The increase in benefit payments was due to an increased number of benefit recipients and benefit increases. For the 2003 calendar year, the costs of administering the system totaled \$63 thousand, an increase of \$6 thousand (10.5 percent) over calendar year 2002.

An actuarial valuation of the Judges System assets and benefit obligations is performed annually. At the date of the most recent actuarial valuation, January 1, 2003, the funded status of the system decreased to 100.4 percent from 107.7 percent at January 1, 2002. The amount by which the Judges System actuarial assets were over actuarial benefit liabilities was \$331 thousand at January 1, 2003, compared with \$6.7 million at January 1, 2002. The decrease in funded status as of the last actuarial valuation was a result of the lower than expected investment results over the previous 3 years.

Governors and Legislative Plan

The Governors and Legislative Plan provides retirement benefits to governors and legislators of the State of Utah. Benefits of the system are funded by employer contributions and by earnings on investments. The system net assets held in trust for benefits at December 31, 2003 amounted to \$10.4 million, an increase of \$1.5 million (16.3 percent) from \$8.9 million at December 31, 2002.

Additions to the Governors and Legislative Plan net assets held in trust for benefits include investment income and transfers. No employer contributions were needed for this

plan because of the current over funded status. The system recognized a net investment gain of \$2.2 million for the 2003 calendar year compared with net investment losses of \$806 thousand for the 2002 calendar year. The decrease in investment income was mainly due to the increase in equity markets during 2003.

Deductions from the Governors and Legislative Plan net assets held in trust for benefits include retirement benefits and administrative expenses. For the 2003 calendar year, retirement benefits amounted to \$726 thousand, an increase of \$18 thousand (2.5 percent) from 2002 calendar year. The increase in benefit payments was due to an increased number of benefit recipients and benefit increases. For the 2003 calendar year, the costs of administering the system totaled \$6 thousand, a slight increase over the preceding year.

An actuarial valuation of the Governors and Legislative Plan assets and benefit obligations is performed annually. At the date of the most recent actuarial valuation, January 1, 2003, the funded status of the system decreased to 123.1 percent from 143.1 percent at January 1, 2002. The amount by which the Governors and Legislative Plan actuarial assets were over actuarial benefit liabilities was \$2.0 million at January 1, 2003, compared with \$3.5 million at January 1, 2002. The decrease in funded status as of the last actuarial valuation was a result of the lower than expected investment results over the previous 3 years.

Management's Discussion and Analysis (Continued)

Actuarial Valuations and Funding Progress



ACTUARIAL VALUATION OF EACH DEFINED BENEFIT system is performed annually. At January 1, 2003, the date of the most recent actuarial valuation, the average funded ratio of the

Systems was 92.8 percent. This was a decrease from the Systems' January 1, 2002 valuation average funded ratio of 102.7 percent, a decrease in funded status of 10 percent. As of December 31, 2003, the Systems' average funded ratio had increased to 93.1 percent. This was an increase in the Systems' funded ratio of .3 percent for calendar year 2003.

The funded ratio increase for all systems was the result of investment returns above the investment return assumption of 8 percent for calendar year 2003.

At December 31, 2003 the Systems' unfunded actuarial accrued liability remained at \$1.1 billion or almost the same as at January 1, 2003. There was a net change in the under funded position of

\$17.3 million for the year. At December 31, 2003 the difference between the actuarial value of assets and market value of assets was \$469 million in actuarially deferred losses. This was a decrease of \$1.8 billion in actuarially deferred losses from the \$2.3 billion in actuarially deferred losses at January 1, 2003. These actuarially deferred losses will be recognized by the actuary over the next four years leading to probable increases in contribution rates.



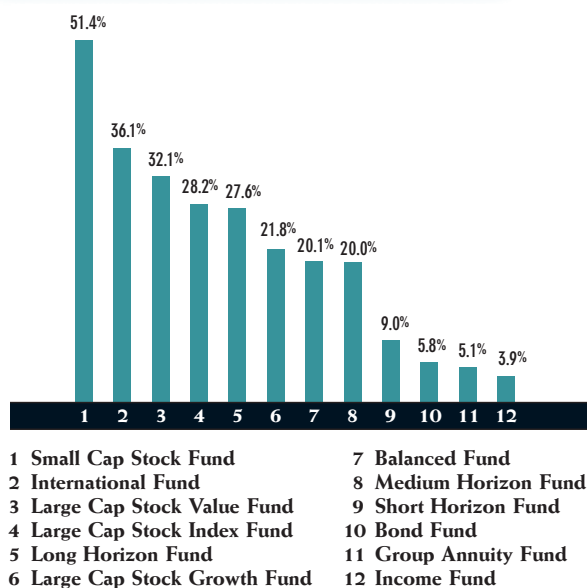
Defined Contribution Plans

401(k) Defined Contribution Plan

THE 401(k) PLAN IS ESTABLISHED UNDER SECTION 401(k) of the Internal Revenue Code. This plan provides supplemental retirement benefits for plan participants. The plan is funded by contributions and by investment earnings. The plan net assets held in trust for benefits at December 31, 2003 amounted to \$1.7 billion, an increase of \$340.6 million (25.9 percent) over net assets at December 31, 2002.

Management's Discussion and Analysis (Continued)

Defined Contribution Plans Investment Options Rates of Return for 2003



Defined Contribution Plans Comparative Annualized Rates of Return

DECEMBER 31, 2003

Investment Option	2003	2002
Income Fund	3.9	5.5%
Bond Fund	5.8	10.5
Balanced Fund	20.1	(9.8)
Large Cap Stock Value Fund	32.1	(10.7)
Large Cap Stock Index Fund	28.2	(22.1)
Large Cap Stock Growth Fund	21.8	(29.9)
International Fund	36.1	(15.6)
Small Cap Stock Fund	51.4	(19.2)
Short Horizon Fund	9.0	4.6
Medium Horizon Fund	20.0	(6.8)
Long Horizon Fund	27.6	(13.6)
Group Annuity Fund	5.1	5.7

Additions to the 401(k) Plan net assets held in trust for benefits include contributions and investment income. For the 2003 calendar year, contributions increased from those of 2002 calendar year from \$160.3 million to \$161.2 million, an increase of \$945 thousand (.6 percent). Contributions increased because of increased participation. The plan recognized a net investment gain of \$249.3 million for the 2003 calendar year compared with a net investment loss of \$109.8 million for the 2002 calendar year.

Deductions from the 401(k) Plan net assets include participant and beneficiary refunds, and administrative expenses. For the 2003 calendar year, refunds amounted to \$65.8 million, an increase of \$1.9 million (2.9 percent) over 2002 calendar year. The increase in refunds was due to an increase in withdrawals for calendar year 2003. For the 2003

calendar year, the costs of administering the plan amounted to \$4.1 million, an increase of \$279 thousand over calendar year 2002.

Benefit obligations of the 401(k) Defined Contribution Plan are equal to the member account balances, which are equal to net assets of the plan.

457 Defined Contribution Plan

The 457 Plan is established under Section 457 of the Internal Revenue Code. This plan provides supplemental retirement benefits for plan participants. The plan is funded by contributions and by investment earnings. The plan net assets held in trust for benefits at December 31, 2003 amounted to \$196.2 million, an increase of \$24.7 million (14.4 percent) over net assets at December 31, 2002.

Additions to the 457 Plan net assets held in trust for benefits include contributions and investment income. For the 2003 calendar year, contributions increased from those of 2002 calendar year from \$10.4 million to \$13.8 million or an increase of \$3.5 million (33.4 percent). Contributions increased because of increased participation. The plan recognized a net investment gain of \$29.2 million for the 2003 calendar year compared with a net investment loss of \$13.3 million for the 2002 calendar year. The increase from investments was due mainly to the upturn in equity markets during 2003.

Deductions from the 457 Plan net assets include participant and beneficiary refunds, and administrative expenses. For the 2003 calendar year, refunds amounted to \$17.9

Management's Discussion and Analysis *(Continued)*

Fiduciary Net Assets — Defined Contribution Plans

DECEMBER 31

(dollars in thousands)

	401(k) Plan		457 Plan		Total Defined Contribution Plans		Percent Change
	2003	2002	2003	2002	2003	2002	
Assets:							
Cash and receivables	\$ 34,518	31,057	1,643	1,047	36,161	32,104	12.6%
Investments at fair value	1,622,761	1,286,492	195,779	171,616	1,818,540	1,458,108	24.7
Invested securities lending collateral	34,170	45,934	3,390	5,444	37,560	51,378	(26.9)
Total assets	1,691,449	1,363,483	200,812	178,107	1,892,261	1,541,590	22.7
Liabilities:							
Securities lending liability	34,170	45,934	3,390	5,444	37,560	51,378	(26.9)
Investment accounts and other payables	3,904	4,785	1,203	1,102	5,107	5,887	(13.2)
Total liabilities	38,074	50,719	4,593	6,546	42,667	57,265	(25.5)
Total net assets	\$1,653,375	1,312,764	196,219	171,561	1,849,594	1,484,325	24.6%

Changes in Fiduciary Net Assets — Defined Contribution Plans

YEAR ENDED DECEMBER 31

(dollars in thousands)

	401(k) Plan		457 Plan		Total Defined Contribution Plans		Percent Change
	2003	2002	2003	2002	2003	2002	
Assets:							
Contributions	\$ 161,212	160,267	13,812	10,353	175,024	170,620	2.6%
Investment income (loss)	249,313	(109,790)	29,193	(13,325)	278,506	(123,115)	326.2
Total additions	410,525	50,477	43,005	(2,972)	453,530	47,505	854.7
Deductions:							
Refunds	65,785	63,908	17,877	24,498	83,662	88,406	(5.4)
Administrative expenses	4,129	3,850	470	487	4,599	4,337	6.0
Total deductions	69,914	67,758	18,347	24,985	88,261	92,743	(4.8)
Increase (decrease) in net assets	\$ 340,611	(17,281)	24,658	(27,957)	365,269	(45,238)	907.4%

million, a decrease of \$6.6 million (27.0 percent) under the 2002 calendar year. The decrease in refunds was due to a decrease in withdrawals for calendar year 2003. For the 2003 calendar year, the costs of administering the plan amounted to \$470

thousand, a decrease of \$17 thousand under calendar year 2002.

Benefit obligations of the 457 Defined Contribution Plan are equal to the member account balances, which are equal to net assets of the plan.

Basic Financial Statements
UTAH RETIREMENT SYSTEMS

*Statements of Fiduciary Net Assets—
Pension (and Other Employee Benefit) Trust Funds*

DECEMBER 31, 2003

WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2002

(in thousands)

	Contributory System	Noncontributory System	Public Safety System	Firefighters System
Assets:				
Cash	\$ 2	176	15	2
Receivables:				
Member contributions	414	—	159	205
Employer contributions	452	20,328	1,831	—
Court fees and fire insurance tax	—	—	—	—
Investments	25,451	322,375	40,144	16,318
Total receivables	26,317	342,703	42,134	16,523
Investments at fair value:				
Short-term securities, domestic	88,447	1,120,325	139,513	56,709
Short-term securities, international	10,419	131,980	16,435	6,680
Debt securities, domestic	141,936	1,797,846	223,881	91,004
Debt securities, international	49,406	625,802	77,929	31,677
Equity investments, domestic	338,910	4,292,825	534,576	217,295
Equity investments, international	165,382	2,094,825	260,864	106,036
Private Equity	40,886	517,887	64,492	26,214
Real estate	74,219	940,089	117,068	47,586
Mortgage loans	417	5,273	656	267
Investment contracts	—	—	—	—
Total investments	910,022	11,526,852	1,435,414	583,468
Invested securities lending collateral	94,078	1,191,653	148,395	60,319
Property and equipment at cost, net of accumulated depreciation	318	4,027	502	204
Total assets	1,030,737	13,065,411	1,626,460	660,516
Liabilities:				
Securities lending liability	94,078	1,191,653	148,395	60,319
Disbursements in excess of cash balance	1,042	13,190	1,642	667
Compensated absences, post employment benefits and insurance reserve	3,511	44,472	5,538	2,251
Investment accounts payable	41,998	532,157	66,244	26,927
Mortgages payable	300	3,799	474	192
Total liabilities	140,929	1,785,271	222,293	90,356
Net assets held in trust for pension benefits (see supplemental schedules of funding progress, page 60)	\$ 889,808	11,280,140	1,404,167	570,160

The accompanying notes are an integral part of the financial statements.

Judges System	Defined Benefit Pension Plans		Defined Contribution Plans			Total Pension Trust Funds	
	Governors and Legislative Pension Plan	Total Defined Benefit Pension Plans	401(k) Plan	457 Plan	Total Defined Contribution Plans	2003	2002
1	1	197	3,376	1,109	4,485	4,682	5,553
—	—	778	—	—	—	778	775
144	—	22,755	—	—	—	22,755	19,825
30	—	30	—	—	—	30	21
2,700	297	407,285	31,142	534	31,676	438,961	154,848
2,874	297	430,848	31,142	534	31,676	462,524	175,469
9,382	1,034	1,415,410	—	—	—	1,415,410	672,742
1,105	122	166,741	—	—	—	166,741	90,665
15,055	1,659	2,271,381	595,511	68,131	663,642	2,935,023	2,669,492
5,241	577	790,632	—	—	—	790,632	668,833
35,949	3,961	5,423,516	852,339	95,061	947,400	6,370,916	5,070,409
17,542	1,933	2,646,582	140,810	12,960	153,770	2,800,352	2,084,575
4,337	478	654,294	—	—	—	654,294	761,987
7,872	867	1,187,701	—	—	—	1,187,701	1,123,842
44	5	6,662	—	—	—	6,662	3,985
—	—	—	34,101	19,627	53,728	53,728	57,035
96,527	10,636	14,562,919	1,622,761	195,779	1,818,540	16,381,459	13,203,565
9,979	1,100	1,505,524	34,170	3,390	37,560	1,543,084	1,418,572
34	4	5,089	—	—	—	5,089	5,127
109,415	12,038	16,504,577	1,691,449	200,812	1,892,261	18,396,838	14,808,286
9,979	1,100	1,505,524	34,170	3,390	37,560	1,543,084	1,418,572
110	12	16,663	1,801	1,101	2,902	19,565	19,657
372	41	56,185	—	—	—	56,185	44,749
4,455	491	672,272	2,103	102	2,205	674,477	307,068
32	4	4,801	—	—	—	4,801	73,460
14,948	1,648	2,255,445	38,074	4,593	42,667	2,298,112	1,863,506
94,467	10,390	14,249,132	1,653,375	196,219	1,849,594	16,098,726	12,944,780

Basic Financial Statements
UTAH RETIREMENT SYSTEMS

*Statements of Changes in Fiduciary Net Assets—
Pension (and Other Employee Benefit) Trust Funds*

YEAR ENDED DECEMBER 31, 2003

WITH COMPARATIVE TOTALS FOR YEAR ENDED DECEMBER 31, 2002

(in thousands)

	Contributory System	Noncontributory System	Public Safety System	Firefighters System
Additions:				
Contributions:				
Member contributions	\$ 8,673	11,517	4,448	6,055
Employer contributions	7,297	314,511	46,655	—
Court fees and fire insurance tax	—	—	—	9,059
Total contributions	15,970	326,028	51,103	15,114
Investment income:				
Net appreciation (depreciation) in fair value of investments	166,279	2,066,293	257,108	104,754
Interest, dividends and other investment income	22,237	276,331	34,383	14,009
Total investment income (loss)	188,516	2,342,624	291,491	118,763
Less investment expenses	2,177	27,047	3,365	1,371
Net investment income (loss)	186,339	2,315,577	288,126	117,392
Transfers from affiliated systems	33,263	—	2,002	625
Total additions	235,572	2,641,605	341,231	133,131
Deductions:				
Retirement benefits	36,520	327,972	50,653	18,270
Cost of living benefits	19,719	58,819	8,638	4,552
Supplemental retirement benefits	1,624	—	650	698
Refunds	3,358	3,310	666	414
Administrative expenses	675	8,124	1,006	360
Transfers to affiliated systems	—	37,006	—	—
Total deductions	61,896	435,231	61,613	24,294
Increase (decrease) from operations	173,676	2,206,374	279,618	108,837
Net assets held in trust for pension benefits beginning of year	716,132	9,073,766	1,124,549	461,323
Net assets held in trust for pension benefits end of year	\$889,808	11,280,140	1,404,167	570,160

The accompanying notes are an integral part of the financial statements.

Judges System	Defined Benefit Pension Plans		Defined Contribution Plans			Total Pension Trust Funds	
	Governors and Legislative Pension Plan	Total Defined Benefit Pension Plans	401(k) Plan	457 Plan	Total Defined Contribution Plans	2003	2002
103	—	30,796	161,212	13,812	175,024	205,820	202,102
551	—	369,014	—	—	—	369,014	340,727
1,939	—	10,998	—	—	—	10,998	11,835
2,593	—	410,808	161,212	13,812	175,024	585,832	554,664
17,327	1,965	2,613,726	247,580	28,272	275,852	2,889,578	(1,471,447)
2,317	263	349,540	3,407	1,091	4,498	354,038	375,215
19,644	2,228	2,963,266	250,987	29,363	280,350	3,243,616	(1,096,232)
227	26	34,213	1,674	170	1,844	36,057	25,424
19,417	2,202	2,929,053	249,313	29,193	278,506	3,207,559	(1,121,656)
1,128	—	37,018	—	—	—	37,018	15,420
23,138	2,202	3,376,879	410,525	43,005	453,530	3,830,409	(551,572)
3,508	572	437,495	—	—	—	437,495	398,458
853	154	92,735	—	—	—	92,735	86,646
—	—	2,972	—	—	—	2,972	3,385
—	—	7,748	65,785	17,877	83,662	91,410	97,414
63	6	10,234	4,129	470	4,599	14,833	13,348
—	12	37,018	—	—	—	37,018	15,420
4,424	744	588,202	69,914	18,347	88,261	676,463	614,671
18,714	1,458	2,788,677	340,611	24,658	365,269	3,153,946	(1,166,243)
75,753	8,932	11,460,455	1,312,764	171,561	1,484,325	12,944,780	14,111,023
94,467	10,390	14,249,132	1,653,375	196,219	1,849,594	16,098,726	12,944,780

Utah Retirement Systems

Notes to the Basic Financial Statements

NOTES TO THE BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2003

Note 1 – Description of Systems and Plans



A BRIEF DESCRIPTION OF THE UTAH RETIREMENT

Systems (Systems) and 401(k) and 457 Plans (Plans) follows. For a more complete description of plan provisions, membership and benefit statistics, see the Systems Highlights on pages 12 through 24 and Summaries of Plan Provisions on pages 114 through 123.

(A) General Information and Reporting Entity

General—The Utah Retirement Systems are comprised of the following pension trust funds:

- i) the **Public Employees Contributory Retirement System (Contributory System)**; the **Public Employees Noncontributory Retirement System (Noncontributory System)**; and the **Firefighters Retirement System** which are multiple-employer, cost sharing, public employee retirement systems;
- ii) the **Public Safety Retirement System** which is a mixed agent and cost-sharing, multiple-employer retirement system;

iii) the **Judges Retirement System** and the **Governors and Legislative Pension Plan** which are single employer service employee retirement systems; and

iv) two defined contribution plans comprised of the **401(k) Plan** and the **457 Plan**.

These Systems and Plans cover employees of the State of Utah and participating local government and public education entities.

Reporting Entity—These basic financial statements cover all of the foregoing retirement systems and defined contribution plans administered by the Utah State Retirement Board (Board), the sole governing body for these Systems and Plans.

The Systems are established and governed by the respective sections

of Title 49 of the Utah Code Annotated 1953, as amended. The Systems' defined benefit plans are amended statutorily by the State Legislature. The Utah State Retirement Office Act in Title 49 provides for the administration of the Systems and Plans under the direction of the Board, whose members are appointed by the Governor. The Plans are established under the authority of the same sections of the Utah Code Annotated 1953, as amended, as well as under Sections 401(k) and 457 of the Internal Revenue Code. The Plans may be amended by the Board within the parameters of Sections 401(k) and 457 of the Internal Revenue Code. The Systems and Plans are fiduciary funds defined as pension (and other employee benefit) trust funds.

Utah Retirement Systems

Notes to the Basic Financial Statements (Continued)

DECEMBER 31, 2003

Summary of Benefits by System

	Contributory System	Noncontributory System	Public Safety System	Firefighters System	Judges System
Final average salary is	Highest 5 years	Highest 3 years	Highest 3 years		Highest 2 years
Years of service required and/or age eligible for benefit	30 years any age 20 years age 60* 10 years age 62* 4 years age 65	30 years any age 25 years any age* 20 years age 60* 10 years age 62* 4 years age 65	20 years any age 10 years age 60 4 years age 65		25 years any age 20 years age 55* 10 years age 62 6 years age 70
Benefit percent per year of service**	1.25% per year to June 1975 2.00% per year July 1975 to present	2.0% per year all years	2.5% per year up to 20 years 2.0% per year over 20 years Benefit cannot exceed 70% of final average salary		5.00% first 10 years 2.25% second 10 years 1.00% over 20 years Benefit cannot exceed 75% of final average salary

Note: The Governors and Legislative Pension Plan benefits are explained in the paragraph preceding this table.

* With actuarial reductions.

**For members and retirees in the systems, prior to January 1, 1990, there may be a 3% benefit enhancement.

(B) Retirement and Death Benefits

Retirement Systems' benefits are specified by the statute listed in note 1 (A). The Retirement Systems are defined benefit plans wherein benefits are based on age and/or years of service and highest average salary. Various plan options within the Systems may be selected by retiring members. Some options require actuarial reductions based on attained age, age of spouse and similar actuarial factors. A brief summary of eligibility and benefits of the various Systems is shown in the table above.

The Governors and Legislative Pension Plan provides the following benefits. Former governors at age 65 receive \$1,100 per month per term. Legislators receive a benefit at age 65 with four or more years of service at the rate of \$24.40 per month per year of service. Retirement at age 62 with ten or more years of service will receive an actuarial reduction. Both the governors' and legislators' benefits

are adjusted based on the CPI limited to 4% of the base benefit per year.

Death benefits for active and retired employees are in accordance with retirement statutes. Upon termination of employment, members of the Systems may leave their retirement account intact for future benefits based on vesting qualification or withdraw the accumulated funds in their individual member account and forfeit service credits and rights to future benefits upon which the contributions were based.

(C) 401(k) and 457 Plans

The 401(k) and 457 Plans administered by the Board are defined contribution plans. These Plans are available as supplemental plans to the basic retirement benefits of the Retirement Systems for employees of employers who have adopted the 401(k) and 457 Plans. Contributions may be made into the Plans subject to plan and Internal Revenue Code limitations by employees of employers sponsoring the Plans. Employer

contributions may be made into the Plans at rates determined by the employers. There are 357 employers participating in the 401(k) Plan and 153 employers participating in the 457 Plan. There are 121,070 plan participants in the 401(k) Plan and 11,272 participants in the 457 Plan.

After termination of employment, benefits are paid out to individuals in lump-sum, or as periodic benefit payments, at the option of the participant based on individual account balances and plan provisions. The 401(k) and 457 Plans account balances are fully vested to the participants at the time of deposit.

Investments in the 401(k) and 457 Plans are individually directed and controlled by plan participants who direct the investment of their funds among several investment options of varying degrees of risk and earnings potential. Participants may transfer their funds between these options no more frequently than every seven days. Investments of the Plans are reported at fair value.

Utah Retirement Systems

Notes to the Basic Financial Statements (Continued)

DECEMBER 31, 2003

(D) Contributions

As a condition of participation in the Systems, employers and/or employees are required to contribute certain percentages of salaries and wages as authorized by statute and specified by the Board. Employee contributions may be paid in part or in whole by the employer. Contributions in some Systems are also augmented by fees or insurance premium taxes. Contribution rates are listed in note 6.

Employee (member) contributions are placed into member accounts, and in systems where it is authorized, interest is credited to member accounts. Upon termination of employment, a member may withdraw their account balance, including interest which has been credited. Upon withdrawal a member forfeits the service credit which corresponds to the member contributions withdrawn. The noncontributory retirement systems have no member contributions flowing into them. However, where members had a balance transferred in or purchased service credit in the system, these balances and on-going interest, where authorized, are credited to individual member accounts which may be withdrawn upon the termination of employment.

In the defined contribution plans,

voluntary deferral of compensation within the limits of plan provisions may be made by employees. In addition to employee voluntary deferrals, employer contributions may be made into the Plans in behalf of employees. The recognition of deferred compensation, employer contributions and earnings on the accounts are deferred for income tax purposes until actually paid to the participant or beneficiary.

(E) Covered Employees

The **Public Employees Contributory Retirement System (Contributory System)** includes eligible public employees of the State of Utah and its political subdivisions including public education employees of those entities covered by the System. Members of this System are those who did not elect to transfer to the Public Employees Noncontributory Retirement System during the period when they were eligible to transfer or whose employers are not participants in the Noncontributory System.

The **Public Employees Noncontributory Retirement System (Noncontributory System)** was established on July 1, 1986. All eligible employees of the State and school entities hired subsequent to that date are automatically members of the Noncontributory System. Local government entities had the option of

adopting the new System or remaining with the Contributory System. All Contributory System members whose employers adopted the Noncontributory System were given the opportunity to transfer to the new System during limited window periods. All eligible new hires subsequent to adoption of the noncontributory plans are automatically members of that plan.

The **Public Safety Retirement System** includes eligible state and local government employees directly involved in law enforcement (e.g., game wardens, prison guards, police officers and highway patrol officers). The Public Safety System consists of both contributory and noncontributory divisions. The noncontributory divisions were authorized by the Legislature effective July 1, 1989.

The **Firefighters Retirement System** includes eligible state and local government employees directly involved in fire fighting.

The **Judges Retirement System** includes justices and judges of the court as authorized by State Statutes.

The **Governors and Legislative Pension Plan** includes only governors and legislators of the State.

The **401(k) and 457 Plans** may be utilized by employers adopting the Plans and by their employees.

At December 31, 2003 participating members by System are included in the table below.

Participating Members by System

	Contributory System	Noncontributory System	Public Safety System	Firefighters System	Judges System	Governors and Legislative Pension Plan
Number of participating:						
Employers	161	380	117	43	1	1
Members:						
Active	3,493	83,156	7,041	1,568	106	97
Terminated vested	1,492	22,290	1,067	65	5	91
Retirees and beneficiaries:						
Service benefits	6,808	22,215	2,836	853	83	223
Disability benefits	134	—	42	68	—	—

Utah Retirement Systems

Notes to the Basic Financial Statements (Continued)

DECEMBER 31, 2003

Note 2—Description of Systems and Plans



THE FOLLOWING ARE THE SIGNIFICANT accounting policies followed by the Systems and Plans:

(A) Method of Accounting

The Systems maintain records and accounts, and prepare financial statements using fund accounting principles and the accrual basis of accounting, under which benefits and expenses are recognized when due and payable and revenues are recorded in the accounting period in which they are earned and become measurable in accordance with the terms of each system and plan.

Utah Retirement Systems adhere to Governmental Accounting Standards Board (GASB) Statement No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*, GASB Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis— for State and Local Governments*, GASB Statement No. 37, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments: Omnibus*, GASB Statement No. 38, *Certain Financial Statement Note Disclosures*, and GASB Statement No. 40, *Deposit and Investment Risk Disclosures*. Investments are presented at fair value. The actuarial accrued liability under the entry age actuarial funding method is presented in the Required Supplementary Information on page 60.

(B) Investments

By state statute all of the investment assets of the various Systems are pooled and invested in the common Pension Investment Trust Fund (Investment Fund). Each of the Systems has equity in the Investment Fund based on funds contributed and earnings allocated. Earnings of the Investment Fund are allocated based on the average month-end balances of each of the respective Systems. Individual investments in the Investment Fund are not specifically identified to the respective Systems (see note 3). For financial statement presentation, the Investment Fund assets, liabilities, revenues and expenses have been allocated to and presented in each respective system in the basic financial statements as required for investment pools.

Investments are presented at fair value. The fair value of investments is based on published market prices and quotations from major investment brokers at current exchange rates, as available. Many factors are considered in arriving at that value. Corporate debt securities are valued based on yields currently available on comparable securities of issuers with similar credit ratings.

Mortgages have been valued on an amortized cost basis which approximates market or fair value. The fair value of real estate investments has been estimated based on independent appraisals. Short-term investments are reported at market value when published market prices and quotations are available, or at cost plus accrued interest, which approximates market or fair value. For investments where no readily ascertainable market value exists, management, in consultation with their investment advisors, have determined the fair values for the individual investments.

Approximately 11% of the net assets held in trust for pension benefits are invested in debt securities of the U.S. Government and its instrumentalities. Of the 11%, approximately 3% are U.S. Government debt securities and approximately 8% are debt securities of the U.S. Government instrumentalities. The Systems and Plans have no investments of any commercial or industrial organization whose market value equals 5% or more of the Systems' net assets available for benefits.

Utah Retirement Systems

Notes to the Basic Financial Statements (Continued)

DECEMBER 31, 2003

(C) Property and Equipment

Property and equipment are recorded at cost (see note 4), are depreciated utilizing the straight-line method, and are included in the assets of the Investment Fund. The schedule to the right summarizes the estimated useful life by class.

Estimated Useful Life by Class

Buildings	40 years
Building improvements	10 years
Furniture and equipment	3-10 years

(D) Administrative Expenses

Expenses for the administration of the Systems and Plans are budgeted and approved by the Board. Systems expenses are paid from investment earnings. Plan expenses are paid from Plan assets.

Note 3 – Deposits and Investment Risk Disclosures



(A) Deposits

CUSTODIAL CREDIT RISK FOR DEPOSITS is the risk that in the event of a bank failure, the Systems' and Plans' deposits may not be returned to them. The deposits are held in one financial institution with an insured balance of \$100,000. The deposits in the bank in excess of \$100,000 are uninsured and uncollateralized. Deposits are not collateralized nor are they required to be by state statute. The Systems and Plans do not have a deposit policy for custodial credit risk. Deposits are presented in the basic financial statements at cost plus accrued interest which is also the market or fair value. At December 31, 2003, the carrying amount of deposits totaled approximately \$(14,883,000) and the corresponding bank balance was \$1,364,962 of which \$1,264,962 was exposed to custodial credit risk.

Cash Deposits (in thousands)

Cash	\$ 4,682
Disbursements in excess of cash balances	(19,565)
Total	\$(14,883)

(B) Investments

The upper left table on page 49 shows the investments of the Systems' and Plans' by investment type.

(C) Credit Risk Debt Securities:

It is the Systems' and Plans' policy that all debt securities investments, both domestic and international, be registered in the Systems' and/or Plans' name. The Systems and Plans expect its domestic debt securities investment managers to maintain diversified portfolios by sector using the following guidelines:

Utah Retirement Systems

Notes to the Basic Financial Statements (Continued)

DECEMBER 31, 2003

Investments

AT DECEMBER 31, 2003	(in thousands)	Fair Value
Debt securities, domestic	\$	2,352,976
Debt securities, international		506,280
Equity securities, domestic		5,284,041
Equity securities, international		2,639,674
Short-term securities pools		1,582,151
Mortgage loans:		
Collateralized loans		27
Real estate notes		6,635
Real estate		480,709
Real estate joint ventures		706,992
Private equity (venture capital)		654,294
Guaranteed investment contracts		53,728
Equity securities, domestic (pooled)		216,198
Mutual fund, international		153,770
Mutual fund, balanced		246,454
Investments held by broker-dealers under securities lending program:		
U.S. Government and agency securities		520,510
Corporate debt securities, domestic		61,537
Debt securities, international		284,352
Equity securities, domestic		624,223
Equity securities, international		6,908
Total investments	\$	16,381,459
Securities lending collateral pool	\$	1,543,084

Debt Securities Investments at Fair Value

AT DECEMBER 31, 2003	(in thousands)		
Quality Rating	Domestic	International	Total
AAA	\$ 751,754	330,684	1,082,438
AA+	9,260	17,089	26,349
AA	17,374	5,026	22,400
AA-	11,396	57,753	69,149
A+	75,275	12,931	88,206
A	89,588	21,218	110,806
A-	55,009	24,827	79,836
BBB+	69,362	22,716	92,078
BBB	107,134	57,593	164,727
BBB-	66,642	38,388	105,030
BB+	4,343	927	5,270
BB	—	141,159	141,159
BB-	—	314	314
B+	—	975	975
D	—	152	152
NR	523	—	523
Total credit risk debt securities	1,257,660	731,752	1,989,412
U.S. Government and Agencies Pooled investments	1,013,721	58,880	1,072,601
	663,642	—	663,642
Total debt securities investments	\$2,935,023	790,632	3,725,655

- U.S. Government and Agency Securities — no restriction
- Total portfolio quality shall maintain a minimum overall rating of "A" (S&P) or equivalent rating
- Securities with a quality rating of BBB- and below are considered below grade and no more than 1% of an Investment Manager's assets at market with a single issuer of 5% of the total portfolio can be below grade.

Upon approval, the international debt securities investment managers may hold up to 25% of the market value of their portfolios in securities rated below investment grade (S&P index BBB- or Moody's index Baa3). The remaining assets shall have on

average an investment grade rating.

The weighted quality rating average of the domestic debt securities, excluding pooled investments, at December 31, 2003 is AA and the fair value of below grade investments is \$71,508,244 or 3.15% of the domestic portfolio. The weighted quality rating average of the international debt securities investments, at December 31, 2003 is A and the fair value of below grade investments is \$181,914,789 or 23.01% of the international portfolio.

(D) Custodial Credit Risk

Custodial credit risk for investments is the risk that, in the event of a failure of the counterparty, the

Systems and Plans will not be able to recover the value of the investment or collateral securities that are in the possession of an outside party. At December 31, 2003 all debt securities investments were registered in the name of the Systems and Plans and were held in the possession of the Systems and Plans custodial bank, The Northern Trust Company.

