

# Utah Retirement Systems

Actuarial Valuation Report

As of January 1, 2017



August 17, 2017

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

Dear Members of the Board:

**Subject: Actuarial Valuation as of January 1, 2017**

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

Under URS statutes, the Board of Trustees must certify employer contribution rates annually. These rates are determined actuarially, based on the Board's funding policy, although, as discussed below, the Board may choose to maintain the current rate if it is greater than the actuarially calculated rate. Contribution rates determined by a given actuarial valuation become effective eighteen months after the valuation date. In other words, the rates determined by this January 1, 2017 actuarial valuation will be used by the Board when certifying the employer contribution rates for the 12-month period beginning July 1, 2018 and ending June 30, 2019. If new legislation is enacted between the valuation date and the date the contribution rates become effective, the Board may adjust the calculated rates before certifying them in order to reflect this new legislation. Such adjustments are based on information supplied by the actuary.

**FINANCING OBJECTIVES AND FUNDING POLICY**

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

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

To accomplish this, the Board's funding policy requires that the employer contribution rate be at least equal to the sum of the employer normal cost rate (which pays the current year's cost) and an amortization rate which results in the amortization of the UAAL over 20 years in installments that increase at the assumed rate of growth in payroll for URS.

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

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

#### **PROGRESS TOWARD REALIZATION OF FINANCING OBJECTIVES**

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

The funded ratio on a combined basis remains unchanged from the prior year at 85.2%. The improvement in the funded ratio due to investment gains and the current contribution effort to finance the unfunded actuarial accrued liability were offset by the impact of the new actuarial assumptions. Absent unfavorable actuarial experience, we expect the funded ratio to gradually increase in future years.

If market value had been used in the calculation instead of actuarial value, the aggregate funded ratio for all funds combined would have been 84.1% compared to 83.8% in the prior year. The increase in the funded ratio on a market value basis is attributable to the 8.4% return on the market value of assets during the prior year and the current contribution effort to finance the unfunded actuarial accrued liability.

#### **BENEFIT PROVISIONS**

The benefit provisions reflected in this valuation are those which were in effect on January 1, 2017. There were no legislative changes enacted since the previous valuation that had a measurable effect on the current valuation.

#### **ASSUMPTIONS AND METHODS**

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

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

- Decrease the investment return assumption from 7.20% to at least 7.00%, with 6.95% or 6.90% as other possible assumptions. (7.00% reflects 0.1% decrease in inflation assumption and 0.1% decrease in real rate of return assumption). The Board elected to use a 6.95% assumption.
- Decrease the payroll growth assumption from 3.10% to 3.00%.
- Decrease in the rates of salary increase for individuals (reflects a 0.1% decrease in inflation assumption and small decreases in service based rates for most groups).
- Constructed new post-retirement mortality table based on URS experience (increases life expectancy for most groups).
- Pre-retirement mortality assumptions based on RP-2014 white collar mortality table for employees, with adjustments for different employee types.
- Modify the retirement rates for most groups. The changes varied by group and gender with some rates increasing and some decreasing.
- Modify the termination rates for most groups. The changes varied by group and gender with some rates increasing and some decreasing.
- Modify the disability rates for most groups. The rates of disability incidence were generally decreased for those groups (rates for firefighters were increased slightly).

In addition to these assumption changes, several university and college entities (referred to as Higher Ed in the remainder of the report) were moved into their own risk group to reflect their decision to classify new employees such that they do not participate in URS.

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

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

**DATA**

Member data for retired, active and inactive members was supplied as of December 31, 2016 by the URS staff. The staff also supplied asset information as of December 31, 2016. We did not audit this data, but we did apply a number of tests to the data and concluded that it was reasonable and consistent with the prior year's data. GRS is not responsible for the accuracy or completeness of the information provided to us by URS.

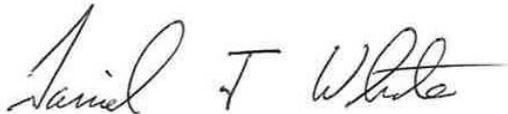
**CERTIFICATION**

We certify that the information presented herein is accurate and fairly portrays the actuarial position of URS as of January 1, 2017.

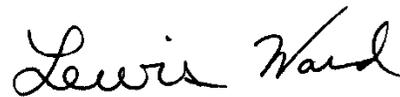
All of our work conforms with generally accepted actuarial principles and practices and with the Actuarial Standards of Practice issued by the Actuarial Standards Board. In our opinion, our calculations also comply with the requirements of Utah state law and, where applicable, the Internal Revenue Code,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

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

Sincerely,



Daniel J. White, FSA, EA, MAAA  
Senior Consultant



Lewis Ward  
Consultant

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## **SECTION A**

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### **EXECUTIVE SUMMARY**

## Executive Summary and Contribution Requirements

- The only increases in the gross recommended contribution rates from the prior year were for the City of Bountiful Public Safety, the Other Division B Public Safety 2.5% Cola Funds, and the defined benefit component for both Tier II Hybrid Plans.
  - The contribution rate for the Noncontributory State & School Fund (Fund 16) is 22.19% of payroll.
  - The contribution rate for the Noncontributory Local Government Fund (Fund 15) is 18.47% of payroll.
  - The contribution rate for the City of Bountiful Public Safety Fund (Fund 48) increased by 80 basis points to 50.38% of payroll primarily due to the change in assumptions.
  - The recommended contribution rate for the defined benefit portion of the Tier II Public Employee Retirement System increased from 8.42% to 8.85% while the Tier II Public Safety and Firefighter Retirement System rate increased from 10.74% to 11.26% of pay. The funded ratios of Tier II Public Employee Retirement System and the Tier II Public Safety and Firefighter Retirement System are 95.1% and 98.4%, respectively.
  - Due to a decrease in the average fire insurance premium receipts, the net employer contribution rates for both firefighter funds increased by 0.54% of pay. The employer rate for Fund 31 (Division A) increased from 3.93% to 4.47% and the rate for Fund 32 (Division B) increased from 6.70% to 7.24%. The member contribution rates remained unchanged at 15.05% for Division A and 16.71% for Division B.
    - See Exhibit 2(b) for details about the offsets applied to contribution rates for Firefighters.
  - Due to a decrease in the average court fee receipts relative to payroll, the net employer contribution rates for the Judicial fund increased by 0.99% of pay to 43.68%.
    - See Exhibit 2(b) for details about the offsets applied to contribution rates for Judges.
- Total projected contributions for all funds combined are estimated to be \$1.2 billion for fiscal year 2019.
- Exhibits 1(a) and 1(b) show the recommended contribution rates for FY 2019, and compare these to the rates certified for FY 2018 based on the last valuation.
  - Rates include funding for the 3% substantial substitute benefit, where applicable.
  - Rates do not include the 1.50% 401(k) contribution.
  - Offsets for Firefighters System and Judges System are shown.
  - Rates shown on Exhibits 1(a) and 1(b), column 6 are for the twelve-month period beginning July 1, 2018 (FY 2019).
  - Rates may need to be adjusted for the effect of any 2018 legislation.
- Exhibits 1(c) and 1(d) show the development of the recommended rates under §49-11-301(5). The recommended rates are the larger of the actuarially calculated rates from the current valuation (Col. 2) and the rates certified for FY 2018 (Col. 3).

## Executive Summary and Contribution Requirements (Continued)

- §49-11-301(5) permits the Board to set the contribution rate at the prior year's level if the actuarially calculated rate would be less and the funded ratio is less than 110%.
- The policy is applied to the gross rates for the Tier I Firefighter funds and the Judges, i.e., before application of the offsets for the fire insurance premium tax receipts and the court fees.
- This policy is separately applied to the contribution rate for the 3% substantial substitute that is included with the contribution rates for the State and School funds, the State Public Safety funds and the Judges.
- Exhibit 2(a) shows the components of the actuarially determined contribution rate, and Exhibit 4(a) reconciles the actuarially calculated rates determined by this valuation and the previous valuation.
  - Due to the decrease in the interest rate assumption, most funds experienced an increase in their actuarially calculated contribution rate.
- There were no legislative changes enacted since the previous valuation that had a measurable effect on the current valuation.
- Amortization payments for the calculated contribution rates are based on:
  - A 20-year amortization period is used for determining the contribution rates (except for Governors and Legislators Plan, where amortization period is 17 years)
  - Contributions determined as level percentage of pay (except for Governors and Legislators Plan and the Higher Ed risk pools, where minimum amortization is in level dollar payments)
  - Total payroll assumed to increase 3.00% per year
  - No future growth in the number of active members is taken into account
- ◆ Two new Tier I risk pools were created for seven universities (Higher Ed) that were in the Tier I State and School risk sharing pools (Funds 12 & 16). The Fund 12 (contributory) members were put into Fund 17 and the Fund 16 (noncontributory) members were put into Fund 18.
  - Each employer will contribute an amount based on the Board's funding policy. For FY 2019, the employers will contribute the same rate that is established for the State and School risk pools
  - The aggregate amortization payment for Higher Ed (based on recommended contribution rates) must greater than or equal to the level dollar amortization of the Higher Ed UAAL on a 20-year closed funding period from January 1, 2017
  - Please see Supplemental Exhibit 1(d) for the employer contribution amounts
- The plan earned 8.4%, net of investment and administrative expenses, on a market-value basis during 2016
  - The actual market value as of December 31, 2016 (\$28.544 billion) was \$0.330 billion more than the expected market assets at this date based on a 7.20% return assumption for the prior year.

## Executive Summary and Contribution Requirements (Continued)

- Plan uses actuarial value to determine contribution rates and funded status
  - 5-year smoothing of net earnings above or below the investment return assumption
  - Method reflects just 20% of investment gain or loss each year
- The non-contributory local government, state and school funds, firefighters, both Tier II funds as well as most of the public safety funds experienced liability gains.
  - Impact on contribution rates shown on Exhibit 4(a) col. (5), and Exhibit 4(b) col. (4)
- The Governors and Legislative Plan was 79.7% funded as of January 1, 2017. We recommend a \$384,462 appropriation be made to the plan on or before June 30, 2019. Please see Exhibit 16.

# SECTION B



## DISCUSSION

## Determination of Calculated Contribution Rates

The URS retirement systems, except for the Governors' and Legislators' Retirement Plan, are funded by employer contributions which are expressed as a percent of pay, and in some cases by member contributions. The contribution amounts for the Higher Ed funds are initially determined in aggregate as rates of pay. These amounts are then converted to expected contribution dollars and allocated to the individual universities based on the ratio of their liabilities to the total liability of the fund. The Firefighters System and the Judges System receive additional funding from outside sources. As shown in Exhibit 2(a), the calculated employer contribution rate can have as many as four components:

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

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

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

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

The UAAL% is the amount required to fund this difference. It is the amount, expressed as a level percentage of payroll (except for the Governors' and Legislators' Plan which is level dollar), necessary to amortize the UAAL. The Board's current policy calls for developing the actuarially determined contribution by amortizing the UAAL over an open 20 year period (except for the Governors' and Legislators' Plan which currently has a closed 17 year funding period, and the Higher Ed funds which have a closed 20 year funding period ). Column 3 of Exhibit 2(a) shows the UAAL% of the calculated rates for each fund.

## Determination of Calculated Contribution Rates

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

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

Under the policy, the actuarial rates and last year's certified rates are compared, and the larger is set as the new certified rate. This is done separately for: (1) the 3% Substantial Substitute fund, (2) each Tier II hybrid fund, (3) the total contribution rate applicable to the payroll of Tier I members, and (4) the total contribution rate applicable to the payroll of Tier II members. Then the offset for the fire insurance premium tax and the court fees are applied, as shown in Exhibit 1(a).

The defined benefit portion of both the Tier II Public Employee Retirement System and the Tier II Public Safety and Firefighter Hybrid System's contribution rate increased due to the assumption change and now exceed last year's certified rate. Therefore, we recommend that the new calculated rates for both systems become the certified rate for FY2019.

The Governors' and Legislators' Retirement Plan, unlike the other systems, is funded by direct legislative appropriations. Similar to last year, we are recommending an appropriation be made for this plan by the end of FY 2019. Please see the discussion about the determination of the appropriation later in this section and the calculation of the appropriation on Exhibit 16.