(E) Concentrations of Credit Risk

The Systems and Plans expect the domestic and international securities investment managers to maintain diversified portfolios by sector and by issuer using the following guidelines:

Utah Retirement Systems

Notes to the Basic Financial Statements (Continued)

DECEMBER 31, 2003

- AAA/Aaa Debt Securities — no more than 5% of an investment manager's assets at market with a single issuer
- AA/Aa Debt Securities — no more than 4% of an investment manager's assets at market with a single issuer
- A/A Debt Securities — no more than 3% of an investment manager's assets at market with a single issuer
- BBB/Baa Debt Securities — no more than 2% of an investment manager's assets at market with a single issuer
- For Debt Securities — no individual holding shall constitute more than 10% of the market value of outstanding debt of a single issuer with the exception of the U.S. Government or its agencies, or collateralized mortgage obligations
- For Domestic Equity Securities — no more than 4% of an investment manager's assets at market with a single issuer
- For International Equity Securities — no more than 8% of an investment manager's assets at market with a single issuer

At December 31, 2003 there were no single issuer investments that exceeded the above guidelines.

(F) Interest Rate Risk

The Systems and Plans manage their exposure to fair value loss arising from increasing interest rates by complying to the following policy:

- An individual debt securities investment manager's portfolio shall have an effective duration between 75-125% of the effective duration of the appropriate index.

Duration is a measure of a debt investment's exposure to fair value changes arising from changes in interest rates. It uses the present value of cash flows, weighted for those cash flows as a percentage of the investments full price.

The Systems and Plans compare an investment's effective duration against the Lehman Brothers Aggregate Index for domestic debt securities and the Lehman Brothers Global

Aggregate Index for international debt securities. The index range at December 31, 2003 is 3.38 - 5.63 for domestic debt securities and 2.50 - 7.50 for international debt securities. At December 31, 2003, no individual debt security investment manager's portfolio was outside of the policy guidelines. At December 31, 2003 the following tables show the investments by investment type, amount and the effective weighted duration rate.

Debt Securities Investments, Domestic

AT DECEMBER 31, 2003

(dollars in thousands)

Investment	Fair Value	Effective Weighted Duration Rate
Asset backed securities	\$ 186,374	1.52
Commercial mortgage — backed securities	32,564	4.39
Corporate bonds	455,367	5.41
Corporate convertible bonds	2,233	0.15
Fixed income derivatives — options	(613)	NA
Government agencies	145,270	4.93
Government bonds	339,712	8.47
Government mortgage backed securities	908,642	3.10
Index linked government bonds	90,149	5.14
Municipal/provincial bonds	15,725	11.54
Non-government backed C.M.O.'s	96,190	2.77
Other options	(232)	NA
Pooled debt securities	663,642	NA
Total debt securities investments, domestic	\$2,935,023	4.50

Debt Securities Investments, International

AT DECEMBER 31, 2003

(dollars in thousands)

Investment	Fair Value	Effective Weighted Duration Rate
Asset backed securities	\$ 9,457	4.23
Commercial mortgage — backed securities	4,835	3.27
Corporate bonds	347,980	5.79
Government agencies	24,237	4.32
Government bonds	331,912	4.79
Government mortgage backed securities	54,915	1.84
Municipal/provincial bonds	4,602	7.06
Non-government backed C.M.O.'s	12,694	12.84
Total debt securities investments, international	\$790,632	5.00

Utah Retirement Systems

Notes to the Basic Financial Statements (Continued)

DECEMBER 31, 2003

(G) Foreign Currency Risk

The Systems and Plans expect the International Securities Investment Managers to maintain diversi-

fied portfolios by sector and by issuer using the following guidelines:

- Portfolios should be adequately diversified to limit foreign currency and security risk.

Risk of loss arises from changes in currency exchange rates. The Systems' and Plans' exposure to foreign currency risk is as follows:

Foreign Currency Risk

INTERNATIONAL INVESTMENT SECURITIES AT FAIR VALUE
AT DECEMBER 31, 2003

Currency	(in thousands)			
	Short Term	Debt	Equity	Total
Argentine peso	\$ —	152	1,285	1,437
Aruban guilder.....	—	373	—	373
Australian dollar	(25)	2,592	38,875	41,442
Bermudian dollar	—	—	7,016	7,016
Bolivian boliviano	—	—	3,372	3,372
Brazilian real.....	—	—	21,216	21,216
Canadian dollar	242	20,059	44,303	64,604
Cayman Islands dollar.....	—	8,523	1,224	9,747
CFA franc BCEAO	—	3,038	—	3,038
Chilean peso.....	—	—	401	401
Chinese yuan renminbi	—	—	3,061	3,061
Danish krone	49	12,145	21,402	33,596
Estonia kroon	—	—	2,625	2,625
Euro.....	7,445	215,669	635,974	859,088
Hong Kong dollar.....	855	—	11,929	12,784
Indian rupee	—	—	3,470	3,470
Japanese yen.....	924	61,164	421,436	483,524
Mexican peso.....	—	1,342	8,023	9,365
Netherlands Antillan guilder	—	—	7,040	7,040
New Israel shekel.....	—	—	1,276	1,276
New Taiwan dollar.....	807	—	8,656	9,463
New Zealand dollar.....	48	1,738	5,447	7,233
Norwegian krone	82	9,190	13,266	22,538
Panamanian balboa	—	—	1,260	1,260
Pound sterling	(1,265)	47,974	363,388	410,097
Russian ruble	—	—	5,125	5,125
Singapore dollar	1	3,670	10,604	14,275
South African rand.....	—	—	9,871	9,871
South Korean won.....	—	—	34,808	34,808
Swedish krona	(70)	17,845	31,185	48,960
Swiss franc.....	(101)	—	158,146	158,045
International equity mutual fund (various currencies)	—	—	153,770	153,770
Total Securities subject to foreign currency risk	8,992	405,474	2,029,454	2,443,920
United States dollars (securities held by international investment managers)	157,749	385,158	770,898	1,313,805
Total international investment securities	\$166,741	790,632	2,800,352	3,757,725

Utah Retirement Systems

Notes to the Basic Financial Statements (Continued)

DECEMBER 31, 2003

(H) Security Lending

The Systems and Plans participate in a security lending program as authorized by Board policy, whereby securities are transferred to an independent broker or dealer in exchange for collateral in the form of cash, government securities and irrevocable bank letters of credit equal to approximately 102% of the market value of the domestic securities on loan and 105% of the market value of the international securities on loan, with a simultaneous agreement to return the collateral for the same securities in the future. The custodial bank is the agent for the securities lending program. Securities under loan are maintained in the financial records, and corresponding liabilities are recorded for the market value of the collateral received.

At year end there was no credit risk exposure to borrowers because the collateral exceeded the amount borrowed. The securities on loan at year end were \$1,497,531,000 and the collateral received for those securities on loan was \$1,543,084,000. Under the terms of the lending agreement, the Systems and Plans are indemnified against loss should the lending agent be unable to recover borrowed securities and distributions due to borrower insolvency or failure of the lending agent to properly evaluate the creditworthiness of the borrower. In addition, the Systems and Plans are indemnified against loss should the lending agent fail to demand adequate and appropriate collateral on a timely

basis. All securities loaned can be terminated on demand by either the Systems and Plans or the borrower. Cash collateral is invested in the lending agent's short-term investment pool. The short-term investment pool guidelines specify that a minimum of 20% of the invested cash collateral is to be available each business day and the dollar weighted average maturity of holdings should not exceed 60 days. The relationship between the maturities of the short-term investment pool and the Systems' and Plans' loans is affected by the maturities of the securities loans made by other entities that use the agent's pool, which the Systems and Plans cannot determine. Since the securities lending collateral is in a pool maintained by the custodial bank, the Systems and Plans do not have the ability to pledge or sell the securities, and it is not necessary to report the total income and expenses of securities lending.

(I) Derivative Financial Instruments

The Systems and Plans invest in derivative financial investments as authorized by Board policy. Derivatives are financial arrangements between two parties whose payments are based on, or "derived" from, the performance of some agreed-upon benchmark. At December 31, 2003 the Systems and Plans had three types of derivative financial instruments: futures, currency forwards, and options.

Futures represent commitments to purchase (asset) or sell (liability) securities at a future date and at a specified price. Futures contracts

are traded on organized exchanges (exchange traded) thereby minimizing the Systems' and Plans' credit risk. The net change in the futures contracts value is settled daily in cash with the exchanges. Net gains or losses resulting from the daily settlements are included with trading account securities gains (losses) in the Statement of Changes in Fiduciary Net Assets. At December 31, 2003 the Systems' and Plan's investments had the following futures balances:

	<u>Value Covered by Contract</u>
Long—cash and cash equivalent—futures	\$101,372,513
Long-equity futures	878,783,993
Short-equity futures	(83,693,393)
Long-debt securities futures	215,484,062
Short-debt securities futures	(215,433,818)

Currency forwards represent forward foreign exchange contracts that are entered into in order to hedge the exposure to changes in foreign currency exchange rate on the foreign currency dominated portfolio holdings. A forward foreign exchange contract is a commitment to purchase or sell a foreign currency at a future date at a negotiated forward rate. The gain or loss arising from the difference between the original contracts and the closing of such contracts is included in the net realized gains or losses on foreign currency related transactions. At December 31, 2003 the Systems' and Plans' investments included the following currency forwards balances:

Utah Retirement Systems

Notes to the Basic Financial Statements (Continued)

DECEMBER 31, 2003

Currency forwards
(pending foreign
exchange purchases) \$588,177,526

Currency forwards
(pending foreign
exchange sales) (586,785,233)

Options represent or give buyers the right, but not the obligation, to buy or sell an asset at a preset price over a specified period. The option's price is usually a small percentage of the underlying asset's value. As a writer of financial options, the

Systems and Plans receive a premium at the outset of the agreement and bear the risk of an unfavorable change in the price of the financial instrument underlying the option. As a purchaser of financial options, the Systems and Plans pay a premium at the outset of the agreement and the counterparty bears the risk of an unfavorable change in the price of the financial instrument underlying the option. At December 31, 2003 the Systems' and Plans' investments had the following option balances:

	Value Covered by Contract
Cash and cash equivalent purchased put options	\$ 358,875
Fixed income written put options	(138,188)
Fixed income written call options	(474,596)

(J) Investment Payables

The investment accounts payable are comprised of investment advisor fees payable of \$6,916,000, administrative expenses payable of \$1,894,000, investment purchases payable of \$663,766,000 and real estate security deposits of \$1,901,000.



Note 4 – Property and Equipment

PROPERTY AND EQUIPMENT CONSIST OF THE consist of the amounts shown in the following table as of December 31, 2003 and 2002. There were no significant leases as of December 31, 2003 or 2002.

	<i>(in thousands)</i>	
	2003	2002
Land	\$ 1,779	1,779
Buildings and building improvements	10,976	10,715
Furniture and equipment	3,507	2,974
Total property and equipment	16,262	15,468
Less accumulated depreciation	7,447	6,817
Less operating reserves	3,726	3,524
Net property and equipment	\$ 5,089	5,127

Utah Retirement Systems

Notes to the Basic Financial Statements (Continued)

DECEMBER 31, 2003

Note 5 – Actuarial Values and Methods



(A) Actuarial Asset Valuation

THE ACTUARIAL VALUE OF ASSETS IS USED IN determining the funding progress of the Retirement Systems.

The actuarial value of assets is based on a smoothed expected income investment rate. Investment income in excess or shortfall of the expected 8% rate on fair value is smoothed over a five-year period with 20% of a year's excess or shortfall being recognized each year beginning with the current year. This smoothed actuarial

value of assets utilized by the actuary in determining the actuarial funding status of the retirement systems is also used in establishing the contribution rates necessary to accumulate needed assets to pay benefits when due.

The calculations below were utilized in determining the actuarial value of assets as of January 1, 2003 and December 31, 2003, and the

Calculation of Actuarial Value of Assets

JANUARY 1, 2003

(dollars in thousands)

1. Fair value of assets \$11,460,455
 2. Deferral to smooth asset values based on (excess)/shortfall of expected investment income for:

Year	Total (Excess)/ Shortfall	Percent Deferred	Amount Deferred
a. 2002	\$2,009,531	80%	\$1,607,625
b. 2001	1,765,658	60%	1,059,395
c. 2000	814,093	40%	325,637
d. 1999	(932,957)	20%	(186,591)
e. 1998	(137,130)	0%	0
f. Adjustment*			(513,998)
g. Total			2,292,068

3. Actuarial value of assets available for benefits \$13,752,523

*Actuarial value of assets can not exceed 120% of the fair value of assets or be below 80% of the fair value of assets.

Calculation of Actuarial Value of Assets

DECEMBER 31, 2003

(dollars in thousands)

1. Fair value of assets \$14,249,135
 2. Deferral to smooth asset values based on (excess)/shortfall of expected investment income for:

Year	Total (Excess)/ Shortfall	Percent Deferred	Amount Deferred
a. 2003	\$(2,007,191)	80%	\$(1,605,753)
b. 2002	2,009,531	60%	1,205,718
c. 2001	1,765,658	40%	706,263
d. 2000	814,093	20%	162,818
e. 1999	(932,957)	0%	0
f. Total deferral			469,046

3. Actuarial value of assets available for benefits \$14,718,181

Utah Retirement Systems

Notes to the Basic Financial Statements (Continued)

DECEMBER 31, 2003

next table shows the smoothed actuarial value of assets for each System.

(B) Actuarial Accrued Liability

The actuarial accrued liability for the Systems is presented in the Required Supplementary Information Schedule of Funding Progress on page 60 and 61 of this report.

(C) Actuarial Cost Method and Assumptions

The Board engages an independent firm of actuaries to estimate the present value of actuarial accrued liability for the purpose of determining actuarial accrued liabilities for active and terminated members, retired individuals and beneficiaries, and for the determination of contribution rates (note 6).

Actuarial accrued liabilities are future periodic payments including

lump-sum distributions that are attributable to the service employees have rendered to date and the plan provisions of the various systems. The present value of actuarial accrued liabilities are calculated based on the entry age actuarial cost method with benefits based on projected salary increases.

A schedule of the actuarial assumptions used in the actuarial report dated January 1, 2003 is presented in Notes to Required Supplementary Information on page 63.

Actuarial Value of Assets by System

JANUARY 1, 2003

	<i>(in thousands)</i>						
	Contributory System	Noncontributory System	Public Safety System	Firefighters System	Judges System	Governors and Legislative	Total All Systems
1. Net assets available for benefits at fair value	\$749,408	9,040,490	1,123,549	461,323	75,753	8,932	11,460,455
2. Deferral to smooth asset values based on (excess)/shortfall of expected investment income on fair value	149,882	1,808,096	224,886	92,266	15,151	1,787	2,292,068
3. Actuarial value of assets available for benefits	\$899,290	10,848,586	1,349,435	533,589	90,904	10,719	13,752,523

Utah Retirement Systems

Notes to the Basic Financial Statements (Continued)

DECEMBER 31, 2003

Note 6 – Actuarially Determined Contribution Requirements and Contributions Made



EMPLOYER CONTRIBUTION RATES CONSIST OF (1) an amount for normal cost (the estimated amount necessary to finance benefits earned by the members during the current year and (2) an amount for amortization of the unfunded or excess funded actuarial accrued liability over an open 20 year amortization period. These rates are determined using the entry age actuarial cost method with a supplemental present value, and the same actuarial assumptions that were used to calculate the actuarial accrued liability in the Schedules of Funding Progress on pages 60 and 61.

The schedule below summarizes contribution rates in effect at December 31, 2003.

Contributions made by employers and members were in accordance with actuarially computed funding requirements. Fire insurance premium taxes and court fees are considered as part of employer

contributions in the schedule on page 57 for the Firefighters and Judges Systems, respectively. These contribution rates also include rates for a 3% benefit enhancement which is funded by the State. For contribution rate purposes the actuary evaluates the assets of the Systems based on a five-year smoothed expected return wherein 20% of a year's excess or shortfall of expected return is recognized each year for five years.

The actuary recommended some increases and some decreases in contribution rates which became effective July 1, 2003.

Information with regard to contributions to the Retirement Systems for the year ended December 31, 2003 is indicated in the schedule on page 65.

Member contributions in the 401(k) and 457 Plans total \$175,024,000, which in combination with the member contributions made in the Retirement Systems total \$205,820,000.

There are no funding requirements in the 401(k) and 457 Plans other than deposit of employee contributions or contributions for the employee by the employer.

Contribution Rates

System	Contribution Rates as a Percent of Covered Payroll		
	Member	Employer	Other
Contributory	6.00%	5.61 - 7.21%	—
Noncontributory	—	9.62 - 11.70	—
Public Safety:			
Contributory	10.50 - 13.74	4.52 - 17.61	—
Noncontributory	—	16.24 - 30.05	—
Firefighters:			
Division A	7.82	0.00	10.35%
Division B	8.21	0.00	10.35
Judges:			
Contributory	7.08	0.00	18.06
Noncontributory	—	7.08	18.06
Governors and Legislative	—	—	—

Utah Retirement Systems

Notes to the Basic Financial Statements (Continued)

DECEMBER 31, 2003

Required Contributions

(dollars in thousands)

System	Contribution Requirements						Contributions Made				Covered Payroll
	Normal Cost		Unfunded Cost (assets in excess)		Total Required Contri- butions	Total Actual Contri- butions	Member		Employer		
	Amount	Percent of Covered Payroll	Amount	Percent of Covered Payroll			Amount	Percent of Covered Payroll	Amount	Percent of Covered Payroll	
Contributory	\$ 14,789	10.6%	\$ 1,181	0.85%	\$ 15,970	\$ 15,970	\$ 8,673	6.22%	\$ 7,297	5.23%	\$ 139,470
Noncontributory	377,821	12.77	(51,793)	(1.75)	326,028	326,028	11,517	0.39	314,511	10.63	2,959,347
Public Safety	55,020	19.76	(3,917)	(1.41)	51,103	51,103	4,448	1.60	46,655	16.76	278,402
Firefighters	12,791	16.92	(6,736)	(8.91)	6,055	6,055	6,055	8.01	—	0.00	75,619
Judges	1,413	12.98	(759)	(6.97)	654	654	103	0.95	551	5.06	10,888
Governors and Legislative	—	0.00	—	0.00	—	—	—	0.00	—	0.00	556
Total	\$461,834		\$(62,024)		\$399,810	\$399,810	\$30,796		\$369,014		\$3,464,282

Note 7— Transfers To or From Affiliated Systems

ASSET TRANSFERS TO OR from affiliated systems are for the purpose of spreading employer contribution costs across same employer and same class of employee groups and to record transfers of benefits and corresponding assets where employees transfer from one system to another. Benefit transfers usually are between contributory and non-contributory systems as allowed during authorized transfer windows established by statute or as otherwise authorized.

Note 8— Supplemental Benefits

IN THE PAST, THE UTAH STATE legislature appropriated funds as supplemental retirement benefits to be paid to qualified participants who have previously retired under the Contributory System. These benefits, already granted, are now and will continue to be funded through contribution rates unless otherwise provided by the legislature.

Note 9—Litigation

THE SYSTEMS ARE INVOLVED in various claims and legal actions arising in the ordinary course of business. In the opinion of management and legal counsel, the ultimate disposition of these matters will not have a material adverse effect on the Systems' financial position as a whole.

Note 10— Commitments

AT DECEMBER 31, 2003, THE Systems had committed to fund certain private equity partnerships and real estate projects for an amount of \$2,762,661,748. Funding of \$2,081,055,022 had been provided by December 31, 2003 leaving an unfunded commitment as of December 31, 2003 of \$681,606,726 which will be funded over the next six years.

Utah Retirement Systems

Notes to the Basic Financial Statements (Continued)

DECEMBER 31, 2003

Note 11 – Pension Plan Participation



DEFINED BENEFIT PLANS— UTAH RETIREMENT Systems contributes to the State and School Noncontributory Retirement System, cost-sharing multiple-employer defined benefit pension plan administered by Utah Retirement Systems (Systems) Utah Retirement Systems provides refunds, retirement benefits, annual cost of living adjustments and death benefits to plan members and beneficiaries in accordance with retirement statutes.

The Systems are established and governed by the respective sections of Chapter 49 of the Utah Code Annotated 1953 as amended. The Utah State Retirement Act in Chapter 49 provides for the administration of the Utah Retirement Systems and Plans under the direction of the Utah State Retirement Board (Board) whose members are appointed by the Governor. The Systems issue a publicly available financial report that includes financial statements and required supplementary information for the State and School Noncontributory Retirement System. A copy of the report may be obtained by writing to the Utah Retirement Systems, 540 East 200 South, Salt Lake City, UT 84102 or by calling 1-800-365-8772.

Funding Policy: In the State and School Noncontributory Retirement System the Utah Retirement Systems is required to contribute 11.70% of their annual covered salary. The contribution rates are the actuarial determined rates. The contributions were equal to the requirements of the Systems are authorized by statute and specified by the Board.

The Utah Retirement Systems' contributions to the State and School Noncontributory Retirement System for the years ending December 31, 2003, 2002, and 2001 were \$888,998, \$759,438, and \$807,091 respectively. The contributions were equal to the required contributions for each year.

Defined Contribution Plans — Utah Retirement Systems also participates in a defined contribution plan under Internal Revenue Code Section 401(k) to supplement retirement benefits accrued by participants in the Systems. Employees covered by the State and School Noncontributory

Retirement System have a contribution of 1.5% of covered salaries automatically made by Utah Retirement Systems. Employees participating in the Systems can make additional contributions to the 401(k) plan up to specified limits. Contributions and earnings may be withdrawn by the employee upon termination or may be used as supplemental income upon retirement. The employer 401(k) contributions for the years ended December 31, 2003, 2002, and 2001 are \$283,851, \$256,950, and \$227,946 respectively; the employee contributions for the years ending December 31, 2003, 2002, 2001 are \$402,892, \$391,119, and \$453,478 respectively. The 401(k) plan funds are fully vested to the participants at the time of deposit. Plan assets are administered and held by Utah Retirement Systems.

The Utah Retirement Systems also offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all employees, permits them to defer a portion of their salary until future years. Employees are eligible to voluntarily participate from the date of employment and are vested immediately upon participating. Employee contributions to the Section 457 plan for the years ended December 31, 2003, 2002, and 2001 are \$196,864, \$176,681, and \$27,780 respectively.

Utah Retirement Systems

Notes to the Basic Financial Statements (Continued)

DECEMBER 31, 2003

**Note 12—
Compensated Absences,
Post Employment Benefits
and Insurance Reserve**

THE COMPENSATED ABSENCES liability for Utah Retirement Office employees at December 31, 2003, is \$1,983,000. This represents the amount of unused leave to be paid to employees upon termination. At December 31, 2003 the insurance reserve was \$51,959,000. The insurance reserve coverage is explained in Note 14, Risk Management. The post employment benefit liability for Utah Retirement Office employees at December 31, 2003 is \$2,243,000. As set forth in URS personnel policies and procedures, approved by the Board, upon retirement, all employees will receive up to five years health and life insurance and may use any unused sick leave (after a 25% cash out upon retirement) for coverage of health and life insurance benefits at the rate of one month's coverage for each eight hours of unused sick leave to age 65. As of December 31, 2003 there were ten retired individuals on the insurance program. During the year, the Systems paid out \$46,306 for them.

**Note 13—
Required
Supplementary
Information**

THE HISTORICAL TREND information designed to provide information about the Utah Retirement Systems' progress made in accumulating sufficient assets to pay benefits when due is required supplementary information. Required supplementary information is included immediately following the notes to the financial statements on pages 60 through 63. Other supplementary information presented in succeeding sections of this report is for the benefit of statement users and is not a required part of the basic financial statements.

**Note 14—
Risk Management**

MOST RISKS OF LOSS TO which the Systems, Plans and Investment Fund are exposed, other than routine investment losses, are covered under commercial insurance policies. Risks in excess of coverage limits or large deductibles, and otherwise uninsured losses, are retained by the Systems, Plans or Investment Fund through the insurance reserve. URS significantly reduced its fiduciary insurance coverage, and cancelled its e-commerce coverage, choosing to self-insure, due to substantial rate increases. There have been no other reductions of insurance coverage from coverages of the previous year

in any of the categories of risk. Coverages are increased or decreased commensurate with real estate acquisitions or dispositions. During the past three calendar years, no loss settlements exceeded insurance coverages beyond immaterial deductible amounts. The insurance reserve was established by the board from investment earnings as authorized by statute.

**Note 15—
Mortgage Payable**

THE FOLLOWING IS A schedule of the outstanding real estate mortgage payable as of December 31, 2003:

Mortgage Payable

(During calendar year 2003, a principal payment of \$1,000 was made on this mortgage.)

Mortgage payable to Security Life of Denver Insurance Company, interest at 90 day London Inter-Bank Offering Rate (LIBOR) rate plus 1.75% (2.91% at December 31, 2003) principal and any unpaid interest is due on September 1, 2007. The note is collateralized by real estate	\$4,801,000
Total mortgage	\$4,801,000

Principal payments on mortgage are as follows:

December 31, 2004	\$ 64,973
December 31, 2005	191,920
December 31, 2006	191,920
September 1, 2007	4,352,187
Total principal payments	\$4,801,000

Required Supplementary Information
REQUIRED SUPPLEMENTARY INFORMATION

Schedules of Funding Progress

(dollars in thousands)

System	Date	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Entry Age	(3) Unfunded AAL (UAAL) (2)-(1)	(4) Funded Ratios (1)/(2)	(5) Annual Covered Payroll	(6) UAAL as a % of Covered Payroll (3)/(5)
Contributory Retirement System	1/01/95	\$ 964,218	1,176,222	212,004	82.0%	\$ 287,743	73.7%
	1/01/96	852,034	992,374	140,340	85.9	261,685	53.6
	1/01/97	772,977	868,723	95,746	89.0	141,974	67.4
	1/01/98	809,388	880,499	71,111	91.9	138,231	51.4
	1/01/99	840,215	891,983	51,768	94.2	137,042	37.8
	1/01/00	878,190	894,484	16,294	98.2	137,561	11.8
	1/01/01	924,573	935,799	11,226	98.8	141,067	8.0
	1/01/02	927,523	948,912	21,389	97.7	142,882	15.0
	1/01/03	899,290	976,918	77,628	92.1	142,325	54.5
	12/31/03	930,999	987,798	56,799	94.2	139,470	40.7
Noncontributory Retirement System	1/01/95	\$ 4,372,190	5,205,873	833,683	84.0%	\$1,642,123	50.8%
	1/01/96	5,136,582	6,032,412	895,830	85.1	1,801,948	49.7
	1/01/97	5,969,813	6,917,958	948,145	86.3	2,054,879	46.1
	1/01/98	6,922,583	7,654,335	731,752	90.4	2,200,988	33.2
	1/01/99	7,931,193	8,335,731	404,538	95.1	2,365,650	17.1
	1/01/00	9,237,447	9,006,308	(231,139)	102.6	2,499,087	(9.2)
	1/01/01	10,361,333	9,933,514	(427,819)	104.3	2,659,200	(16.1)
	1/01/02	11,104,334	10,806,024	(298,310)	102.8	2,832,060	(10.5)
	1/01/03	10,848,586	11,764,353	915,767	92.2	2,926,449	31.3
	12/31/03	11,640,475	12,587,893	947,418	92.5	2,959,347	32.0
Public Safety Retirement System	1/01/95	\$ 596,892	691,107	94,215	86.4%	\$ 148,791	63.3%
	1/01/96	670,610	771,150	100,540	87.0	159,943	62.9
	1/01/97	755,106	866,504	111,398	87.1	176,979	62.9
	1/01/98	867,151	952,100	84,949	91.1	195,464	43.5
	1/01/99	988,800	1,034,147	45,347	95.6	212,414	21.3
	1/01/00	1,146,331	1,105,166	(41,165)	103.7	226,057	(18.2)
	1/01/01	1,286,996	1,206,876	(80,120)	106.6	247,985	(32.3)
	1/01/02	1,376,466	1,366,134	(10,332)	100.8	260,783	(4.0)
	1/01/03	1,349,435	1,458,491	109,056	92.5	268,478	40.6
	12/31/03	1,448,888	1,565,706	116,818	92.5	278,402	42.0

See accompanying notes to required supplementary information.

Utah Retirement Systems

Required Supplementary Information (Continued)

Schedules of Funding Progress (Continued)

(dollars in thousands)

System	Date	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Entry Age	(3) Unfunded AAL (UAAL) (2)-(1)	(4) Funded Ratios (1)/(2)	(5) Annual Covered Payroll	(6) UAAL as a % of Covered Payroll (3)/(5)
Firefighters Retirement System	1/01/95	\$261,523	307,459	45,936	85.1%	\$40,157	114.4%
	1/01/96	293,816	333,432	39,616	88.1	43,027	92.1
	1/01/97	329,475	362,411	32,936	90.9	45,969	71.6
	1/01/98	376,178	384,975	8,797	97.7	51,287	17.2
	1/01/99	423,405	407,703	(15,702)	103.9	54,326	(28.9)
	1/01/00	483,374	419,157	(64,217)	115.3	57,561	(111.6)
	1/01/01	536,503	455,456	(81,047)	117.8	63,274	(128.1)
	1/01/02	569,151	491,274	(77,877)	115.9	67,192	(115.9)
	1/01/03	553,589	521,164	(32,425)	106.2	71,354	(45.4)
	12/31/03	589,502	555,746	(33,756)	106.1	75,619	(44.6)
Judges Retirement System	1/01/95	\$ 38,726	49,830	11,104	77.7%	\$ 6,955	159.7%
	1/01/96	44,304	55,952	11,648	79.2	7,903	147.4
	1/01/97	50,721	60,055	9,334	84.5	8,981	103.9
	1/01/98	59,373	62,406	3,033	95.1	9,286	32.7
	1/01/99	67,998	67,211	(787)	101.2	9,388	(8.4)
	1/01/00	78,130	68,134	(9,996)	114.7	10,104	(98.9)
	1/01/01	87,139	73,962	(13,177)	117.8	10,397	(126.7)
	1/01/02	92,649	85,987	(6,662)	107.7	10,927	(61.0)
	1/01/03	90,904	90,573	(331)	100.4	11,173	(3.0)
	12/31/03	97,412	97,396	(16)	100.0	10,888	(0.1)
Governors and Legislative Pension Plan	1/01/95	\$ 7,804	6,606	(1,198)	118.1%	\$ 398	(301.0)%
	1/01/96	8,185	6,853	(1,332)	119.4	398	(334.7)
	1/01/97	8,636	7,020	(1,616)	123.0	482	(335.3)
	1/01/98	9,318	6,998	(2,320)	133.2	468	(495.7)
	1/01/99	9,988	7,278	(2,710)	137.2	468	(579.1)
	1/01/00	10,946	8,253	(2,693)	132.6	468	(575.4)
	1/01/01	11,569	7,908	(3,661)	146.3	464	(789.0)
	1/01/02	11,710	8,182	(3,528)	143.1	556	(634.5)
	1/01/03	10,719	8,706	(2,013)	123.1	556	(362.1)
	12/31/03	10,905	8,624	(2,281)	126.4	556	(410.3)

See accompanying notes to required supplementary information.

Utah Retirement Systems

Required Supplementary Information (Continued)

Schedules of Employer Contributions

(dollars in thousands)

System	Year Ended	Employer Contributions	
		Annual Required Contributions	Percentage Contributed
Contributory Retirement System	1994	\$ 18,719	100%
	1995	17,723	100
	1996	10,224	100
	1997	10,651	100
	1998	10,729	100
	1999	10,840	100
	2000	10,484	100
	2001	8,480	100
	2002	6,735	100
	2003	7,297	100
Noncontributory Retirement System	1994	\$194,202	100%
	1995	220,955	100
	1996	260,068	100
	1997	294,937	100
	1998	318,635	100
	1999	338,704	100
	2000	352,339	100
	2001	331,951	100
	2002	291,256	100
	2003	314,511	100
Public Safety Retirement System	1994	\$ 18,895	100%
	1995	24,732	100
	1996	29,271	100
	1997	34,217	100
	1998	40,099	100
	1999	45,110	100
	2000	49,353	100
	2001	46,113	100
	2002	42,264	100
	2003	46,655	100

System	Year Ended	Employer Contributions	
		Annual Required Contributions	Percentage Contributed
Firefighters Retirement System	1994	\$5,498	100%
	1995	6,547	100
	1996	6,335	100
	1997	7,388	100
	1998	6,937	100
	1999	5,737	100
	2000	6,755	100
	2001	8,354	100
	2002	9,454	100
	2003	9,059	100
Judges Retirement System	1994	\$2,213	100%
	1995	2,352	100
	1996	2,731	100
	1997	3,206	100
	1998	3,704	100
	1999	3,318	100
	2000	3,422	100
	2001	3,053	100
	2002	2,853	100
	2003	2,490	100
Governors and Legislative Pension Plan	1994	\$ 0	100%
	1995	0	100
	1996	0	100
	1997	0	100
	1998	0	100
	1999	0	100
	2000	0	100
2001	0	100	
2002	0	100	
2003	0	100	

See accompanying notes to required supplementary information.

Utah Retirement Systems

Notes to Required Supplementary Information
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

DECEMBER 31, 2003

Note 1— Schedules of Funding Progress

THE INFORMATION CONTAINED IN THE SCHEDULE OF FUNDING PROGRESS is based on the actuarial study dated January 1, 2003 and calendar year 2003 activity. The actuarial accrued liability is presented based on the report generated by that study conducted

by Gabriel, Roeder, Smith & Company. The actuarial value of assets for that date is based on a smoothed expected investment income rate. Investment income in excess or shortfall of the expected 8% return on fair value is smoothed over a five-year period with 20% of a year's excess or shortfall being recognized each year beginning with the current

year. The calculations for this smoothing process are disclosed in note 5 of the notes to the basic financial statements on page 54.

Note 2 — Schedules of Employer Contributions

The required employer contributions and percent of those contributions actually made are presented in the schedule.

Note 3 — Actuarial Assumptions

The information presented in the required supplementary schedules was determined as part of the actuarial valuations at the dates indicated. Additional information as of the latest actuarial valuations follows.

Additional Actuarial Information

	Contributory	Noncontributory	Public Safety	Firefighters	Judges	Governors and Legislative
Valuation date	1/1/03	1/1/03	1/1/03	1/1/03	1/1/03	1/1/03
Actuarial cost method	Entry Age	Entry Age	Entry Age	Entry Age	Entry Age	Entry Age
Amortization method	Level Percent of Payroll	Level Percent of Payroll	Level Percent of Payroll	Level Percent of Payroll	Level Percent of Payroll	Level Dollar Amount
Amortization period	Open Group 20 Year Open Period	Open Group 20 Year Open Period	Open Group 20 Year Open Period	Open Group 20 Year Open Period	Open Group 20 Year Open Period	Open Group 20 Year Open Period
Actuarial asset valuation method (All Systems under same method.)	Based on the total fair value income of investments with the excess or shortfall of actual investment income over or under the expected investment return smoothed over five years. One-fifth of the excess or shortfall is recognized each year for five years.					
Actuarial assumptions:						
Investment rate of return	8%	8%	8%	8%	8%	8%
Projected salary increases	4.75-15.00%	4.75-15.00%	4.75-10.75%	4.75-11.75%	4.75%	None
Inflation rate	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Post retirement cost-of-living adjustment	3.00%	3.00%	2.50%	3.00%	3.00%	3.00%

NOTE: All post retirement cost-of-living adjustments are noncompounding and are based on the original benefit except for Judges which is a compounding benefit. The cost-of-living adjustments are also limited to the actual CPI increase for the year although unused CPI increases not met may be carried forward to subsequent years.

Contributory Retirement System
*Schedules of Fiduciary Net Assets—
 Pension Trust Fund by Division*

DECEMBER 31, 2003

WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2002

*(in thousands)**Contributory*

	Local Government	State and School	Total All Divisions	
			2003	2002
Assets:				
Cash	\$ 1	1	2	2
Receivables:				
Member contributions	139	275	414	404
Employer contributions	125	327	452	367
Investments	7,372	18,079	25,451	8,006
Total receivables	7,636	18,681	26,317	8,777
Investments at fair value:				
Short-term securities, domestic	25,620	62,827	88,447	42,068
Short-term securities, international	3,018	7,401	10,419	5,669
Debt securities, domestic	41,114	100,822	141,936	126,901
Debt securities, international	14,311	35,095	49,406	41,824
Equity investments, domestic	98,171	240,739	338,910	275,450
Equity investments, international	47,906	117,476	165,382	124,384
Private equity	11,843	29,043	40,886	47,649
Real estate	21,499	52,720	74,219	70,276
Mortgage loans	121	296	417	249
Total investments	263,603	646,419	910,022	734,470
Invested securities lending collateral	27,251	66,827	94,078	85,494
Property and equipment at cost, net of accumulated depreciation	92	226	318	321
Total assets	298,583	732,154	1,030,737	829,064
Liabilities:				
Securities lending liability	27,251	66,827	94,078	85,494
Disbursements in excess of cash balance	302	740	1,042	990
Compensated absences, post employment benefits and insurance reserve	1,017	2,494	3,511	2,798
Investment accounts payable	12,165	29,833	41,998	19,057
Mortgages Payable	87	213	300	4,593
Total liabilities	40,822	100,107	140,929	112,932
Net assets held in trust for pension benefits	\$257,761	632,047	889,808	716,132

Contributory Retirement System*Schedules of Changes in Fiduciary Net Assets—
Pension Trust Fund by Division*

YEAR ENDED DECEMBER 31, 2003

WITH COMPARATIVE TOTALS FOR YEAR ENDED DECEMBER 31, 2002

*(in thousands)**Contributory*

	Local Government	State and School	Total All Divisions	
			2003	2002
Additions:				
Contributions:				
Member	\$ 3,663	5,010	8,673	8,923
Employer	2,881	4,416	7,297	6,735
Total contributions	6,544	9,426	15,970	15,658
Investment income:				
Net appreciation (depreciation) in fair value of investments	47,717	118,562	166,279	(86,520)
Interest, dividends and other investment income	6,381	15,856	22,237	23,798
Total investment income (loss)	54,098	134,418	188,516	(62,722)
Less investment expenses	625	1,552	2,177	1,529
Net investment income (loss)	53,473	132,866	186,339	(64,251)
Transfers from affiliated systems	4,929	28,334	33,263	—
Total additions	64,946	170,626	235,572	(48,593)
Deductions:				
Retirement benefits	8,142	28,378	36,520	37,256
Cost of living benefits	3,672	16,047	19,719	20,292
Supplemental retirement benefits	216	1,408	1,624	1,949
Refunds	1,868	1,490	3,358	3,716
Administrative expenses	194	481	675	624
Transfers to affiliated systems	—	—	—	15,420
Total deductions	14,092	47,804	61,896	79,257
Increase (decrease) from operations	50,854	122,822	173,676	(127,850)
Net assets held in trust for pension benefits beginning of year	206,907	509,225	716,132	843,982
Net assets held in trust for pension benefits end of year	\$257,761	632,047	889,808	716,132

Contributory Retirement System

Schedules of Funding Progress by Division

(dollars in thousands)

<i>Contributory</i> System	Date	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Entry Age	(3) Unfunded AAL (UAAL) (2)-(1)	(4) Funded Ratios (1)/(2)	(5) Annual Covered Payroll	(6) UAAL as a % of Covered Payroll (3)/(5)
Contributory	1/01/95	\$247,291	298,280	50,989	82.9%	\$ 97,715	52.2%
Local	1/01/96	215,418	254,449	39,031	84.7	91,446	42.7
Government	1/01/97	191,393	218,534	27,141	87.6	54,829	49.5
	1/01/98	207,641	226,233	18,592	91.8	52,444	35.5
	1/01/99	219,415	232,061	12,646	94.6	52,448	24.1
	1/01/00	236,830	239,601	2,771	98.8	53,388	5.2
	1/01/01	253,681	256,676	2,995	98.8	56,007	5.3
	1/01/02	260,569	266,365	5,796	97.8	56,444	10.3
	1/01/03	254,370	280,435	26,065	90.7	57,595	45.3
	12/31/03	267,889	288,176	20,287	93.0	57,965	35.0
Contributory	1/01/95	\$716,927	877,942	161,015	81.7%	\$190,028	84.7%
State and	1/01/96	636,616	737,925	101,309	86.3	170,239	59.5
School	1/01/97	581,584	650,189	68,605	89.4	87,145	78.7
	1/01/98	601,747	654,266	52,519	92.0	85,787	61.2
	1/01/99	620,800	659,922	39,122	94.1	84,594	46.2
	1/01/00	641,360	654,883	13,523	97.9	84,173	16.1
	1/01/01	670,892	679,123	8,231	98.8	85,060	9.7
	1/01/02	666,954	682,547	15,593	97.7	86,438	18.0
	1/01/03	644,920	696,483	51,563	92.6	84,730	60.9
	12/31/03	663,110	699,622	36,512	94.8	81,505	44.8
Total	1/01/95	\$964,218	1,176,222	212,004	82.0%	\$287,743	73.7%
Contributory	1/01/96	852,034	992,374	140,340	85.9	261,685	53.6
Retirement	1/01/97	772,977	868,723	95,746	89.0	141,974	67.4
System	1/01/98	809,388	880,499	71,111	91.9	138,231	51.4
	1/01/99	840,215	891,983	51,768	94.2	137,042	37.8
	1/01/00	878,190	894,484	16,294	98.2	137,561	11.8
	1/01/01	924,573	935,799	11,226	98.8	141,067	8.0
	1/01/02	927,523	948,912	21,389	97.7	142,882	15.0
	1/01/03	899,290	976,918	77,628	92.1	142,325	54.5
	12/31/03	930,999	987,798	56,799	94.2	139,470	40.7

Contributory Retirement System
Schedules of Employer Contributions by Division

(dollars in thousands)

<div style="text-align: center;"><i>Contributory</i></div> Division	Year Ended	Employer Contributions	
		Annual Required Contributions	Percentage Contributed
Contributory Local Government	1994	\$ 4,200	100%
	1995	4,329	100
	1996	3,009	100
	1997	3,332	100
	1998	3,393	100
	1999	3,530	100
	2000	3,524	100
	2001	2,926	100
	2002	2,441	100
	2003	2,881	100
Contributory State and School	1994	\$14,519	100%
	1995	13,394	100
	1996	7,215	100
	1997	7,319	100
	1998	7,336	100
	1999	7,310	100
	2000	6,960	100
	2001	5,554	100
	2002	4,294	100
	2003	4,416	100
Total Contributory Retirement System	1994	\$18,719	100%
	1995	17,723	100
	1996	10,224	100
	1997	10,651	100
	1998	10,729	100
	1999	10,840	100
	2000	10,484	100
	2001	8,480	100
	2002	6,735	100
	2003	7,297	100

Noncontributory Retirement System

Schedules of Fiduciary Net Assets— Pension Trust Fund by Division

DECEMBER 31, 2003

WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2002

(in thousands)

	Local Government	State and School	Total All Divisions	
			2003	2002
<i>Noncontributory</i>				
Assets:				
Cash	\$ 1	175	176	241
Receivables:				
Employer contributions	2,383	17,945	20,328	17,544
Investments	53,119	269,256	322,375	101,359
Total receivables	55,502	287,201	342,703	118,903
Investments at fair value:				
Short-term securities, domestic	184,599	935,726	1,120,325	532,570
Short-term securities, international	21,747	110,233	131,980	71,774
Debt securities, domestic	296,236	1,501,610	1,797,846	1,606,528
Debt securities, international	103,115	522,687	625,802	529,478
Equity investments, domestic	707,340	3,585,485	4,292,825	3,487,115
Equity investments, international	345,170	1,749,655	2,094,825	1,574,668
Private equity	85,334	432,553	517,887	603,219
Real estate	154,901	785,188	940,089	889,679
Mortgage loans	869	4,404	5,273	3,154
Total investments	1,899,311	9,627,541	11,526,852	9,298,185
Invested securities lending collateral	196,352	995,301	1,191,653	1,082,326
Property and equipment at cost, net of accumulated depreciation	664	3,363	4,027	4,058
Total assets	2,151,830	10,913,581	13,065,411	10,503,713
Liabilities:				
Securities lending liability	196,352	995,301	1,191,653	1,082,326
Disbursements in excess of cash balance	2,173	11,017	13,190	12,534
Compensated absences, post employment benefits and insurance reserve	7,328	37,144	44,472	35,424
Investment accounts payable	87,655	444,502	532,157	241,509
Mortgages payable	626	3,173	3,799	58,154
Total liabilities	294,134	1,491,137	1,785,271	1,429,947
Net assets held in trust for pension benefits	\$1,857,696	9,422,444	11,280,140	9,073,766

Noncontributory Retirement System*Schedules of Changes in Fiduciary Net Assets—
Pension Trust Fund by Division*

YEAR ENDED DECEMBER 31, 2003

WITH COMPARATIVE TOTALS FOR YEAR ENDED DECEMBER 31, 2002

*(in thousands)**Noncontributory*

	Local Government	State and School	Total All Divisions	
			2003	2002
Additions:				
Contributions:				
Member	\$ 2,194	9,323	11,517	12,496
Employer	60,097	254,414	314,511	291,256
Total contributions	62,291	263,737	326,028	303,752
Investment income:				
Net appreciation (depreciation) in fair value of investments	338,510	1,727,783	2,066,293	(1,062,312)
Interest, dividends and other investment income	45,270	231,061	276,331	292,185
Total investment income (loss)	383,780	1,958,844	2,342,624	(770,127)
Less investment expenses	4,431	22,616	27,047	18,779
Net investment income (loss)	379,349	1,936,228	2,315,577	(788,906)
Transfers from affiliated systems	—	—	—	12,166
Total additions	441,640	2,199,965	2,641,605	(472,988)
Deductions:				
Retirement benefits	47,067	280,905	327,972	294,735
Cost of living benefits	7,620	51,199	58,819	53,495
Refunds	993	2,317	3,310	3,715
Administrative expenses	1,273	6,851	8,124	7,103
Transfers to affiliated systems	4,062	32,944	37,006	—
Total deductions	61,015	374,216	435,231	359,048
Increase (decrease) from operations	380,625	1,825,749	2,206,374	(832,036)
Net assets held in trust for pension benefits beginning of year	1,477,071	7,596,695	9,073,766	9,905,802
Net assets held in trust for pension benefits end of year	\$1,857,696	9,422,444	11,280,140	9,073,766

Noncontributory Retirement System

Schedules of Funding Progress by Division

(dollars in thousands)

<i>Noncontributory</i>		(1)	(2)	(3)	(4)	(5)	(6)
System	Date	Actuarial Value of Assets	Actuarial Liability (AAL) Entry Age	Unfunded AAL (UAAL) (2)-(1)	Funded Ratios (1)/(2)	Annual Covered Payroll	UAAL as a % of Covered Payroll (3)/(5)
Noncontributory	1/01/95	\$ 642,303	640,310	(1,993)	100.3%	\$ 286,648	(0.7)%
Local	1/01/96	779,728	812,952	33,224	95.9	324,541	10.2
Government	1/01/97	930,817	987,043	56,226	94.3	394,828	14.2
	1/01/98	1,083,991	1,101,505	17,514	98.4	443,169	4.0
	1/01/99	1,252,949	1,217,362	(35,587)	102.9	478,195	(7.4)
	1/01/00	1,470,043	1,342,091	(127,952)	109.5	511,311	(25.0)
	1/01/01	1,660,838	1,515,951	(144,887)	109.6	555,112	(26.1)
	1/01/02	1,790,398	1,667,820	(122,578)	107.3	583,682	(21.0)
	1/01/03	1,766,403	1,842,886	76,483	95.8	617,784	12.4
	12/31/03	1,912,651	1,997,475	84,824	95.8	648,410	13.1
Noncontributory State and School	1/01/95	\$ 3,729,887	4,565,563	835,676	81.7%	\$1,355,475	61.7%
	1/01/96	4,356,854	5,219,460	862,606	83.5	1,477,407	58.4
	1/01/97	5,038,996	5,930,915	891,919	85.0	1,660,051	53.7
	1/01/98	5,838,592	6,552,830	714,238	89.1	1,757,819	40.6
	1/01/99	6,678,244	7,118,369	440,125	93.8	1,887,455	23.3
	1/01/00	7,767,404	7,664,217	(103,187)	101.3	1,987,776	(5.2)
	1/01/01	8,700,495	8,417,563	(282,932)	103.4	2,104,088	(13.4)
	1/01/02	9,313,936	9,138,204	(175,732)	101.9	2,248,378	(7.8)
	1/01/03	9,082,183	9,921,467	839,284	91.5	2,308,665	36.4
	12/31/03	9,727,824	10,590,418	862,594	91.9	2,310,937	37.3
Total Noncontributory Retirement System	1/01/95	\$ 4,372,190	5,205,873	833,683	84.0%	\$1,642,123	50.8%
	1/01/96	5,136,582	6,032,412	895,830	85.1	1,801,948	49.7
	1/01/97	5,969,813	6,917,958	948,145	86.3	2,054,879	46.1
	1/01/98	6,922,583	7,654,335	731,752	90.4	2,200,988	33.2
	1/01/99	7,931,193	8,335,731	404,538	95.1	2,365,650	17.1
	1/01/00	9,237,447	9,006,308	(231,139)	102.6	2,499,087	(9.2)
	1/01/01	10,361,333	9,933,514	(427,819)	104.3	2,659,200	(16.1)
	1/01/02	11,104,334	10,806,024	(298,310)	102.8	2,832,060	(10.5)
	1/01/03	10,848,586	11,764,353	915,767	92.2	2,926,449	31.3
	12/31/03	11,640,475	12,587,893	947,418	92.5	2,959,347	32.0

Noncontributory Retirement System

Schedules of Employer Contributions by Division

(dollars in thousands)

Division	Year Ended	Employer Contributions	
		Annual Required Contributions	Percentage Contributed
<i>Noncontributory</i>			
Noncontributory	1994	\$ 23,214	100%
Local	1995	28,014	100
Government	1996	37,215	100
	1997	46,053	100
	1998	50,947	100
	1999	55,110	100
	2000	58,626	100
	2001	54,274	100
	2002	52,143	100
	2003	60,097	100
Noncontributory	1994	\$170,988	100%
State and	1995	192,941	100
School	1996	222,853	100
	1997	248,884	100
	1998	267,688	100
	1999	283,594	100
	2000	293,713	100
	2001	277,677	100
	2002	239,113	100
	2003	254,414	100
Total	1994	\$194,202	100%
Noncontributory	1995	220,955	100
Retirement	1996	260,068	100
System	1997	294,937	100
	1998	318,635	100
	1999	338,704	100
	2000	352,339	100
	2001	331,951	100
	2002	291,256	100
	2003	314,511	100

Public Safety Retirement System
*Schedules of Fiduciary Net Assets—
Pension Trust Fund by Division*

DECEMBER 31, 2003

WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2002

(in thousands)


	State of Utah Public Safety	Other Division A (with Social Security)	Salt Lake City
Assets:			
Cash	\$ 2	2	2
Receivables:			
Member contributions	4	114	1
Employer contributions	751	729	236
Investments	14,585	16,458	3,811
Total receivables	15,340	17,301	4,048
Investments at fair value:			
Short-term securities, domestic	50,685	57,195	13,245
Short-term securities, international	5,971	6,738	1,560
Debt securities, domestic	81,336	91,783	21,255
Debt securities, international	28,312	31,948	7,398
Equity investments, domestic	194,212	219,156	50,751
Equity investments, international	94,772	106,944	24,766
Private equity	23,430	26,439	6,123
Real estate	42,531	47,993	11,114
Mortgage loans	239	269	62
Total investments	521,488	588,465	136,274
Invested securities lending collateral	53,912	60,836	14,088
Property and equipment at cost, net of accumulated depreciation	182	206	48
Total assets	590,924	666,810	154,460
Liabilities:			
Securities lending liability	53,912	60,836	14,088
Disbursements in excess of cash balance	597	673	156
Compensated absences, post employment benefits and insurance reserve	2,012	2,270	526
Investment accounts payable	24,067	27,158	6,289
Mortgages payable	172	194	45
Total liabilities	80,760	91,131	21,104
Net assets held in trust for pension benefits	\$510,164	575,679	133,356

Utah Retirement Systems

Ogden	Provo	Logan	Bountiful	Other Division B (without Social Security)	Total All Divisions	
					2003	2002
2	1	2	2	2	15	15
—	—	—	—	40	159	170
42	—	—	12	61	1,831	1,603
1,106	680	383	327	2,794	40,144	12,566
1,148	680	383	339	2,895	42,134	14,339
3,844	2,363	1,332	1,138	9,711	139,513	66,027
453	278	157	134	1,144	16,435	8,899
6,168	3,792	2,138	1,826	15,583	223,881	199,171
2,147	1,320	744	636	5,424	77,929	65,641
14,729	9,054	5,104	4,361	37,209	534,576	432,321
7,187	4,418	2,491	2,128	18,158	260,864	195,222
1,777	1,092	616	526	4,489	64,492	74,785
3,225	1,983	1,118	955	8,149	117,068	110,300
18	11	6	5	46	656	392
39,548	24,311	13,706	11,709	99,913	1,435,414	1,152,758
4,089	2,513	1,417	1,211	10,329	148,395	134,183
14	8	5	4	35	502	503
44,801	27,513	15,513	13,265	113,174	1,626,460	1,301,798
4,089	2,513	1,417	1,211	10,329	148,395	134,183
45	28	16	13	114	1,642	1,553
153	94	53	45	385	5,538	4,393
1,825	1,122	632	540	4,611	66,244	29,910
13	8	5	4	33	474	7,210
6,125	3,765	2,123	1,813	15,472	222,293	177,249
38,676	23,748	13,390	11,452	97,702	1,404,167	1,124,549

Public Safety Retirement System*Schedules of Changes in Fiduciary Net Assets—
Pension Trust Fund by Division*

YEAR ENDED DECEMBER 31, 2003

WITH COMPARATIVE TOTALS FOR YEAR ENDED DECEMBER 31, 2002

*(in thousands)**Public Safety*

	State of Utah Public Safety	Other Division A (with Social Security)	Salt Lake City
Additions:			
Contributions:			
Member	\$ 372	2,291	15
Employer	17,406	16,980	6,182
Total contributions	17,778	19,271	6,197
Investment income:			
Net appreciation (depreciation) in fair value of investments	93,595	105,403	24,559
Interest, dividends and other investment income	12,517	14,096	3,284
Total investment income (loss)	106,112	119,499	27,843
Less investment expenses	1,225	1,380	321
Net investment income (loss)	104,887	118,119	27,522
Transfers from affiliated systems	1,222	(918)	534
Total additions	123,887	136,472	34,253
Deductions:			
Retirement benefits	19,157	18,651	7,087
Cost of living benefits	3,387	2,706	1,693
Supplemental retirement benefits	356	179	76
Refunds	34	465	—
Administrative expenses	371	385	116
Total deductions	23,305	22,386	8,972
Increase (decrease) from operations	100,582	114,086	25,281
Net assets held in trust for pension benefits beginning of year	409,582	461,593	108,075
Net assets held in trust for pension benefits end of year	\$510,164	575,679	133,356

Utah Retirement Systems

Ogden	Provo	Logan	Bountiful	Other Division B (without Social Security)	Total All Divisions	
					2003	2002
—	607	246	—	917	4,448	4,258
986	455	132	298	4,216	46,655	42,264
986	1,062	378	298	5,133	51,103	46,522
7,209	4,353	2,492	2,094	17,403	257,108	(131,715)
964	582	333	280	2,327	34,383	36,227
8,173	4,935	2,825	2,374	19,730	291,491	(95,488)
94	57	33	27	228	3,365	2,328
8,079	4,878	2,792	2,347	19,502	288,126	(97,816)
(167)	(13)	(206)	9	1,541	2,002	1,956
8,898	5,927	2,964	2,654	26,176	341,231	(49,338)
1,961	833	430	261	2,273	50,653	45,588
349	218	67	62	156	8,638	7,689
23	11	2	3	—	650	685
—	162	1	—	4	666	1,155
29	18	9	8	70	1,006	899
2,362	1,242	509	334	2,503	61,613	56,016
6,536	4,685	2,455	2,320	23,673	279,618	(105,354)
32,140	19,063	10,935	9,132	74,029	1,124,549	1,229,903
38,676	23,748	13,390	11,452	97,702	1,404,167	1,124,549

Public Safety Retirement System

Schedules of Funding Progress by Division

(dollars in thousands)

Division	Date	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Entry Age	(3) Unfunded AAL (UAAL) (2)-(1)	(4) Funded Ratios (1)/(2)	(5) Annual Covered Payroll	(6) UAAL as a % of Covered Payroll (3)/(5)
<i>Public Safety</i> Public Safety State of Utah	1/01/95	\$219,963	268,672	48,709	81.9%	\$ 56,174	86.7%
	1/01/96	246,859	296,811	49,952	83.2	57,193	87.3
	1/01/97	278,328	334,751	56,423	83.1	64,857	87.0
	1/01/98	318,711	363,551	44,840	87.7	69,652	64.4
	1/01/99	363,057	391,061	28,004	92.8	74,094	37.8
	1/01/00	419,682	415,815	(3,867)	100.9	77,352	(5.0)
	1/01/01	470,153	452,131	(18,022)	104.0	83,674	(21.5)
	1/01/02	501,970	508,897	6,927	98.6	88,523	7.8
	1/01/03	491,499	536,944	45,445	91.5	90,782	50.1
	12/31/03	526,545	575,445	48,900	91.5	91,540	53.4
Public Safety Other Division A (with Social Security)	1/01/95	\$242,135	239,066	(3,069)	101.3%	\$ 57,909	(5.3)%
	1/01/96	272,119	272,849	730	99.7	64,802	1.1
	1/01/97	306,419	311,406	4,987	98.4	71,915	6.9
	1/01/98	352,448	344,437	(8,011)	102.3	79,944	(10.0)
	1/01/99	402,408	380,864	(21,544)	105.7	89,257	(24.1)
	1/01/00	467,856	407,837	(60,019)	114.7	97,056	(61.8)
	1/01/01	526,386	450,645	(75,741)	116.8	109,941	(68.9)
	1/01/02	564,325	518,791	(45,534)	108.8	115,482	(39.4)
	1/01/03	553,911	558,141	4,230	99.2	118,507	3.6
	12/31/03	594,020	601,399	7,379	98.8	125,617	5.9
Public Safety Salt Lake City	1/01/95	\$ 66,034	106,419	40,385	62.1%	\$ 12,387	326.0%
	1/01/96	72,889	114,732	41,843	63.5	13,787	303.5
	1/01/97	80,299	120,767	40,468	66.5	13,804	293.2
	1/01/98	90,670	130,903	40,233	69.3	16,069	250.4
	1/01/99	101,349	136,236	34,887	74.4	16,355	213.3
	1/01/00	115,568	143,223	27,655	80.7	17,224	160.6
	1/01/01	127,803	148,910	21,107	85.8	17,883	118.0
	1/01/02	135,031	158,626	23,595	85.1	18,579	127.0
	1/01/03	129,690	168,084	38,394	77.2	19,305	198.9
	12/31/03	138,148	177,287	39,139	77.9	20,380	192.0
Public Safety Ogden	1/01/95	\$ 20,375	26,990	6,615	75.5%	\$ 3,464	191.0%
	1/01/96	22,461	27,287	4,826	82.3	3,442	140.2
	1/01/97	24,767	30,598	5,831	80.9	3,629	160.7
	1/01/98	27,838	31,691	3,853	87.8	3,899	98.8
	1/01/99	31,038	34,191	3,153	90.8	4,126	76.4
	1/01/00	35,220	36,839	1,619	95.6	4,442	36.4
	1/01/01	38,652	38,128	(524)	101.4	4,513	(11.6)
	1/01/02	40,505	40,331	(174)	100.4	4,763	(3.7)
	1/01/03	38,568	42,649	4,081	90.4	5,059	80.7
	12/31/03	40,214	44,402	4,188	90.6	5,120	81.8
Public Safety Provo	1/01/95	\$ 10,416	14,397	3,981	72.3%	\$ 2,608	152.6%
	1/01/96	11,597	15,800	4,203	73.4	2,750	152.8
	1/01/97	12,955	17,344	4,389	74.7	3,160	138.9
	1/01/98	14,904	18,311	3,407	81.4	3,532	96.5
	1/01/99	16,906	20,036	3,130	84.4	3,740	83.7
	1/01/00	19,601	21,478	1,877	91.3	4,069	46.1
	1/01/01	22,045	23,608	1,563	93.4	4,446	35.2
	1/01/02	23,568	25,176	1,608	93.6	4,365	36.8
	1/01/03	22,875	26,434	3,559	86.5	4,512	78.9
	12/31/03	24,546	27,755	3,209	88.4	4,482	71.6

Public Safety Retirement System
Schedules of Funding Progress by Division (Continued)

(dollars in thousands)

Division	Date	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Entry Age	(3) Unfunded AAL (UAAL) (2)-(1)	(4) Funded Ratios (1)/(2)	(5) Annual Covered Payroll	(6) UAAL as a % of Covered Payroll (3)/(5)
<i>Public Safety</i>							
Public Safety	1/01/95	\$ 5,912	5,929	17	99.7%	\$ 1,213	1.4%
Logan	1/01/96	6,590	6,639	49	99.3	1,354	3.6
	1/01/97	7,352	7,749	397	94.9	1,500	26.5
	1/01/98	8,397	8,358	(39)	100.5	1,671	(2.3)
	1/01/99	9,542	9,066	(476)	105.3	1,800	(26.4)
	1/01/00	11,086	9,898	(1,188)	112.0	2,019	(58.8)
	1/01/01	12,462	11,221	(1,241)	111.1	2,131	(58.2)
	1/01/02	13,375	12,422	(953)	107.7	2,199	(43.3)
	1/01/03	13,099	13,685	586	95.7	2,312	25.3
	12/31/03	13,826	14,262	436	96.9	2,372	18.4
Public Safety	1/01/95	\$ 5,250	5,717	467	91.8%	\$ 1,109	42.1%
Bountiful	1/01/96	5,847	6,524	677	89.6	1,100	61.5
	1/01/97	6,500	7,607	1,107	85.4	1,167	94.9
	1/01/98	7,402	8,310	908	89.1	1,246	72.9
	1/01/99	8,157	8,959	802	91.0	1,327	60.4
	1/01/00	9,369	9,444	75	99.2	1,384	5.4
	1/01/01	10,439	10,101	(338)	103.3	1,442	(23.4)
	1/01/02	11,148	10,484	(664)	106.3	1,518	(43.7)
	1/01/03	10,958	11,170	212	98.1	1,601	13.2
	12/31/03	11,809	12,052	243	98.0	1,653	14.7
Public Safety	1/01/95	\$ 26,807	23,917	(2,890)	112.1%	\$ 13,927	(20.8)%
Other Division B	1/01/96	32,248	30,508	(1,740)	105.7	15,515	(11.2)
(without Social Security)	1/01/97	38,486	36,282	(2,204)	106.1	16,947	(13.0)
	1/01/98	46,781	46,539	(242)	100.5	19,451	(1.2)
	1/01/99	56,343	53,734	(2,609)	104.9	21,715	(12.0)
	1/01/00	67,949	60,632	(7,317)	112.1	22,511	(32.5)
	1/01/01	79,056	72,132	(6,924)	109.6	23,955	(28.9)
	1/01/02	86,544	91,407	4,863	94.7	25,354	19.2
	1/01/03	88,835	101,384	12,549	87.6	26,400	47.5
	12/31/03	99,780	113,104	13,324	88.2	27,238	48.9
Total	1/01/95	\$ 596,892	691,107	94,215	86.4%	\$ 148,791	63.3%
Public Safety	1/01/96	670,610	771,150	100,540	87.0	159,943	62.9
Retirement	1/01/97	755,106	866,504	111,398	87.1	176,979	62.9
System	1/01/98	867,151	952,100	84,949	91.1	195,464	43.5
	1/01/99	988,800	1,034,147	45,347	95.6	212,414	21.3
	1/01/00	1,146,331	1,105,166	(41,165)	103.7	226,057	(18.2)
	1/01/01	1,286,996	1,206,876	(80,120)	106.6	247,985	(32.3)
	1/01/02	1,376,466	1,366,134	(10,332)	100.8	260,783	(4.0)
	1/01/03	1,349,435	1,458,491	109,056	92.5	268,478	40.6
	12/31/03	1,448,888	1,565,706	116,818	92.5	278,402	42.0

Public Safety Retirement System

*Schedules of Employer Contributions by Division**(dollars in thousands)*

Division	Year Ended	Employer Contributions	
		Annual Required Contributions	Percentage Contributed
<i>Public Safety</i> Public Safety State of Utah	1994	\$ 8,907	100%
	1995	10,670	100
	1996	12,938	100
	1997	14,310	100
	1998	16,515	100
	1999	17,888	100
	2000	19,250	100
	2001	17,990	100
	2002	16,476	100
	2003	17,406	100
Public Safety Other Division A (with Social Security)	1994	\$ 4,503	100%
	1995	7,101	100
	1996	8,860	100
	1997	10,755	100
	1998	13,448	100
	1999	15,611	100
	2000	17,700	100
	2001	16,326	100
	2002	14,639	100
	2003	16,980	100
Public Safety Salt Lake City	1994	\$ 3,755	100%
	1995	4,363	100
	1996	4,359	100
	1997	5,222	100
	1998	5,482	100
	1999	5,986	100
	2000	6,286	100
	2001	6,052	100
	2002	5,633	100
	2003	6,182	100
Public Safety Ogden	1994	\$ 352	100%
	1995	689	100
	1996	792	100
	1997	899	100
	1998	1,003	100
	1999	1,133	100
	2000	1,122	100
	2001	1,070	100
	2002	976	100
	2003	986	100
Public Safety Provo	1994	\$ 273	100%
	1995	303	100
	1996	341	100
	1997	423	100
	1998	479	100
	1999	537	100
	2000	562	100
	2001	485	100
	2002	433	100
	2003	455	100

Public Safety Retirement System*Schedules of Employer Contributions by Division (Continued)*

Public Safety

(dollars in thousands)

Division	Year Ended	Employer Contributions	
		Annual Required Contributions	Percentage Contributed
Public Safety Logan	1994	\$ 94	100%
	1995	82	100
	1996	72	100
	1997	96	100
	1998	131	100
	1999	162	100
	2000	162	100
	2001	109	100
	2002	78	100
	2003	132	100
Public Safety Bountiful	1994	\$ 149	100%
	1995	179	100
	1996	203	100
	1997	230	100
	1998	277	100
	1999	320	100
	2000	340	100
	2001	320	100
	2002	291	100
	2003	298	100
Public Safety Other Division B (without Social Security)	1994	\$ 862	100%
	1995	1,345	100
	1996	1,706	100
	1997	2,282	100
	1998	2,764	100
	1999	3,473	100
	2000	3,931	100
	2001	3,761	100
	2002	3,738	100
	2003	4,216	100
Total Public Safety Retirement System	1994	\$18,895	100%
	1995	24,732	100
	1996	29,271	100
	1997	34,217	100
	1998	40,099	100
	1999	45,110	100
	2000	49,353	100
	2001	46,113	100
	2002	42,264	100
	2003	46,655	100

Firefighters Retirement System

Schedules of Fiduciary Net Assets— Pension Trust Fund by Division

DECEMBER 31, 2003

WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2002

(in thousands)

	Division A (with Social Security)	Division B (without Social Security)	Total All Divisions	
			2003	2002
<i>Firefighters</i>				
Assets:				
Cash	\$ 1	1	2	2
Receivables:				
Member contributions	37	168	205	201
Employer contributions	—	—	—	1
Investments	1,694	14,624	16,318	5,160
Total receivables	1,731	14,792	16,523	5,362
Investments at fair value:				
Short-term securities, domestic	5,887	50,822	56,709	27,117
Short-term securities, international	693	5,987	6,680	3,654
Debt securities, domestic	9,447	81,557	91,004	81,800
Debt securities, international	3,288	28,389	31,677	26,959
Equity investments, domestic	22,556	194,739	217,295	177,555
Equity investments, international	11,007	95,029	106,036	80,178
Private equity	2,721	23,493	26,214	30,715
Real estate	4,940	42,646	47,586	45,301
Mortgage loans	28	239	267	161
Total investments	60,567	522,901	583,468	473,440
Invested securities lending collateral	6,261	54,058	60,319	55,110
Property and equipment at cost, net of accumulated depreciation	21	183	204	207
Total assets	68,581	591,935	660,516	534,121
Liabilities:				
Securities lending liability	6,261	54,058	60,319	55,110
Disbursements in excess of cash balance	69	598	667	639
Compensated absences, post employment benefits and insurance reserve	234	2,017	2,251	1,804
Investment accounts payable	2,795	24,132	26,927	12,285
Mortgages payable	20	172	192	2,960
Total liabilities	9,379	80,977	90,356	72,798
Net assets held in trust for pension benefits	\$59,202	510,958	570,160	461,323