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

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

## Financial Data and Experience

As of December 31, 2016, the retirement systems that are part of URS have a total market value of \$28.544 billion. This excludes assets of the defined contribution plans that are also administered by URS. Assets of the various funds and systems are commingled for investment purposes. Financial information was gathered from the 2016 URS Comprehensive Annual Financial Report, with additional information provided by the URS staff.

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

Exhibit 11(b) provides a reconciliation of the market values between the beginning and end of 2016 for each fund. The contributions shown in column 3 of Exhibit 11(b) include employer and member contributions, as well as court fees and fire insurance premium tax receipts. The 3% substantial substitute fund is shown as a separate item.

During 2016, the total investment return on market values was 8.4%, as shown on Exhibit 12(a). This return is net of all investment and administrative expenses.

In determining the contribution rates and funded status of the funds, an actuarial value of assets (AVA) is used, rather than the market value of assets. The method used to compute the AVA takes the difference between actual earnings and expected earnings (based on the assumed rate of investment return) each year, and recognizes the difference over five years, at 20% per year. This is intended to reduce the volatility of the contribution rates from year to year. This “smoothed” asset value is then subjected to the further constraint that the actuarial value of assets cannot be less than 75% or more than 125% of the market value of assets. For 2017, the five-year smoothed asset value is \$28.916 billion for all systems combined, or about 101% of the market value of assets.

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

In addition to the market return, Exhibit 12(a) also shows the return on the actuarial value for URS. For 2016, this return was 8.1%. Because this is greater than last year’s 7.20% investment return assumption, the plan experienced a gain on the actuarial value of assets. Exhibit 12(b) shows a summary of market and actuarial return rates in recent years.

Some funds in the Contributory Public Employees System and the Contributory Public Safety System are paired with funds in the Noncontributory Public Employees and Noncontributory Public Safety systems. For example, Fund 23, Other Division A, in the Contributory Public Safety System is paired with Fund 43, Other Division A, in the Noncontributory Public Safety System. In these cases, URS has established a policy of maintaining either the same difference between contribution rates for pairs of funds, or it maintains equal amortization percentages. To accomplish this, assets are transferred each year between fund pairs, as necessary. Because the 4% COLA funds in the Public Safety funds also contain

## Financial Data and Experience (Continued)

employers that have members in both the Contributory and Noncontributory systems, we have continued the practice of pairing funds and transferring assets between the paired funds to produce the same amortization payment as a percentage of pay. For this purpose, Funds 77 & 75 are paired as are Funds 74 & 76. Exhibit 14, column 6 shows the change that must occur to the AVA in order to accomplish this. Exhibit 14, column 3 shows how much must be transferred between systems to accomplish this in terms of market value. The new Funds (Funds 17 and 18) for certain higher education entities will also be paired.

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

## Member Data

Member data was supplied by URS staff on electronic files as of December 31, 2016. While we did not audit this data, we did perform various tests to ensure that it was internally consistent, consistent with the prior year's data, and was reasonable overall.

Compared to last year, the number of public employees increased from 92,373 to 93,084. Similarly, the number of public safety and firefighters slightly increased from 10,013 to 10,200. The following table provides the number of Tier I and Tier II employees as of the valuation date for these two groups.

<b>Tier I and Tier II Employee Count</b>				
	<b>Tier I</b>	<b>Tier II Hybrid Plan</b>	<b>Tier II Defined Contribution<sup>1</sup></b>	<b>Total</b>
All Public Employee Funds <sup>2</sup>	63,958	24,372	4,754	93,084
All Public Safety and Firefighter Funds	7,697	2,240	263	10,200

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

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

For all the funds combined, the number of retirees (including disables and beneficiaries) increased from 59,840 to 62,698. There are now 1.6 employees for every retiree in the Retirement System.

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

## Benefit Provisions

Appendix 2 includes a summary of the benefit provisions for each of the retirement systems in URS. The valuation reflects any benefit changes enacted by the 2017 legislature. There were no legislative changes enacted since the previous valuation that had a measurable effect on the current valuation.

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

## Actuarial Methods and Assumptions

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

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

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

- Decrease the investment return assumption from 7.20% to at least 7.00%, with 6.95% or 6.90% as other possibilities. (7.00% reflects a 0.1% decrease in inflation assumption and 0.1% decrease in real rate of return assumption). The Board adopted 6.95%.
- Decrease the payroll growth assumption from 3.10% to 3.00%.
- Decrease in the rates of salary increase for individuals (reflects 0.1% decrease in inflation assumption and small decreases in service based rates for most groups)
- Constructed new post-retirement mortality table based on URS experience (increases life expectancy for most groups).
- Pre-retirement mortality assumptions based on RP-2014 white collar mortality table for employees, with adjustments for different employee types.
- Modify the retirement rates for most groups. The changes varied by group and gender with some rates increasing and some decreasing.
- Modify the termination rates for most groups. The changes varied by group and gender with some rates increasing and some decreasing.
- Modify the disability rates for most groups. The rates of disability incidence were generally decreased for those groups (rates for firefighters increased slightly)

In addition to these assumption changes, a new risk pool was created for several university and college entities (Higher Ed) due to their decision to exclude new employees from participation in URS.

For a more thorough discussion of the analysis of the experience and the assumption recommendations, please see our Actuarial Experience Study report dated August 10, 2017.

## Governors and Legislative Pension Plan

The Governors and Legislative Pension Plan (Leg/Gov Plan) is funded by direct appropriations rather than through pay-period contributions. Since the plan continues to be less than fully funded for 2017, we are recommending an appropriation for fiscal year 2019. Please see Exhibit 16 for the determination of the appropriation amount. We also anticipate that appropriations will be recommended for each fiscal year for the next several years.

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

The Entry Age Normal level dollar approach will be used to determine the normal cost and actuarial accrued liabilities of the Leg/Gov Plan. This Entry Age Normal funding method is used to determine the cost allocation of the contribution requirements because it produces a cost pattern that remains level over time for individual members (if the assumptions are met). With the other URS systems, the cost is determined so as to remain level as a percentage of pay over time. Since neither the contributions nor benefits of the Leg/Gov Plan are pay related, we have determined the cost as a level dollar amount. This method would normally be expected to produce appropriations that remain level over time (if the actuarial assumptions are exactly met). However, because the Leg/Gov Plan is closed to new members it is expected that the contributions will decrease over time as the number of active members decrease, thereby decreasing the dollar amount of the normal cost in the future.

In addition, the determination of the amortization payment for amortizing the unfunded liabilities of the system is determined using a level dollar approach over a closed funding period. This valuation determines the appropriation for fiscal year 2019. Because of the lag between the determination of the dollar contribution amount and the payment of the contribution, we included an adjustment for interest in the determination of the appropriation. The recommended appropriation for fiscal year 2019 is \$384,103. The allocation of this appropriation to the Governor's Office, House, and Senate is \$20,936, \$261,899, and \$101,268, respectively.

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

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

## Higher Education

Beginning with the January 1, 2017 actuarial valuation, seven colleges and universities were assigned to their own risk pool for benefits being earned in the Tier I Public Employees Contributory and Noncontributory Retirement Systems. These entities are:

- Utah Valley University
- Dixie State College
- Snow College
- University of Utah
- Utah State University
- Weber State University
- University of Utah Hospital

The covered members for these employers were previously in Funds 12 & 16 of the Public Employees System. These employers are being assigned to these new risk pools because they are (or are planning to) classifying all new employees as being ineligible for participation in URS. Because employer contribution rates for financing the unfunded liability in Funds 12 & 16 include an assumption that covered payroll will increase in future years, it is inappropriate to include employers whose covered membership (and thus covered payroll) will decline in future years in the same risk pool.

Employees of these entities will continue to earn benefits in the Tier I Public Employees Retirement System but they will be put into new funds with members previously in Fund 12 going into Fund 17 and members previously in Fund 16 going into Fund 18. URS retirees who retired from one of these entities and former employees of these entities with a vested retirement benefit will also be put into these new risk pool funds. As part of the assignment to the risk pool, assets will also be transferred from Funds 12 and 16 to Funds 17 and 18, respectively, based on each funds funded ratio prior to the segregation of the risk pools (determined after rebalancing Funds 12 and 16). These two new risk pool funds (Funds 17 and 18) are also paired such that the difference between contribution rates for these funds remains a constant 4.49%, which is the same difference maintained for Funds 12 and 16.

The contribution rate for the 2019 fiscal year for these funds will be the same contribution rate these employers are currently contributing for the 2018 fiscal year.

The minimum contribution requirement for these funds will be determined on a level-dollar basis over a closed funding period (20 years from January 1, 2017). Since these funds are paired, these minimum contribution requirements will be determined in aggregate (i.e. Funds 17 and 18 combined) and will also reflect the anticipated amortization contributions received on the payroll of the employees that participate in the Tier II Retirement Systems. Finally, the contribution requirements are allocated to the individual employers. As permitted by §49-11-301(5), the Board of Trustees may hold the contribution rates for these funds at the prior year's rate if it is higher and the Funds are not 110% funded.

It is important to note that these funds have an unfunded actuarial accrued liability and contributions include an amortization charge to finance, or decrease, this unfunded actuarial accrued liability. The contribution rate, as a percentage of payroll, may increase in future years to ensure the appropriate dollar amount of contributions are maintained to finance the unfunded actuarial accrued liability over the funding period.

## Firefighters and Judges Offsets

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

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

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

Due to a decrease in the average fire insurance premium receipts, the offset for the Firefighter System slightly decreased from 11.60% to 11.06% of pay. Similarly, due to a slight decrease in the average court fees and an increasing covered payroll, the offset for the Judges System will decrease from 9.22% to 8.23%.

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

The 2004 Legislature enacted legislation which created the Public Safety Retirees' Cost-of-Living Increases Restricted Account (Restricted Account). As a result of this legislation a portion of fire insurance premium tax receipts that would normally have been contributed to the Firefighter System may instead be redirected to this new account. No funds were transferred to this account in calendar year 2016.

## 3% Substantial Substitute

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

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

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

The actuarially determined contribution required to pay for this benefit is 0.62%, 0.23% less than the current contribution rate of 0.85%. Details of the calculation are shown in Exhibit 15(a), while Exhibit 15(b) shows a distribution of the liabilities associated with this benefit.