Firefighters Retirement System*Schedules of Changes in Fiduciary Net Assets—
Pension Trust Fund by Division*

YEAR ENDED DECEMBER 31, 2003

WITH COMPARATIVE TOTALS FOR YEAR ENDED DECEMBER 31, 2002

*(in thousands)**Firefighters*

	Division A (with Social Security)	Division B (without Social Security)	Total All Divisions	
			2003	2002
Additions:				
Contributions:				
Member	\$ 1,168	4,887	6,055	5,800
Fire insurance tax	1,748	7,311	9,059	9,454
Total contributions	2,916	12,198	15,114	15,254
Investment income:				
Net appreciation (depreciation) in fair value of investments	10,635	94,119	104,754	(54,129)
Interest, dividends and other investment income	1,422	12,587	14,009	14,888
Total investment income (loss)	12,057	106,706	118,763	(39,241)
Less investment expenses	139	1,232	1,371	957
Net investment income (loss)	11,918	105,474	117,392	(40,198)
Transfers from affiliated systems	91	534	625	735
Total additions	14,925	118,206	133,131	(24,209)
Deductions:				
Retirement benefits	1,338	16,932	18,270	17,314
Cost of living benefits	250	4,302	4,552	4,223
Supplemental retirement benefits	43	655	698	751
Refunds	58	356	414	422
Administrative expenses	35	325	360	323
Total deductions	1,724	22,570	24,294	23,033
Increase (decrease) from operations	13,201	95,636	108,837	(47,242)
Net assets held in trust for pension benefits beginning of year	46,001	415,322	461,323	508,565
Net assets held in trust for pension benefits end of year	\$59,202	510,958	570,160	461,323

Firefighters Retirement System

Schedules of Funding Progress by Division

(dollars in thousands)

System	Date	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Entry Age	(3) Unfunded AAL (UAAL) (2)-(1)	(4) Funded Ratios (1)/(2)	(5) Annual Covered Payroll	(6) UAAL as a % of Covered Payroll (3)/(5)
<i>Firefighters</i>							
Firefighters	1/01/95	\$ 27,804	24,708	(3,096)	112.5%	\$ 5,768	(53.7)%
Division A	1/01/96	31,807	28,026	(3,781)	113.5	6,299	(60.0)
(with Social Security)	1/01/97	36,473	32,138	(4,335)	113.5	7,032	(61.6)
	1/01/98	42,528	37,464	(5,064)	113.5	7,968	(63.6)
	1/01/99	48,851	40,479	(8,372)	120.7	9,375	(89.3)
	1/01/00	56,976	42,464	(14,512)	134.2	10,944	(132.6)
	1/01/01	49,688	38,955	(10,733)	127.6	9,733	(110.3)
	1/01/02	54,345	46,108	(8,237)	117.9	12,070	(68.2)
	1/01/03	55,202	51,170	(4,032)	107.9	13,423	(30.0)
	12/31/03	60,889	56,835	(4,054)	107.1	14,524	(27.9)
Firefighters	1/01/95	\$233,719	282,751	49,032	82.7%	\$34,389	142.6%
Division B	1/01/96	262,009	305,406	43,397	85.8	36,728	118.2
(without Social Security)	1/01/97	293,002	330,273	37,271	88.7	38,937	95.7
	1/01/98	333,650	347,511	13,861	96.0	43,319	32.0
	1/01/99	374,554	367,224	(7,330)	102.0	44,951	(16.3)
	1/01/00	426,398	376,693	(49,705)	113.2	46,617	(106.6)
	1/01/01	486,815	416,501	(70,314)	116.9	53,541	(131.3)
	1/01/02	514,806	445,166	(69,640)	115.6	55,122	(126.3)
	1/01/03	498,387	469,994	(28,393)	106.0	57,931	(49.0)
	12/31/03	528,613	498,911	(29,702)	106.0	61,095	(48.6)
Total	1/01/95	\$261,523	307,459	45,936	85.1%	\$40,157	114.4%
Firefighters	1/01/96	293,816	333,432	39,616	88.1	43,027	92.1
Retirement	1/01/97	329,475	362,411	32,936	90.9	45,969	71.6
System	1/01/98	376,178	384,975	8,797	97.7	51,287	17.2
	1/01/99	423,405	407,703	(15,702)	103.9	54,326	(28.9)
	1/01/00	483,374	419,157	(64,217)	115.3	57,561	(111.6)
	1/01/01	536,503	455,456	(81,047)	117.8	63,274	(128.1)
	1/01/02	569,151	491,274	(77,877)	115.9	67,192	(115.9)
	1/01/03	553,589	521,164	(32,425)	106.2	71,354	(45.4)
	12/31/03	589,502	555,746	(33,756)	106.1	75,619	(44.6)

Firefighters Retirement System

Schedules of Employer Contributions by Division

(dollars in thousands)

Division	Year Ended	Employer Contributions	
		Annual Required Contributions	Percentage Contributed
<i>Firefighters</i> Firefighters Division A (with Social Security)	1994	\$ 499	100%
	1995	697	100
	1996	651	100
	1997	691	100
	1998	758	100
	1999	813	100
	2000	1,290	100
	2001	1,489	100
	2002	1,791	100
	2003	1,748	100
Firefighters Division B (without Social Security)	1994	\$4,999	100%
	1995	5,850	100
	1996	5,684	100
	1997	6,697	100
	1998	6,179	100
	1999	4,924	100
	2000	5,465	100
	2001	6,865	100
	2002	7,663	100
	2003	7,311	100
Total Firefighters Retirement System	1994	\$5,498	100%
	1995	6,547	100
	1996	6,335	100
	1997	7,388	100
	1998	6,937	100
	1999	5,737	100
	2000	6,755	100
	2001	8,354	100
2002	9,454	100	
2003	9,059	100	

401(k) Plan*Schedules of Fiduciary Net Assets by Investment Fund*

DECEMBER 31, 2003

WITH COMPARATIVE TOTALS

FOR DECEMBER 31, 2002

(in thousands)

	Income Fund	Group Annuity Fund	Member Loan Fund	Bond Fund	Balanced Fund	Large Cap Stock Value Fund
Assets:						
Cash	\$ 1,220	—	—	—	—	118
Receivables	—	—	31,142	—	—	—
Investments at fair value:						
Debt securities	439,758	—	—	74,180	—	—
Equity investments, domestic	—	—	—	—	226,807	52,714
Equity investments, international	—	—	—	—	—	—
Investment contracts	—	34,101	—	—	—	—
Total investments	439,758	34,101	—	74,180	226,807	52,714
Invested securities lending collateral	—	—	—	—	22,109	—
Total assets	440,978	34,101	31,142	74,180	248,916	52,832
Liabilities:						
Securities lending liability	—	—	—	—	22,109	—
Disbursements in excess of cash balance	1,496	7	—	74	108	—
Administrative expenses payable	1,338	9	—	20	60	13
Investment advisor fees payable	160	—	—	—	84	—
Total liabilities	2,994	16	—	94	22,361	13
Net assets held in trust for pension benefits	\$437,984	34,085	31,142	74,086	226,555	52,819

401(k) Plan*Schedules of Changes in Fiduciary Net Assets by Investment Fund*

YEAR ENDED DECEMBER 31, 2003

WITH COMPARATIVE TOTALS FOR

YEAR ENDED DECEMBER 31, 2002

(in thousands)

	Income Fund	Group Annuity Fund	Member Loan Fund	Bond Fund	Balanced Fund	Large Cap Stock Value Fund
Additions:						
Member contributions	\$ 40,106	—	—	12,347	17,730	5,421
Investment Income:						
Net appreciation (depreciation) in fair value of investments	18,368	—	—	4,876	38,205	10,137
Investment contracts	—	1,830	1,577	—	—	—
Total investment income (loss)	18,368	1,830	1,577	4,876	38,205	10,137
Less investment expenses	640	—	—	—	331	—
Net investment income (loss)	17,728	1,830	1,577	4,876	37,874	10,137
Transfers (to) from affiliated funds	(14,105)	(700)	4,371	(26,506)	(4,672)	13,968
Total additions	43,729	1,130	5,948	(9,283)	50,932	29,526
Expenditures:						
Refunds	25,255	2,050	1,439	4,376	8,358	831
Administrative expenses	1,301	95	182	215	538	90
Total deductions	26,556	2,145	1,621	4,591	8,896	921
Increase (decrease) from operations	17,173	(1,015)	4,327	(13,874)	42,036	28,605
Net assets held in trust for pension benefits beginning of the year	420,811	35,100	26,815	87,960	184,519	24,214
Net assets held in trust for pension benefits end of year	\$437,984	34,085	31,142	74,086	226,555	52,819

401(k) Plan

Large Cap Stock Index Fund	Large Cap Stock Growth Fund	Small Cap Stock Fund	International Fund	Short Horizon Fund	Medium Horizon Fund	Long Horizon Fund	Total	
							2003	2002
52	—	609	1,127	112	138	—	3,376	4,244
—	—	—	—	—	—	—	31,142	26,813
—	—	—	—	34,757	26,688	20,128	595,511	568,585
316,207	58,950	104,177	—	4,993	26,440	62,051	852,339	595,755
—	—	—	98,016	2,397	10,568	29,829	140,810	87,037
—	—	—	—	—	—	—	34,101	35,115
316,207	58,950	104,177	98,016	42,147	63,696	112,008	1,622,761	1,286,492
9,210	1,300	—	—	149	417	985	34,170	45,934
325,469	60,250	104,786	99,143	42,408	64,251	112,993	1,691,449	1,363,483
9,210	1,300	—	—	149	417	985	34,170	45,934
—	48	—	—	—	—	68	1,801	2,838
83	15	28	26	11	17	30	1,650	1,574
22	46	—	85	5	15	36	453	373
9,315	1,409	28	111	165	449	1,119	38,074	50,719
316,154	58,841	104,758	99,032	42,243	63,802	111,874	1,653,375	1,312,764

401(k) Plan

Large Cap Stock Index Fund	Large Cap Stock Growth Fund	Small Cap Stock Fund	International Fund	Short Horizon Fund	Medium Horizon Fund	Long Horizon Fund	Total	
							2003	2002
25,383	8,351	7,790	8,504	6,560	11,095	17,925	161,212	160,267
69,024	10,411	27,526	33,724	3,487	9,625	22,197	247,580	(112,316)
—	—	—	—	—	—	—	3,407	4,018
69,024	10,411	27,526	33,724	3,487	9,625	22,197	250,987	(108,298)
80	169	—	275	19	47	113	1,674	1,492
68,944	10,242	27,526	33,449	3,468	9,578	22,084	249,313	(109,790)
(7,410)	(404)	25,109	684	832	3,980	4,853	—	—
86,917	18,189	60,425	42,637	10,860	24,653	44,862	410,525	50,477
9,921	1,632	2,272	2,599	2,666	1,974	2,412	65,785	63,908
711	130	175	205	109	140	238	4,129	3,850
10,632	1,762	2,447	2,804	2,775	2,114	2,650	69,914	67,758
76,285	16,427	57,978	39,833	8,085	22,539	42,212	340,611	(17,281)
239,869	42,414	46,780	59,199	34,158	41,263	69,662	1,312,764	1,330,045
316,154	58,841	104,758	99,032	42,243	63,802	111,874	1,653,375	1,312,764

457 Plan*Schedules of Fiduciary Net Assets by Investment Fund*

DECEMBER 31, 2003

WITH COMPARATIVE TOTALS

FOR DECEMBER 31, 2002

(in thousands)

	Income Fund	Group Annuity Fund	Member Loan Fund	Bond Fund	Balanced Fund	Large Cap Stock Value Fund
Assets:						
Cash	\$ 4	—	—	3	—	25
Receivables	—	—	534	—	—	—
Investments at fair value:						
Debt securities	49,098	—	—	9,977	—	—
Equity investments, domestic	—	—	—	—	19,647	7,956
Equity investments, international	—	—	—	—	—	—
Investment contracts	—	19,627	—	—	—	—
Total investments	49,098	19,627	—	9,977	19,647	7,956
Invested securities lending collateral	—	—	—	—	1,915	—
Total assets	49,102	19,627	534	9,980	21,562	7,981
Liabilities:						
Securities lending liability	—	—	—	—	1,915	—
Disbursements in excess of cash balance	1,086	—	—	—	5	—
Administrative expenses payable	17	5	—	3	5	2
Investment advisor fees payable	18	—	—	—	7	—
Total liabilities	1,121	5	—	3	1,932	2
Net assets held in trust for pension benefits	\$47,981	19,622	534	9,977	19,630	7,979

457 Plan*Schedules of Changes in Fiduciary Net Assets by Investment Fund*

YEAR ENDED DECEMBER 31, 2003

WITH COMPARATIVE TOTALS FOR

YEAR ENDED DECEMBER 31, 2002

(in thousands)

	Income Fund	Group Annuity Fund	Member Loan Fund	Bond Fund	Balanced Fund	Large Cap Stock Value Fund
Additions:						
Member contributions	\$ 4,479	—	—	1,315	929	953
Investment Income:						
Net appreciation (depreciation) in fair value of investments	2,117	—	—	699	3,372	1,570
Investment contracts	—	1,090	1	—	—	—
Total investment income (loss)	2,117	1,090	1	699	3,372	1,570
Less investment expenses	73	—	—	—	29	—
Net investment income (loss)	2,044	1,090	1	699	3,343	1,570
Transfers (to) from affiliated funds	(2,573)	(334)	539	(4,506)	(85)	1,681
Total additions	3,950	756	540	(2,492)	4,187	4,204
Expenditures:						
Refunds	6,398	2,994	1	1,258	1,909	228
Administrative expenses	132	54	5	30	46	13
Total deductions	6,530	3,048	6	1,288	1,955	241
Increase (decrease) from operations	(2,580)	(2,292)	534	(3,780)	2,232	3,963
Net assets held in trust for pension benefits beginning of the year	50,561	21,914	—	13,757	17,398	4,016
Net assets held in trust for pension benefits end of year	\$47,981	19,622	534	9,977	19,630	7,979

457 Plan

Large Cap Stock Index Fund	Large Cap Stock Growth Fund	Small Cap Stock Fund	International Fund	Short Horizon Fund	Medium Horizon Fund	Long Horizon Fund	Total	
							2003	2002
22	4	105	946	—	—	—	1,109	1,047
—	—	—	—	—	—	—	534	—
—	—	—	—	5,266	2,467	1,323	68,131	71,544
39,604	6,117	14,459	—	756	2,444	4,078	95,061	69,733
—	—	—	9,660	363	977	1,960	12,960	8,419
—	—	—	—	—	—	—	19,627	21,920
39,604	6,117	14,459	9,660	6,385	5,888	7,361	195,779	171,616
1,153	135	—	—	19	49	119	3,390	5,444
40,779	6,256	14,564	10,606	6,404	5,937	7,480	200,812	178,107
1,153	135	—	—	19	49	119	3,390	5,444
—	—	—	—	2	4	4	1,101	987
10	2	4	3	2	2	2	57	74
3	5	—	8	1	1	2	45	41
1,166	142	4	11	24	56	127	4,593	6,546
39,613	6,114	14,560	10,595	6,380	5,881	7,353	196,219	171,561

457 Plan

Large Cap Stock Index Fund	Large Cap Stock Growth Fund	Small Cap Stock Fund	International Fund	Short Horizon Fund	Medium Horizon Fund	Long Horizon Fund	Total	
							2003	2002
1,526	637	872	615	665	696	1,125	13,812	10,353
8,760	1,079	3,599	4,163	566	881	1,466	28,272	(14,530)
—	—	—	—	—	—	—	1,091	1,369
8,760	1,079	3,599	4,163	566	881	1,466	29,363	(13,161)
10	17	—	27	3	4	7	170	164
8,750	1,062	3,599	4,136	563	877	1,459	29,193	(13,325)
(544)	85	4,204	852	(222)	451	452	—	—
9,732	1,784	8,675	5,603	1,006	2,024	3,036	43,005	(2,972)
2,371	273	528	499	851	273	294	17,877	24,498
88	13	24	20	17	13	15	470	487
2,459	286	552	519	868	286	309	18,347	24,985
7,273	1,498	8,123	5,084	138	1,738	2,727	24,658	(27,957)
32,340	4,616	6,437	5,511	6,242	4,143	4,626	171,561	199,518
39,613	6,114	14,560	10,595	6,380	5,881	7,353	196,219	171,561

Firefighters Retirement System*Schedules of Administrative and Investment Expenses*

YEAR ENDED DECEMBER 31, 2003

(in thousands)

	Defined Benefit Pension Plans	Investments	401(k) and 457 Plans	Total
Personal services:				
Salaries and wages	\$ 3,983	1,004	2,513	7,500
Employee benefits	1,499	330	1,048	2,877
Total personal services	5,482	1,334	3,561	10,377
Professional services:				
Audit	78	—	17	95
Actuarial services	169	—	—	169
General counsel	738	13	7	758
Banking services	58	—	147	205
Security handling expense	—	1,396	—	1,396
Investment advisor fees	—	31,171	1,844	33,015
Other consulting services	33	—	52	85
Total professional services	1,076	32,580	2,067	35,723
Communications:				
Telephone	175	24	43	242
Postage	426	—	178	604
Total communications	601	24	221	846
Rentals:				
Office space	768	78	126	972
Data processing equipment	255	—	—	255
Total rentals	1,023	78	126	1,227
Miscellaneous:				
Data processing	339	114	323	776
Travel	168	68	34	270
Contractual services	414	13	74	501
Supplies and maintenance	254	—	4	258
Insurance and bonding premiums	334	—	23	357
Subscription expense	7	2	—	9
Office supplies	145	—	10	155
Depreciation expense	391	—	—	391
Total miscellaneous	2,052	197	468	2,717
Total administrative expenses	\$10,234	34,213	6,443	50,890
Allocation of administrative expenses:				
Contributory Retirement System	\$ 675	—	—	675
Noncontributory Retirement System	8,124	—	—	8,124
Public Safety Retirement System	1,006	—	—	1,006
Firefighters Retirement System	360	—	—	360
Judges Retirement System	63	—	—	63
Governors and Legislative Pension Plan	6	—	—	6
401(k) Plan	—	—	4,129	4,129
457 Plan	—	—	470	470
Total administrative expenses	10,234	—	4,599	14,833
Investment administrative expense	—	3,042	—	3,042
Investment advisor fees:				
Investments	—	31,171	—	31,171
401(k) Plan	—	—	1,674	1,674
457 Plan	—	—	170	170
Total investment advisor fees	—	31,171	1,844	33,015
Total administrative expense allocations	\$10,234	34,213	6,443	50,890

Investment Section

INVESTMENT SECTION



	91	Report on Investment Activity	
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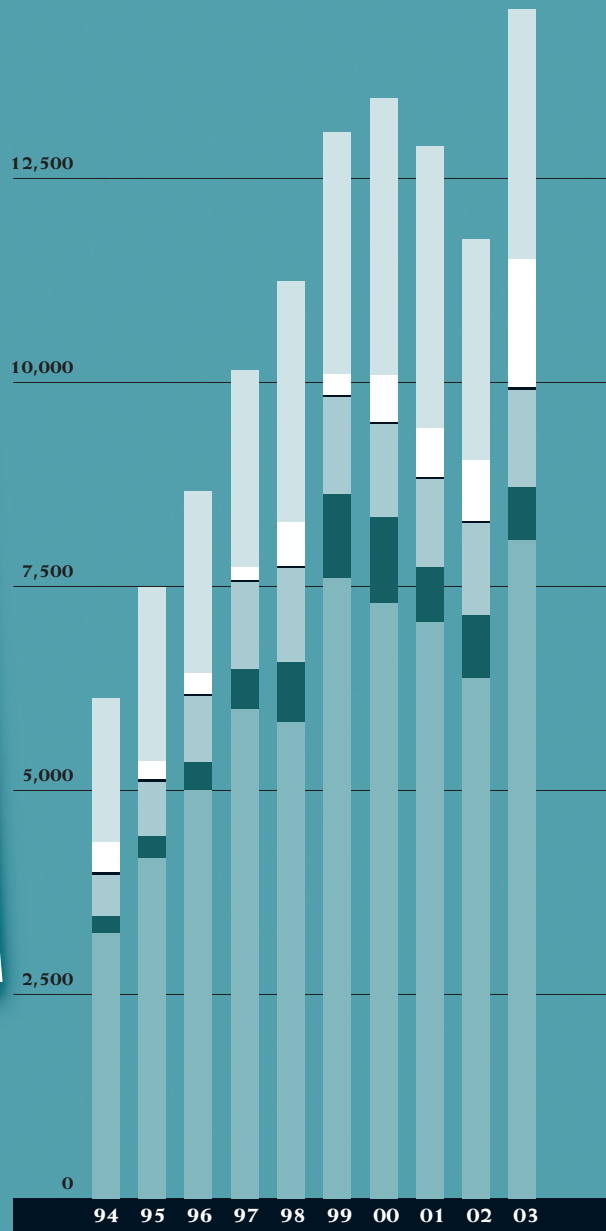
All Retirement Systems

(in millions)

\$15,000

Ten Year Investment Comparison

TEN YEAR INVESTMENT COMPARISON



(in millions)

	94	95	96	97	98	99	00	01	02	03
Debt Securities	\$1,763	2,143	2,225	2,406	2,951	2,960	3,384	3,463	2,698	3,062
Short Term Securities	380	231	269	174	548	273	595	603	763	1,582
Mortgages	12	11	4	4	4	4	3	3	4	7
Real Estate	502	662	805	1,057	1,149	1,188	1,133	1,076	1,124	1,188
Private Equity	209	271	344	494	738	1,018	1,050	678	762	654
Equities	3,274	4,186	5,022	6,009	5,848	7,614	7,308	7,068	6,394	8,070
Totals	\$6,140	7,504	8,669	10,144	11,238	13,057	13,473	12,892	11,745	14,563

Defined Benefit Investments

DEFINED BENEFIT INVESTMENTS

Report on Investment Activity

IT SEEMED AS IF 2003 WOULD BE POSSIBLY ANOTHER DIFFICULT period as we began the year with anxiety over a war with Iraq and a tense situation in North Korea. The impact of the Venezuelan oil crisis and ongoing media stories relating to corporate scandals also added to the malaise. However, the mood changed as the war progressed better than expected, and the business climate began to improve. The lowest interest rates in 40 years combined with the President's earlier tax stimulus finally took hold. Gross Domestic Product (GDP) grew 3.1% in the second quarter followed by 8.2% in the third quarter, the fastest annualized rate in nearly 20 years. The fourth quarter posted solid performance with GDP growing at 4.0%.

Including dividends, the markets, both domestic and international, reacted to this positive news. The Standard & Poor's index gained 28.7% for the year. Large company stocks as measured by the Russell 1000 index grew 29.8% and small company stocks did even better. The Russell 2000 index posted a 47.3% gain for the year. The developed international market also had tremendous growth. The Europe Australia/Asia Far East (EAFE) increased 38.6%. International emerging markets returned 56.3%. The fixed income markets continued their gains from the previous year. The domestic fixed income market as measured by the Lehman Brothers Aggregate returned 4.1% and the global fixed income market as measured by the Lehman Brothers Global Aggregate returned 12.5%.

The Utah Retirement Systems (Systems) posted one of its best years ever with a total return of 26%. Because the Systems diversifies its portfolio, the gain is remarkable given that the Systems targets over 40% of its portfolio in asset classes other than stocks. The gain boosted the Systems' five-year return to 5.6%, as compared to 2.8% a year ago. To earn a return of 5.6% over a period that included one of history's worst bear markets is very good news for our participants. However, we are more inclined to look at longer term numbers because we invest for the long run. Over the past ten years the Systems' portfolio has returned 8.9% exceeding its actuarial goal of 8%. Investment returns are reported in conformance with the Performance Presentation Standards of the Association for Investment Management and Research (AIMR).

During 2003 we made only one minor change to our asset allocation targets. We decreased our fixed income allocation from 26% to 25% and correspondingly increased our real estate allocation from 9% to 10%. We remain committed to the equity markets going forward. Our allocations of 58% to public equity and 7% to private equity remain in place.

We stand behind our investment process. It has been tested in bull and bear markets alike, and it works. While we will certainly see ups and downs in the future, the Systems' time horizon is, for that reason, very long term—twenty to thirty years. Our patience and discipline paid off in 2003 and will yet produce the overall returns necessary to meet the long term needs of our participants.



Bruce H. Cundick
Chief Investment Officer

Defined Benefit Investments

Investment Highlights

Outline of Investment Policies

THE GOVERNING BODY OF THE UTAH RETIREMENT SYSTEMS (Systems) is the seven member Utah State Retirement Board (Board). The Board is composed of the Utah State Treasurer, who serves as an ex-officio member, and six trustees who are appointed by the Governor. Four board members are appointed for their investment expertise, and two members are appointed to represent employee and employer interests.

The Board has statutory authority to pool pension assets in the Utah Retirement Investment Fund (Fund). Statutes also establish that this Fund shall be invested in accordance with the "prudent person rule". The prudent person rule requires all members of the Board and investment staff to discharge their duties solely in the interest of Systems' participants and beneficiaries and with the care, skill, prudence and diligence which they would exercise in the conduct of their own affairs. To this end a Statement of Investment Policy and Performance

Objectives has been created for the Fund and adopted by the Board. The purpose of this Statement is to:

- Outline the expected return and risk profile for the Fund;
- Establish the target asset allocation mix and acceptable rebalancing ranges;
- Describe plan and manager policies and objectives for performance evaluation;
- Communicate investment performance standards to investment managers.

The primary investment objectives are to preserve Fund assets and generate an appropriate level of risk-adjusted return to meet future pension obligations. The Systems periodically complete an asset allocation and liability study to determine the optimal portfolio diversification to meet those obligations.

The Systems' investment portfolio includes strategic, long-term commitments in the following asset classes: Domestic Equities, Domestic Debt Securities, International Equities, International Debt Securities, Real Estate, and Private Equity.

2003 Investment Summary

(dollars in thousands)

	2003 Beginning Fair Value	Purchases	Sales and Redemptions	Increase (Decrease) in Fair Value	2003 Ending Fair Value	Percent of Total Fair Value
Short-term securities, domestic	\$ 672,742	16,046,404	15,303,736	—	1,415,410	9.72%
Short-term securities, international	90,665	7,966,581	7,889,256	(1,249)	166,741	1.14
Debt securities, domestic	2,029,363	11,340,605	11,064,770	(33,817)	2,271,381	15.60
Debt securities, international	668,833	1,073,277	988,578	37,100	790,632	5.43
Equities, domestic	4,404,921	1,758,819	1,988,516	1,248,292	5,423,516	37.24
Equities, international	1,989,119	826,086	899,980	731,357	2,646,582	18.17
Private equity	761,987	76,367	145,622	(38,438)	654,294	4.49
Real estate	1,123,842	255,679	196,385	4,565	1,187,701	8.16
Mortgage loans	3,985	2,682	5	—	6,662	0.05
Totals	\$11,745,457	39,346,500	38,476,848	1,947,810	14,562,919	100.00%

Defined Benefit Investments

Investment Highlights *(Continued)*

Asset allocation is reviewed in conjunction with the plan liabilities at least every five years.

The Board's policy is to establish a long-term strategic asset allocation that mitigates overall expected portfolio risk (volatility) and maximizes expected return without unduly constraining the discretionary, tactical decision-making process of the investment managers.

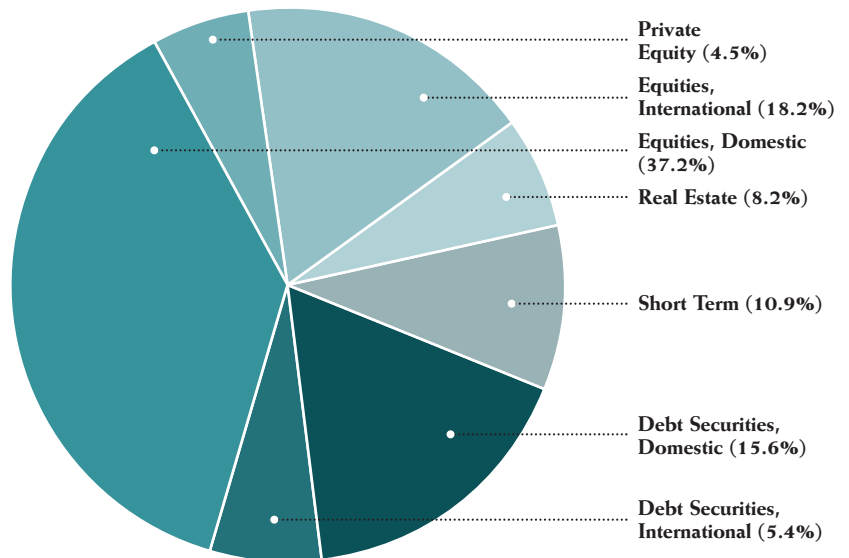
To implement the asset allocation plan, the Executive Director, supported by the Board, staff and consultant, selects appropriate money management experts to invest the Fund assets. This selection process includes the creation of specific search criteria, completion and documentation of analysis and due diligence on potential candidates, and interviews completed by the staff and/or Board. It is not the staff or Board's intention to be involved with the day-to-day decisions made by external investment managers. Internal investment staff also manages segments of the portfolio.

All managers must act within the restrictions established by the investment guidelines put forth in the Statement of Investment Policy. All managers must acknowledge a co-fiduciary status to the Fund. All managers are expected to communicate with the staff at least quarterly.

Managers' portfolios are evaluated both against appropriate market indices and similar manager style groups. The investment policy outlines appropriate benchmarks.

Asset Allocation at Fair Value

DECEMBER 31, 2003



Asset Allocation at Fair Value

	December 31,				
	1999	2000	2001	2002	2003
Debt securities, domestic	14.2%	19.5	21.0	17.3	15.7
Debt securities, international	8.5	5.7	5.9	5.7	5.4
Equities, domestic	38.0	38.5	40.9	37.5	37.2
Equities, international	20.3	15.7	13.9	16.9	18.2
Private equity	7.8	7.8	5.2	6.5	4.5
Real estate	9.1	8.4	8.4	9.6	8.2
Short-term securities	2.1	4.4	4.7	6.5	10.9
Total portfolio	100.0%	100.0	100.0	100.0	100.0

Investment return calculations are prepared using a time-weighted rate of return based on Performance Presentation Standards of the Association for Investment Management and Research (AIMR).

Defined Benefit Investments

Investment Highlights *(Continued)*

Ten-Year Total Pension Investment Rates of Return

(dollars in millions)

		○ (1)	□ (2)	△ (3)
	Total Investment Portfolio Fair Value	Smoothed Expected Rate of Return	Fair Value Rate of Return	Actuarial Assumed Interest Rate
1994	\$ 6,140	8.84%	0.00%	8.00%
1995	7,504	11.64	22.18	8.00
1996	8,669	11.73	15.11	8.00
1997	10,144	13.72	15.75	8.00
1998	11,238	12.64	9.61	8.00
1999	13,057	14.67	16.55	8.00
2000	13,474	11.23	1.86	8.00
2001	12,892	6.80	(4.99)	8.00
2002	11,745	(1.54)	(7.54)	8.00
2003	14,563	8.01	26.00	8.00

(1) **Smoothed Expected Rate of Return** consists of investment income in excess or shortfall of the expected 8% on fair value smoothed over a five-year period with 20% of a year's excess or shortfall being recognized each year beginning with the current year.

(2) **Fair Value Rate of Return** consists of cash income plus gains and losses due to changes in fair value, whether realized or unrealized (before deduction of investment fees). (For 2003, 25.81 net of fees.)

(3) **Actuarial Assumed Interest Rate** is the assumed rate of return on the fair value of assets, and is used in establishing retirement contribution rates and in determining current benefit reserve requirements.

Comparative Investment Results (1)(2)(3)

YEAR ENDED DECEMBER 31, 2003

Investment Category Comparative Index	1 Year	3 Years	5 Years
Domestic Equity	39.29%	1.82%	4.54%
Russell 3000 Index	31.06	(3.05)	0.38
International Equity	40.44	2.28	3.86
80% MSCI EAFE Index, 10% MSCI Emerging Markets Index, 10% Citigroup Extended Markets Index World ex-US	41.89	(0.42)	1.61
Domestic Debt Securities	4.91	5.94	5.84
Lehman Brothers Aggregate Index	4.10	7.57	6.62
International Global Debt Securities	17.66	10.83	5.86
Lehman Brothers Global Aggregate Index	12.51	10.02	5.43
Real Estate	9.94	6.80	8.30
90% NCREIF Real Estate Index 10% NAREIT Index	10.89	8.97	9.98
Private Equity	5.36	(13.17)	3.98
80% Russell 3000 Index + 3.5% 15% Russell 3000 Index + 2.0%	34.47	0.56	3.93
Short Term Investments	1.28	4.05	5.31
Treasury Bills	1.15	2.44	3.66
Utah Retirement Systems in Total	26.00	3.34	5.61
40% Russell 3000 Index, 20% Lehman Brothers Aggregate Index, 18% MSCI ACWI ex US Free Index, 9% NCREIF Total Index, 6% Russell 3000 Index + 3.5% 5% Goble Aggregate Index 1% Utah-Russell 3000 Index + 2% 1% NAREIT	24.76	3.63	4.73
Inflation	1.87	1.95	2.39

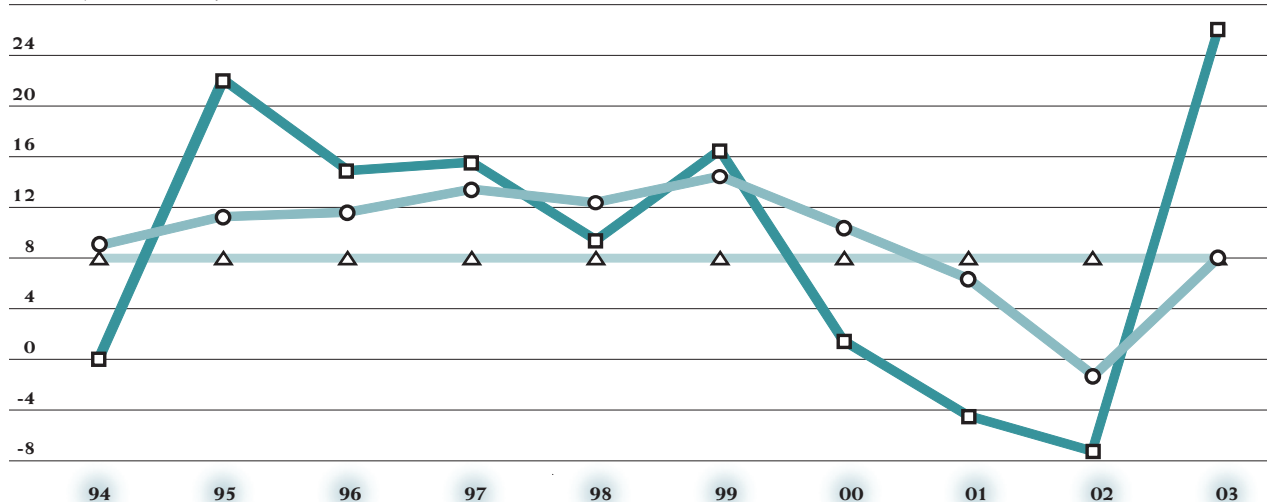
(1) Callan Associates Inc.

(2) Total rates of return include cash income plus gains and losses due to changes in fair value, whether realized or unrealized.

(3) Investment return calculations were prepared using a time-weighted return in accordance with the Performance Presentation Standards of the Association for Investment Management and Research (AIMR).

Ten-Year Total Pension Investment Rates of Return

28% (in percents)



Defined Benefit Investments

Investment Highlights *(Continued)*

List of Largest Assets Held

DECEMBER 31, 2003

Largest Equity Holdings

(By Fair Value)

Description	Shares	Fair Value
General Electric Co.	3,531,645	\$109,410,362
Pfizer Inc.	2,915,282	102,996,913
Exxon Mobil Corp.	2,460,222	100,869,102
Microsoft Corp.	3,315,842	91,318,289
Citigroup Inc.	1,857,978	90,186,252
Intel Corp.	2,555,091	82,273,930
Cisco Systems Inc.	2,514,791	61,084,273
Johnson & Johnson	1,173,406	60,618,154
American International Group Inc.	807,703	53,534,555
International Business Machines Corp.	575,029	53,293,688

Largest Debt Securities Holdings

(By Fair Value)

Description	Par Value	Fair Value
GNMA I Single Family MTG 5% 30 Years Settles Jan Rating AAA	\$81,975,000	81,206,867
GNMA I 30 Yr Single Family Pass-Throughs (SF) 6% 30 Years Settles Jan Rating AAA	72,910,000	75,757,865
FNMA 30 Yr Pass-Throughs 5.5% 30 Years Settles Jan Rating AAA	52,410,000	53,081,382
US Treasury Bonds 6.75% Due 08-15-2026 Reg Rating AAA	39,651,000	47,990,002
FNMA 15 Yr Pass-Throughs 5% 15 Years Settles Jan Rating AAA	46,610,000	47,527,751
GNMA TBA Pool 6.5% TBA Rating AAA	43,100,000	45,416,625
US Treasury Bonds Inflation Index Linked 3.875% 04-15-2029 Rating AAA	27,510,000	40,058,663
FNMA 30 Yr Pass-Throughs 6.5% 30 YEARS Settles Jan Rating AAA	29,700,000	31,061,448
US Treasury NTS DTD 01/18/2000 Inflation Indexed 4.25% Due 01-15-2010 Reg Rating AAA	22,354,000	28,579,143
Germany (Fed Rep) 5.25% BDS 4/1/2008 Euro.01 Rating AAA	20,825,000	28,143,120

A complete list of portfolio holdings is available upon request.

Schedules of Fees and Commissions

Broker Commission Fees

YEAR ENDED DECEMBER 31, 2003

Broker	Total Commission Fees
Goldman Sachs & Company	\$ 54,917
Instinet	8,397
Jefferies and Company	35,717
Morgan Stanley & Company	31,826
UBS Securities LLC	71,201
BNY ESI Securities	630
Investment Technology Group (ITG)	323,983
Total	\$526,671

Schedule of Investment Fees and Commissions

YEAR ENDED DECEMBER 31, 2003

Investment advisor fees:	
Equity securities, domestic	\$ 7,496,607
Equity securities, international	9,676,204
Debt securities, domestic	2,794,643
Debt securities, international	1,698,644
Private equity	8,337,392
Real Estate	1,167,782
Total investment advisor fees	31,171,272
Investment brokerage fees	526,671
Total fees and commissions	\$31,697,943

Defined Benefit Investments

Investment Professionals

Investment Advisors

Defined Benefit Plan— Equities

Abbott Capital Management, LLC
1211 Avenue of the Americas
Suite 4300
New York, NY 10036

AEW Capital Management L.P.
World Trade Center East
Two Seaport Lane
Boston, MA 02110-2021

Arnhold & S. Bleichroeder
Advisors, Inc.
1345 Avenue of the Americas
New York, NY 10105

Bay Isle Financial Corporation
475 14th Street, Suite 550
Oakland, CA 94612

Brandes Investment Partners L.P.
11988 El Camino Real, Suite 500
San Diego, CA 92130

Capital International
333 South Hope Street
Los Angeles, CA 90071

CS First Boston
11 Madison Avenue
New York, NY 10010

Dimensional Fund Advisors, Inc.
1299 Ocean Avenue
Santa Monica, CA 90401

Goldman Sachs Asset Management
32 Old Slip
New York, NY 10005

Invesco Global (N.A.), Inc.
1360 Peachtree Street
Suite 100
Atlanta, GA 30309

Mazama Capital
One SW Columbia Street
Suite 1500
Portland, OR 97258

Morgan Stanley Asset Management
1221 Avenue of the Americas
5th Floor
New York, NY 10020

Pathway Capital Management, LLC
5 Park Plaza, Suite 300
Irvine, CA 92614

Putnam Investments
1 Post Office Square
Boston, MA 02109

Schneider Capital Management
460 East Swedesford Road
Suite 1080
Wayne, PA 19087

State Street Global Advisors
State Street Financial Center
One Lincoln Street
Boston, MA 02111

Wasatch Advisors, Inc.
150 Social Hall Avenue
Suite 400
Salt Lake City, UT 84111

Defined Benefit Plan— Debt Securities

Banc One Investment Advisors
1 Bank One Plaza
Mail Suite IL1-0601
Chicago, IL 60670-0601

Black Rock Asset Management
40 East 52nd Street
New York, NY 10022

Capital Guardian Trust Co.
135 South State College Blvd.
Brea, CA 92821

Western Asset Management Co.
385 East Colorado Blvd.
Suite 1000
Pasadena, CA 91101

Defined Benefit Plan— Real Estate

BNA Realty Advisors
Barlow Nielsen Associates
358 South Rio Grande, Suite 250
Salt Lake City, UT 84101

CB Richard Ellis
865 South Figueroa Street
Suite 3500
Los Angeles, CA 90071

Cottonwood Partners
2855 East Cottonwood Parkway
Suite 560
Salt Lake City, UT 84121

CS First Boston
11 Madison Avenue
New York, NY 10010

Goldman, Sachs & Company
85 Broad Street
New York, NY 10004

Hancock Timber Resources Group
99 High Street
Boston, MA 02110

Lazard Freres & Co., LLC
30 Rockefeller Plaza
New York, NY 10020

OPUS Group, LLC
P.O. Box 59110
Minneapolis, MN 55459

Henderson Global Investors
One Financial Plaza
Hartford, CT 06103

Security Capital European Realty
Batchworth House
Batchworth Place Church Street
Rickmansworth, Hertfordshire
WD31JE, England

USAA Real Estate Company
9830 Colonnade Blvd.
Suite 600
San Antonio, TX 78230

Utah Retirement Systems Consultants

Callan Associates Inc.
101 California Street, Suite 3500
San Francisco, CA 94111

The Northern Trust Company
50 South LaSalle Street
Chicago, IL 60675

401(k) and 457 Investments

401(k) AND 457 INVESTMENTS

Investment Highlights

Introduction

UTAH RETIREMENT SYSTEMS' 401(k) AND 457 Plans are tax-deferred retirement savings programs authorized under sections 401(k) and 457 of the Internal Revenue Code. These plans are available to employees of the state, local government and public education employers throughout Utah. The participants of the plans have a choice of eleven investment funds in which their monies may be invested. Each participant may choose one or a combination of these funds.

In addition, there is a Group Annuity Fund that is closed to contributions, but where current balances still exist. The table to the right shows the

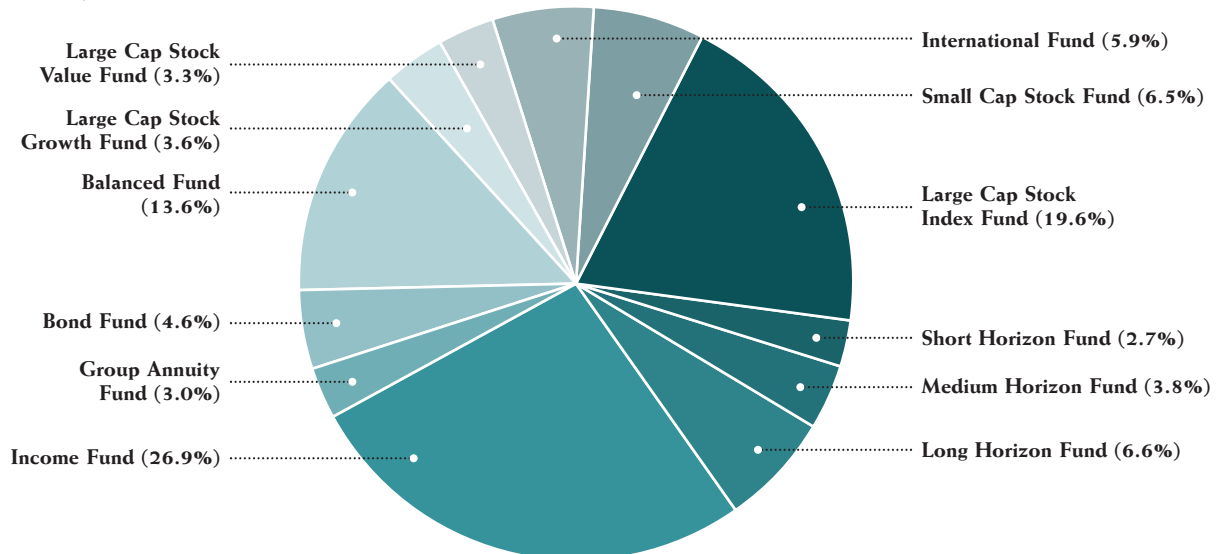
total investments in the various investment options. The asset graph below shows the asset distribution at December 31, 2003.

401(k) and 457 Plan Investments

Investment Options	(in thousands) Total
Income Fund	\$ 488,856
Bond Fund	84,157
Balanced Fund	246,454
Large Cap Stock Value Fund	60,670
Large Cap Stock Index Fund	355,811
Large Cap Stock Growth Fund	65,067
International Fund	107,676
Small Cap Stock Fund	118,636
Short Horizon Fund	48,532
Medium Horizon Fund	69,584
Long Horizon Fund	119,369
Group Annuity Fund (closed to contributions)	53,728
Total	\$1,818,540

401(k) and 457 Investments

DECEMBER 31, 2003



401(k) and 457 Investments*Investment Highlights* (Continued)**2003 Investment Summary and Investment and Administrative Fees**

(dollars in thousands)

Fund	2003 Beginning Fair Value	Purchases	Sales and Redemptions	Increase (Decrease) in Fair Value	2003 Ending Fair Value	Percent of Total Fair Value	Invest- ment Fees	Admin- istrative Fees	Total Fees
Income Fund	\$ 470,253	1,256,460	1,222,976	(14,881)	488,856	26.88%	0.14%	0.30%	0.44%
Bond Fund	100,720	116,797	131,076	(2,284)	84,157	4.63	0.37	0.30	0.67
Balanced Fund	202,013	18,734	13,234	38,941	246,454	13.55	0.39	0.30	0.69
Large Cap Stock Value Fund	28,118	48,880	27,567	11,239	60,670	3.34	0.44	0.30	0.74
Large Cap Stock Index Fund	272,544	93,442	89,834	79,659	355,811	19.57	0.03	0.30	0.33
Large Cap Stock Growth Fund	45,797	136,868	133,280	15,682	65,067	3.58	0.34	0.30	0.64
Small Cap Stock Fund	53,555	139,324	98,676	24,433	118,636	6.52	0.17	0.30	0.47
International Fund	68,046	1,604,538	1,579,832	14,924	107,676	5.92	0.35	0.30	0.65
Short Horizon Fund	40,359	18,169	12,627	2,631	48,532	2.67	0.29	0.30	0.59
Medium Horizon Fund	45,417	20,570	6,525	10,122	69,584	3.83	0.31	0.30	0.61
Long Horizon Fund	74,251	28,896	7,306	23,528	119,369	6.56	0.26	0.30	0.56
Group Annuity Fund (closed to contributions)	57,035	—	4,409	1,102	53,728	2.95	1.13	0.30	1.43
Totals	\$1,458,108	3,482,678	3,327,342	205,096	1,818,540	100.00%			

**Investment and
Administrative Expenses**

There are no front-end load, redemption, or other hidden fees associated with these plans; although Beneficial Life Insurance Company may impose a penalty on transfers from the Group Annuity Fund. All costs reflected in the table above are deducted from earnings prior to posting to participant accounts and do not appear as separate items on participant statements.

By administering the defined contribution plans internally rather than through a third party, expenses are kept at very low levels to maximize earnings to each participant. The table above shows these expenses to be nominal when compared to much higher fees on most annuities, mutual funds and insurance contracts.

An annual account maintenance fee of \$15 is assessed to inactive accounts with combined 401(k) and 457 plan balances of less than \$5,000.

Rates of Return

Rates of return shown on the accompanying chart on page 99 are net rates, after investment and administrative costs and fees have been deducted.

401(k) and 457 Investments*Investment Highlights* (Continued)**401(k) and 457 Plans Comparative Annualized Rates of Return**

YEAR ENDED DECEMBER 31, 2003

Investment Option Comparative Index	1 Year	3 Year	5 Year	10 Year
Income Fund	3.87%	5.33%	5.56%	6.03%
<i>Treasury Bills Index</i>	1.15	2.44	3.66	4.41
Bond Fund	5.75	8.81	7.10	NA*
<i>Lehman Aggregate Bond Index</i>	4.10	7.57	6.62	6.95
Balanced Fund	20.12	3.22	4.02	9.03
<i>Balanced Index (1)</i>	18.64	1.25	2.87	9.87
Large Cap Stock Value Fund	32.11	8.79	NA*	NA*
<i>Russell 1000 Value Index</i>	30.03	1.22	3.56	11.88
Large Cap Stock Index Fund	28.20	(4.25)	(0.98)	10.74
<i>S&P 500 Index</i>	28.68	(4.05)	(0.57)	11.07
Large Cap Stock Growth Fund	21.80	(12.40)	(8.17)	NA*
<i>Russell 1000 Growth Index</i>	29.75	(9.36)	(5.11)	9.21
International Fund	36.13	(1.59)	5.31	NA*
<i>MSCI EAFE Index</i>	38.59	(2.91)	(0.06)	4.47
Small Cap Stock Fund	51.43	11.31	12.10	NA*
<i>Russell 2000 Index</i>	47.25	6.27	7.13	9.47
Short Horizon Fund	9.02	6.55	6.59	NA*
<i>Short Horizon Index (2)</i>	7.55	5.21	5.84	7.60
Medium Horizon Fund	19.98	3.63	4.90	NA*
<i>Medium Horizon Index (3)</i>	19.74	2.65	4.02	8.25
Long Horizon Fund	27.60	1.45	3.76	NA*
<i>Long Horizon Index (4)</i>	27.89	0.17	2.36	8.47
Group Annuity Fund (5)	5.09	5.62	5.85	5.93
<i>Treasury Bill Index</i>	1.15	2.44	3.66	4.41

Past performance does not guarantee future results.

All fund returns are reported net of fees including investment management fees and administrative fees. All returns for periods greater than one year are annualized.

Investment return calculations were prepared using a time-weighted return in accordance with the Performance Presentation Standards of the Association for Investment Management and Research (AIMR).

Comparative indexes below reflect current asset allocation targets.

(1) *Balanced Index*: 60% S&P 500 Index, 40% Lehman Brothers Aggregate Bond Index

(2) *Short Horizon Index*: 20% Treasury Bills, 65% LB Aggregate Bond, 10% S&P 500, 5% MSCI EAFE

(3) *Medium Horizon Index*: 45% LB Aggregate Bond, 35% S&P 500, 15% MSCI EAFE, 5% Russell 2000

(4) *Long Horizon Index*: 20% LB Aggregate Bond, 45% S&P 500, 25% MSCI EAFE, 10% Russell 2000

(5) *The Group Annuity Fund* is closed to future contributions. Returns prior to 1998 represent performance of the 401(k) Group Annuity Fund.

*This fund has existed less than the number of years indicated.

*Investment Professionals***401(k) and 457 Plans Investment Professionals**

American Express Trust Co.
50900 AXP Financial Center
Minneapolis, MN 55474
(Income Fund)

Beneficial Life Insurance Co.
Beneficial Life Tower
36 South State Street
Salt Lake City, UT 84136
(Group Annuity Fund)

Capital Guardian Trust Co.
333 South Hope Street
Los Angeles, CA 90071
(International Fund)

Dimensional Fund
Advisors, Inc.
1299 Ocean Avenue
Santa Monica, CA 90401
(Small Cap Stock Fund)

Dodge & Cox
One Sansome Street
San Francisco, CA 94104
(Bond Fund, Large Cap Stock Value Fund, Balanced Fund)

Alliance Capital
Management L.P.
1345 Avenue of the Americas
New York, NY 10105
(Balanced Fund, Large Cap Stock Growth Fund)

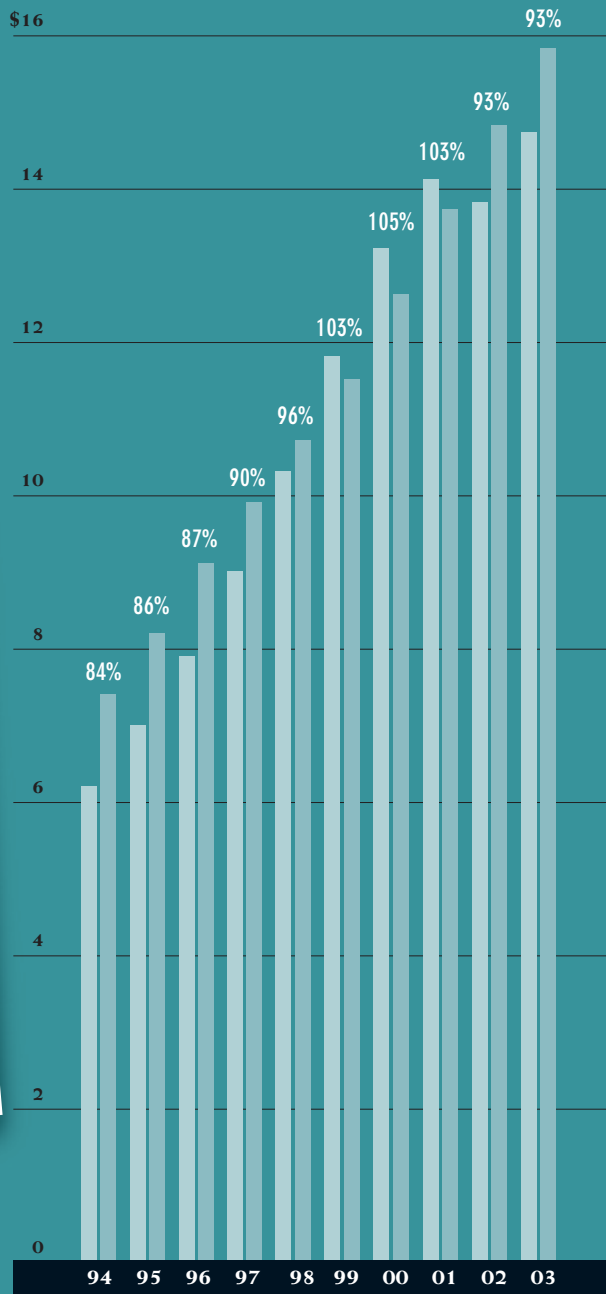
Utah Retirement Systems
540 East 200 South
Salt Lake City, UT 84102
(Large Cap Stock Index Fund)

All Retirement Systems

(dollars millions)

*Funding Progress
With Funded Ratios*

FUNDING
PROGRESS
WITH
FUNDED RATIOS

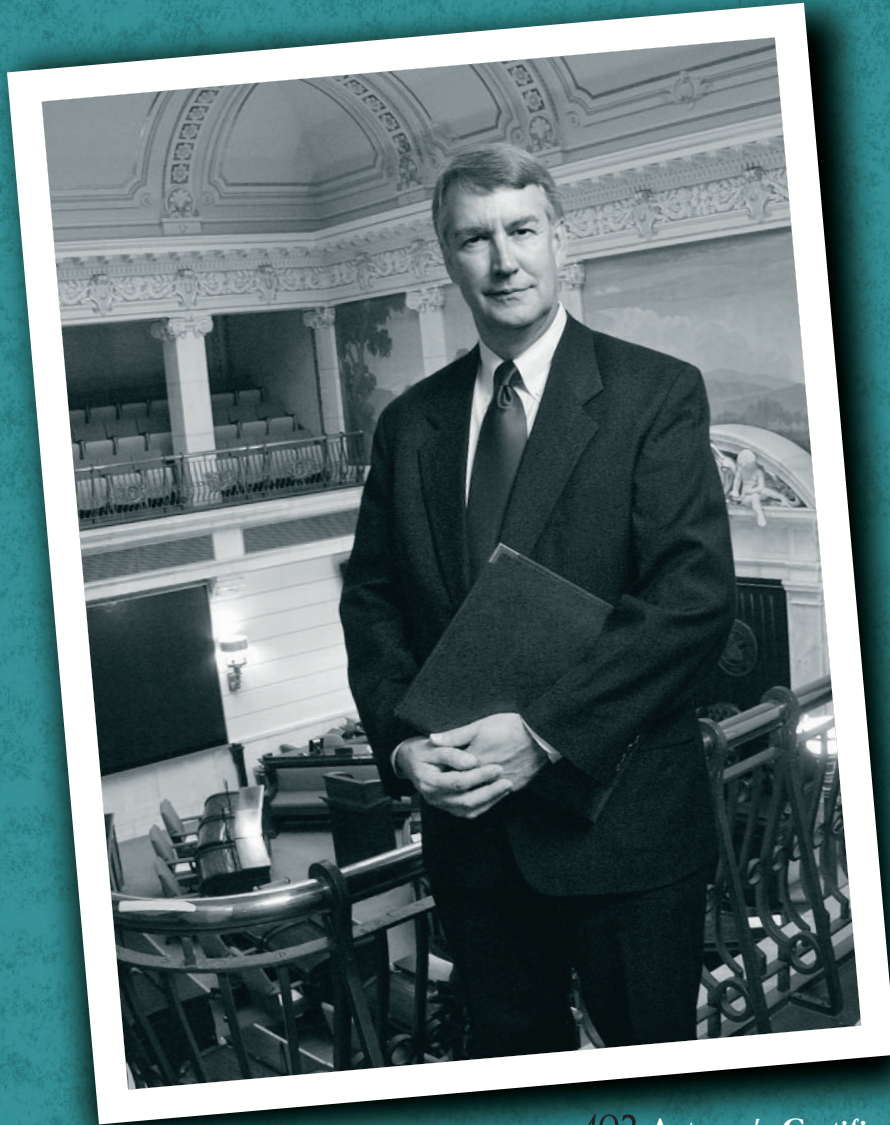


(dollars in billions)

	94	95	96	97	98	99	00	01	02	03
Actuarial Value of Assets	\$ 6.2	7.0	7.9	9.0	10.3	11.8	13.2	14.1	13.8	14.7
Accrued Actuarial Liability	7.4	8.2	9.1	9.9	10.7	11.5	12.6	13.7	14.8	15.8
Funding Ratios	84%	86%	87%	90%	96%	103%	105%	103%	93%	93%

Actuarial Section

ACTUARIAL SECTION



	102 Actuary's Certification Letter
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112 Schedules of Active Member Valuation Data	113 Schedules of Retirants and Beneficiaries
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	122 Summary of 401(k) and 457 Plans

Actuary's Certification Letter



GABRIEL, ROEDER, SMITH & COMPANY
Consultants & Actuaries

5605 N. MacArthur Blvd. • Suite 870 • Irving, Texas 75038-2631 • 469-524-0000 • fax 469-524-0003

August 14, 2003

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

Dear Members of the Board

Subject: Certification of 2003 Actuarial Valuation

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. Valuations are prepared annually, as of January 1, the first day of the URS plan year.

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. Contribution rates determined by a given actuarial valuation become effective eighteen months after the valuation date. I.e., the rates determined by this January 1, 2003 actuarial valuation will be used by the Board when certifying the employer contribution rates for the year beginning July 1, 2004 and ending June 30, 2005. 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 have been:

- To set rates so that the unfunded actuarial accrued liability (UAAL) will be amortized over a 20-year 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 an amortization rate which results in the amortization of the UAAL over twenty years in installments which increase at the assumed rate of growth in payroll for URS. The current assumed rate of growth in payroll for URS is 4.00%.

The Board uses an open 20-year amortization period. In other words, a 20-year amortization period is used in each valuation, rather than having the period decrease to 19, 18, etc.

Under this policy, the objective of maintaining relatively level contribution rates over time is achieved in normal conditions such as consistent market conditions.

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 100%. Because of the investment losses recognized in the actuarial value of assets, the funded ratio for all but one of the funds in URS decreased since the last valuation. The exception was the fund for the 3% substantial substitute.

For all systems combined, the funded ratio decreased from 102.7% to 92.8%. Most of the individual funds have ratios over 90%, and only the 3% Substantial Substitute Fund and the Salt Lake City Noncontributory

Public Safety Fund have funded ratios less than 85%. While the funded ratio for all systems combined has decreased each of the last two years, it must be pointed out that the funded ratio for all systems combined was 76.9% in 1990. Significant progress has been made over the last thirteen years, even though a number of benefit increases have been granted during that time, and even though the 3% substantial substitute was added as a URS liability. However, it must also be noted that if market value had been used in the calculation instead of actuarial value, the aggregate funded ratio for all funds combined would have been 77.3%.

Benefit provisions

The benefit provisions reflected in this valuation are those which were in effect on January 1, 2003, or which were adopted by the end of the 2003 legislative session and are effective on or before July 1, 2003.

None of the new legislation adopted since the preceding valuation date had a measurable impact on our results.

Assumptions and methods

The Board, in consultation with the actuary, sets the actuarial assumptions and methods used in the valuation. In connection with the valuations in even-numbered years, the actuary conducts a thorough review of plan experience for the preceding five years, and then makes recommendations to the Board.

The current actuarial assumptions and methods are the same as used for the prior valuation. These assumptions and methods were adopted effective January 1, 2002.

It is our opinion that the recommended assumptions are internally consistent and are reasonably based on past and anticipated future experience of the System. We believe that the assumptions meet the parameters for financial statement disclosure established by Governmental Accounting Standards Board Statement No. 25 (GASB 25).

Data

Member data for retired, active and inactive members was supplied as of December 31, 2001 by the System's staff. We did not audit this data, but we did apply a number of tests to the data, and we concluded that it was reasonable and consistent with the prior year's data. The staff also supplied asset information as of December 31, 2001.

Certification

We certify that the information presented herein is accurate and fairly portrays the actuarial position of URS as of January 1, 2003. We prepared the accompanying Summary of Actuarial Assumptions and Methods, but the URS staff prepared the other supporting schedules in this section and the trend tables in the financial section based on information supplied in our report. The staff rolls forward to December 31 the actuarial liabilities supplied in our report as of January 1, and the staff computes the actuarial value of assets as of December 31. These procedures have been reviewed by us and found reasonable.

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 Carter and Mr. Conradi are Enrolled Actuaries and Members of the American Academy of Actuaries, and all three are experienced in performing valuations for large public retirement systems.

Sincerely,
Gabriel, Roeder, Smith & Company



Lewis Ward
Consultant



J. Christian Conradi, ASA, EA, MAAA
Senior Consultant



W. Michael Carter, FSA, EA, MAAA
Senior Consultant

GABRIEL, ROEDER, SMITH & COMPANY

Summary of Actuarial Assumptions and Methods

SUMMARY OF ACTUARIAL ASSUMPTIONS AND METHODS

AS OF JANUARY 1, 2003

THE ACTUARIAL VALUATION WAS PREPARED using the entry age actuarial cost method. As described in the certification letter, the contribution rates are set

based on the board's funding policy, which states the contribution rate will not be less than the amount needed to amortize the unfunded actuarial accrued liability of each System over a 20-year period from the valuation date (January 1, 2003).

In calculating this minimum, amortization payments are designed to remain level as a percent of payroll, and payroll is assumed to increase 4.0% per year. Under this method, actuarial gains and losses are identified and amortized as part of the unfunded actuarial accrued liability over a 20-year period.

The future investment earnings of the assets of the Systems are assumed to accrue at an annual rate of 8%, compounded annually. This rate is made up of a 3.0% assumed inflation rate and a 5.0% assumed real rate of return. This assumption was adopted January 1, 2000.

The total rates of assumed annual salary increase are shown on the actuarial schedule on page 107. The rates include increases due to promotion and longevity and a 4.75% per annum rate of increase in the general wage level of the membership. Salaries of judges are assumed to increase at 4.75%. These assumptions were adopted January 1, 2002. (Rates for public safety members were adopted January 1, 2003.)

Post retirement benefit increases are based on the Consumer Price Index, limited by the provisions of each System. For members of the

Public Safety Retirement System, annual increases are assumed to be 2.5%. All other Systems' annual increases are assumed to be 3.0%. Increases are based on the member's original retirement allowance except in the Judges Retirement System, where increases are compounded.

Tables of mortality rates for members retired for service and beneficiaries were developed from standard mortality tables. The mortality basis is dependent upon the member's class and gender as shown below. These rates were adopted January 1, 2003. Mortality rates for active members were developed from actual experience of that group.

Mortality among disabled members is based on a special 1981 Disability Table developed by a pre-

vious actuary from the Systems' experience. Rates for males are based on a 2-year set forward and rates for females are based on a 2-year setback. These rates were modified January 1, 2003.

Other demographic assumptions regarding retirement, mortality, disablement and termination from employment are illustrated in the following actuarial schedules.

The retirement assumptions illustrated are for members of the Systems who are eligible to retire with 30 years of service. The rates vary by age and service groupings.

Rates of assumed termination from employment at any age are assumed to vary during the first five years of employment. The rates of termination illustrated are for members in their first or in their sixth or subsequent year of service; rates at intermediate points fall between the two sets illustrated. All terminating members who are not eligible for vested benefits are assumed to withdraw their contributions immediately. Vested members are assumed to withdraw their contributions and forfeit the right to further benefits at the rates illustrated.

The Retirement Board uses the expected rate of return method for calculating the actuarial value of assets. This method is based on the total earnings of the commingled investments and spreads the excess/shortfall of actual investment returns over or under the expected return over five years. One-fifth of the excess/shortfall is recognized each year. The actuarial values of assets under this method were calculated and reported to us by the Systems' staff.

All of the actuarial assumptions were adopted by the Retirement Board in 2003, as recommended by the actuary.

Retired Member Mortality

Class of Member

Educators

Men	UP94M (-4)
Women	UP94F (0)

Public Safety and Firefighters

Men	UP94M (0)
Women	UP94F (0)

Local Government, Public Employees and All Beneficiaries

Men	UP94M (-2)
Women	UP94F (0)

UP94M (xx) = 1994 Unisex Pensioners Mortality Table for Males adjusted xx years.

UP94F (xx) = 1994 Unisex Pensioners Mortality Table for Females adjusted xx years.