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

## Restoration of Purchasing Power (ROPP)

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

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

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

**SECTION C**

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**SUPPORTING EXHIBITS**

## EXHIBIT 1(a)

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

Fund/Division (1)	Prior Year Valuation Certified Rates for FY 2018			Current Year Valuation Recommended Rates for FY 2019			Increase/ (Decrease) in Total (8)
	Member (2)	Employer (3)	Total (4)	Member (5)	Employer (6)	Total (7)	
I. Public Employees Contributory							
A. Local Government	6.00%	14.46%	20.46%	6.00%	14.46%	20.46%	0.00%
B. State and School	6.00%	17.70%	23.70%	6.00%	17.70%	23.70%	0.00%
C. Higher Education	6.00%	17.70%	23.70%	6.00%	17.70%	23.70%	0.00%
II. Public Employees Noncontributory							
A. Local Government	0.00%	18.47%	18.47%	0.00%	18.47%	18.47%	0.00%
B. State and School	0.00%	22.19%	22.19%	0.00%	22.19%	22.19%	0.00%
C. Higher Education	0.00%	22.19%	22.19%	0.00%	22.19%	22.19%	0.00%
III. Public Safety Contributory							
A. Other Division A (2.5% COLA)	12.29%	22.75%	35.04%	12.29%	22.75%	35.04%	0.00%
B. Other Division A (4% COLA)	12.29%	24.33%	36.62%	12.29%	24.33%	36.62%	0.00%
C. Other Division B (2.5% COLA)	10.50%	22.29%	32.79%	10.50%	22.78%	33.28%	0.49%
D. Other Division B (4% COLA)	10.50%	28.95%	39.45%	10.50%	28.95%	39.45%	0.00%
IV. Public Safety Noncontributory							
A. State	0.00%	41.35%	41.35%	0.00%	41.35%	41.35%	0.00%
B. Other Division A (2.5% COLA)	0.00%	34.04%	34.04%	0.00%	34.04%	34.04%	0.00%
C. Other Division A (4% COLA)	0.00%	35.71%	35.71%	0.00%	35.71%	35.71%	0.00%
D. Salt Lake City	0.00%	46.67%	46.67%	0.00%	46.67%	46.67%	0.00%
E. Ogden	0.00%	48.68%	48.68%	0.00%	48.68%	48.68%	0.00%
F. Provo	0.00%	42.16%	42.16%	0.00%	42.16%	42.16%	0.00%
G. Logan	0.00%	41.92%	41.92%	0.00%	41.92%	41.92%	0.00%
H. Bountiful	0.00%	49.58%	49.58%	0.00%	50.38%	50.38%	0.80%
I. Other Division B (2.5% COLA)	0.00%	32.20%	32.20%	0.00%	32.25%	32.25%	0.05%
J. Other Division B (4% COLA)	0.00%	38.94%	38.94%	0.00%	38.94%	38.94%	0.00%
V. Firefighters							
A. Division A							
1. Gross Rate	15.05%	15.53%	30.58%	15.05%	15.53%	30.58%	0.00%
2. Less Estimated Offset	-0.00%	-11.60%	-11.60%	0.00%	-11.06%	-11.06%	0.54%
3. Net Rate	15.05%	3.93%	18.98%	15.05%	4.47%	19.52%	0.54%
B. Division B							
1. Gross Rate	16.71%	18.30%	35.01%	16.71%	18.30%	35.01%	0.00%
2. Less Estimated Offset	-0.00%	-11.60%	-11.60%	0.00%	-11.06%	-11.06%	0.54%
3. Net Rate	16.71%	6.70%	23.41%	16.71%	7.24%	23.95%	0.54%
VI. Judges							
A. Gross Rate	0.00%	51.91%	51.91%	0.00%	51.91%	51.91%	0.00%
B. Less Estimated Offset	-0.00%	-9.22%	-9.22%	-0.00%	-8.23%	-8.23%	0.99%
C. Net Rate	0.00%	42.69%	42.69%	0.00%	43.68%	43.68%	0.99%

Note: Rates reflect 3% Substantial Substitute where applicable

The recommended contribution rate for the Public Employees Retirement Funds for FY 2018 and FY 2019 includes the cost of the 75% of pay active death benefit.

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

## EXHIBIT 1(b)

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

Fund/Division (1)	Prior Year Valuation Certified Rates for FY 2018			Current Year Valuation Recommended Rates for FY 2019			Increase/ (Decrease) in Total (8)
	Member	Employer	Total	Member	Employer	Total	
	(2)	(3)	(4)	(5)	(6)	(7)	
I. Public Employees Contributory							
A. Local Government	0.00%	18.45%	18.45%	0.00%	18.45%	18.45%	0.00%
II. Public Employees Noncontributory							
A. Local Government	0.00%	16.69%	16.69%	0.00%	16.69%	16.69%	0.00%
B. State and School	0.00%	20.02%	20.02%	0.00%	20.02%	20.02%	0.00%
C. Higher Education	0.00%	20.02%	20.02%	0.00%	20.02%	20.02%	0.00%
III. Public Safety Contributory							
A. Other Division A (2.5% COLA)	0.00%	23.83%	23.83%	0.00%	23.83%	23.83%	0.00%
B. Other Division A (4% COLA)	0.00%	24.99%	24.99%	0.00%	24.99%	24.99%	0.00%
C. Other Division B (2.5% COLA)	0.00%	21.83%	21.83%	0.00%	21.83%	21.83%	0.00%
D. Other Division B (4% COLA)	0.00%	28.00%	28.00%	0.00%	28.00%	28.00%	0.00%
IV. Public Safety Noncontributory							
A. State	0.00%	30.54%	30.54%	0.00%	30.54%	30.54%	0.00%
B. Other Division A (2.5% COLA)	0.00%	23.83%	23.83%	0.00%	23.83%	23.83%	0.00%
C. Other Division A (4% COLA)	0.00%	24.99%	24.99%	0.00%	24.99%	24.99%	0.00%
D. Salt Lake City	0.00%	36.25%	36.25%	0.00%	36.25%	36.25%	0.00%
E. Ogden	0.00%	38.35%	38.35%	0.00%	38.35%	38.35%	0.00%
F. Provo	0.00%	31.64%	31.64%	0.00%	31.64%	31.64%	0.00%
G. Logan	0.00%	31.41%	31.41%	0.00%	31.41%	31.41%	0.00%
H. Bountiful	0.00%	38.97%	38.97%	0.00%	38.97%	38.97%	0.00%
I. Other Division B (2.5% COLA)	0.00%	21.72%	21.72%	0.00%	21.72%	21.72%	0.00%
J. Other Division B (4% COLA)	0.00%	28.00%	28.00%	0.00%	28.00%	28.00%	0.00%
V. Firefighters							
A. Division A	0.00%	12.08%	12.08%	0.00%	12.08%	12.08%	0.00%
B. Division B	0.00%	12.08%	12.08%	0.00%	12.08%	12.08%	0.00%

Note: Recommended contribution rates include the contribution to the Tier II DC Plan and the Tier I amortization cost

Rates reflect 3% Substantial Substitute where applicable

The contribution rates shown above include the cost of the 75% of pay active death benefit. The cost of the death benefit for all public employee, public safety, and firefighter funds for FY 2018 and FY 2019 was 0.08%.

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

## EXHIBIT 1(c)

### Development of Recommended Tier I Employer Contribution Rates

Fund/Division (1)	Actuarially Calculated Rates for Current Year* (2)	Certified Rates from Prior Year* (3)	Larger of Columns (2,3)* (4)	Recommended Rates Including 3% Substantial Substitute (5)
I. Public Employees Contributory				
A. Local Government	12.23%	14.46%	14.46%	14.46%
B. State and School	15.02%	16.85%	16.85%	17.70%
C. Higher Education	14.36%	16.85%	16.85%	17.70%
II. Public Employees Noncontributory				
A. Local Government	16.24%	18.47%	18.47%	18.47%
B. State and School	19.51%	21.34%	21.34%	22.19%
C. Higher Education	18.85%	21.34%	21.34%	22.19%
III. Public Safety Contributory				
A. Other Division A (2.5% COLA)	20.37%	22.75%	22.75%	22.75%
B. Other Division A (4% COLA)	21.63%	24.33%	24.33%	24.33%
C. Other Division B (2.5% COLA)	22.78%	22.29%	22.78%	22.78%
D. Other Division B (4% COLA)	20.72%	28.95%	28.95%	28.95%
IV. Public Safety Noncontributory				
A. State	36.03%	40.50%	40.50%	41.35%
B. Other Division A (2.5% COLA)	31.90%	34.04%	34.04%	34.04%
C. Other Division A (4% COLA)	33.19%	35.71%	35.71%	35.71%
D. Salt Lake City	45.14%	46.67%	46.67%	46.67%
E. Ogden	47.66%	48.68%	48.68%	48.68%
F. Provo	39.84%	42.16%	42.16%	42.16%
G. Logan	41.80%	41.92%	41.92%	41.92%
H. Bountiful	50.38%	49.58%	50.38%	50.38%
I. Other Division B (2.5% COLA)	32.25%	32.20%	32.25%	32.25%
J. Other Division B (4% COLA)	31.09%	38.94%	38.94%	38.94%
V. Firefighters				
A. Division A	11.17%	15.53%	15.53%	15.53%
B. Division B	10.71%	18.30%	18.30%	18.30%
VI. Judges	48.05%	51.06%	51.06%	51.91%
VII. 3% Substantial Substitute	0.62%	0.85%	0.85%	N/A

\* Rates exclude 3% Substantial Substitute

Note: Rates shown for Firefighters and Judges exclude offsets for fire insurance premium tax and court fees

Rates include the cost of the 75% of pay active death benefit

Rates in Column (4) reflect application of U.C. Sec. 49-11-301(5).

## EXHIBIT 1(d)

### Development of Recommended Tier II Employer Contribution Rates

Fund/Division (1)	Certified Rates from Prior Year* (2)	Actuarially Calculated Rates for Current Year* (3)	Recommended Rate -- Greater of (2) and (3)** (4)	Hybrid Plan DC Rate (5)	Total Tier II Rate (6)	Tier I <i>Certified</i> Amortization % (7)	Total Employer Rate on Behalf of Tier II Members (8)
I. Public Employees Contributory							
A. Local Government	8.42%	8.85%	8.85%	1.15%	10.00%	8.37%	18.37%
II. Public Employees Noncontributory							
A. Local Government	8.42%	8.85%	8.85%	1.15%	10.00%	6.61%	16.61%
B. State and School	8.42%	8.85%	8.85%	1.15%	10.00%	9.94%	19.94%
C. Higher Education	8.42%	8.85%	8.85%	1.15%	10.00%	9.94%	19.94%
III. Public Safety Contributory							
A. Other Division A (2.5% COLA)	10.74%	11.26%	11.26%	0.74%	12.00%	11.75%	23.75%
B. Other Division A (4% COLA)	10.74%	11.26%	11.26%	0.74%	12.00%	12.91%	24.91%
C. Other Division B (2.5% COLA)	10.74%	11.26%	11.26%	0.74%	12.00%	9.75%	21.75%
D. Other Division B (4% COLA)	10.74%	11.26%	11.26%	0.74%	12.00%	15.92%	27.92%
IV. Public Safety Noncontributory							
A. State	10.74%	11.26%	11.26%	0.74%	12.00%	18.46%	30.46%
B. Other Division A (2.5% COLA)	10.74%	11.26%	11.26%	0.74%	12.00%	11.75%	23.75%
C. Other Division A (4% COLA)	10.74%	11.26%	11.26%	0.74%	12.00%	12.91%	24.91%
D. Salt Lake City	10.74%	11.26%	11.26%	0.74%	12.00%	24.17%	36.17%
E. Ogden	10.74%	11.26%	11.26%	0.74%	12.00%	26.27%	38.27%
F. Provo	10.74%	11.26%	11.26%	0.74%	12.00%	19.56%	31.56%
G. Logan	10.74%	11.26%	11.26%	0.74%	12.00%	19.33%	31.33%
H. Bountiful	10.74%	11.26%	11.26%	0.74%	12.00%	26.89%	38.89%
I. Other Division B (2.5% COLA)	10.74%	11.26%	11.26%	0.74%	12.00%	9.64%	21.64%
J. Other Division B (4% COLA)	10.74%	11.26%	11.26%	0.74%	12.00%	15.92%	27.92%
V. Firefighters							
A. Division A	10.74%	11.26%	11.26%	0.74%	12.00%	0.00%	12.00%
B. Division B	10.74%	11.26%	11.26%	0.74%	12.00%	0.00%	12.00%

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

\*\* The recommended contribution rate for the public employees hybrid plan is equal to the greater of the calculated rate for the current year and the certified rate from the prior year.

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

Tier I certified amortization rates shown above are certified and maintained by the Board as permitted by U.C. Sec. 49-11-301(5).