Summary of Actuarial Assumptions and Methods (Continued)

AS OF JANUARY 1, 2003

	Percent Retiring Within Next Year Among Active Members							
	Retirement Age	Eligible for Retirement						Governors and Legislative Pension Plan
		Male			Female			
		State and School Division		Local Government Division	State and School Division		Local Government Division	
Educators	Public Employees		Educators	Public Employees				
Contributory and Noncontributory Retirement Systems	55	30.00%	20.00%	30.00%	35.00%	30.00%	40.00%	0.00%
<i>Adopted January 1, 2000</i>	56	30.00	20.00	30.00	35.00	30.00	40.00	0.00
	57	30.00	20.00	30.00	35.00	30.00	40.00	0.00
	58	30.00	20.00	30.00	35.00	30.00	40.00	0.00
	59	30.00	20.00	30.00	35.00	30.00	40.00	0.00
	60	60.00	50.00	50.00	50.00	60.00	50.00	0.00
	61	40.00	35.00	40.00	50.00	40.00	40.00	0.00
	62	70.00	60.00	65.00	70.00	60.00	60.00	100.00
	63	49.00	30.00	50.00	50.00	40.00	40.00	100.00
	64	56.00	30.00	50.00	50.00	40.00	40.00	100.00
	65	75.00	70.00	80.00	75.00	75.00	70.00	100.00
	66	60.00	50.00	50.00	50.00	50.00	30.00	100.00
	67	60.00	50.00	50.00	50.00	50.00	30.00	100.00
	68	60.00	50.00	50.00	50.00	50.00	30.00	100.00
	69	60.00	50.00	50.00	50.00	50.00	30.00	100.00
	70	100.00	100.00	100.00	100.00	100.00	100.00	100.00

Percent Retiring Within Next Year Among Active Members Eligible for Retirement						
	Retirement Age		Retirement Age		Retirement Age	
Public Safety Retirement System	45	14.00%	52	14.00%	59	33.00%
<i>Adopted January 1, 2000</i>	46	14.00	53	14.00	60	50.00
	47	14.00	54	14.00	61	50.00
	48	14.00	55	33.00	62	50.00
	49	14.00	56	33.00	63	50.00
	50	14.00	57	33.00	64	50.00
	51	14.00	58	33.00	65	100.00

Percent Retiring Within Next Year Among Active Members Eligible for Retirement						
	Retirement Age		Retirement Age		Retirement Age	
Firefighters Retirement System	45	6.00%	52	35.00%	59	75.00%
<i>Adopted January 1, 2000</i>	46	6.00	53	35.00	60	75.00
	47	6.00	54	35.00	61	75.00
	48	6.00	55	75.00	62	75.00
	49	6.00	56	75.00	63	75.00
	50	35.00	57	75.00	64	75.00
	51	35.00	58	75.00	65	100.00

Percent Retiring Within Next Year Among Active Members Eligible for Retirement						
	Retirement Age		Retirement Age		Retirement Age	
Judges Retirement System	60	5.00%	64	30.00%	68	50.00%
<i>Adopted January 1, 1990</i>	61	5.00	65	50.00	69	50.00
	62	10.00	66	50.00	70	100.00
	63	20.00	67	50.00		

Summary of Actuarial Assumptions and Methods (Continued)

AS OF JANUARY 1, 2003

Other Termination of Employment Percent of Active Members Separating Within Next Year

	Retirement Age	Other Termination of Employment Percent of Active Members Separating Within Next Year						Governors and Legislative Pension Plan
		Male			Female			
		State and School Division		Local Government Division	State and School Division		Local Government Division	
		Educators	Public Employees		Educators	Public Employees		
During the First Year of Service								
Contributory and Noncontributory Retirement Systems <i>Adopted January 1, 2000</i>	25	14.98%	35.36%	18.84%	22.57%	30.44%	27.66%	10.00%
	30	12.68	29.03	15.88	15.87	27.40	25.72	10.00
	35	11.95	25.25	13.73	12.28	24.11	23.52	10.00
	40	11.30	22.79	12.35	11.87	20.88	21.25	10.00
	45	11.52	20.67	11.84	11.35	18.08	19.22	10.00
	50	13.43	18.41	12.28	10.24	16.10	17.99	10.00
	55	17.64	15.90	13.83	8.34	15.24	18.25	10.00
	60	18.53	13.22	14.52	8.77	15.79	20.66	10.00
During the Sixth and Subsequent Years of Service								
Contributory and Noncontributory Retirement Systems <i>Adopted January 1, 2000</i>	25	6.29%	11.85%	8.15%	13.04%	18.70%	13.16%	10.00%
	30	4.30	8.32	6.05	8.38	11.87	8.95	10.00
	35	2.90	5.78	4.63	5.21	7.56	6.18	10.00
	40	2.08	4.10	3.81	3.47	5.26	4.73	10.00
	45	1.62	3.04	3.34	2.74	4.05	4.22	10.00
	50	1.25	2.43	3.11	2.45	3.43	4.21	10.00
	55	0.93	2.42	3.36	2.43	3.34	4.32	10.00
	60	0.98	3.24	3.52	2.55	3.75	4.43	10.00
Public Safety Retirement System <i>Adopted January 1, 2000</i>								
	Age	During the First Year		During the Sixth and Subsequent Years				
	25	9.56%		6.16%				
	30	9.12		4.17				
	35	10.02		2.74				
	40	12.18		1.82				
	45	15.42		1.35				
	50	19.61		1.15				
	55	24.57		1.14				
	60	30.22		1.25				
Firefighters Retirement System <i>Adopted January 1, 1996</i>								
	Age	During the First Year		During the Sixth and Subsequent Years				
	25	12.43%		1.50%				
	30	9.98		1.40				
	35	7.52		1.30				
	40	5.21		0.70				
	45	7.22		0.49				
	50	11.01		0.27				
	55	16.84		0.09				
	60	24.71		0.13				
Judges Retirement System								
		None assumed.						

Summary of Actuarial Assumptions and Methods *(Continued)*

	Years of Service	Total Annual Increase in Salary (Male and Female)				
		State and School Division		Local Government Division	Public Safety Retirement System	Firefighters Retirement System
		Educators	Public Employees			
All Retirement Systems Adopted January 1, 2002 <i>(Public Safety adopted January 1, 2003)</i>	0	15.00%	10.75%	11.75%	10.75%	11.75%
	1	10.75	9.25	9.25	7.75	10.50
	2	9.25	8.25	8.25	7.50	9.75
	3	9.00	7.75	7.25	7.25	9.25
	4	8.75	7.25	7.00	7.00	8.75
	5	8.50	7.00	6.75	6.75	8.50
	6	8.00	6.50	6.75	6.75	8.25
	7	7.75	6.25	6.50	6.50	8.25
	8	7.50	6.25	6.50	6.50	8.00
	9	7.25	6.00	6.25	6.25	8.00
	10	6.75	6.00	6.00	6.25	7.75
	11	6.50	5.75	5.75	6.00	7.75
	12	6.00	5.50	5.50	5.75	6.75
	13	5.50	5.50	5.25	5.50	5.75
	14	5.00	5.25	5.25	5.25	5.25
	15	4.75	4.75	4.75	4.75	4.75

	Age	Probability Mortality Within the Next Year for Active Members			
		Male		Female	
		Educators	Local Government and Public Employees	Educators	Local Government and Public Employees
Contributory and Noncontributory Retirement Systems <i>Adopted January 1, 2000</i>	20	0.0187%	0.0597%	0.0404%	0.0344%
	25	0.0171	0.0443	0.0164	0.0313
	30	0.0188	0.0536	0.0073	0.0331
	35	0.0242	0.0783	0.0158	0.0402
	40	0.0449	0.1002	0.0379	0.0547
	45	0.0767	0.1229	0.0694	0.0802
	50	0.1481	0.1798	0.1072	0.1212
	55	0.2688	0.3036	0.1478	0.1812
	60	0.4256	0.4958	0.2047	0.2614
	65	0.5426	0.7540	0.2845	0.3603
	70	0.6020	1.0807	0.3903	0.4766

	Years of Service	Percent Electing a Refund of Contributions Upon Termination While Vested					
		Male			Female		
		Educators	Public Employees	Local Government Division	Educators	Public Employees	Local Government Division
Contributory and Noncontributory Retirement Systems <i>Adopted January 1, 1993</i>	0-3	100%	100%	100%	100%	100%	100%
	4	75	86	75	65	80	77
	5	73	83	73	64	79	75
	10	54	73	61	53	64	61
	15	33	63	49	32	52	40
	19	9	29	23	8	22	13
	20	0	0	0	0	0	0

	Probability Mortality Within the Next Year for Active Members				Percent Electing a Refund of Contributions Upon Termination While Vested	
	Public Safety and Firefighters Employees		Public Safety and Firefighters Retirement Employees		Years of Service	Public Safety and Firefighters Retirement Employees
	Age	Age	Age	Age		
Public Safety Retirement System and Firefighters Retirement System <i>Adopted January 1, 2000</i>	20	0.0525%	50	0.2101%	0-3	100%
	25	0.0499	55	0.3228	4	76
	30	0.0495	60	0.4440	5	74
	35	0.0520	65	0.5606	10	57
	40	0.0721	70	0.6713	15	35
	45	0.1234			19	15
					20	0

Analysis of Financial Experience

AS OF DECEMBER 31

(in thousands)

System	January 1, 2002		Amortization Payments	Liability (Gain) Loss	Asset (Gain)	Change in Actuarial Assumptions	Change in Benefit Provisions	Asset Transfers	January 1, 2003
	Unfunded Accrued	Actuarial Liability							Unfunded Actuarial Accrued Liability
Contributory	\$ 21,389	(192)	2,632	93,731	—	—	(39,932)	77,628	
Noncontributory	(298,310)	(14,287)	138,464	1,049,968	—	—	39,932	915,767	
Public Safety	(10,332)	2,159	(12,936)	130,165	—	—	—	109,056	
Firefighters	(77,877)	(5,417)	(3,206)	54,075	—	—	—	(32,425)	
Judges	(6,662)	(547)	(1,855)	8,733	—	—	—	(331)	
Governors and Legislative	(3,528)	(151)	472	1,194	—	—	—	(2,013)	

Member and Employer Contribution Rates

AS OF DECEMBER 31

System	Year	Contributory			Noncontributory	
		Member	Employer	Employer	Employer	Employer
Contributory and Noncontributory Retirement System			State and School	Local Government	State and School	Local Government
	1994	6.00%	8.68%	4.81%	13.00%	8.63%
	1995	6.00	8.65	4.86	12.97	8.68
	1996	6.00	9.67	6.42	13.99	10.24
	1997	6.00	9.67	6.50	14.16	10.51
	1998	6.00	9.67	6.73	14.16	10.74
	1999	6.00	9.67	6.73	14.16	10.74
	2000	6.00	9.19	6.31	13.68	10.32
	2001	6.00	5.91	4.19	10.40	8.20
	2002	6.00	5.91	4.68	10.40	8.69
	2003	6.00	7.21	5.61	11.70	9.62
Firefighters Retirement System		Division A (with Social Security)		Division B (without Social Security)		All Divisions Fire Insurance Premium Tax
		Member	Employer	Member	Employer	
	1994	13.31%	—%	16.71%	5.68%	6.14%
	1995	13.31	—	16.71	3.50	7.31
	1996	13.31	—	16.71	6.64	7.98
	1997	13.31	—	16.71	6.43	8.19
	1998	13.31	—	16.71	4.74	8.48
	1999	13.31	—	16.71	0.54	8.60
	2000	10.20	—	15.50	—	8.71
	2001	6.77	—	8.43	—	8.28
	2002	7.82	—	7.83	—	8.88
2003	8.21	—	7.83	—	10.35	
Judges Retirement System		Contributory		Noncontributory	Judges	Governors and Legislative Appropriation
		Member	Employer	Employer	Court Fees	
	1994	8.00%	8.87%	—	26.02%	\$—
	1995	8.00	9.31	—	26.11	—
	1996	8.00	10.70	—	25.62	—
	1997	8.00	12.21	20.21%	24.11	—
	1998	8.00	11.00	19.00	22.86	—
	1999	8.00	7.39	15.39	21.16	—
	2000	8.00	7.10	15.10	20.29	—
	2001	5.55	—	5.55	18.93	—
	2002	4.92	—	4.92	18.40	—
2003	7.08	—	7.08	18.06	—	

Member and Employer Contribution Rates (Continued)

AS OF DECEMBER 31

System	Year	State of Utah		Other Division A (with Social Security)		Bountiful					
		Member	Employer	Member	Employer	Member	Employer				
Public Safety Retirement System Contributory Division A	1994	12.29%	7.53%	12.29%	1.48%	11.94%	0.94%				
	1995	12.29	10.77	12.29	3.82	11.94	10.54				
	1996	12.29	10.82	12.29	3.72	11.94	5.77				
	1997	12.29	12.26	12.29	5.62	11.94	8.98				
	1998	12.29	12.26	12.29	5.87	11.94	10.36				
	1999	12.29	14.12	12.29	6.84	—	—				
	2000	12.29	12.98	12.29	5.88	—	—				
	2001	12.29	8.81	12.29	2.41	—	—				
	2002	12.29	8.05	12.29	2.17	—	—				
	2003	12.29	10.02	12.29	4.52	—	—				
Public Safety Retirement System Noncontributory Division A	1994	—	17.96%	—	12.68%	—	14.80%				
	1995	—	21.19	—	15.22	—	18.36				
	1996	—	20.60	—	14.47	—	16.97				
	1997	—	22.94	—	17.09	—	20.65				
	1998	—	23.14	—	17.42	—	22.05				
	1999	—	24.98	—	18.43	—	23.99				
	2000	—	23.62	—	17.40	—	23.18				
	2001	—	19.68	—	14.08	—	19.03				
	2002	—	18.94	—	13.89	—	17.41				
	2003	—	21.15	—	16.24	—	18.63				
Public Safety Retirement System Contributory Division B	1994	Salt Lake City		Ogden		Logan		Provo		Other Division B (without Soc Sec)	
		Member	Employer	Member	Employer	Member	Employer	Member	Employer	Member	Employer
	1995	13.74%	0.00%	13.18%	9.68%	11.13%	7.22%	13.54%	10.68%	10.50%	4.27%
	1996	13.74	20.38	13.18	12.65	11.13	4.65	13.54	11.03	10.50	5.27
	1997	13.74	21.82	13.18	12.65	11.13	6.72	13.54	12.81	10.50	7.55
	1998	13.74	21.82	13.18	12.90	11.13	7.76	13.54	12.81	10.50	7.11
	1999	13.74	24.00	13.18	12.83	11.13	8.28	13.54	13.52	10.50	9.97
	2000	13.74	22.56	13.18	12.23	11.13	6.96	13.54	12.58	10.50	8.92
	2001	13.74	18.21	13.18	9.08	11.13	2.93	13.54	9.72	10.50	6.43
	2002	13.74	15.50	—	—	11.13	3.66	13.54	9.47	10.50	7.34
	2003	13.74	17.61	—	—	11.13	5.97	13.54	10.85	10.50	9.47
	Public Safety Retirement System Noncontributory Division B	1994	—	31.97%	—	22.13%	—	—	—	—	—
1995		—	31.70	—	22.62	—	—	—	—	—	15.15
1996		—	31.51	—	24.03	—	—	—	—	—	15.94
1997		—	33.68	—	24.77	—	—	—	—	—	17.29
1998		—	33.68	—	25.49	—	—	—	—	—	17.07
1999		—	36.14	—	25.80	—	—	—	—	—	19.85
2000		—	34.73	—	24.47	—	—	—	—	—	19.01
2001		—	30.72	—	21.06	—	—	—	—	—	16.75
2002	—	28.27	—	17.98	—	14.79%	—	—	—	17.66	
2003	—	30.05	—	20.85	—	17.10	—	—	—	19.42	

Solvency Tests

(dollars in thousands)

System	Date	(1) Active Members Contributions	(2) Retired and Beneficiaries	(3) Active Member (Employer Financed Portion)
Contributory Retirement System	1/01/95	\$247,639	564,284	364,299
	1/01/96	234,967	543,628	213,779
	1/01/97	182,158	523,025	163,540
	1/01/98	197,833	499,390	183,276
	1/01/99	214,828	478,808	198,347
	1/01/00	231,996	451,865	210,623
	1/01/01	247,491	447,521	240,787
	1/01/02	267,963	425,956	254,993
	1/01/03	285,260	416,552	275,106
	12/31/03	285,642	417,560	284,596
Noncontributory Retirement System	1/01/95	\$888,824	1,619,632	2,697,417
	1/01/96	890,207	1,965,816	3,176,389
	1/01/97	969,310	2,273,016	3,675,632
	1/01/98	977,799	2,547,911	4,128,625
	1/01/99	981,227	2,888,469	4,466,035
	1/01/00	974,082	3,019,704	5,012,522
	1/01/01	962,724	3,404,486	5,566,304
	1/01/02	971,496	3,751,586	6,082,942
	1/01/03	955,624	4,171,062	6,637,667
	12/31/03	881,317	4,796,330	6,910,246
Public Safety Retirement System	1/01/95	\$ 85,516	283,273	322,318
	1/01/96	85,112	323,064	362,974
	1/01/97	84,621	355,291	426,592
	1/01/98	86,500	394,325	471,275
	1/01/99	87,640	448,200	498,307
	1/01/00	87,169	485,980	532,017
	1/01/01	85,774	540,074	581,028
	1/01/02	85,106	610,272	670,756
	1/01/03	84,479	669,736	704,276
	12/31/03	81,359	743,781	740,566
Firefighters Retirement System	1/01/95	\$ 53,247	140,965	113,247
	1/01/96	52,839	155,538	125,055
	1/01/97	56,890	169,852	135,669
	1/01/98	60,314	189,904	134,757
	1/01/99	65,671	204,540	137,492
	1/01/00	70,055	212,537	136,565
	1/01/01	73,003	240,403	142,050
	1/01/02	76,510	257,301	157,463
	1/01/03	78,253	270,842	172,069
	12/31/03	79,470	292,944	183,332
Judges Retirement System	1/01/95	\$ 6,189	29,339	14,302
	1/01/96	6,163	30,573	19,216
	1/01/97	7,045	31,108	21,902
	1/01/98	7,419	34,607	20,380
	1/01/99	7,603	36,433	23,175
	1/01/00	7,990	35,621	24,523
	1/01/01	8,025	38,603	27,334
	1/01/02	8,355	40,022	37,610
	1/01/03	8,639	40,800	41,134
	12/31/03	7,873	48,421	41,102
Governors and Legislative Pension Plan	1/01/95	\$ 250	3,958	2,398
	1/01/96	251	4,111	2,491
	1/01/97	224	4,429	2,367
	1/01/98	224	4,467	2,307
	1/01/99	215	4,715	2,380
	1/01/00	204	5,573	2,476
	1/01/01	204	5,081	2,623
	1/01/02	203	5,079	2,900
	1/01/03	187	5,212	3,307
	12/31/03	178	5,052	3,394

Actuarial Accrued Liabilities	(4) Total Actuarial Accrued Liabilities	Actuarial Value of Assets	Portion of Actuarial Accrued Liabilities Covered by Assets			
			(1)	(2)	(3)	(4)
	1,176,222	964,218	100%	100%	42%	82%
	992,374	852,340	100	100	34	86
	868,723	772,977	100	100	41	89
	880,499	809,388	100	100	61	92
	891,983	840,215	100	100	74	94
	894,484	878,190	100	100	92	98
	935,799	924,573	100	100	95	99
	948,912	927,523	100	100	92	98
	976,918	899,290	100	100	72	92
	987,798	930,999	100	100	80	94
	5,205,873	4,372,190	100%	100%	70%	84%
	6,032,412	5,136,582	100	100	72	85
	6,917,958	5,969,813	100	100	74	86
	7,654,335	6,922,583	100	100	82	90
	8,335,731	7,931,193	100	100	91	95
	9,006,308	9,237,447	100	100	100	103
	9,933,514	10,361,333	100	100	100	104
	10,806,024	11,104,334	100	100	100	103
	11,764,353	10,848,586	100	100	86	92
	12,587,893	11,640,475	100	100	86	92
	691,107	596,892	100%	100%	71%	86%
	771,150	670,610	100	100	72	87
	866,504	755,106	100	100	74	87
	952,100	867,151	100	100	82	91
	1,034,147	988,800	100	100	91	96
	1,105,166	1,146,331	100	100	100	104
	1,206,876	1,286,996	100	100	100	107
	1,366,134	1,376,466	100	100	100	101
	1,458,491	1,349,435	100	100	85	93
	1,565,706	1,448,888	100	100	84	93
	307,459	261,523	100%	100%	59%	85%
	333,432	293,816	100	100	68	88
	362,411	329,475	100	100	76	91
	384,975	376,178	100	100	93	98
	407,703	423,405	100	100	100	104
	419,157	483,374	100	100	100	115
	455,456	536,503	100	100	100	118
	491,274	569,151	100	100	100	116
	521,164	553,589	100	100	100	106
	555,746	589,502	100	100	100	106
	49,830	38,726	100%	100%	22%	78%
	55,952	44,304	100	100	39	79
	60,055	50,721	100	100	57	84
	62,406	59,373	100	100	85	95
	67,211	67,998	100	100	100	101
	68,134	78,130	100	100	100	115
	73,962	87,139	100	100	100	118
	85,987	92,649	100	100	100	108
	90,573	90,904	100	100	100	100
	97,396	97,412	100	100	100	100
	6,606	7,804	100%	100%	100%	118%
	6,853	8,185	100	100	100	119
	7,020	8,636	100	100	100	123
	6,998	9,318	100	100	100	133
	7,310	9,988	100	100	100	137
	8,253	10,946	100	100	100	133
	7,908	11,569	100	100	100	146
	8,182	11,710	100	100	100	143
	8,706	10,719	100	100	100	123
	8,624	10,905	100	100	100	126

Schedules of Active Member Valuation Data

YEAR ENDED DECEMBER 31

System	Year	Number of Participating Employers	Active Members	Active Members			Inflation Increase (CPI)
				Annual Payroll	Average Pay	Percent Increase	
Contributory Retirement System	1994	245	10,622	\$ 287,743,000	27,347	6.70%	2.70%
	1995	231	7,419	261,685,000	28,013	2.44	2.50
	1996	225	4,830	141,974,000	29,081	3.81	3.30
	1997	209	4,522	138,231,000	30,860	6.12	1.70
	1998	167	4,287	137,042,000	32,296	4.65	1.60
	1999	165	4,101	137,561,000	33,791	4.63	2.70
	2000	163	3,972	141,067,000	35,218	4.22	3.40
	2001	164	3,760	142,882,000	37,627	6.84	1.60
	2002	164	3,649	142,325,000	38,784	3.07	2.40
2003	161	3,493	139,470,000	39,666	2.27	1.90	
Noncontributory Retirement System	1994	322	67,181	\$1,642,123,000	25,627	3.83%	2.70%
	1995	331	70,838	1,801,948,000	26,951	5.17	2.50
	1996	336	73,652	2,054,879,000	28,580	6.04	3.30
	1997	344	75,599	2,200,988,000	30,013	5.01	1.70
	1998	349	77,512	2,365,650,000	31,063	3.50	1.60
	1999	356	81,132	2,499,087,000	31,577	1.65	2.70
	2000	367	81,894	2,659,200,000	32,744	3.70	3.40
	2001	374	81,383	2,832,060,000	34,581	5.61	1.60
	2002	376	82,486	2,926,449,000	35,481	2.60	2.40
2003	380	83,156	2,959,347,000	35,806	0.92	1.90	
Public Safety Retirement System	1994	116	5,132	\$ 148,791,000	29,462	2.44%	2.70%
	1995	117	5,471	159,943,000	29,824	1.23	2.50
	1996	115	5,736	176,979,000	31,429	5.38	3.30
	1997	115	6,041	195,464,000	32,885	4.63	1.70
	1998	115	6,380	212,414,000	33,842	2.91	1.60
	1999	115	6,631	226,057,000	34,819	2.89	2.70
	2000	116	6,839	247,985,000	36,166	3.87	3.40
	2001	116	6,905	260,783,000	37,705	4.26	1.60
	2002	119	6,966	268,478,000	39,004	3.45	2.40
2003	117	7,041	278,402,000	39,579	1.47	1.90	
Firefighters Retirement System	1994	27	1,099	\$ 40,157,000	36,454	6.54%	2.70%
	1995	28	1,173	43,027,000	37,258	2.21	2.50
	1996	28	1,224	45,969,000	38,062	2.16	3.30
	1997	33	1,281	51,287,000	39,695	4.29	1.70
	1998	35	1,349	54,326,000	40,419	1.82	1.60
	1999	38	1,386	57,561,000	42,178	4.35	2.70
	2000	39	1,452	63,274,000	43,403	2.90	3.40
	2001	39	1,498	67,192,000	44,895	3.44	1.60
	2002	40	1,538	71,354,000	46,548	3.68	2.40
2003	43	1,568	75,619,000	48,132	3.40	1.90	
Judges Retirement System	1994	1	85	\$ 6,955,000	85,572	4.20%	2.70%
	1995	1	99	7,903,000	88,201	3.07	2.50
	1996	1	100	8,981,000	90,350	2.44	3.30
	1997	1	102	9,286,000	92,532	2.42	1.70
	1998	1	104	9,388,000	95,531	3.24	1.60
	1999	1	106	10,104,000	97,562	2.13	2.70
	2000	1	104	10,397,000	100,396	2.90	3.40
	2001	1	105	10,924,000	104,298	3.89	1.60
	2002	1	103	11,173,000	106,010	1.64	2.40
2003	1	106	10,888,000	106,613	0.57	1.90	
Governors and Legislative Pension Plan	1994	1	84	\$ 398,000	3,825	30.61%	2.70%
	1995	1	95	398,000	3,825	0.00	2.50
	1996	1	95	482,000	4,667	22.01	3.30
	1997	1	90	468,000	5,419	16.11	1.70
	1998	1	91	468,000	5,440	0.39	1.60
	1999	1	94	468,000	5,437	(0.06)	2.70
	2000	1	88	464,000	5,533	1.77	3.40
	2001	1	92	556,000	6,422	16.07	1.60
	2002	1	91	556,000	6,454	0.50	2.40
2003	1	97	556,000	6,388	(1.02)	1.90	

Schedules of Retirants and Beneficiaries

YEAR ENDED DECEMBER 31

System	Year	Number Added	Number Removed	Total Retirants and Beneficiaries	Annual Allowances	% Increase in Annual Allowances	Average Annual Allowances
Contributory Retirement System	1994	130	525	11,161	\$ 65,824,000	(0.20)%	\$ 5,316
	1995	76	545	10,692	72,722,000	10.48	5,436
	1996	61	524	10,229	64,494,000	(11.31)	5,652
	1997	69	545	9,753	63,884,000	(0.95)	5,916
	1998	70	585	9,238	62,249,000	(2.56)	6,168
	1999	88	578	8,748	61,141,000	(1.78)	6,423
	2000	101	557	8,292	60,317,000	(1.35)	6,742
	2001	98	542	7,848	59,575,000	(1.23)	7,078
	2002	120	566	7,402	59,497,000	(0.13)	7,490
2003	122	582	6,942	57,863,000	(2.75)	7,865	
Noncontributory Retirement System	1994	1,155	98	9,138	\$118,240,000	16.43%	\$12,540
	1995	1,348	12	10,474	146,343,000	23.77	12,756
	1996	1,448	50	11,872	161,036,000	10.04	13,164
	1997	1,429	78	13,223	186,262,000	15.66	13,668
	1998	1,482	106	14,599	213,752,000	14.76	14,184
	1999	1,716	119	16,196	243,829,000	14.07	14,577
	2000	1,709	150	17,755	276,878,000	13.55	15,120
	2001	1,577	167	19,165	311,311,000	12.44	15,756
	2002	1,737	236	20,666	348,230,000	11.86	16,351
2003	1,805	256	22,215	386,791,000	11.07	16,884	
Public Safety Retirement System	1994	99	35	1,600	\$ 22,634,000	10.09%	\$13,368
	1995	146	27	1,719	25,271,000	11.65	13,476
	1996	117	19	1,817	28,223,000	11.68	14,328
	1997	123	8	1,932	30,972,000	9.74	14,868
	1998	169	15	2,086	34,374,000	10.98	15,360
	1999	160	22	2,224	38,549,000	12.15	16,248
	2000	151	4	2,371	42,769,000	10.95	16,974
	2001	271	53	2,589	48,607,000	13.65	17,743
	2002	162	30	2,721	53,962,000	11.02	18,801
2003	183	26	2,878	59,941,000	11.08	19,796	
Firefighters Retirement System	1994	36	15	620	\$ 10,734,000	7.58%	\$15,192
	1995	42	16	646	11,769,000	9.64	14,856
	1996	35	5	676	12,888,000	9.51	15,744
	1997	43	9	710	14,321,000	11.12	16,896
	1998	32	6	736	15,741,000	9.92	18,180
	1999	42	5	773	16,955,000	7.71	18,853
	2000	53	1	825	18,738,000	10.52	19,717
	2001	52	10	867	20,778,000	10.89	20,928
	2002	32	14	885	22,288,000	7.27	22,131
2003	40	4	921	23,520,000	5.53	22,573	
Judges Retirement System	1994	8	7	70	\$ 2,193,000	12.00%	\$30,108
	1995	2	1	71	2,355,000	7.39	32,208
	1996	1	3	69	2,472,000	4.97	34,776
	1997	5	1	73	2,690,000	8.82	35,796
	1998	3	3	73	3,002,000	11.60	39,912
	1999	1	1	73	3,160,000	5.26	42,032
	2000	2	—	75	3,322,000	5.13	43,018
	2001	4	1	78	3,659,000	10.14	45,547
	2002	1	2	77	3,804,000	3.96	48,014
2003	8	2	83	4,361,000	14.64	51,023	
Governors and Legislative Pension Plan	1994	13	4	197	\$ 445,000	6.21%	\$ 2,184
	1995	12	9	200	487,000	9.44	2,364
	1996	8	8	200	504,000	3.49	2,448
	1997	12	2	210	519,000	2.98	2,400
	1998	7	4	213	538,000	3.66	2,460
	1999	13	5	221	583,000	8.36	2,556
	2000	5	7	219	662,000	13.55	2,649
	2001	10	—	229	691,000	4.38	2,606
	2002	7	5	231	708,000	2.46	2,648
2003	3	11	223	726,000	2.54	2,817	

Contributory Retirement System

Summary of Plan Provisions



Description	Requirement															
Membership Eligibility	The Public Employees Contributory Retirement System includes eligible public employees of the State of Utah and its political subdivisions including public education employees of those entities covered by the System. An employee is qualified for membership in the Contributory System if his or her employer participates in the System and the employee works at least 20 hours per week and receives benefits normally provided by his or her employer as approved by the Retirement Board, teachers who teach half-time, and classified school employees who work an average of 20 hours per week or more regardless of benefits provided.															
Vesting	Retirement benefit becomes vested upon the member's completion of 4 years of qualifying service. Eligible member contributions and interest thereon vest immediately.															
Service Retirement	<table border="1"> <thead> <tr> <th data-bbox="427 758 459 779">Age</th> <th data-bbox="619 758 762 779">Years of Service</th> <th data-bbox="863 758 1054 779">Allowance Reduction†</th> </tr> </thead> <tbody> <tr> <td data-bbox="427 789 507 810">Any age</td> <td data-bbox="512 789 528 810">30</td> <td data-bbox="975 789 1038 810">None</td> </tr> <tr> <td data-bbox="427 821 496 842">60-61</td> <td data-bbox="512 821 560 842">20</td> <td data-bbox="608 821 1038 842">3% each year before age 65</td> </tr> <tr> <td data-bbox="427 852 496 873">62-64</td> <td data-bbox="512 852 560 873">10</td> <td data-bbox="608 852 1038 873">3% each year before age 65</td> </tr> <tr> <td data-bbox="427 884 443 905">65</td> <td data-bbox="512 884 528 905">4</td> <td data-bbox="975 884 1038 905">None</td> </tr> </tbody> </table>	Age	Years of Service	Allowance Reduction†	Any age	30	None	60-61	20	3% each year before age 65	62-64	10	3% each year before age 65	65	4	None
Age	Years of Service	Allowance Reduction†														
Any age	30	None														
60-61	20	3% each year before age 65														
62-64	10	3% each year before age 65														
65	4	None														
	†With fewer than 30 years of service from any combination of Utah Retirement Systems, retiring before age 65 will reduce the monthly benefit by 3% for each year between ages 60 and 65.															
Service Benefit Formula	<ol style="list-style-type: none"> 1) Number of years of service before 7-1-75 x 1.25% x FAS*. 2) Number of years of service after 6-30-75 x 2.0% x FAS*. 3) Plan 1 allowance = total of 1 and 2. 															
	*FAS (Final Average Salary) = highest five years' earnings converted to a monthly average. Yearly salary increases are limited to 10% plus a COLA determined by the CPI.															
Cost of Living Allowance	Up to 4% annually on the original retirement benefit. Eligible after one year.															
Death Benefits	<p>An active member's death benefit consists of an insurance payment equal to 75% of the highest annual salary with a minimum of \$1,000 and a refund of contributions plus interest. The spouse of a deceased member is eligible for a monthly benefit if they have been married for at least six months and the member meets age and service qualifications, or has 25 years of service.</p> <p>An inactive member's death benefit for someone with fewer than ten years of service consists of a refund of contributions plus interest. For those with ten or more years of service credited to their account prior to July 1, 1987 and who have not withdrawn their contributions, the benefit is the same as for active members.</p> <p>A retired member's death benefit depends on the retirement option selected at retirement. No death benefit is available without a reduced retirement benefit.</p>															
Refunds	A terminated member is eligible for a 100% refund of member contributions plus interest. There is a 60-day refund processing period after the last day of paid employment.															
Redeposits	A redeposit with interest may be made in monthly installments, by a lump-sum payment, or by direct transfer from a qualified plan. A redeposit must be completed prior to retirement. Service credit is restored when the redeposit is completed.															
Contribution Rates <i>(as of 12-31-03)</i>	<p>Member contribution rate is 6.00%* of covered salary. Employer rate for State and School (Level A) is 7.21% of covered salary and 5.61% for Local Government (Level B).</p> <p>*Employers have the option of paying all or part of member contributions on behalf of their employees.</p>															
Interest	Up to 8% on member accounts.															

Noncontributory Retirement System

Summary of Plan Provisions

Noncontributory

Description	Requirement																		
Membership Eligibility	The Public Employees Noncontributory Retirement System was established on July 1, 1986. All eligible employees of the State and School entities hired subsequent to that date are automatically members of the Noncontributory System. Local government entities had the option of adopting the new System or remaining with the Contributory System. An employee is qualified for membership in the Noncontributory System if his or her employer participates in the System and the employee works at least 20 hours per week and receives benefits normally provided by his or her employer as approved by the Retirement Board, teachers who teach half-time, and classified school employees who work an average of 20 hours or more per week, regardless of benefits provided.																		
Vesting	Retirement benefit becomes vested upon the member's completion of 4 years of qualifying service.																		
Service Retirement	<table border="1"> <thead> <tr> <th>Age</th> <th>Years of Service</th> <th>Allowance Reduction†</th> </tr> </thead> <tbody> <tr> <td>Any age</td> <td>30</td> <td>None</td> </tr> <tr> <td>Any age</td> <td>25</td> <td>Full actuarial before age 60</td> </tr> <tr> <td>60-61</td> <td>20</td> <td>3% each year before age 65</td> </tr> <tr> <td>62-64</td> <td>10</td> <td>3% each year before age 65</td> </tr> <tr> <td>65</td> <td>4</td> <td>None</td> </tr> </tbody> </table> <p>†With fewer than 30 years of service from any combination of Utah Retirement Systems, retiring before age 65 will reduce the monthly benefit approximately 7% for every year under age 60 and 3% for each year between ages 60 and 65.</p>	Age	Years of Service	Allowance Reduction†	Any age	30	None	Any age	25	Full actuarial before age 60	60-61	20	3% each year before age 65	62-64	10	3% each year before age 65	65	4	None
Age	Years of Service	Allowance Reduction†																	
Any age	30	None																	
Any age	25	Full actuarial before age 60																	
60-61	20	3% each year before age 65																	
62-64	10	3% each year before age 65																	
65	4	None																	
Service Benefit Formula	<p>Number of years of service x 2.0% x FAS*.</p> <p>*FAS (Final Average Salary) = highest three years' earnings converted to a monthly average. Yearly salary increases are limited to 10% plus a COLA determined by the CPI.</p>																		
Cost of Living Allowance	Up to 4% annually on the original retirement benefit. Eligible after one year.																		
Death Benefits	<p>An active member's death benefit consists of an insurance payment equal to 75% of the highest annual salary with a minimum of \$1,000 and a refund of transferred contributions plus interest. The spouse of a deceased member is eligible for a monthly benefit if they have been married for at least six months and the member meets age and service qualifications or has 15 or more years of service credit.</p> <p>An inactive member's death benefit for someone with fewer than ten years of service consists of a refund of transferred contributions plus interest. For those with ten or more years of service credited to their account prior to July 1, 1987 and who have not withdrawn their contributions, the benefit is the same as for active members.</p> <p>A retired member's death benefit depends on the retirement option selected at retirement. No death benefit is available without a reduced retirement benefit.</p>																		
Refunds	A terminated member who transferred from the Contributory Retirement System is eligible for a 100% refund of transferred member contributions plus interest. There is a 60-day refund processing period after the last day of paid employment.																		
Redeposits	A redeposit with interest may be made in monthly installments, by a lump-sum payment, or by direct transfer from a qualified plan. A redeposit must be completed prior to retirement. Service credit is restored when the redeposit is completed.																		
Contribution Rates <i>(as of 12-31-03)</i>	Employer rate for State & School (Level A) is 11.70% of covered salary and 9.62% for Local Government (Level B).																		
Interest	Up to 8% on member accounts transferred from the Contributory Retirement System.																		

Public Safety Retirement System
Summary of Plan Provisions



Description	Requirement												
Membership Eligibility	The Public Safety Retirement System includes eligible state and local government employees directly involved in law enforcement. The Public Safety System consists of the Contributory and Noncontributory divisions. Employees are qualified for membership in the Public Safety System if: (1) they are regularly scheduled to work and be compensated for 2,080 hours a year in a recognized public safety department; (2) they have completed a certified training program; (3) their primary duty is as a peace officer, correctional officer or special function officer; and (4) in the course of employment their life or personal safety is at risk.												
Vesting	Retirement benefit becomes vested upon the member's completion of 4 years of service credit. Eligible member contributions vest immediately.												
Service Retirement	<table border="1"> <thead> <tr> <th style="text-align: left;">Age</th> <th style="text-align: left;">Years of Service</th> <th style="text-align: left;">Allowance Reduction</th> </tr> </thead> <tbody> <tr> <td>Any age</td> <td>20</td> <td>None</td> </tr> <tr> <td>60.....</td> <td>10</td> <td>None</td> </tr> <tr> <td>65.....</td> <td>4</td> <td>None</td> </tr> </tbody> </table>	Age	Years of Service	Allowance Reduction	Any age	20	None	60.....	10	None	65.....	4	None
Age	Years of Service	Allowance Reduction											
Any age	20	None											
60.....	10	None											
65.....	4	None											
Service Benefit Formula	1) 2.5% x FAS* x years of service up to 20 years. 2) 2.0% x FAS* x years of service over 20 years. 3) Monthly benefit = total of 1 and 2.** *FAS (Final Average Salary) = highest three years' earnings converted to a monthly average. Yearly salary increases are limited to 10% plus a COLA determined by the CPI. **Benefits paid cannot exceed 70% of FAS.												
Cost of Living Allowance	Up to 2.5% annually on original retirement benefit. Eligible after one year.												
Death Benefits	Division A (with Social Security) If death is in the line of duty, the benefit to the surviving spouse is \$1,000 plus a monthly benefit of 30% of the final average salary. In the noncontributory system only, if death is in the line of duty, and the member has 20 years of service credit, the spouse's benefit is the same as for a retired member. If death is not in the line of duty, the benefit is \$1,000 or a refund of contributions for members with fewer than 10 years of service. For more than 10 years of service, the benefit to the surviving spouse is \$500 plus a monthly benefit of 2% of the final average salary for each year of service to a maximum of 30% of the final average salary. If there is no spouse, the settlement is a 100% refund of vested contributions payable to the beneficiary, or \$500, whichever is greater. Dependent children receive no additional benefits. A retired member's death benefit to the surviving spouse is 65% of the monthly benefit.												

Public Safety Retirement System*Summary of Plan Provisions* (Continued)

Description	Requirement
	<p>Division B (without Social Security)</p> <p>If death is in the line of duty, the benefit to the surviving spouse is \$1,500 plus a monthly benefit of 37.5% of the final average salary. Each unmarried child under 18 or dependent unmarried mentally or physically disabled child receives \$50 per month if the member had two or more years of service. If death is not in the line of duty, the benefit is a refund of contributions plus 50% of the last 12 months of salary for members with fewer than two years of service. For members with more than two years of service, the benefit is the same as that for death in the line of duty. If there is no spouse, the settlement is a 100% refund of vested contributions payable to the beneficiary, or \$500, whichever is greater. A retired member's death benefit to a surviving spouse is 65% of the monthly benefit. An unmarried child under 18 or dependent unmarried mentally or physically disabled child receives \$50 per month.</p>
Refunds	A terminated member is eligible for a 100% refund of member contributions. There is a 60-day refund processing period after the last day of paid employment.
Redeposits	A redeposit with interest may be made in monthly installments, by a lump-sum payment, or by direct transfer from a qualified plan. A redeposit must be completed prior to retirement. Service credit is restored when the redeposit is completed.
Contribution Rates (as of 12-31-03)	<p>Contributory Option</p> <p>Member rates in Division A are: State units 12.29%, and all other units 12.29% of covered salary. Member rates in Division B are: Salt Lake City 13.74%, Logan 11.13%, Provo 13.54%, and other units 10.50% of covered salary.*</p> <p>Employer rates for Division A are: State units 10.02%, and other law enforcement units 4.52% of covered salary. Employer rates for Division B are: Salt Lake City 17.61%, Logan 5.97%, Provo 10.85%, and other units 9.47% of covered salary.</p> <p>*Employers have the option of paying all or part of member contributions on behalf of their employees.</p> <p>Noncontributory Option</p> <p>Employer rates for Division A are: State units 21.15%, Bountiful 18.63%, and other units 16.24% of covered salary. Employer rates for Division B are: Salt Lake City 30.05%, Ogden 20.85% and all other units 19.42% of covered salary.</p>
Interest	Up to 8% on member accounts.

Firefighters Retirement System

Summary of Plan Provisions



Description	Requirement												
Membership Eligibility	<p>The Firefighters Retirement System includes eligible state and local government employees directly involved in fire fighting and whose duties are classified as hazardous. If an employer does not classify the duties as hazardous, the employee will be enrolled in either the Public Employees Contributory or Noncontributory Retirement System. Employees are qualified for membership in the Firefighters System if they are regularly scheduled to work and be compensated for 2,080 hours a year in a regular constituted fire department and are regularly assigned to hazardous duty. Although volunteer firefighters who are on the rolls of a regularly constituted fire department do not contribute to the System and are not eligible for service retirement benefits, they or their beneficiaries receive benefits based on the salary of the lowest paid firefighters in a first-class city if they are disabled or killed in the line of duty.</p>												
Vesting	<p>Retirement benefit becomes vested upon the member's completion of 4 years of service credit. Eligible member contributions vest immediately.</p>												
Service Retirement	<table border="1"> <thead> <tr> <th data-bbox="427 867 459 888">Age</th> <th data-bbox="619 867 762 888">Years of Service</th> <th data-bbox="863 867 1050 888">Allowance Reduction</th> </tr> </thead> <tbody> <tr> <td data-bbox="427 898 507 919">Any age</td> <td data-bbox="671 898 699 919">20</td> <td data-bbox="986 898 1050 919">None</td> </tr> <tr> <td data-bbox="427 930 459 951">60</td> <td data-bbox="671 930 699 951">10</td> <td data-bbox="986 930 1050 951">None</td> </tr> <tr> <td data-bbox="427 961 459 982">65</td> <td data-bbox="671 961 699 982">4</td> <td data-bbox="986 961 1050 982">None</td> </tr> </tbody> </table>	Age	Years of Service	Allowance Reduction	Any age	20	None	60	10	None	65	4	None
Age	Years of Service	Allowance Reduction											
Any age	20	None											
60	10	None											
65	4	None											
Service Benefit Formula	<p>1) 2.5% x FAS* x years of service up to 20 years. 2) 2.0% x FAS* x years of service over 20 years. 3) Monthly benefit = total of 1 and 2.**</p> <p>*FAS (Final Average Salary) = highest three years' earnings converted to a monthly average. Yearly salary increases are limited to 10% plus a COLA determined by the CPI. **Benefits paid cannot exceed 70% of FAS, but cannot be less than \$500.</p>												
Cost of Living Allowance	<p>Up to 4.0% annually on original retirement benefit. Eligible after one year.</p>												
Disability Benefits	<p>If disability is in the line of duty, the benefit is 50% of the final average salary with no minimum age or service requirements. If disability is not in the line of duty, the benefit is a refund of contributions for members with fewer than five years of service. For members with more than five years of service, the benefit is the same as that for disability incurred in the line of duty. Benefits are suspended while receiving Workers Compensation.</p>												
Death Benefits	<p>Division A (with Social Security)</p> <p>If death is in the line of duty, the benefit to the surviving spouse is \$1,500 plus a monthly benefit of 30% of final average salary.</p> <p>If death is not in the line of duty, the benefit is \$1,000 or a refund of contributions for members with fewer than 10 years of service. For members with more than 10 years of service, the benefit to the surviving spouse consists of \$500 plus a monthly benefit of 2% of the final average salary for each year of service to a maximum of 30% of the final average salary. If death is in the line of duty, and the member has 20 or more years of service credit, the spouse's benefit is the same as for a retired member. Total benefits cannot exceed 70% of the final average salary.</p>												

Firefighters Retirement System
Summary of Plan Provisions (Continued)

Description	Requirement
	<p>Division B (without Social Security)</p> <p>If death is in the line of duty, the benefit to the surviving spouse is \$1,500 plus a monthly benefit of 37.5% of the final average salary. Each unmarried child under 21 or dependent unmarried mentally or physically disabled child receives \$75 per month if the member had five or more years of service. If death is in the line of duty, and the member has 20 or more years of service credit, the spouse's benefit is the same as for a retired member.</p> <p>If death is not in the line of duty, the benefit is a refund of contributions plus 50% of the last 12 months of salary for members with fewer than five years of service. For members with more than five years of service, the benefit is the same as that for death in the line of duty. If there is no spouse, the settlement is a 100% refund of vested contributions payable to the beneficiary, or \$500, whichever is greater. Total benefits cannot exceed 70% of the final average salary.</p> <p>A retired member's death benefit to a surviving spouse is 75% of the monthly benefit with a minimum monthly payment of \$350. An unmarried child under 21 or dependent unmarried mentally or physically disabled child receives \$75 per month.</p>
Refunds	A terminated member is eligible for a 100% refund of member contributions. There is a 60-day refund processing period after the last day of paid employment.
Redeposits	A redeposit with interest may be made in monthly installments, by a lump-sum payment, or by direct transfer from a qualified plan. A redeposit must be completed prior to retirement. Service credit is restored when the redeposit is completed.
Contribution Rates (as of 12-31-03)	<p>Member rate in Division A is 8.21% of covered salary. Member rate in Division B is 7.83% of covered salary.* Employer rate in Division A is 0.00% and in Division B is 0.00% of covered salary. A fire insurance premium tax equal to 10.35% of salaries is also an additional part of the employer contribution rates.</p> <p>Fire insurance premium taxes are collected by the Utah State Treasurer for the Firefighters Retirement System to help fund retirement benefits.</p> <p>*Employers have the option of paying all or part of member contributions on behalf of their employees.</p>
Interest	Member contributions receive no interest.

Judges Retirement System

Summary of Plan Provisions



Description	Requirement															
Membership Eligibility	The Judges Retirement System includes justices and judges of the courts of record as authorized in state statutes.															
Vesting	Retirement benefit becomes vested upon the member's completion of 6 years of service credit. Eligible member contributions and interest thereon vest immediately.															
Service Retirement	<table border="1"> <thead> <tr> <th style="text-align: left;">Age</th> <th style="text-align: left;">Years of Service</th> <th style="text-align: left;">Allowance Reduction</th> </tr> </thead> <tbody> <tr> <td>Any age</td> <td>25</td> <td>None</td> </tr> <tr> <td>55</td> <td>20</td> <td>Full actuarial reduction</td> </tr> <tr> <td>62</td> <td>10</td> <td>None</td> </tr> <tr> <td>70</td> <td>6</td> <td>None</td> </tr> </tbody> </table>	Age	Years of Service	Allowance Reduction	Any age	25	None	55	20	Full actuarial reduction	62	10	None	70	6	None
Age	Years of Service	Allowance Reduction														
Any age	25	None														
55	20	Full actuarial reduction														
62	10	None														
70	6	None														
Service Benefit Formula	<ol style="list-style-type: none"> 1) 5.00% x FAS*x years of service up to 10 years. 2) 2.25% x FAS*x years of service between 10 and 20 years. 3) 1.00% x FAS*x years of service over 20 years. 4) Monthly benefit = total of 1, 2, and 3.** <p>*FAS (Final Average Salary) = highest two years' earnings in judicial service converted to a monthly average. Yearly salary increases are limited to 10% plus a COLA determined by the CPI. **Benefits paid cannot exceed 75% of FAS.</p>															
Service Living Allowance	Up to 4% compounded annually, beginning one year after retirement.															
Death Benefits	<p>An active or inactive member's death benefit to the surviving spouse consists of a refund of member contributions and interest plus 65% of the final average salary on a yearly rate, or a monthly allowance equal to 65% of the amount computed for a service retirement with no early retirement reduction.</p> <p>A retired member's death benefit to the surviving spouse is 65% of the member's monthly benefit at the time of death. If the member elected a reduced monthly benefit, the surviving spouse will receive a death benefit of 75% of the member's monthly benefit.</p>															
Refunds	A terminated member is eligible for a 100% refund of member contributions plus interest. There is a 60-day refund processing period after the last day of paid employment.															
Redeposits	A redeposit with interest may be made in monthly installments, by a lump-sum payment, or by direct transfer from a qualified plan. A redeposit must be completed prior to retirement. Service credit is restored when the redeposit is completed.															
Contribution Rates <i>(as of 12-31-03)</i>	<p>Noncontributory Option Employer rate includes 7.08% of covered salary and 18.06% from court fees.</p> <p>Contributory Option Member rate is 7.08% of covered salary. Employer rate includes 0.00% of covered salary and 18.06% from court fees.</p>															
Interest	Up to 8% on member accounts.															

Governors and Legislative Pension Plan Summary of Plan Provisions



Description	Requirement									
Membership Eligibility	The Governors and Legislative Pension Plan includes only governors and legislators of the State of Utah.									
Vesting	Retirement benefit becomes vested upon the member's completion of 4 years of service credit.									
Service Retirement	<table border="1"> <thead> <tr> <th>Age</th> <th>Years of Service</th> <th>Allowance Reduction</th> </tr> </thead> <tbody> <tr> <td>65</td> <td>4</td> <td>None</td> </tr> <tr> <td>62</td> <td>10</td> <td>3% each year before age 65</td> </tr> </tbody> </table>	Age	Years of Service	Allowance Reduction	65	4	None	62	10	3% each year before age 65
Age	Years of Service	Allowance Reduction								
65	4	None								
62	10	3% each year before age 65								
Service Benefit Formula	<p>Governors \$500 per month per term increased semi-annually up to 2% based on the CPI. The amount as of 12-31-03 is \$1,100 per term.</p> <p>Legislators \$10 per month per each year of service as a legislator increased semi-annually up to 2% based on the CPI. The amount as of 12-31-03 is \$24.40.</p>									
Cost of Living Allowance	Up to 4% annually on the original retirement benefit. Eligible after one year.									
Death Benefits	An active or retired member's death benefit to a spouse consists of a monthly pension equal to 50% of the retirement allowance paid, or to which the member would have been entitled to upon reaching age 65, if the member has four or more years of service as a governor or legislator. The deceased member and surviving spouse must have been married at least six months.									
Contribution Rates	There are currently no required contributions to the Governors and Legislative Pension Plan.									

Utah Retirement Systems

Changes in Plan Provisions CHANGES IN PLAN PROVISIONS

THREE RETIREMENT RELATED BILLS were passed in the 2003 legislative session. Primarily operational and technical in nature, none of them creates new benefits.

SB5 — Retirement and Independent Entities Committee

Changes the names of the Legislative Quasi-Governmental Entities Committee and the Legislative Independent Entities Committee to the Retirement and Independent Entities Committee. Repeals the Quasi-Governmental Entities Act which itself was replaced by the 2002 Independent Entities Act.

HB255 — Retirement Systems Membership Exclusions

Raises to 50 the ceiling on positions a municipality, county, or political subdivision may exempt from membership in the Public Employees Contributory and Noncontributory Retirement Systems.

HB246 — Retirement Office Amendments

Makes technical corrections and updates to the Retirement Act such as:

- Clarifying the penalties against a participating employer for delinquent contributions;
- Clarifying death benefit and beneficiary provisions, including survivor and notice provisions;
- Clarifying the requirement of long term disability coverage for public safety employees;
- Clarifying retirement allowance provisions of the Governor and Legislative Pension Plan;
- Clarifying provisions of the Public Employees Long Term Disability Act;
- Requiring compliance with federal law before buying future service credit.

*401(k) and 457 Plans***401(k) AND 457 PLAN HIGHLIGHTS***Summary of Plan Provisions***Introduction**

UTAH RETIREMENT SYSTEMS' 401(k) AND 457 PLANS ARE VOLUNTARY tax-deferred retirement savings programs authorized under sections 401(k) and 457 of the Internal Revenue Code. These plans are available to state, local government, and education employees throughout Utah whose employers have adopted the plans

Goals and Objectives

The purpose of these plans is to allow public employees throughout Utah to adequately prepare themselves for retirement by investing a portion of their income (before taxes) in one or both of these supplemental retirement plans.

It has long been recognized that in order for people to experience the comfortable and rewarding retirement they desire, they cannot rely entirely upon Social Security and their employer provided retirement. Employees must take the initiative to personally put aside a portion of their salary into some type of long-term savings plan. These tax-deferred defined contribution plans provide exceptional vehicles to accomplish the goal of a well balanced retirement plan. Employees who begin participating in these plans early in their careers can accumulate sizeable assets by the time they retire.

Employer Contributions

In addition to accepting employee deferrals, these plans also accept employer contributions on behalf of their employees. All state and public education employees participating in the Noncontributory Retirement System receive an amount equal to 1.5% of their salary in the 401(k) Plan. All local government employers also have the option of contributing to the 401(k) Plan on behalf of their employees. Many contribute amounts in excess of the 1.5% the State contributes. Some employers match employee contributions.

Social Security Substitute

Local governments that have exempted themselves from Social Security coverage and have part-time, temporary, or seasonal employees, who are not participating in a qualifying retirement system, must cover these employees with a substitute plan.

Employers may use the 401(k)/457 Plans as a qualifying retirement system for these employees, but must contribute a minimum of 7.5% of salary to the Plan(s) in their behalf for it to be considered a "qualifying system". The employer may contribute the 7.5% themselves, or they may require their employees to pay a portion or all of it.

Summary of Plan Provisions**Deferral Limits**

401(k)—Limited in 2003 to an annual maximum of \$12,000. Employer contributions and employee deferrals combined could not exceed the lesser of \$40,000 or 100% of compensation.

457—Limited to an annual maximum of \$12,000 or 100% of includable compensation.

Coordination of Deferrals

401(k)—Deferrals to the 401(k) and 403(b) plans were coordinated.
457—None.

401(k) and 457 Plans

Summary of Plan Provisions *(Continued)*

Catch-up Provisions

401(k)—An additional \$2,000 for participants 50 or older during the year.

457—An additional \$2,000 for participants age 50 or older during the year. There is an additional "special catch-up" provision for individuals who are within four years of retirement eligibility. It allows participants to double their contributions to a 457 plan during the three years immediately preceding the year they qualify for retirement. However, the special catch-up is limited to unused deferrals allowed in previous years.

Withdrawals

401(k)—Allowable upon termination of employment, age 59½, retirement, disability, death, or hardship caused by immediate and heavy financial needs.

457—Allowable upon termination of employment, age 70½, retirement, death, or severe unforeseeable financial emergencies.

Rollovers

401(k)—Allowable from other eligible retirement plans, or to other eligible retirement plans upon termination of employment or other qualifying events. May be either a direct rollover by the Plan or by the participant within 60 days after distribution.

457—Allowable to other eligible retirement plan or from another 457 plan.

Vesting

401(k)—Fully vested.

457—Fully vested.

Loans

401(k) and 457—Available up to 50% of member account balance, to a maximum of \$50,000. Only one outstanding loan allowed, per plan.

457—Loans were allowed beginning October 1, 2003.

Investment Transfer Options

Changes in deferral amounts and in the investment options for future contributions may be made at any time. Participants may make one transfer of accumulated balances within each plan no more frequently than every seven calendar days.

2003 Investment Options

Income Fund

The *Income Fund* is a stable value option which invests in a diversified portfolio consisting of U.S. government securities, mortgages, corporate bonds, guaranteed investment contracts, and short-term funds. This fund is the most conservative of the investment options and offers the most stable return.

Bond Fund

The *Bond Fund* invests in a diversified portfolio consisting of U.S. government securities, mortgages, corporate bonds, and short-term funds. This fund's return is affected by changes in interest rates.

Balanced Fund

The *Balanced Fund* invests in a portfolio consisting of approximately 60% stocks, 35% bonds and 5% short-term funds. This fund is considered less risky than most stock investments but has higher risk than most fixed income investments.

Large Cap Stock Value Fund

The *Large Cap Stock Value Fund* invests in a diversified portfolio of common stocks that appear to be undervalued by the stock market but have a favorable outlook for long-term growth.

Large Cap Stock Index Fund

The *Large Cap Stock Index Fund* invests in stocks included in the Standard & Poor's 500 Index and is similarly weighted. This fund represents a broad range of industries in the U.S. economy.

Large Cap Stock Growth Fund

The *Large Cap Stock Growth Fund* emphasizes capital appreciation and seeks to identify companies with future relative earnings strength at a reasonable valuation.

International Fund

The *International Fund* invests primarily in stocks of companies outside of the United States. This fund offers international diversification, but adds currency risk and country risk not found in a U.S. fund. Accordingly, the risk and return potential of this fund is considered greater than a large cap U.S. fund.

401(k) and 457 Plans*Summary of Plan Provisions* (Continued)**Small Cap Stock Fund**

The *Small Cap Stock Fund* invests in small U.S. companies listed on the New York Stock Exchange, the American Stock Exchange, and the NASDAQ national market system. Small company stocks have the potential for greater returns than large company stocks, and conversely have a greater risk of loss. Significant price fluctuations are more likely than in the other investment options. However this fund is well diversified and invests in over 3,000 companies.

Horizon Funds

A *Horizon Fund* asset allocation is designed to help those who want to diversify their investment. If they select one of the three Horizon Funds, contributions will be allocated to the investment options according to the following table. The Horizon Funds will generally rebalance quarterly if target ranges are exceeded. Utah Retirement Systems reserves the right to change these percentages as needed.

The *Short Horizon Fund* is designed for investors expecting to withdraw their funds within five years. This fund provides a relatively conservative investment with a more stable rate of return. However, with reduced market risk there is usually a lower rate of return.

Horizon Funds Asset Allocations

	Short Horizon Fund	Medium Horizon Fund	Long Horizon Fund
Income Fund	20%	—	—
Bond Fund	65	45	20
Large Cap Stock Value Fund	—	10	10
Large Cap Stock Index Fund	10	15	25
Large Cap Stock Growth Fund	—	10	10
International Fund	5	15	25
Small Cap Stock Fund	—	5	10
Total	100%	100	100

The *Medium Horizon Fund* is designed for investors planning to withdraw their funds in five to ten years. This fund emphasizes moderate risk and moderate earnings potential. It has more risk than the Short Horizon Fund, but less than the Long Horizon Fund.

The *Long Horizon Fund* is designed for investors with ten or more years to invest before withdrawing their funds. The fund offers the potential for higher returns over a long period of time. There is higher market risk with this horizon fund, along with higher potential returns.

The historical rates of returns for each investment fund are found on page 99.

Statistical Section

STATISTICAL SECTION



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130 Schedules of Average Benefit Payments	132 Schedule of Participating Employers

Schedules of Additions by Source

YEAR ENDED DECEMBER 31

(dollars in thousands)

System	Year	Total Employer Contributions			Court Fees and Fire Insurance Tax	Employer Contributions as a Percent of Covered Payroll	Net Investment Income	Transfers from Systems	Total Additions
		Member Contributions	Employer Contributions						
Contributory Retirement System	1994	\$17,646	18,719	—	6.51%	\$ 2,193	4,489	43,047	
	1995	16,362	17,723	—	6.77	193,708	21,817	249,610	
	1996	8,765	10,224	—	7.20	123,006	—	141,995	
	1997	8,537	10,651	—	7.71	133,286	—	152,474	
	1998	8,399	10,729	—	7.83	84,692	1,735	105,555	
	1999	8,525	10,840	—	7.88	148,794	1,770	169,929	
	2000	8,464	10,484	—	7.43	17,543	—	36,491	
	2001	8,604	8,480	—	5.93	(47,761)	—	(30,677)	
	2002	8,923	6,735	—	4.73	(64,251)	—	(48,593)	
	2003	8,673	7,297	—	5.23	186,339	33,263	235,572	
Noncontributory Retirement System	1994	\$ 2,937	194,202	—	11.83%	\$ 9,886	217	207,242	
	1995	5,614	220,955	—	12.26	943,721	101,449	1,271,739	
	1996	6,679	260,068	—	12.66	832,473	157,272	1,256,492	
	1997	7,301	294,937	—	13.40	1,047,207	50,333	1,399,778	
	1998	7,698	318,635	—	13.47	734,399	27,219	1,087,951	
	1999	10,829	338,704	—	13.55	1,421,401	28,034	1,798,968	
	2000	11,518	352,339	—	13.25	186,787	51,020	601,664	
	2001	10,969	331,951	—	11.72	(544,848)	5,255	(196,673)	
	2002	12,496	291,256	—	9.95	(788,906)	12,166	(472,988)	
	2003	11,517	314,511	—	10.63	2,315,577	—	2,641,605	
Public Safety Retirement System	1994	\$ 5,777	18,895	—	12.70%	\$ 1,345	605	26,622	
	1995	4,318	24,732	—	15.46	127,222	510	156,782	
	1996	4,151	29,271	—	16.54	107,070	434	140,926	
	1997	4,345	34,217	—	17.51	132,490	918	171,970	
	1998	4,463	40,099	—	18.88	92,284	1,938	138,784	
	1999	3,900	45,110	—	19.96	177,027	2,305	228,342	
	2000	4,132	49,353	—	19.90	23,226	2,027	78,738	
	2001	3,976	46,113	—	17.68	(67,688)	1,416	(16,183)	
	2002	4,258	42,264	—	15.74	(97,816)	1,956	(49,338)	
	2003	4,448	46,655	—	16.76	288,126	2,002	341,231	
Firefighters Retirement System	1994	\$ 6,199	1,961	3,537	13.69%	\$ 589	—	12,286	
	1995	6,976	1,685	4,862	15.22	55,580	5	69,108	
	1996	7,461	2,002	4,333	13.78	46,626	30	60,452	
	1997	8,358	2,836	4,552	14.41	57,541	311	73,598	
	1998	8,771	2,546	4,391	12.77	39,699	432	55,839	
	1999	9,352	1,221	4,516	9.97	75,242	466	90,797	
	2000	9,617	140	6,615	10.68	9,733	1,303	27,408	
	2001	7,549	—	8,354	12.43	(28,038)	1,517	(10,618)	
	2002	5,800	—	9,454	13.25	(40,198)	735	(24,209)	
	2003	6,055	—	9,059	11.98	117,392	625	133,131	
Judges Retirement System	1994	\$ 572	504	1,709	31.82%	\$ 86	258	3,129	
	1995	654	680	1,670	29.74	8,333	292	11,629	
	1996	734	833	1,898	30.41	7,114	102	10,681	
	1997	482	1,305	1,901	34.53	8,933	754	13,375	
	1998	15	1,792	1,912	39.45	6,260	427	10,406	
	1999	8	1,637	1,681	32.84	12,048	116	15,490	
	2000	8	1,476	1,946	32.91	1,571	183	5,184	
	2001	7	1,007	2,046	27.94	(4,559)	239	(1,260)	
	2002	5	472	2,381	25.53	(6,564)	560	(3,146)	
	2003	103	551	1,939	22.87	19,417	1,128	23,138	
Governors and Legislative Pension Plan	1994	\$ —	—	—	—%	\$ 19	—	19	
	1995	—	—	—	—	1,604	—	1,604	
	1996	—	—	—	—	1,270	—	1,270	
	1997	—	—	—	—	1,481	15	1,496	
	1998	—	—	—	—	973	16	989	
	1999	—	—	—	—	1,757	17	1,774	
	2000	—	—	—	—	218	16	234	
	2001	—	—	—	—	(595)	18	(577)	
	2002	—	—	—	—	(806)	3	(803)	
2003	—	—	—	—	2,202	—	2,202		

Schedules of Deductions by Type

YEAR ENDED DECEMBER 31

(in thousands)

System	Year	Benefit Payments	Refunds	Administrative and Actuarial Expense	Transfers to Systems	Total Deductions
Contributory Retirement System	1994	\$ 65,824	5,606	1,178	252	72,860
	1995	65,588	5,342	1,214	101,504	173,648
	1996	64,494	4,833	985	157,599	227,911
	1997	63,884	4,735	794	51,957	121,370
	1998	62,249	4,168	743	27,742	94,902
	1999	61,141	4,232	789	27,399	93,561
	2000	60,317	5,040	680	54,549	120,586
	2001	59,575	3,087	654	8,445	71,761
	2002	59,497	3,716	624	15,420	79,257
	2003	57,863	3,358	675	—	61,896
Noncontributory Retirement System	1994	\$ 118,240	3,521	4,616	5,301	131,678
	1995	137,928	3,571	5,138	22,559	169,196
	1996	161,036	4,774	5,721	326	171,857
	1997	186,262	4,995	6,323	304	197,884
	1998	213,752	4,500	6,460	3,502	228,214
	1999	243,829	4,343	7,093	4,703	259,968
	2000	276,878	5,292	6,850	—	289,020
	2001	311,311	3,264	6,695	—	321,270
	2002	348,230	3,715	7,103	—	359,048
	2003	386,791	3,310	8,124	37,006	435,231
Public Safety Retirement System	1994	\$22,634	936	664	17	24,251
	1995	25,271	737	714	—	26,722
	1996	28,223	895	766	—	29,884
	1997	30,972	611	792	—	32,375
	1998	34,374	639	803	44	35,860
	1999	38,549	731	916	7	40,203
	2000	42,769	971	840	—	44,580
	2001	48,607	542	843	—	49,992
	2002	53,962	1,155	899	—	56,016
	2003	59,941	666	1,006	—	61,613
Firefighters Retirement System	1994	\$ 10,734	60	300	—	11,094
	1995	11,769	181	320	—	12,270
	1996	12,888	84	331	2	13,305
	1997	14,321	298	331	19	14,969
	1998	15,741	274	325	493	16,833
	1999	16,955	292	361	596	18,204
	2000	18,738	312	319	—	19,369
	2001	20,778	543	318	—	21,639
	2002	22,288	422	323	—	23,033
	2003	23,520	414	360	—	24,294
Judges Retirement System	1994	\$ 2,193	73	61	19	2,346
	1995	2,355	—	53	5	2,413
	1996	2,472	—	55	—	2,527
	1997	2,690	8	55	80	2,833
	1998	3,002	—	53	—	3,055
	1999	3,160	—	59	—	3,219
	2000	3,322	—	52	—	3,374
	2001	3,659	—	52	—	3,711
	2002	3,804	—	57	—	3,861
	2003	4,361	—	63	—	4,424
Governors and Legislative Pension Plan	1994	\$ 445	—	7	—	452
	1995	485	6	7	—	498
	1996	504	1	7	—	512
	1997	519	1	6	—	526
	1998	538	—	6	—	544
	1999	583	2	6	—	591
	2000	662	1	6	—	669
	2001	691	2	6	—	699
	2002	708	—	5	—	713
	2003	726	—	6	12	744

Schedules of Benefit Deductions by Type

YEAR ENDED DECEMBER 31

(in thousands)

System	Year	Service and Disability Benefits	Cost of Living Benefits	Supplemental Benefits	Total Benefits
Contributory Retirement System	1994	\$ 42,512	17,895	5,417	65,824
	1995	41,815	18,789	4,984	65,588
	1996	40,580	19,445	4,469	64,494
	1997	39,784	20,085	4,015	63,884
	1998	38,276	20,419	3,554	62,249
	1999	37,371	20,647	3,123	61,141
	2000	36,662	20,929	2,726	60,317
	2001	36,714	20,528	2,333	59,575
	2002	37,256	20,292	1,949	59,497
	2003	36,520	19,719	1,624	57,863
Noncontributory Retirement System	1994	\$102,729	15,511	—	118,240
	1995	118,986	18,942	—	137,928
	1996	138,373	22,663	—	161,036
	1997	159,169	27,093	—	186,262
	1998	182,013	31,739	—	213,752
	1999	207,798	36,031	—	243,829
	2000	236,377	40,501	—	276,878
	2001	265,102	46,209	—	311,311
	2002	294,735	53,495	—	348,230
	2003	327,972	58,819	—	386,791
Public Safety Retirement System	1994	\$ 18,871	2,862	901	22,634
	1995	21,048	3,317	906	25,271
	1996	23,499	3,817	907	28,223
	1997	25,741	4,347	884	30,972
	1998	28,600	4,923	851	34,374
	1999	32,245	5,494	810	38,549
	2000	35,900	6,105	764	42,769
	2001	41,084	6,801	722	48,607
	2002	45,588	7,689	685	53,962
	2003	50,653	8,638	650	59,941
Firefighters Retirement System	1994	\$ 7,890	1,708	1,136	10,734
	1995	8,728	1,973	1,068	11,769
	1996	9,638	2,224	1,026	12,888
	1997	10,836	2,510	975	14,321
	1998	11,987	2,821	933	15,741
	1999	12,950	3,116	889	16,955
	2000	14,496	3,403	839	18,738
	2001	16,207	3,775	796	20,778
	2002	17,314	4,223	751	22,288
	2003	18,270	4,552	698	23,520
Judges Retirement System	1994	\$ 1,833	360	—	2,193
	1995	1,976	379	—	2,355
	1996	2,045	427	—	2,472
	1997	2,216	474	—	2,690
	1998	2,464	538	—	3,002
	1999	2,590	570	—	3,160
	2000	2,704	618	—	3,322
	2001	2,965	694	—	3,659
	2002	3,009	795	—	3,804
	2003	3,508	853	—	4,361
Governors and Legislative Pension Plan	1994	\$ 336	109	—	445
	1995	365	120	—	485
	1996	383	121	—	504
	1997	399	120	—	519
	1998	411	127	—	538
	1999	450	133	—	583
	2000	520	142	—	662
	2001	547	144	—	691
	2002	556	152	—	708
	2003	572	154	—	726

Schedules of Retired Members by Type of Benefit Option

DECEMBER 31, 2003

System	Amount of Monthly Benefit	Number of Retirees by Benefit Option								
		1	2	3	4	5	6	7	8	9
Contributory Retirement System	\$1-1,000	2,045	1,225	800	221	493	227	—	—	—
	1,001-2,000	493	276	320	100	174	83	—	—	—
	2,001-3,000	129	58	98	35	33	16	—	—	—
	3,001-4,000	29	20	24	7	11	4	—	—	—
	4,001-5,000	1	2	4	—	3	2	—	—	—
over-5,000	1	3	3	1	—	1	—	—	—	
Noncontributory Retirement System	\$1-1,000	4,587	681	1,498	220	1,722	659	—	—	—
	1,001-2,000	2,195	327	1,259	195	1,308	609	—	—	—
	2,001-3,000	1,599	186	1,333	236	1,267	554	—	—	—
	3,001-4,000	399	37	454	114	282	143	—	—	—
	4,001-5,000	74	9	93	29	38	21	—	—	—
over-5,000	23	1	37	10	7	9	—	—	—	
Public Safety Retirement System	\$1-1,000	—	—	—	—	—	—	—	754	—
	1,001-2,000	—	—	—	—	—	—	—	1,006	—
	2,001-3,000	—	—	—	—	—	—	—	832	—
	3,001-4,000	—	—	—	—	—	—	—	217	—
	4,001-5,000	—	—	—	—	—	—	—	60	—
over-5,000	—	—	—	—	—	—	—	9	—	
Firefighters Retirement System	\$1-1,000	—	—	—	—	—	—	—	182	—
	1,001-2,000	—	—	—	—	—	—	—	214	—
	2,001-3,000	—	—	—	—	—	—	—	363	—
	3,001-4,000	—	—	—	—	—	—	—	140	—
	4,001-5,000	—	—	—	—	—	—	—	19	—
over-5,000	—	—	—	—	—	—	—	3	—	
Judges Retirement System	\$1-1,000	—	—	—	—	—	—	17	—	7
	1,001-2,000	—	—	—	—	—	—	8	—	2
	2,001-3,000	—	—	—	—	—	—	7	—	2
	3,001-4,000	—	—	—	—	—	—	2	—	2
	4,001-5,000	—	—	—	—	—	—	2	—	4
over-5,000	—	—	—	—	—	—	18	—	12	
Governors and Legislative Pension Plan*	\$1-1,000	—	—	—	184	—	—	—	—	—
	1,001-2,000	—	—	—	24	—	—	—	—	—
	2,001-3,000	—	—	—	12	—	—	—	—	—
	3,001-4,000	—	—	—	1	—	—	—	—	—
	4,001-5,000	—	—	—	2	—	—	—	—	—
over-5,000	—	—	—	—	—	—	—	—	—	

1—A maximum monthly benefit for the retiree's life. No benefit to a beneficiary.