## EXHIBIT 2(a)

### Components of Actuarially Calculated Contribution Rates

Fund/Division (1)	Net Normal Cost (2)	Amortization of UAAL (3)	3% Substantial Substitute (4)	Gross Employer Rate (2 + 3 + 4) (5)	Offset (6)	Net Employer Rate <sup>1</sup> (5 - 6) (7)
<b>I. Public Employees Contributory</b>						
A. Local Government	5.47%	6.76%	0.00%	12.23%	0.00%	12.23%
B. State and School	5.27%	9.75%	0.62%	15.64%	0.00%	15.64%
C. Higher Education	5.00%	9.36%	0.62%	14.98%	0.00%	14.98%
<b>II. Public Employees Noncontributory</b>						
A. Local Government	11.66%	4.58%	0.00%	16.24%	0.00%	16.24%
B. State and School	12.74%	6.77%	0.62%	20.13%	0.00%	20.13%
C. Higher Education	11.56%	7.29%	0.62%	19.47%	0.00%	19.47%
<b>III. Public Safety Contributory</b>						
A. Other Division A (2.5% COLA)	11.87%	8.50%	0.00%	20.37%	0.00%	20.37%
B. Other Division A (4% COLA)	11.90%	9.73%	0.00%	21.63%	0.00%	21.63%
C. Other Division B (2.5% COLA)	14.07%	8.71%	0.00%	22.78%	0.00%	22.78%
D. Other Division B (4% COLA)	13.22%	7.50%	0.00%	20.72%	0.00%	20.72%
<b>IV. Public Safety Noncontributory</b>						
A. State	23.53%	12.50%	0.62%	36.65%	0.00%	36.65%
B. Other Division A (2.5% COLA)	23.40%	8.50%	0.00%	31.90%	0.00%	31.90%
C. Other Division A (4% COLA)	23.46%	9.73%	0.00%	33.19%	0.00%	33.19%
D. Salt Lake City	23.52%	21.62%	0.00%	45.14%	0.00%	45.14%
E. Ogden	23.47%	24.19%	0.00%	47.66%	0.00%	47.66%
F. Provo	23.60%	16.24%	0.00%	39.84%	0.00%	39.84%
G. Logan	23.63%	18.17%	0.00%	41.80%	0.00%	41.80%
H. Bountiful	23.73%	26.65%	0.00%	50.38%	0.00%	50.38%
I. Other Division B (2.5% COLA)	23.54%	8.71%	0.00%	32.25%	0.00%	32.25%
J. Other Division B (4% COLA)	23.59%	7.50%	0.00%	31.09%	0.00%	31.09%
<b>V. Firefighters</b>						
A. Division A	10.96%	0.21%	0.00%	11.17%	11.06%	0.11%
B. Division B	9.14%	1.57%	0.00%	10.71%	11.06%	0.00%
<b>VI. Judges</b>						
	30.41%	17.64%	0.62%	48.67%	8.23%	40.44%
<b>V. Tier II - Hybrid Plans<sup>2</sup></b>						
A. Public Employees	8.76%	0.09%	0.00%	8.85%	0.00%	8.85%
B. Public Safety and Firefighter	11.23%	0.03%	0.00%	11.26%	0.00%	11.26%

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

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

## EXHIBIT 2(b)

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

A. Firefighter's Offset

	2014	2015	2016
1. Calendar year			
2. Annual fire insurance premium receipts	\$ 14,154,562	\$ 17,218,000	\$ 10,569,000
3. 3-year average of premium receipts			13,980,521
4. Expected Tier I amortization payment			10,466,951
5. Payroll (Tier I + Tier II)			131,610,471
6. Amortization payment as % of pay (4. / 5.)			7.95%
7. Remaining available offset (3. - 4.)			3,513,570
8. Tier I payroll			112,953,734
9. Normal cost rate offset (7. / 8.)			3.11%
10. Total offset as % of pay (6. + 9.)			11.06%

B. Judge's Offset

	2014	2015	2016
1. Calendar year			
2. Court fees	\$ 1,485,677	\$ 1,653,000	\$ 1,470,000
3. 3-year average of court fees			\$ 1,536,226
4. Payroll			18,660,643
5. Offset: average of court fees as a percent of payroll			8.23%

# EXHIBIT 3(a)

## Schedule of Funding Progress

Fund/Division	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL) (3 - 2)	Funded Ratio (2 / 3)	Covered Payroll	UAAL as a Percentage of Covered Payroll (4 / 6)
(1)	(2)	(3)	(4)	(5)	(6)	(7)
<b>I. Public Employees Contributory</b>						
A. Local Government	431,556	457,910	26,354	94.2%	20,359	129.4%
B. State and School	654,418	685,469	31,051	95.5%	17,560	176.8%
C. Higher Education	141,098	149,475	8,377	94.4%	6,509	128.7%
D. Subtotal	1,227,072	1,292,854	65,782	94.9%	37,919	173.5%
<b>II. Public Employees Noncontributory</b>						
A. Local Government	4,469,240	5,167,152	697,912	86.5%	795,619	87.7%
B. State and School	16,846,579	19,771,313	2,924,734	85.2%	2,292,089	127.6%
C. Higher Education	1,367,387	1,603,386	235,998	85.3%	216,894	108.8%
D. Subtotal	22,683,206	26,541,851	3,858,644	85.5%	3,087,708	125.0%
<b>III. Public Safety Contributory</b>						
A. Other Division A (2.5% COLA)	121,494	124,903	3,409	97.3%	1,971	173.0%
B. Other Division A (4% COLA)	24,811	25,178	367	98.5%	191	192.1%
C. Other Division B (2.5% COLA)	34,353	34,450	96	99.7%	72	133.3%
D. Other Division B (4% COLA)	8,452	8,704	252	97.1%	188	134.0%
E. Subtotal	189,110	193,235	4,124	97.9%	2,422	170.3%
<b>IV. Public Safety Noncontributory</b>						
A. State	1,092,864	1,329,205	236,341	82.2%	105,281	224.5%
B. Other Division A (2.5% COLA)	904,634	1,064,549	159,915	85.0%	101,737	157.2%
C. Other Division A (4% COLA)	264,629	316,289	51,660	83.7%	30,440	169.7%
D. Salt Lake City	263,982	365,904	101,922	72.1%	29,502	345.5%
E. Ogden	60,221	83,211	22,990	72.4%	5,257	437.3%
F. Provo	47,185	61,025	13,840	77.3%	4,918	281.4%
G. Logan	26,522	33,708	7,186	78.7%	2,045	351.4%
H. Bountiful	19,100	26,620	7,520	71.8%	1,773	424.1%
I. Other Division B (2.5% COLA)	308,243	388,599	80,356	79.3%	55,771	144.1%
J. Other Division B (4% COLA)	40,731	46,448	5,717	87.7%	4,193	136.3%
K. Subtotal	3,028,111	3,715,558	687,447	81.5%	340,917	201.6%
<b>V. Firefighters</b>						
A. Division A	196,338	197,345	1,007	99.5%	26,917	3.7%
B. Division B	933,860	955,257	21,397	97.8%	83,404	25.7%
C. Subtotal	1,130,198	1,152,602	22,404	98.1%	110,321	20.3%
<b>VI. Judges</b>	177,782	223,971	46,189	79.4%	18,368	251.5%
<b>VII. Governors and Legislative</b>	10,470	13,144	2,674	79.7%	722	370.4%
<b>VIII. 3% Substantial Substitute</b>	224,978	536,585	311,607	41.9%	N/A	N/A
<b>IX. Tier II - Hybrid Plans</b>						
A. Public Employees	219,885	231,205	11,320	95.1%	836,175	1.4%
B. Public Safety and Firefighter	25,388	25,809	421	98.4%	89,558	0.5%
<b>X. Grand Total</b>	28,916,200	33,926,814	5,010,612	85.2%	4,524,110	110.8%

Note: Amounts shown are in \$ thousands

Columns may not add to total due to rounding

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

# EXHIBIT 3(b)

## Comparison of Funded Ratios

Fund/Division (1)	Funded Ratios as of January 1		
	2017 (2)	2016 (3)	2015 (4)
I. Public Employees Contributory			
A. Local Government	94.2%	93.9%	89.8%
B. State and School	95.5%	94.5%	94.1%
C. Higher Education	94.4%	N/A	N/A
D. Subtotal	94.9%	94.3%	92.5%
II. Public Employees Noncontributory			
A. Local Government	86.5%	86.2%	87.0%
B. State and School	85.2%	85.2%	85.5%
C. Higher Education	85.3%	N/A	N/A
D. Subtotal	85.5%	85.4%	85.8%
III. Public Safety Contributory			
A. Other Division A (2.5% COLA)	97.3%	97.5%	97.7%
B. Other Division A (4% COLA)	98.5%	98.9%	98.5%
C. Other Division B (2.5% COLA)	99.7%	99.8%	99.8%
D. Other Division B (4% COLA)	97.1%	96.3%	96.6%
E. Subtotal	97.9%	98.1%	98.1%
IV. Public Safety Noncontributory			
A. State	82.2%	82.0%	81.7%
B. Other Division A (2.5% COLA)	85.0%	85.3%	87.0%
C. Other Division A (4% COLA)	83.7%	82.9%	83.9%
D. Salt Lake City	72.1%	72.2%	73.1%
E. Ogden	72.4%	74.4%	75.1%
F. Provo	77.3%	76.0%	76.7%
G. Logan	78.7%	77.9%	79.2%
H. Bountiful	71.8%	71.2%	73.1%
I. Other Division B (2.5% COLA)	79.3%	80.6%	81.7%
J. Other Division B (4% COLA)	87.7%	85.8%	85.5%
K. Subtotal	81.5%	81.6%	82.3%
V. Firefighters			
A. Division A	99.5%	100.6%	100.1%
B. Division B	97.8%	98.0%	97.9%
C. Subtotal	98.1%	98.5%	98.2%
VI. Judges	79.4%	81.7%	81.6%
VII. Governors and Legislative	79.7%	80.2%	81.1%
VIII. 3% Substantial Substitute	41.9%	41.5%	41.5%
IX. Tier II - Hybrid Plans			
A. Public Employees	95.1%	99.8%	108.7%
B. Public Safety and Firefighter	98.4%	105.7%	116.6%
X. Grand Total	85.2%	85.2%	85.5%

# EXHIBIT 4(a)

## Analysis of Changes in Calculated Contribution Rates

Fund/Division	Calculated Rate From Jan. 1, 2016 Valuation	Changes in Calculated Rate Due To							Calculated Rate Jan. 1, 2017 Valuation
		Payroll Growth	Investment Return	Liabilities	Benefit Changes	New Risk Pools	Act. vs Exp. Contributions	Assumption & Methods Change	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Public Employees Contributory									
A. Local Government	12.31%	0.00%	-0.25%	-0.36%	0.00%	0.00%	-0.24%	0.77%	12.23%
B. State and School	15.14%	0.17%	-0.38%	-0.42%	0.00%	0.12%	-0.30%	1.31%	15.64%
C. Higher Education	N/A	N/A	N/A	N/A	N/A	14.98%	N/A	N/A	14.98%
Public Employees Noncontributory									
A. Local Government	16.32%	0.00%	-0.25%	-0.36%	0.00%	0.00%	-0.24%	0.77%	16.24%
B. State and School	19.63%	0.17%	-0.38%	-0.42%	0.00%	0.12%	-0.30%	1.31%	20.13%
C. Higher Education	N/A	N/A	N/A	N/A	N/A	19.47%	N/A	N/A	19.47%
Public Safety Contributory									
A. Other Division A (2.5% COLA)	19.10%	-0.09%	-0.41%	-0.76%	0.00%	0.00%	-0.37%	2.90%	20.37%
B. Other Division A (4% COLA)	20.70%	0.16%	-3.50%	2.28%	0.00%	0.00%	-0.27%	2.26%	21.63%
C. Other Division B (2.5% COLA)	19.62%	-0.09%	-0.19%	1.68%	0.00%	0.00%	-0.29%	2.05%	22.78%
D. Other Division B (4% COLA)	20.64%	0.09%	-0.68%	-1.02%	0.00%	0.00%	-0.47%	2.16%	20.72%
Public Safety Noncontributory									
A. State	35.98%	-0.18%	-0.46%	-0.41%	0.00%	0.00%	-0.60%	2.32%	36.65%
B. Other Division A (2.5% COLA)	30.60%	-0.09%	-0.41%	-0.77%	0.00%	0.00%	-0.37%	2.94%	31.90%
C. Other Division A (4% COLA)	32.37%	0.16%	-0.42%	-0.99%	0.00%	0.00%	-0.27%	2.34%	33.19%
D. Salt Lake City	44.34%	-0.78%	-0.45%	-0.55%	0.00%	0.00%	-0.51%	3.09%	45.14%
E. Ogden	45.92%	-2.00%	-0.55%	1.55%	0.00%	0.00%	-0.70%	3.44%	47.66%
F. Provo	39.85%	-0.06%	-0.44%	-2.04%	0.00%	0.00%	-0.36%	2.89%	39.84%
G. Logan	41.16%	0.28%	-0.56%	-2.24%	0.00%	0.00%	-0.17%	3.33%	41.80%
H. Bountiful	49.58%	0.12%	-0.63%	-2.35%	0.00%	0.00%	-0.06%	3.72%	50.38%
I. Other Division B (2.5% COLA)	30.26%	-0.09%	-0.19%	0.20%	0.00%	0.00%	-0.29%	2.36%	32.25%
J. Other Division B (4% COLA)	31.25%	0.09%	-0.68%	-1.47%	0.00%	0.00%	-0.47%	2.37%	31.09%
Firefighters									
A. Division A	10.25%	0.02%	-0.24%	-0.41%	0.00%	0.00%	-0.24%	1.79%	11.17%
B. Division B	10.08%	0.00%	-0.58%	-0.64%	0.00%	0.00%	-0.45%	2.30%	10.71%
Judges	47.75%	-1.14%	-0.58%	-2.02%	0.00%	0.00%	-0.51%	5.17%	48.67%
3% Substantial Substitute	0.66%	-0.01%	0.00%	-0.04%	0.00%	0.00%	0.00%	0.01%	0.62%
Tier II - Hybrid Plans									
A. Public Employees	8.42%	0.00%	0.01%	0.12%	0.00%	0.00%	0.01%	0.29%	8.85%
B. Public Safety and Firefighter	10.74%	0.01%	0.01%	0.01%	0.00%	0.00%	0.00%	0.49%	11.26%

Notes: Rates shown include contribution for 3% Substantial Substitute, if applicable. Rates shown do not include the offsets for court fees or for fire insurance premium taxes. The change in the contribution rate due to liabilities includes the effect of the rolling 20-year amortization period. For paired funds, rates include asset rebalancing at each point of the analysis. Rates for Tier II Hybrid Plans exclude the cost of the 75% of pay active death benefit.

# EXHIBIT 4(b)

## Analysis of Change in UAAL

Fund/Division	Changes in Unfunded Actuarial Accrued Liability Due To								
	Jan. 1, 2016 UAAL	Amortization Payments	Liability (Gain)/Loss	Asset (Gain)/Loss	Change in Benefit Provisions	New Risk Pools	Change in Assumptions	Other Asset Transfers	Jan. 1, 2017 UAAL
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
I. Public Employees Contributory									
A. Local Government	27,367	(962)	(1,336)	(4,382)	0	0	4,749	918	26,354
B. State and School	46,074	102	(3,261)	(9,337)	0	(7,437)	7,965	(3,054)	31,051
C. Higher Education	N/A	N/A	N/A	N/A	N/A	7,437	N/A	940	8,377
C. Subtotal	73,441	(860)	(4,597)	(13,719)	0	0	12,714	(1,196)	65,782
II. Public Employees Noncontributory									
A. Local Government	661,804	(36,237)	(31,891)	(33,039)	0	0	138,193	(918)	697,912
B. State and School	2,975,545	(133,638)	(48,989)	(151,736)	0	(236,938)	517,437	3,054	2,924,734
C. Higher Education	N/A	N/A	N/A	N/A	N/A	236,938	N/A	(940)	235,998
C. Subtotal	3,637,349	(169,875)	(80,880)	(184,775)	0	0	655,630	1,196	3,858,644
III. Public Safety Contributory									
A. Other Division A (2.5% COLA)	3,077	(68)	(371)	(1,549)	0	0	847	1,473	3,409
B. Other Division A (4% COLA)	284	(6)	(158)	(312)	0	0	65	494	367
C. Other Division B (2.5% COLA)	79	(4)	783	(423)	0	0	17	(355)	96
D. Other Division B (4% COLA)	315	(13)	(115)	(96)	0	0	58	102	252
E. Subtotal	3,755	(91)	139	(2,380)	0	0	987	1,714	4,124
IV. Public Safety Noncontributory									
A. State	223,167	(11,224)	17	(8,603)	0	0	32,984	0	236,341
B. Other Division A (2.5% COLA)	144,090	(6,785)	(9,470)	(6,150)	0	0	39,703	(1,473)	159,915
C. Other Division A (4% COLA)	49,738	(1,401)	(3,303)	(2,029)	0	0	9,149	(494)	51,660
D. Salt Lake City	94,342	(2,480)	630	(2,110)	0	0	11,540	0	101,922
E. Ogden	19,512	(675)	1,980	(515)	0	0	2,688	0	22,990
F. Provo	13,911	(312)	(1,259)	(366)	0	0	1,867	0	13,840
G. Logan	7,094	(73)	(663)	(218)	0	0	1,045	0	7,186
H. Bountiful	7,311	(27)	(456)	(174)	0	0	866	0	7,520
I. Other Division B (2.5% COLA)	65,568	(2,475)	3,632	(1,309)	0	0	14,585	355	80,356
J. Other Division B (4% COLA)	6,050	(348)	(773)	(438)	0	0	1,328	(102)	5,717
K. Subtotal	630,783	(25,800)	(9,665)	(21,912)	0	0	115,755	(1,714)	687,447
V. Firefighters									
A. Division A	(1,074)	(1,008)	(1,860)	(1,143)	0	0	6,092	0	1,007
B. Division B	17,725	(5,665)	(8,347)	(7,692)	0	0	25,376	0	21,397
C. Subtotal	16,651	(6,673)	(10,207)	(8,835)	0	0	31,468	0	22,404
VI. Judges	37,242	(1,286)	(845)	(1,513)	0	0	12,591	0	46,189
VII. Governors and Legislative	2,511	(170)	130	(117)	0	0	320	0	2,674
VIII. 3% Substantial Substitute	310,494	(2,008)	(6,483)	(937)	0	0	10,541	0	311,607
IX. Tier II - Hybrid Plans									
A. Public Employees	353	1,600	(1,321)	1,114	0	0	9,574	0	11,320
B. Public Safety and Firefighter	(844)	70	(470)	120	0	0	1,546	0	421
X. Grand Total	4,711,735	(205,093)	(114,199)	(232,954)	0	0	851,127	0	5,010,613

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

## EXHIBIT 5(a)

### Actuarial Present Value of Future Benefits by Fund and Status

Fund/Division (1)	Retirees and Beneficiaries (2)	Inactive Members (3)	Active Members (4)	Total (5)
I. Public Employees Contributory				
A. Local Government	299,974	41,508	128,429	469,912
B. State and School	513,841	32,361	145,684	691,886
C. Higher Education	84,853	13,238	53,684	151,775
D. Subtotal	898,668	87,107	327,797	1,313,573
II. Public Employees Noncontributory				
A. Local Government	2,150,404	431,605	3,327,564	5,909,572
B. State and School	10,431,332	974,321	10,784,331	22,189,985
C. Higher Education	619,533	190,531	980,713	1,790,777
D. Subtotal	13,201,269	1,596,457	15,092,608	29,890,334
III. Public Safety Contributory				
A. Other Division A (2.5% COLA)	105,452	10,219	13,104	128,774
B. Other Division A (4% COLA)	23,294	664	1,463	25,422
C. Other Division B (2.5% COLA)	32,095	1,742	657	34,494
D. Other Division B (4% COLA)	7,296	117	1,497	8,910
E. Subtotal	168,137	12,742	16,721	197,600
IV. Public Safety Noncontributory				
A. State	772,639	49,224	693,431	1,515,294
B. Other Division A (2.5% COLA)	467,966	110,642	674,781	1,253,390
C. Other Division B (4% COLA)	142,645	21,988	206,563	371,197
D. Salt Lake City	219,698	10,628	190,068	420,394
E. Ogden	55,181	2,669	35,012	92,863
F. Provo	34,705	1,132	34,350	70,187
G. Logan	20,675	1,738	14,889	37,301
H. Bountiful	18,604	1,165	10,372	30,141
I. Other Division B (2.5% COLA)	164,883	17,330	306,201	488,413
J. Other Division B (4% COLA)	27,925	1,227	25,483	54,635
K. Subtotal	1,924,921	217,743	2,191,150	4,333,815
V. Firefighters				
A. Division A	83,770	12,179	174,997	270,946
B. Division B	552,619	10,837	602,461	1,165,917
C. Subtotal	636,389	23,016	777,458	1,436,863
VI. Judges	136,618	1,430	126,349	264,396
VII. Governors and Legislative	8,254	2,726	2,446	13,427
VIII. Tier II - Hybrid Plans				
A. Public Employees	181	2,048	1,064,957	1,067,186
B. Public Safety and Firefighter	0	54	182,222	182,276
IX. Grand Total	16,974,437	1,943,323	19,781,708	38,699,470

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

## EXHIBIT 5(b)

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

Fund/Division (1)	Retired Members (2)	Disabled Members (3)	Beneficiaries (4)	Total (5)
<b>I. Public Employees Contributory</b>				
A. Local Government	267,982	6,407	25,586	299,974
B. State and School	461,562	16,543	35,736	513,841
C. Higher Education	80,599	15	4,239	84,853
D. Subtotal	<u>810,143</u>	<u>22,965</u>	<u>65,561</u>	<u>898,668</u>
<b>II. Public Employees Noncontributory</b>				
A. Local Government	1,949,498	41,868	159,038	2,150,404
B. State and School	9,704,339	138,616	588,378	10,431,332
C. Higher Education	582,667	0	36,866	619,533
D. Subtotal	<u>12,236,504</u>	<u>180,484</u>	<u>784,282</u>	<u>13,201,269</u>
<b>III. Public Safety Contributory</b>				
A. Other Division A (2.5% COLA)	87,912	1,489	16,052	105,452
B. Other Division A (4% COLA)	17,656	247	5,391	23,294
C. Other Division B (2.5% COLA)	30,291	551	1,253	32,095
D. Other Division B (4% COLA)	6,151	400	745	7,296
E. Subtotal	<u>142,010</u>	<u>2,687</u>	<u>23,441</u>	<u>168,137</u>
<b>IV. Public Safety Noncontributory</b>				
A. State	709,934	8,764	53,941	772,639
B. Other Division A (2.5% COLA)	429,545	5,397	33,024	467,966
C. Other Division A (4% COLA)	135,347	925	6,373	142,645
D. Salt Lake City	195,555	4,109	20,035	219,698
E. Ogden	49,244	521	5,417	55,181
F. Provo	31,910	0	2,795	34,705
G. Logan	20,181	131	363	20,675
H. Bountiful	17,901	333	370	18,604
I. Other Division B (2.5% COLA)	150,513	3,194	11,176	164,883
J. Other Division B (4% COLA)	26,905	422	597	27,925
K. Subtotal	<u>1,767,035</u>	<u>23,796</u>	<u>134,091</u>	<u>1,924,921</u>
<b>V. Firefighters</b>				
A. Division A	67,501	9,107	7,162	83,770
B. Division B	469,922	25,284	57,412	552,619
C. Subtotal	<u>537,423</u>	<u>34,391</u>	<u>64,574</u>	<u>636,389</u>
<b>VI. Judges</b>				
	123,193	0	13,425	136,618
<b>VII. Governors and Legislative</b>				
	7,053	0	1,201	8,254
<b>VIII. Tier II - Hybrid Plans</b>				
A. Public Employees	181	0	0	181
B. Public Safety and Firefighter	0	0	0	0
<b>IX. Grand Total</b>				
	15,623,542	264,323	1,086,575	16,974,437

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

## EXHIBIT 5(c)

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

Fund/Division (1)	Disabled (2)	Other Vested (3)	Nonvested (4)	Total (5)
I. Public Employees Contributory				
A. Local Government	793	38,544	2,171	41,508
B. State and School	0	32,355	7	32,361
C. Higher Education	0	13,198	40	13,238
D. Subtotal	793	84,097	2,218	87,107
II. Public Employees Noncontributory				
A. Local Government	30,893	399,695	1,017	431,605
B. State and School	89,321	881,623	3,378	974,321
C. Higher Education	0	189,154	1,377	190,531
D. Subtotal	120,214	1,470,472	5,772	1,596,457
III. Public Safety Contributory				
A. Other Division A (2.5% COLA)	0	9,819	400	10,219
B. Other Division A (4% COLA)	0	652	12	664
C. Other Division B (2.5% COLA)	0	1,688	54	1,742
D. Other Division B (4% COLA)	0	117	0	117
E. Subtotal	0	12,276	466	12,742
IV. Public Safety Noncontributory				
A. State	1,255	47,944	25	49,224
B. Other Division A (2.5% COLA)	2,496	108,110	37	110,642
C. Other Division A (4% COLA)	1,022	20,966	0	21,988
D. Salt Lake City	794	9,833	2	10,628
E. Ogden	0	2,669	0	2,669
F. Provo	0	1,132	0	1,132
G. Logan	186	1,552	0	1,738
H. Bountiful	0	1,165	0	1,165
I. Other Division B (2.5% COLA)	681	16,625	24	17,330
J. Other Division B (4% COLA)	0	1,227	0	1,227
K. Subtotal	6,434	211,223	88	217,743
V. Firefighters				
A. Division A	0	11,806	373	12,179
B. Division B	0	10,642	196	10,837
C. Subtotal	0	22,448	569	23,016
VI. Judges	0	1,430	0	1,430
VII. Governors and Legislative	0	2,720	6	2,726
VIII. Tier II - Hybrid Plans				
A. Public Employees	0	2,048	0	2,048
B. Public Safety and Firefighter	0	54	0	54
IX. Grand Total	127,441	1,806,768	9,119	1,943,323