2—A reduced lifetime benefit to the retiree. A beneficiary receives the balance in retiree's account after the monthly annuity payments are deducted.

3—A reduced lifetime benefit to a retiree and a lifetime benefit equal to the retiree's benefit payable to the retiree's lawful spouse at the time of retirement.

4—A reduced lifetime benefit to the retiree and a lifetime benefit equal to half of the retiree's benefit to the retiree's lawful spouse at the time of retirement.

5—Approximately 95% of the benefit in type 3 and the same lifetime benefit for retiree's lawful spouse at the time of retirement. Benefit reverts to 100% at time of spouse's death.

6—Approximately 98% of the benefit in type 4 and a lifetime benefit for equal to half of the retiree's for retiree's lawful spouse at the time of the retirement. Benefit reverts to 100% at time of spouse's death.

7—Normal retirement for age and service and a lifetime benefit of 65% of the retiree's benefit to the retiree's lawful spouse at the time of the retiree's death.

8—Normal retirement for age and service and a lifetime benefit of 75% of the retiree's benefit to the retiree's lawful spouse at the time of the retiree's death.

9—Normal retirement for age and service and a lifetime benefit of 75% of the retiree's benefit to the retiree's lawful spouse at the time of the retirement.

* Governors and Legislative Pension Plan provides a normal lifetime pension to the retiree and 50% of the retiree's benefit to the retiree's lawful spouse at the time of death if the retiree had four or more years of service.

Schedules of Average Benefit Payments

DECEMBER 31

System			Years of Credited Service					
			4-10	10-15	15-20	20-25	25-30	30+
Contributory Retirement System	1999	Average Monthly Benefit	\$ 282	598	667	776	1,572	1,161
		Monthly Final Average Salary	2,016	1,807	1,933	1,792	3,092	1,867
		Number of Active Retired	10	26	24	19	8	1
	2000	Average Monthly Benefit	\$ 300	553	542	1,024	1,482	1,666
		Monthly Final Average Salary	1,967	2,213	1,668	2,580	2,940	3,047
		Number of Active Retired	12	22	19	31	13	4
	2001	Average Monthly Benefit	\$ 237	445	756	998	1,724	1,599
		Monthly Final Average Salary	1,729	1,776	2,077	2,541	3,070	2,780
		Number of Active Retired	6	25	31	18	15	3
	2002	Average Monthly Benefit	\$ 283	424	753	1,005	1,679	2,668
		Monthly Final Average Salary	1,946	1,700	2,305	2,397	3,101	4,602
		Number of Active Retired	10	14	37	25	27	7
	2003	Average Monthly Benefit	\$ \$ 220	542	785	1,063	1,861	1,998
		Monthly Final Average Salary	1,724	2,120	2,361	2,675	3,559	3,637
		Number of Active Retired	9	11	25	35	31	11
Noncontributory Retirement System	1999	Average Monthly Benefit	\$ 304	620	956	1,222	2,207	2,645
		Monthly Final Average Salary	1,827	2,464	2,664	2,755	3,655	4,078
		Number of Active Retired	272	217	249	189	473	316
	2000	Average Monthly Benefit	\$ 279	593	847	1,140	2,146	2,650
		Monthly Final Average Salary	1,965	2,371	2,637	2,808	3,878	4,231
		Number of Active Retired	278	240	212	209	457	313
	2001	Average Monthly Benefit	\$ 276	585	967	1,358	2,269	2,769
		Monthly Final Average Salary	2,095	2,348	2,920	3,115	4,050	4,374
		Number of Active Retired	251	220	226	182	431	267
	2002	Average Monthly Benefit	\$ 327	646	978	1,370	2,493	2,821
		Monthly Final Average Salary	2,148	2,355	2,787	3,255	4,222	4,476
		Number of Active Retired	260	258	222	195	482	320
	2003	Average Monthly Benefit	\$ 303	597	953	1,262	2,332	2,815
		Monthly Final Average Salary	2,009	2,496	2,971	3,103	4,176	4,523
		Number of Active Retired	262	220	258	209	500	356
Public Safety Retirement System	1999	Average Monthly Benefit	\$ 619	1,169	1,847	1,984	2,674	2,876
		Monthly Final Average Salary	3,960	3,349	3,446	3,558	3,997	4,062
		Number of Active Retired	19	18	41	44	33	5
	2000	Average Monthly Benefit	\$ 641	1,056	1,780	2,455	2,888	3,580
		Monthly Final Average Salary	3,545	3,190	3,585	4,077	4,267	4,763
		Number of Active Retired	27	12	50	32	24	6
	2001	Average Monthly Benefit	\$ 469	1,271	1,836	2,284	3,055	3,248
		Monthly Final Average Salary	3,854	3,886	3,777	4,035	4,486	4,566
		Number of Active Retired	52	28	54	70	53	14
	2002	Average Monthly Benefit	\$ 647	1,238	2,172	2,779	2,968	3,600
		Monthly Final Average Salary	4,537	3,886	3,912	4,359	4,387	4,993
		Number of Active Retired	13	3	42	51	39	14
	2003	Average Monthly Benefit	\$ 1,372	1,073	1,834	2,468	3,241	3,586
		Monthly Final Average Salary	2,832	3,113	3,701	4,432	4,848	5,106
		Number of Active Retired	7	10	59	55	39	13

Schedules of Average Benefit Payments *(Continued)*

December 31

System			Years of Credited Service					
			4-10	10-15	15-20	20-25	25-30	30+
Firefighters Retirement System	1999	Average Monthly Benefit	\$1,235	1,272	1,943	2,673	2,915	3,100
		Monthly Final Average Salary	3,293	3,458	4,034	3,868	4,088	3,975
		Number of Active Retired	1	1	10	14	11	5
	2000	Average Monthly Benefit	\$ 753	1,160	2,045	2,611	2,785	3,920
		Monthly Final Average Salary	3,616	3,810	4,060	4,348	4,311	4,935
		Number of Active Retired	2	2	4	24	19	2
	2001	Average Monthly Benefit	\$ 789	1,255	2,212	2,523	2,901	2,853
		Monthly Final Average Salary	3,539	4,002	3,844	4,408	4,331	4,031
		Number of Active Retired	5	1	9	14	20	3
	2002	Average Monthly Benefit	\$ 359	—	1,972	2,771	3,118	3,543
		Monthly Final Average Salary	2,945	—	4,140	4,584	4,653	5,061
		Number of Active Retired	2	—	10	5	11	4
	2003	Average Monthly Benefit	\$ 800	—	2,036	2,522	3,610	3,263
		Monthly Final Average Salary	3,436	—	4,326	4,594	4,863	4,636
		Number of Active Retired	3	—	5	10	19	3
Judges Retirement System	1999	Average Monthly Benefit	\$ —	—	—	—	—	—
		Monthly Final Average Salary	—	—	—	—	—	—
		Number of Active Retired	—	—	—	—	—	—
	2000	Average Monthly Benefit	\$ —	—	—	6,348	6,257	—
		Monthly Final Average Salary	—	—	—	8,562	7,896	—
		Number of Active Retired	—	—	—	1	1	—
	2001	Average Monthly Benefit	\$2,702	5,080	—	6,222	—	7,240
		Monthly Final Average Salary	8,179	8,023	—	8,023	—	8,054
		Number of Active Retired	1	1	—	1	—	1
	2002	Average Monthly Benefit	\$ —	—	—	—	—	—
		Monthly Final Average Salary	—	—	—	—	—	—
		Number of Active Retired	—	—	—	—	—	—
	2003	Average Monthly Benefit	\$ —	4,882	6,148	7,076	—	7,052
		Monthly Final Average Salary	—	8,604	8,836	9,065	—	8,608
		Number of Active Retired	—	1	4	2	—	1
Governors and Legislative Pension Plan	1999	Average Monthly Benefit	\$ 143	278	329	—	682	—
		Monthly Final Average Salary	272	294	102	—	375	—
		Number of Active Retired	10	1	1	—	1	—
	2000	Average Monthly Benefit	\$ 148	258	—	—	—	—
		Monthly Final Average Salary	231	347	—	—	—	—
		Number of Active Retired	3	2	—	—	—	—
	2001	Average Monthly Benefit	\$ 142	329	—	—	—	—
		Monthly Final Average Salary	341	307	—	—	—	—
		Number of Active Retired	8	2	—	—	—	—
	2002	Average Monthly Benefit	\$ 178	—	—	552	—	—
		Monthly Final Average Salary	276	—	—	—	—	—
		Number of Active Retired	6	—	—	1	—	—
	2003	Average Monthly Benefit	\$ 169	—	—	—	—	—
		Monthly Final Average Salary	372	—	—	—	—	—
		Number of Active Retired	3	—	—	—	—	—

Schedule of Participating Employers

SCHEDULE OF PARTICIPATING EMPLOYERS

C = Public Employees Retirement System — Contributory
 N = Public Employees Retirement System — Noncontributory
 PS = Public Safety Retirement System
 F = Firefighters Retirement System
 D = 457 Plan
 K = 401(k) Plan

Employer C N PS F D K

School Districts and Education Employers

Academy for Math, Engineering and Science		N				K
Alpine School District.....	C	N			D	K
Beaver School District.....		N				K
Box Elder School District.....	C	N			D	K
Cache School District.....	C	N			D	K
Carbon School District.....	C	N			D	K
College of Eastern Utah.....	C	N			D	K
Daggett School District.....	C	N			D	K
Davis School District.....	C	N			D	K
Dixie College	C	N	PS			K
Duchesne School District.....	C	N			D	K
Emery School District.....	C	N			D	K
Garfield School District.....	C	N				K
Grand School District.....	C	N				K
Granite School District.....	C	N			D	K
Iron School District.....	C	N			D	K
Jordan School District.....	C	N			D	K
Juab School District.....	C	N			D	K
Kane School District.....	C	N			D	K
Logan School District.....	C	N			D	K
Millard School District.....	C	N				K
Morgan School District.....		N			D	K
Murray School District.....	C	N			D	K
Nebo School District.....	C	N			D	K
North Sanpete School District.....	C	N			D	K
North Summit School District.....	C	N			D	K
Ogden School District.....	C	N			D	K
Park City School District.....	C	N			D	K
Piute School District.....	C	N				K
Provo School District.....	C	N			D	K
Rich School District.....	C	N				K
Salt Lake Arts Academy.....		N				
Salt Lake Community College.....	C	N			D	K
Salt Lake School District.....	C	N			D	K
San Juan School District.....	C	N			D	K
Sevier School District.....	C	N			D	K
Snow College.....	C	N			D	K

Employer C N PS F D K

South Sanpete School District.....	C	N			D	K
South Summit School District.....		N				K
Southern Utah University.....	C	N	PS			K
Thomas Edison Charter School.....		N				K
Timpanogos Academy Foundation.....		N				K
Tintic School District.....	C	N				K
Tooele School District.....	C	N			D	K
Uintah School District.....	C	N			D	K
University of Utah.....	C	N	PS			K
Utah State University.....	C	N	PS		D	K
Utah Valley State College.....	C	N			D	K
Wasatch School District.....	C	N			D	K
Washington School District.....	C	N			D	K
Wayne School District.....		N			D	K
Weber County School District.....	C	N			D	K
Weber State University.....	C	N				K
Academic Achievement.....		N				K
Active Re Entry Incorporated.....		N				K
Bridgerland Applied Technology Center.....		N				K
Davis Applied Technology Center.....		N				K
Educators Mutual Insurance.....	C	N			D	K
High School Activity Association.....	C	N				K
Ogden-Weber Area Vocation.....	C	N				K
Snow College South.....	C	N			D	K
Space Dynamics Lab.....		N				K
Summit Employment.....		N				K
Tuacahan High School.....		N				K
Uintah Basin Applied Technology Center.....	C	N			D	K
Utah Education Association.....	C	N			D	K
Utah School Boards Association.....		N				K
Utah School Boards Risk Man Mut Ins Assn.....		N				K
Utah School Employee Association.....		N			D	K
Utah Uniserv.....	C	N			D	K
Utah Valley Care and Training Center... ..		N				K
Wasatch Front South Applied Technology Center.....		N				K

State and Other Employers

State of Utah						
(also participates in the Judges Retirement System and the Governors and Legislative Pension Plan).....	C	N	PS	F	D	K
Utah Communications Agency Network.....		N				K

Schedule of Participating Employers (Continued)

Employer	C	N	PS	F	D	K
Utah Dairy Commission/Dairy Council of Utah/Nevada		N				
Utah Housing Finance Agency	C	N				K
Utah Industries f/t Blind		N				K
Utah Retirement Systems		N			D	K
Utah Safety Council		N				K
Utah Technology Finance Corp.		N				K
Workers Compensation Fund	C	N			D	K

Counties and County Organizations

Beaver County		N	PS		D	K	
Box Elder County	C	N	PS		D	K	
Cache County	C	N	PS	F	D	K	
Carbon County	C	N	PS		D	K	
Daggett County		N	PS			K	
Davis County		N	PS		D	K	
Duchesne County	C		PS		D	K	
Emery County	C	N	PS		D	K	
Garfield County	C	N	PS		D	K	
Grand County		C	N	PS		K	
Iron County		C	N	PS		D	K
Juab County		C	N	PS			
Kane County			N	PS			
Millard County		C	N	PS		D	K
Morgan County			N	PS			K
Piute County			N	PS			K
Rich County		C		PS			
Salt Lake County		C	N	PS	F	D	K
San Juan County		C	N	PS		D	K
Sanpete County		C	N	PS			K
Sevier County		C	N	PS		D	
Summit County		C	N	PS			
Tooele County		C	N	PS	F	D	K
Uintah County		C		PS		D	K
Utah County		C	N	PS		D	
Wasatch County			N	PS			K
Wasatch County Fire District			N		F		K
Washington County			N	PS		D	K
Wayne County			N	PS			
Weber County		C	N	PS		D	K
Weber County Fire		C			F	D	K

Cities and Towns

Alpine City			N				K
American Fork City			N	PS			
Annabella Town			N				K
Aurora City			N				K
Ballard City			N				K
Beaver City			N				K
Blanding City			N	PS			K
Bluffdale City		C				D	K
Bountiful City		C	N	PS	F	D	K
Brian Head Town		C		PS		D	
Brigham City		C	N	PS		D	K
Castle Dale City			N				

Employer	C	N	PS	F	D	K	
Cedar City			N	PS	F	K	
Cedar Hills Town			N				
Centerville City	C	N	PS		D	K	
Clearfield City			N	PS	F	D	K
Clinton City	C	N	PS	F	D	K	
Coalville City			N			K	
Corinne City	C						
Delta City	C	N				K	
Draper City			N			K	
Duchesne City			N				
Eagle Mountain Town			N				
East Carbon City			N	PS		D	K
Elk Ridge Town			N				K
Emery Town	C						K
Enoch City			N	PS			K
Enterprise City			N				K
Ephraim City			N	PS			K
Escalante Town			N	PS			
Eureka City			N				
Fairview City			N				K
Farmington City			N	PS	F		
Farr West City			N			D	K
Ferron City			N				K
Fillmore City			N			D	K
Fountain Green City			N	PS			
Francis City			N				K
Fruit Heights City			N				K
Garden City			N				K
Garland City	C			PS			K
Goshen Town			N				
Grantsville City			N	PS		D	K
Green River City			N				K
Gunnison City			N	PS		D	K
Harrisville City	C			N	PS		K
Heber City			N	PS		D	K
Helper City			N	PS			K
Herriman Town			N				K
Highland City			N			D	K
Hinckley Town			N				K
Holden Town			N				
Holladay City			N				K
Huntington City			N			D	K
Hurricane City			N	PS	F		K
Hyde Park			N				K
Hyrum City			N				K
Ivins Town			N	PS			K
Kamas City			N	PS		D	K
Kanab City			N	PS		D	K
Kanosh Town			N				
Kaysville City	C	N	PS				
La Verkin City	C						K
Layton City	C	N	PS	F	D		
Leeds Town			N				K
Lehi City	C	N	PS	F			
Levan Town			N				

Schedule of Participating Employers (Continued)

Employer	C	N	PS	F	D	K
Lewiston City		N				K
Lindon City		N				K
Logan City	C	N	PS	F	D	K
Lone Peak Safety District		N	PS	F		K
Manila Town	C					K
Manti City		N				K
Mantua City		N	PS			K
Mapleton City		N	PS			K
Marriott/Slaterville City		N				K
Meadow Town		N				K
Midvale City	C	N	PS	F	D	
Midway City	C	N				K
Milford City		N	PS			K
Millville City		N		D		K
Minersville		N				K
Moab City	C	N	PS	D		K
Monroe City		N				K
Monticello City		N	PS			
Morgan City		N				K
Moroni City		N				
Mt Pleasant City	C	N	PS			K
Murray City	C	N	PS	F	D	K
Naples City	C		PS			K
Nephi City		N	PS	D		K
New Harmony Town		N				K
Nibley City		N				K
North Logan City	C	N	PS			K
North Ogden City	C	N	PS	F		
North Salt Lake City		N	PS	D		K
Oakley City	C					K
Ogden City	C	N	PS	F	D	K
Orangeville City		N				K
Orderville Town		N				
Orem City	C	N	PS	F	D	K
Panguitch City		N				K
Paragonah Town	C					
Park City	C	N	PS			
Parowan City	C	N	PS			K
Payson City		N	PS	F		K
Perry City		N	PS			K
Plain City		N				K
Pleasant Grove City		N	PS	F		
Pleasant View City	C	N	PS	D		K
Price City	C	N	PS	F		K
Providence City		N				K
Provo City	C	N	PS	F	D	K
Redmond		N				
Richfield City	C	N	PS	D		
Richmond City		N				K
Riverdale City	C	N	PS	F		K
Riverton City	C	N		F	D	K
Roosevelt City		N	PS	F	D	K
Roy City	C	N	PS	F	D	K
Salem City		N	PS	D		K
Salina City		N	PS			

Employer	C	N	PS	F	D	K
Salt Lake City Corp.	C	N	PS	F	D	K
Sandy City	C	N	PS	F	D	
Santa Clara City		N				K
Santaquin City		N	PS			K
Saratoga Springs Town		N		F		K
Smithfield City		N	PS	F		K
South Jordan City	C		PS	F		K
South Ogden City		N	PS	F		K
South Salt Lake City		N	PS	F	D	K
South Weber City		N				K
Spanish Fork City		N	PS			
Spring City	C					
Springdale Town		N	PS			K
Springville City	C	N	PS	F		
St. George City	C	N	PS		D	K
Sunnyside City		N			D	K
Sunset City	C	N	PS		D	K
Syracuse City		N	PS		D	K
Taylorsville		N				K
Tooele City	C	N	PS	D		
Tremonton City	C	N	PS	D		K
Vernal City	C	N	PS			K
Washington City		N				K
Washington Terrace		N	PS		D	K
Wellington City		N	PS			K
Wellsville City		N				K
Wendover City		N	PS		D	K
West Bountiful City	C		PS			K
West Haven		N				K
West Jordan City	C	N	PS	F	D	
West Valley City	C	N	PS	F		
West Point		N				K
Willard City		N	PS			
Woods Cross City	C	N	PS		D	K

Other Government Entities

Ash Creek Special Service District		N			D	K
Ashley Valley Sewer Management Board		N				
Ashley Valley Water & Sewer		N				
Bear Lake Special Service District		N				K
Bear River Association of Governments		N			D	K
Bear River Health District	C	N			D	K
Bear River Mental Health		N			D	K
Bear River Water Conservancy		N				K
Beaver County Special Service District		N				K
Beaver Valley Hospital		N				K
Bona Vista Water Improvement		N			D	K
Bountiful Water District		N			D	K
Box Elder County Mosquito District		N				K
Cache Metro Planning Organization		N				
Castle Valley Special Service District	C	N				K

Schedule of Participating Employers (Continued)

Employer	C	N	PS	F	D	K
Cedar City Library	C	N				K
Central Davis Sewer		N			D	K
Central Utah Public Health		N				K
Central Utah Water District		N			D	K
Central Weber Sewer District	C	N			D	K
Children's Aid Society—Utah		N				K
Copperton Improvement District		N				K
Cottonwood Improvement District		N			D	K
Davis & Weber County Canal	C					K
Davis Behavioral Health		N			D	K
Davis County Mosquito Abatement		N				K
Davis County Housing	C					K
Davis County Solid Waste Management		N			D	K
DDI Advantage	C					K
Duchesne County Mosquito District	C					
Duchesne County Water Conservancy District		N				
Emery County Nursing Home	C				D	K
Emery County Recreation Special Service District		N				K
Emery Water Conservancy District		N				K
Farmington Area Pressurized Irrigation District		N				K
Five-County Association of Governments	C	N			D	K
Four Corners Mental Health	C	N			D	K
Grand County Solid Waste Management		N				K
Grand County Water Conservancy District		N				
Granger-Hunter Improvement District		N			D	K
Gunnison Valley Hospital	C	N				K
Heber Light & Power		N			D	K
Heber Valley Historic Railroad Authority		N				K
Heber Valley Special District		N				
Hooper Water Improvement District		N				
Housing Authority of Carbon		N				K
Housing Authority of SLC	C	N				K
Housing Authority of SL County		N				
Jordan Valley Water Conservancy District	C	N			D	K
Jordanelle Special Service District		N				K
Kearns Improvement District	C	N				K
Maesar Water District		N				K
Magna Mosquito Abatement		N				K
Metro Water District—SLC		N			D	K
Midway Sanitation District		N				K
Moab Valley Fire District		N		F		K
Mountain Regional Water Special Service District		N				K
Mountainland Association of Governments	C	N			D	K

Employer	C	N	PS	F	D	K
Nebo Credit Union		N				K
North Davis County Sewer	C	N				
North Emery Water Users Association		N				
North Fork Special Service District		N				
North Pointe Solid Waste Special Service District		N				K
North View Fire Agency				F		
Park City Fire Service District		N		F		K
Price River Water Improvement		N			D	K
Provo Housing Authority		N				
Provo Reservoir Water Users		N				
Provo River Water Users		N			D	K
Roosevelt City Housing Authority		N				
Roy Water Conservancy District		N				K
SLC Employees Credit Union		N				K
SLC Library		N				K
SLC Mosquito Abatement		N				K
SLC School Credit Union		N				K
SLC Sub. Sanitation #1		N				K
SLC Sub. Sanitation #2		N				K
SL County Regional Service Area		N				K
SL County Service Area #2		N			D	K
SL County Service Area #3		N			D	K
SL County Sewer Improvement District #1	C	N			D	K
San Juan Mental Health/Substance Abuse District		N				K
Sandy Sub. Improvement District		N				K
Six-County Association of Governments	C	N			D	K
Snyderville Basin	C	N			D	K
Solitude Improvement District		N				K
South Davis County Sewer Improvement District	C	N			D	K
South Davis County Water Improvement District		N				K
South Davis County Fire Department		N		F	D	K
Southeastern Utah A.O.G.	C	N			D	K
Southeastern Utah Health	C	N				K
Southern Utah Valley Power System		N				K
South Ogden Conservancy District		N			D	K
South SL County Mosquito Abatement		N				K
Southwest Center		N				K
Southwest Utah District Health	C	N			D	K
South Utah Valley Solid Waste		N				K
St. George Housing Authority		N				K
Strawberry Electric Service Department		N				K
Summit Park Water Special Service District		N				K
Taylorville—Bennion Improvement		N			D	K
Timber Lakes Special Service District		N				K

Schedule of Participating Employers (Continued)

Employer	C	N	PS	F	D	K
Timpanogos Special Service District.....	C	N				
Tooele County Housing		N				K
Trans-Jordan Cities.....		N			D	K
Tri-City Golf Course.....		N				K
Tridell-Lapoint Water District.....		N				K
Twin Creeks Special Service District.....		N				K
Uintah Basin Assistance Council		N				
Uintah Basin Association of Governments		N				
Uintah Basin Tri-County Mental Health.....		N				K
Uintah County Mosquito Abatement		N				K
Uintah Health Care Special Service District.....		N				K
Uintah Special Service District.....		N				K
Uintah Water Conservancy District.....		N				
Upper Country Water District		N				
Utah Association of Counties.....		N				K
Utah Counties Insurance Pool.....		N				K
Utah County Housing Authority	C	N			D	
Utah Lake Distributing Co.		N				
Utah League of Cities & Towns.....	C					
Utah Local Governments Trust		N				
Utah Municipal Power Agency		N				K
Utah Public Employees Association.....	C	N				K
Utah State Fair Corporation		N				K
Utah Telecommunication Open Infrastructure Agency.....		N				K
Utah Zoological Society.....	C	N				K
Valley Emergency Communication Center.....		N			D	K
Valley Mental Health.....	C	N			D	K
Wasatch County Special Service Area I.....		N				K
Wasatch Front Regional Council.....	C				D	K
Wasatch Mental Health.....	C	N			D	K
Washington County Association for Retarded Citizens.....		N				K
Washington County Solid Waste #1.....		N				K
Washington County Water District.....	C					K
Weber Basin Water Conservancy		N			D	K
Weber County Mosquito Abatement.....		N			D	K
Weber Human Services.....		N			D	K
Weber River Water Users	C					K
Western Kane County Special Service District #1.....		N				K
White City Water Improvement District.....		N				K

Total Participating Employers	407
Contributory.....	161
Noncontributory	380
Public Safety.....	117
Firefighters.....	43
Judges.....	1
Governor and Legislative	1
457 Plan	153
401(k) Plan	337

Inactive Units with Retirees

Employer	Employer
American Fork Hospital	Pioneer Care Center
Bay Area Refuse Disposal	Reg 2 Law Enforcement Plan Agency
Bingham City	Salt Lake County Fair
Box Elder County Nursing Home	San Juan County Hospital
Carbon County Hospital	Six-County Economic Development
Carbon Nursing Home	Snow College South
Coalville Health Center	Sugarhouse Park Authority
Dixie Center at St. George	Tooele Valley Hospital
Dixie Hospital	Trail Incorporated
Emery Medical Center	U of U Research Institute
Four Corners Regional Hospital	USU Community Credit Union
Genola Town	Uintah Basin Counsel Inc
Grand County Road Special Service District	Uintah Basin Medical Center
Hiawatha Town	Uintah County Council on Aging
Honeyville Town	Uintah County Hospital
I. W. Allen Hospital	Utah Local Governments Trust
Juab County Hospital	Utah Partnership for Education Economics
Marysville Town	Wasatch County Hospital
Metro Water District— Provo	Weber County Hospital
Midvale Wastewater Treatment	Weber Economic Development Corporation
Morgan County Library	West Millard Hospital
Mountain America Credit Union	
Payson City Hospital	

Systems and Plans Statistical Highlights

YEAR ENDED DECEMBER 31, 2003

Utah Retirement Systems

	Contributory	Non-contributory	Public Safety	Firefighters	Judges	Governors and Legislators	Averages And Totals All Systems
Membership Information							
Total Membership	11,927	127,661	10,986	2,554	194	411	153,733
Active	3,493	83,156	7,041	1,568	106	97	95,461
Terminated vested	1,492	22,290	1,067	65	5	91	25,010
Retired	6,942	22,215	2,878	921	83	223	33,262
2003 Active Members	3,493	83,156	7,041	1,568	106	97	95,461
Average age	50.4	44.5	38.8	39.3	54.9	51.8	44.2
Average years of service	18.8	10.1	9.0	10.5	10.7	6.0	10.4
Average annual salary	\$ 39,666	35,806	39,579	48,132	106,613	6,388	36,477
2003 Retirees							
Number	122	1,805	183	40	8	3	2,161
Average age	62.1	61.7	53.6	54.3	62.9	64.4	60.9
Average years of service	22.7	22.8	23.2	27.6	21.8	7.1	22.9
Final average annual salary	\$ 33,438	41,029	50,769	56,350	106,190	2,975	41,897
Average annual benefit	\$ 14,242	19,013	29,188	36,052	75,647	1,986	20,107
Average annual benefit —all retirees	\$ 7,865	16,884	19,796	22,573	51,023	2,817	15,402

Financial Information

Changes in Net Assets	<i>(in thousands)</i>						
Contributions	\$ 15,970	326,028	51,103	15,114	2,593	—	410,808
Investment income/(loss)	\$186,339	2,315,577	286,126	117,392	19,417	2,202	2,929,053
Pension benefits	\$ 57,863	386,791	59,941	23,520	4,361	726	533,202
Net assets at market value	\$889,808	11,280,140	1,404,167	570,160	94,467	10,390	14,249,132

Actuarial Information

Funding Progress	<i>(dollars in thousands)</i>						
Actuarial value of assets	\$930,999	11,640,475	1,448,888	589,502	97,412	10,905	14,718,181
Actuarial accrued liability	\$987,798	12,587,893	1,565,706	555,746	97,396	8,624	15,803,163
Unfunded actuarial							
Accrued liability	\$ 56,799	947,418	116,818	(33,756)	(16)	(2,281)	1,084,982
Funded ratios	94.2%	92.5%	92.5%	106.1%	100.0%	126.4%	93.1%

401(k) and 457 Plans

Membership Information

	401(k)	457
Number of active employees eligible to participate	89,367	79,362
Employee contributions (excluding employer contributions):		
Number of employees contributing	40,465	4,352
Percent of eligible employees contributing	45.3%	5.5%
Average percent of salary deferred by employees	6.0%	7.7%
Total participants	121,070	11,272
Average participant account balance	\$ 13,656	17,408

Financial Information

Changes in net assets	<i>(in thousands)</i>		Total
Contributions	\$ 161,212	13,812	175,024
Net investment income (loss)	249,313	29,193	278,506
Refunds	65,785	17,877	83,662
Total net assets	\$1,653,375	196,219	1,849,594



*Pictured Above:
Ross Bryner
Draftsman / Surveyor
Price River Water Improvement District*

UTAH RETIREMENT SYSTEMS

560 East 200 South • Salt Lake City • Utah 84102-2021 • www.urs.org