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

## EXHIBIT 5(d)

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

Fund/Division (1)	Retirement (2)	Deferred Termination (3)	Disability (4)	Refunds (5)	Death (6)	Total (7)
<b>I. Public Employees Contributory</b>						
A. Local Government	123,396	1,305	692	471	2,565	128,429
B. State and School	143,518	0	0	0	2,166	145,684
C. Higher Education	52,914	0	0	0	770	53,684
D. Subtotal	319,828	1,305	692	471	5,501	327,797
<b>II. Public Employees Noncontributory</b>						
A. Local Government	3,007,398	158,166	78,678	0	83,322	3,327,564
B. State and School	10,039,046	395,280	179,590	1	170,415	10,784,331
C. Higher Education	905,052	39,552	18,464	10	17,636	980,713
D. Subtotal	13,951,496	592,998	276,732	11	271,373	15,092,608
<b>III. Public Safety Contributory</b>						
A. Other Division A (2.5% COLA)	12,594	185	113	121	90	13,104
B. Other Division A (4% COLA)	1,447	4	2	1	9	1,463
C. Other Division B (2.5% COLA)	652	0	0	0	5	657
D. Other Division B (4% COLA)	1,486	0	0	0	11	1,497
E. Subtotal	16,179	189	115	122	115	16,721
<b>IV. Public Safety Noncontributory</b>						
A. State	670,487	12,078	5,069	0	5,797	693,431
B. Other Division A (2.5% COLA)	651,139	12,839	5,319	0	5,484	674,781
C. Other Division A (4% COLA)	200,313	3,277	1,387	0	1,587	206,563
D. Salt Lake City	184,250	2,950	1,230	0	1,638	190,068
E. Ogden	33,931	556	236	0	289	35,012
F. Provo	33,227	591	239	0	292	34,350
G. Logan	14,507	192	77	0	112	14,889
H. Bountiful	9,944	230	103	0	95	10,372
I. Other Division B (2.5% COLA)	295,926	4,977	2,174	0	3,124	306,201
J. Other Division B (4% COLA)	24,564	483	200	0	237	25,483
K. Subtotal	2,118,288	38,173	16,034	0	18,655	2,191,150
<b>V. Firefighters</b>						
A. Division A	166,623	1,026	4,701	637	2,010	174,997
B. Division B	579,643	2,460	10,305	1,434	8,619	602,461
C. Subtotal	746,266	3,486	15,006	2,071	10,629	777,458
<b>VI. Judges</b>						
	124,020	0	0	0	2,329	126,349
<b>VII. Governors and Legislative</b>						
	1,839	594	0	0	13	2,446
<b>VIII. Tier II - Hybrid Plans</b>						
A. Public Employees	820,329	186,794	27,882	0	29,952	1,064,957
B. Public Safety and Firefighter	161,668	10,612	4,772	0	5,170	182,222
<b>IX. Grand Total</b>						
	18,259,913	834,151	341,233	2,675	343,737	19,781,708

Notes: Amounts shown are in \$ thousands

Columns may not add to total due to rounding

## EXHIBIT 5(e)

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

Fund/Division	Basic Benefit	COLA	Subtotal (2) + (3)	ROPP	Total (4) + (5)
(1)	(2)	(3)	(4)	(5)	(6)
I. Public Employees Contributory					
A. Local Government	222,852	77,081	299,933	42	299,974
B. State and School	375,240	138,428	513,668	173	513,841
C. Higher Education	64,344	20,502	84,846	7	84,853
D. Subtotal	662,436	236,011	898,447	222	898,668
II. Public Employees Noncontributory					
A. Local Government	1,586,040	564,364	2,150,404	0	2,150,404
B. State and School	7,556,415	2,874,917	10,431,332	0	10,431,332
C. Higher Education	461,229	158,304	619,533	0	619,533
D. Subtotal	9,603,684	3,597,585	13,201,269	0	13,201,269
III. Public Safety Contributory					
A. Other Division A (2.5% COLA)	66,997	38,105	105,102	350	105,452
B. Other Division A (4% COLA)	13,302	9,799	23,101	193	23,294
C. Other Division B (2.5% COLA)	21,687	10,405	32,092	2	32,095
D. Other Division B (4% COLA)	4,922	2,374	7,296	0	7,296
E. Subtotal	106,908	60,683	167,591	545	168,137
IV. Public Safety Noncontributory					
A. State	536,763	235,210	771,973	666	772,639
B. Other Division A (2.5% COLA)	329,529	138,437	467,966	0	467,966
C. Other Division A (4% COLA)	101,452	41,193	142,645	0	142,645
D. Salt Lake City	147,308	72,169	219,477	221	219,698
E. Ogden	36,832	18,325	55,157	25	55,181
F. Provo	23,665	11,008	34,673	31	34,705
G. Logan	14,165	6,507	20,672	3	20,675
H. Bountiful	12,998	5,600	18,598	6	18,604
I. Other Division B (2.5% COLA)	120,581	44,302	164,883	0	164,883
J. Other Division B (4% COLA)	20,353	7,572	27,925	0	27,925
K. Subtotal	1,343,646	580,323	1,923,969	952	1,924,921
V. Firefighters					
A. Division A	59,565	24,103	83,668	102	83,770
B. Division B	374,240	177,251	551,491	1,128	552,619
C. Subtotal	433,805	201,354	635,159	1,230	636,389
VI. Judges	93,603	43,015	136,618	0	136,618
VII. Governors and Legislative	5,539	2,008	7,547	707	8,254
VIII. Tier II - Hybrid Plans					
A. Public Employees	149	32	181	0	181
B. Public Safety and Firefighter	0	0	0	0	0
VIII. Grand Total	12,249,770	4,721,011	16,970,781	3,656	16,974,437

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

## EXHIBIT 6(a)

### Normal Cost

Fund/Division (1)	Retirement (2)	Deferred Termination (3)	Disability (4)	Refunds (5)	Death (6)	Total (7)
I. Public Employees Contributory						
A. Local Government	8.32%	1.05%	0.45%	1.38%	0.27%	11.47%
B. State and School	8.32%	0.83%	0.33%	1.59%	0.20%	11.27%
C. Higher Education	7.96%	0.84%	0.33%	1.67%	0.20%	11.00%
II. Public Employees Noncontributory						
A. Local Government	8.69%	2.09%	0.56%	0.00%	0.32%	11.66%
B. State and School	10.16%	1.91%	0.44%	0.00%	0.23%	12.74%
C. Higher Education	8.68%	2.14%	0.50%	0.00%	0.24%	11.56%
III. Public Safety Contributory						
A. Other Division A (2.5% COLA)	21.05%	0.79%	0.57%	1.51%	0.24%	24.16%
B. Other Division A (4% COLA)	21.12%	0.79%	0.54%	1.50%	0.24%	24.19%
C. Other Division B (2.5% COLA)	21.83%	0.70%	0.49%	1.23%	0.32%	24.57%
D. Other Division B (4% COLA)	20.74%	0.77%	0.54%	1.30%	0.37%	23.72%
IV. Public Safety Noncontributory						
A. State	21.17%	1.49%	0.61%	0.00%	0.26%	23.53%
B. Other Division A (2.5% COLA)	21.16%	1.42%	0.57%	0.00%	0.25%	23.40%
C. Other Division A (4% COLA)	21.32%	1.35%	0.55%	0.00%	0.24%	23.46%
D. Salt Lake City	21.34%	1.30%	0.54%	0.00%	0.34%	23.52%
E. Ogden	21.23%	1.34%	0.55%	0.00%	0.35%	23.47%
F. Provo	21.37%	1.33%	0.55%	0.00%	0.35%	23.60%
G. Logan	21.58%	1.22%	0.50%	0.00%	0.33%	23.63%
H. Bountiful	21.27%	1.56%	0.62%	0.00%	0.28%	23.73%
I. Other Division B (2.5% COLA)	21.29%	1.34%	0.56%	0.00%	0.35%	23.54%
J. Other Division B (4% COLA)	21.38%	1.32%	0.54%	0.00%	0.35%	23.59%
V. Firefighters						
A. Division A	22.97%	0.35%	1.65%	0.68%	0.36%	26.01%
B. Division B	22.88%	0.31%	1.43%	0.74%	0.49%	25.85%
VI. Judges	29.49%	0.00%	0.00%	0.00%	0.92%	30.41%
VII. Tier II - Hybrid Plans						
A. Public Employees	6.73%	1.62%	0.24%	0.00%	0.17%	8.76%
B. Public Safety and Firefighter	9.99%	0.70%	0.29%	0.00%	0.25%	11.23%

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

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

# EXHIBIT 6(b)

## Net Employer Normal Cost

Fund/Division (1)	Total Normal Cost (2)	Member Rate (3)	Net Employer Normal Cost (2) - (3) (4)
I. Public Employees Contributory			
A. Local Government	11.47%	6.00%	5.47%
B. State and School	11.27%	6.00%	5.27%
C. Higher Education	11.00%	6.00%	5.00%
II. Public Employees Noncontributory			
A. Local Government	11.66%	0.00%	11.66%
B. State and School	12.74%	0.00%	12.74%
C. Higher Education	11.56%	0.00%	11.56%
III. Public Safety Contributory			
A. Other Division A (2.5% COLA)	24.16%	12.29%	11.87%
B. Other Division A (4% COLA)	24.19%	12.29%	11.90%
C. Other Division B (2.5% COLA)	24.57%	10.50%	14.07%
D. Other Division B (4% COLA)	23.72%	10.50%	13.22%
IV. Public Safety Noncontributory			
A. State	23.53%	0.00%	23.53%
B. Other Division A (2.5% COLA)	23.40%	0.00%	23.40%
C. Other Division A (4% COLA)	23.46%	0.00%	23.46%
D. Salt Lake City	23.52%	0.00%	23.52%
E. Ogden	23.47%	0.00%	23.47%
F. Provo	23.60%	0.00%	23.60%
G. Logan	23.63%	0.00%	23.63%
H. Bountiful	23.73%	0.00%	23.73%
I. Other Division B (2.5% COLA)	23.54%	0.00%	23.54%
J. Other Division B (4% COLA)	23.59%	0.00%	23.59%
V. Firefighters			
A. Division A	26.01%	15.05%	10.96%
B. Division B	25.85%	16.71%	9.14%
VI. Judges	30.41%	0.00%	30.41%
VII. Tier II - Hybrid Plans			
A. Public Employees	8.76%	0.00%	8.76%
B. Public Safety and Firefighter	11.23%	0.00%	11.23%

# EXHIBIT 7(a)

## Determination of Actuarial Accrued Liability

Fund/Division (1)	Actuarial Present Value of Future Benefits (2)	Actuarial Present Value of Future Normal Costs			Actuarial Accrued Liability (2) - (5) (6)
		Members (3)	Employers (4)	Total (5)	
I. Public Employees Contributory					
A. Local Government	469,912	6,278	5,724	12,002	457,910
B. State and School	691,886	3,416	3,001	6,417	685,469
C. Higher Education	151,775	1,255	1,045	2,300	149,475
D. Subtotal	1,313,573	10,949	9,770	20,719	1,292,854
II. Public Employees Noncontributory					
A. Local Government	5,909,572	0	742,420	742,420	5,167,152
B. State and School	22,189,985	0	2,418,672	2,418,672	19,771,313
C. Higher Education	1,790,777	0	187,391	187,391	1,603,386
D. Subtotal	29,890,334	0	3,348,483	3,348,483	26,541,851
III. Public Safety Contributory					
A. Other Division A (2.5% COLA)	128,774	1,969	1,902	3,871	124,903
B. Other Division A (4% COLA)	25,422	124	120	244	25,178
C. Other Division B (2.5% COLA)	34,494	19	25	44	34,450
D. Other Division B (4% COLA)	8,910	91	115	206	8,704
E. Subtotal	197,600	2,203	2,162	4,365	193,235
IV. Public Safety Noncontributory					
A. State	1,515,294	0	186,089	186,089	1,329,205
B. Other Division A (2.5% COLA)	1,253,390	0	188,841	188,841	1,064,549
C. Other Division A (4% COLA)	371,197	0	54,908	54,908	316,289
D. Salt Lake City	420,394	0	54,490	54,490	365,904
E. Ogden	92,863	0	9,652	9,652	83,211
F. Provo	70,187	0	9,161	9,161	61,025
G. Logan	37,301	0	3,593	3,593	33,708
H. Bountiful	30,141	0	3,521	3,521	26,620
I. Other Division B (2.5% COLA)	488,413	0	99,814	99,814	388,599
J. Other Division B (4% COLA)	54,635	0	8,187	8,187	46,448
K. Subtotal	4,333,815	0	618,256	618,256	3,715,558
V. Firefighters					
A. Division A	270,946	42,587	31,014	73,601	197,345
B. Division B	1,165,917	136,175	74,485	210,660	955,257
C. Subtotal	1,436,863	178,762	105,499	284,261	1,152,602
VI. Judges	264,396	0	40,425	40,425	223,971
VII. Governors and Legislative	13,427	0	282	282	13,144
VIII. Tier II - Hybrid Plans					
A. Public Employees	1,067,186	0	835,981	835,981	231,205
B. Public Safety and Firefighter	182,276	0	156,467	156,467	25,809
IX. Grand Total	38,699,470	191,914	5,117,325	5,309,239	33,390,229

Notes: Amounts shown are in \$ thousands

Columns may not add to total due to rounding

The amounts shown above do not include the actuarial accrued liability attributable to the 3% Substantial Substitute

# EXHIBIT 7(b)

## Actuarial Accrued Liability Details of Member and Employer Financing

Fund/Division	Inactive Members			Active Members		
	Accumulated	Employer	Total	Accumulated	Employer	Total
	Member	Financed		Member	Financed	
(1)	Contributions	(3)	(4)	Contributions	(6)	(7)
I. Public Employees Contributory						
A. Local Government	33,579	7,929	41,508	49,644	66,783	116,427
B. State and School	28,845	3,516	32,361	59,935	79,332	139,267
C. Higher Education	11,955	1,283	13,238	22,066	29,318	51,384
D. Subtotal	74,379	12,728	87,107	131,645	175,433	307,078
II. Public Employees Noncontributory						
A. Local Government	26,472	405,133	431,605	74,886	2,510,258	2,585,144
B. State and School	54,024	920,297	974,321	139,509	8,226,150	8,365,659
C. Higher Education	15,437	175,094	190,531	20,769	772,553	793,322
D. Subtotal	95,933	1,500,524	1,596,457	235,164	11,508,961	11,744,125
III. Public Safety Contributory						
A. Other Division A (2.5% COLA)	8,031	2,188	10,219	4,280	4,952	9,232
B. Other Division A (4% COLA)	620	44	664	527	692	1,219
C. Other Division B (2.5% COLA)	1,344	398	1,742	314	299	613
D. Other Division B (4% COLA)	117	0	117	533	758	1,291
E. Subtotal	10,112	2,630	12,742	5,654	6,701	12,355
IV. Public Safety Noncontributory						
A. State	1,628	47,596	49,224	1,782	505,559	507,341
B. Other Division A (2.5% COLA)	5,661	104,981	110,642	12,750	473,190	485,940
C. Other Division A (4% COLA)	880	21,108	21,988	1,664	149,992	151,656
D. Salt Lake City	216	10,412	10,628	1,161	134,417	135,578
E. Ogden	55	2,614	2,669	260	25,101	25,361
F. Provo	831	301	1,132	6,046	19,142	25,188
G. Logan	764	974	1,738	2,255	9,040	11,295
H. Bountiful	0	1,165	1,165	0	6,851	6,851
I. Other Division B (2.5% COLA)	2,080	15,250	17,330	6,801	199,586	206,387
J. Other Division B (4% COLA)	156	1,071	1,227	587	16,709	17,296
K. Subtotal	12,271	205,472	217,743	33,306	1,539,587	1,572,893
V. Firefighters						
A. Division A	6,380	5,799	12,179	33,632	67,764	101,396
B. Division B	5,298	5,539	10,837	126,018	265,783	391,801
C. Subtotal	11,678	11,338	23,016	159,650	333,547	493,197
VI. Judges	47	1,383	1,430	2,493	83,431	85,924
VII. Governors and Legislative	42	2,684	2,726	4	2,160	2,164
VIII. Tier II - Hybrid Plans						
A. Public Employees	0	2,048	2,048	0	228,976	228,976
B. Public Safety and Firefighter	0	54	54	0	25,755	25,755
IX. Grand Total	204,462	1,738,861	1,943,323	567,916	13,904,551	14,472,467

Notes: Amounts shown are in \$ thousands

Columns may not add to total due to rounding

## EXHIBIT 8

### Number of Members

Fund/Division (1)	Active (2)	Inactive Members			Members Receiving Benefits			Total (9)
		Disabled (3)	Vested (4)	Nonvested (5)	Regular Retirees (6)	Disabled Retirees (7)	Beneficiaries (8)	
I. Public Employees Contributory								
A. Local Government	348	4	847	634	969	37	224	3,063
B. State and School	282	0	305	5	1,992	109	453	3,146
C. Higher Education	108	0	122	2	323	1	57	613
D. Subtotal	<u>738</u>	<u>4</u>	<u>1,274</u>	<u>641</u>	<u>3,284</u>	<u>147</u>	<u>734</u>	<u>6,822</u>
II. Public Employees Noncontributory								
A. Local Government	14,112	170	12,925	259	7,886	227	996	36,575
B. State and School	44,728	511	28,493	497	34,637	815	3,404	113,085
C. Higher Education	4,380	0	6,515	233	3,102	0	288	14,518
D. Subtotal	<u>63,220</u>	<u>681</u>	<u>47,933</u>	<u>989</u>	<u>45,625</u>	<u>1,042</u>	<u>4,688</u>	<u>164,178</u>
III. Public Safety Contributory								
A. Other Division A (2.5% COLA)	37	0	172	45	257	6	123	640
B. Other Division A (4% COLA)	4	0	16	4	80	1	52	157
C. Other Division B (2.5% COLA)	1	0	40	11	66	3	10	131
D. Other Division B (4% COLA)	3	0	1	0	23	1	7	35
E. Subtotal	<u>45</u>	<u>0</u>	<u>229</u>	<u>60</u>	<u>426</u>	<u>11</u>	<u>192</u>	<u>963</u>
IV. Public Safety Noncontributory								
A. State	1,930	5	1,407	9	1,675	37	341	5,404
B. Other Division A (2.5% COLA)	1,836	9	1,883	2	964	20	148	4,862
C. Other Division A (4% COLA)	569	3	410	0	294	3	33	1,312
D. Salt Lake City	424	2	155	1	401	15	115	1,113
E. Ogden	87	0	97	0	117	3	36	340
F. Provo	78	0	28	1	64	0	20	191
G. Logan	36	1	27	0	45	1	2	112
H. Bountiful	29	0	9	0	39	1	3	81
I. Other Division B (2.5% COLA)	927	3	340	3	291	9	56	1,629
J. Other Division B (4% COLA)	72	0	30	0	46	1	3	152
K. Subtotal	<u>5,988</u>	<u>23</u>	<u>4,386</u>	<u>16</u>	<u>3,936</u>	<u>90</u>	<u>757</u>	<u>15,196</u>
V. Firefighters								
A. Division A	442	0	224	40	131	25	34	896
B. Division B	1,222	0	168	82	850	70	262	2,654
C. Subtotal	<u>1,664</u>	<u>0</u>	<u>392</u>	<u>122</u>	<u>981</u>	<u>95</u>	<u>296</u>	<u>3,550</u>
VI. Judges	115	0	3	0	103	0	38	259
VII. Governors and Legislative	61	0	96	2	173	0	71	403
VIII. Tier II - Hybrid Plans								
A. Public Employees	24,372	0	401	0	9	0	0	24,782
B. Public Safety and Firefighter	2,240	0	26	0	0	0	0	2,266
IX. Grand Total	<u>98,443</u>	<u>708</u>	<u>54,740</u>	<u>1,830</u>	<u>54,537</u>	<u>1,385</u>	<u>6,776</u>	<u>218,419</u>

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

# EXHIBIT 9

## Active Membership Statistics

Fund/Division (1)	Number (2)	Total Compensation \$ Thousands (3)	Average Compensation (\$'s) (4)	Accumulated Member Contributions With Interest \$ Thousands (5)	Average Age (6)	Average Service (7)
I. Public Employees Contributory						
A. Local Government	348	20,359	58,503	49,644	55.5	22.8
B. State and School	282	17,560	62,268	59,935	59.9	33.8
C. Higher Education	108	6,509	60,266	22,066	60.1	34.0
D. Subtotal	738	44,428	60,200	131,645	57.9	28.6
II. Public Employees Noncontributory						
A. Local Government	14,112	795,619	56,379	74,886	49.4	14.5
B. State and School	44,728	2,292,089	51,245	139,509	49.7	15.2
C. Higher Education	4,380	216,894	49,519	20,769	50.5	15.3
D. Subtotal	63,220	3,304,602	52,271	235,164	49.7	15.1
III. Public Safety Contributory						
A. Other Division A (2.5% COLA)	37	1,971	53,281	4,280	42.8	13.1
B. Other Division A (4% COLA)	4	191	47,671	527	47.5	17.8
C. Other Division B (2.5% COLA)	1	72	72,253	314	60.0	27.0
D. Other Division B (4% COLA)	3	188	62,777	533	50.3	19.7
E. Subtotal	45	2,422	53,837	5,654	44.1	14.3
IV. Public Safety Noncontributory						
A. State	1,930	105,281	54,550	1,782	44.2	13.5
B. Other Division A (2.5% COLA)	1,836	101,737	55,412	12,750	42.7	13.2
C. Other Division A (4% COLA)	569	30,440	53,498	1,664	42.4	13.7
D. Salt Lake City	424	29,502	69,579	1,161	42.4	12.6
E. Ogden	87	5,257	60,425	260	41.7	12.8
F. Provo	78	4,918	63,045	6,046	42.7	14.3
G. Logan	36	2,045	56,815	2,255	42.4	14.9
H. Bountiful	29	1,773	61,153	0	41.5	9.8
I. Other Division B (2.5% COLA)	927	55,771	60,163	6,801	42.9	9.6
J. Other Division B (4% COLA)	72	4,193	58,236	587	41.2	10.8
K. Subtotal	5,988	340,917	56,933	33,306	43.1	12.7
V. Firefighters						
A. Division A	442	26,917	60,898	33,632	42.8	11.5
B. Division B	1,222	83,404	68,252	126,018	43.6	14.6
C. Subtotal	1,664	110,321	66,299	159,650	43.4	13.8
VI. Judges	115	18,368	159,722	2,493	56.6	9.7
VII. Governors and Legislative	61	722	11,830	4	56.3	8.5
VIII. Tier II - Hybrid Plans						
A. Public Employees	24,372	836,175	34,309	0	38.1	2.3
B. Public Safety and Firefighter	2,240	89,558	39,981	0	33.9	2.4
IX. Grand Total	98,443	4,747,513	48,226	567,916	49.2	15.0

# EXHIBIT 10

## Retired Member Statistics (Including Disabled Retirees and Beneficiaries)

Fund/Division (1)	Number (2)	Annual Total Benefits (\$ Thousands) (3)	Average Monthly Benefit (\$'s) (4)
<b>I. Public Employees Contributory</b>			
A. Local Government	1,230	25,427	1,723
B. State and School	2,554	47,504	1,550
C. Higher Education	381	7,468	1,634
D. Subtotal	4,165	80,399	1,606
<b>II. Public Employees Noncontributory</b>			
A. Local Government	9,109	184,570	1,689
B. State and School	38,856	913,281	1,959
C. Higher Education	3,390	56,799	1,396
D. Subtotal	51,355	1,154,650	1,907
<b>III. Public Safety Contributory</b>			
A. Other Division A (2.5% COLA)	386	9,242	1,995
B. Other Division A (4% COLA)	133	2,505	1,569
C. Other Division B (2.5% COLA)	79	2,262	2,386
D. Other Division B (4% COLA)	31	549	1,477
E. Subtotal	629	14,558	1,929
<b>IV. Public Safety Noncontributory</b>			
A. State	2,053	60,220	2,444
B. Other Division A (2.5% COLA)	1,132	33,985	2,502
C. Other Division A (4% COLA)	330	9,784	2,471
D. Salt Lake City	531	17,552	2,755
E. Ogden	156	4,231	2,260
F. Provo	84	2,738	2,716
G. Logan	48	1,504	2,611
H. Bountiful	43	1,396	2,705
I. Other Division B (2.5% COLA)	356	10,696	2,504
J. Other Division B (4% COLA)	50	1,851	3,085
K. Subtotal	4,783	143,957	2,508
<b>V. Firefighters</b>			
A. Division A	190	6,073	2,663
B. Division B	1,182	44,351	3,127
C. Subtotal	1,372	50,424	3,063
<b>VI. Judges</b>			
	141	11,956	7,066
<b>VII. Governors and Legislative</b>			
	244	942	322
<b>VIII. Tier II - Hybrid Plans</b>			
A. Public Employees	9	14	130
B. Public Safety and Firefighter	0	0	0
<b>IX. Grand Total</b>			
	62,689	1,456,886	1,937

## EXHIBIT 11(a)

### Market Value of Assets (All Retirement Systems Combined)

Item (1)	December 31, 2015 (2)	December 31, 2016 (3)
1. Cash	2,188	857
2. Receivables		
a. Member contributions	384	792
b. Employer contributions	37,705	51,224
c. Fire insurance premium tax & court fees	470	1,749
d. Investments	288,711	445,138
e. Total	327,270	498,903
3. Investments		
a. Short-term securities	2,229,799	2,392,184
b. Debt securities	4,281,606	4,356,418
c. Equity investments	9,193,510	10,199,869
d. Absolute return	4,141,321	4,508,784
e. Private equity	3,214,680	3,290,800
f. Real assets	4,025,398	4,269,045
g. Total	27,086,314	29,017,100
4. Other	2,021,068	704,377
5. Total Assets	29,436,840	30,221,237
6. Liabilities		
a. Securities lending liability	(2,017,935)	(699,487)
b. Other accounting liabilities and reserves	(732,065)	(977,434)
c. Total	(2,750,000)	(1,676,921)
7. Net assets	26,686,840	28,544,316

Note: Assets exclude the defined contribution plans  
Amount shown are in \$ thousands  
Amounts shown are from the December 31, 2016 Comprehensive Annual Financial Report  
and may differ from other numbers contained in this report due to rounding.

## EXHIBIT 11(b)

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

Fund/Division (1)	MVA as of Dec. 31, 2015 (2)	Contributions (3)	Benefits and Refunds (4)	Earnings, Net of Expenses (5)	Transfers (6)	MVA as of Dec. 31, 2016 (7)
<b>I Public Employees Contributory</b>						
A. Local Government	419,856	5,489	(26,784)	34,194	(6,519)	426,237
B. State and School	763,238	6,119	(58,367)	63,053	4,624	778,667
C. Subtotal	<u>1,183,094</u>	<u>11,608</u>	<u>(85,151)</u>	<u>97,247</u>	<u>(1,894)</u>	<u>1,204,904</u>
<b>II Public Employees Noncontributory</b>						
A. Local Government	4,074,168	176,990	(191,405)	344,329	8,323	4,412,406
B. State and School	16,903,137	647,433	(997,250)	1,413,008	20,398	17,986,726
C. Subtotal	<u>20,977,305</u>	<u>824,423</u>	<u>(1,188,655)</u>	<u>1,757,337</u>	<u>28,722</u>	<u>22,399,132</u>
<b>III Public Safety Contributory</b>						
A. Other Division A (2.5% COLA)	119,680	760	(9,455)	9,820	572	121,377
B. Other Division A (4% COLA)	24,590	69	(2,595)	2,042	960	25,067
C. Other Division B (2.5% COLA)	32,399	25	(2,299)	2,719	689	33,532
D. Other Division B (4% COLA)	8,299	89	(537)	672	(54)	8,469
E. Subtotal	<u>184,968</u>	<u>943</u>	<u>(14,886)</u>	<u>15,253</u>	<u>2,167</u>	<u>188,445</u>
<b>IV. Public Safety Noncontributory</b>						
A. State	1,003,325	50,668	(62,631)	84,311	3,363	1,079,035
B. Other Division A (2.5% COLA)	825,758	39,925	(35,402)	69,595	(8,852)	891,024
C. Other Division A (4% COLA)	238,254	12,120	(10,377)	20,203	593	260,793
D. Salt Lake City	241,397	15,268	(17,682)	20,323	1,369	260,676
E. Ogden	55,904	3,147	(4,208)	4,669	(74)	59,437
F. Provo	43,277	2,403	(2,700)	3,640	(39)	46,581
G. Logan	24,629	1,052	(1,513)	2,057	(52)	26,172
H. Bountiful	17,826	943	(1,433)	1,484	35	18,855
I. Other Division B (2.5% COLA)	267,824	19,653	(11,885)	23,136	6,584	305,312
J. Other Division B (4% COLA)	35,677	1,809	(1,974)	3,097	1,607	40,216
K. Subtotal	<u>2,753,871</u>	<u>146,987</u>	<u>(149,804)</u>	<u>232,515</u>	<u>4,533</u>	<u>2,988,102</u>
<b>V. Fire fighters</b>						
A. Division A	177,053	7,918	(6,293)	14,952	135	193,766
B. Division B	866,004	28,333	(46,273)	72,420	1,476	921,960
C. Subtotal	<u>1,043,058</u>	<u>36,251</u>	<u>(52,566)</u>	<u>87,372</u>	<u>1,611</u>	<u>1,115,726</u>
<b>VI Judges</b>	163,748	8,852	(12,330)	13,749	1,600	175,621
<b>VII Governors and Legislative</b>	10,040	421	(942)	845	(13)	10,351
<b>VIII 3% Substantial Substitute</b>	215,134	23,517	(30)	17,716	(36,727)	219,611
<b>IX. Tier II- Hybrid Plans</b>						
A. Public Employees	140,539	63,062	(316)	14,009	(0)	217,293
B. Public Safety and Fire fighter	15,089	8,488	(28)	1,585	0	25,135
<b>X. Grand Total</b>	<u>26,686,846</u>	<u>1,124,551</u>	<u>(1,504,707)</u>	<u>2,237,630</u>	<u>0</u>	<u>28,544,320</u>

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

## EXHIBIT 12(a)

### Investment Return Rates for Prior Year

	Basis of Assets	
	Market Value (1)	Actuarial Value (2)
1. Beginning of year assets	26,686,846	27,124,148
2. Contributions to fund during year	1,124,551	1,124,551
3. Benefit payments during year (including refunds of contributions)	(1,504,707)	(1,504,707)
4. Transfers to and (from) URS	0	0
5. Investment income, net of investment and administrative expenses	2,237,630	2,172,210
6. End of year assets	28,544,320	28,916,201
7. Investment rate return	8.4%	8.1%

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

## EXHIBIT 12(b)

### Summary of Investment Return Rates

Year	Return on Market Value	Return on Actuarial Value
(1)	(2)	(3)
1993	15.7%	13.8%
1994	0.0%	8.8%
1995	21.4%	11.6%
1996	14.7%	11.7%
1997	15.8%	13.7%
1998	9.4%	12.6%
1999	16.3%	14.7%
2000	1.8%	11.2%
2001	-5.3%	6.8%
2002	-8.0%	-1.5%
2003	25.6%	8.0%
2004	13.7%	5.3%
2005	9.2%	7.4%
2006	14.4%	11.1%
2007	6.6%	13.0%
2008	-23.4%	-1.1%
2009	13.2%	6.1%
2010	13.2%	2.9%
2011	2.5%	1.3%
2012	12.6%	2.7%
2013	14.8%	11.0%
2014	7.1%	10.2%
2015	1.7%	7.8%
2016	8.4%	8.1%
Average return		
Last 5 years:	8.8%	7.9%
Last 10 years:	5.1%	6.1%
Last 15 years:	6.8%	6.1%
Last 20 years:	6.9%	7.5%

## EXHIBIT 13

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

1. Market value of assets \$ 28,544,320
2. Adjustments to smooth asset values based on excess/shortfall of expected investment income for:

	<u>Year</u>	<u>Total Excess / (Shortfall)</u>	<u>Weight Subtracted</u>	<u>Weight Subtracted</u>
a.	2016	329,863	80%	263,890
b.	2015	(1,529,412)	60%	(917,647)
c.	2014	(95,447)	40%	(38,179)
d.	2013	1,600,276	20%	320,055
e.	2012	1,016,923	0%	<u>0</u>
f.	Total			(371,881)

3. Preliminary actuarial value of assets (1-2f) \$ 28,916,201
4. Corridor Limits
  - a. 75% of market value \$ 21,408,240
  - b. 125% of market value 35,680,400
  - c. Actuarial value (Item 3, not more than 4b, not less than 4a) \$ 28,916,201
5. Ratio of actuarial value to market value 101.3%

Note: Amounts shown are in \$ thousands

# EXHIBIT 14

## Transfer Adjustments to Asset Values

Fund/Division (1)	Market Value of Assets (MVA) at January 1, 2017			Actuarial Value of Assets (AVA) at January 1, 2017		
	MVA Before Transfer (2)	Transfer Amount (3)	MVA After Transfer (4)	AVA Before Transfer (5)	Transfer Amount (6)	AVA After Transfer (7)
I. Public Employees Contributory						
A. Local Government	426,237	(905)	425,332	432,474	(918)	431,556
B. State and School	778,667	(132,931)	645,736	789,135	(134,717)	654,418
C. Higher Education	N/A	139,226	139,226	N/A	141,098	141,098
D. Subtotal	1,204,904	5,390	1,210,294	1,221,609	5,463	1,227,072
II. Public Employees Noncontributory						
A. Local Government	4,412,406	905	4,413,311	4,468,322	918	4,469,240
B. State and School	17,986,726	(1,356,150)	16,630,576	18,220,347	(1,373,768)	16,846,579
C. Higher Education	N/A	1,349,855	1,349,855	N/A	1,367,387	1,367,387
D. Subtotal	22,399,132	(5,390)	22,393,742	22,688,669	(5,463)	22,683,206
III. Public Safety Contributory						
B. Other Division A (2.5% COLA)	121,377	(1,454)	119,923	122,967	(1,473)	121,494
C. Other Division A (4% COLA)	25,067	(488)	24,580	25,305	(494)	24,811
E. Other Division B (2.5% COLA)	33,532	350	33,883	33,998	355	34,353
F. Other Division B (4% COLA)	8,469	(101)	8,368	8,554	(102)	8,452
G. Subtotal	188,445	(1,692)	186,753	190,824	(1,714)	189,110
IV. Public Safety Noncontributory						
A. State	1,079,035	0	1,079,035	1,092,864	0	1,092,864
B. Other Division A (2.5% COLA)	891,024	1,454	892,478	903,161	1,473	904,634
C. Other Division A (4% COLA)	260,793	488	261,281	264,135	494	264,629
D. Salt Lake City	260,676	0	260,676	263,982	0	263,982
E. Ogden	59,437	0	59,437	60,221	0	60,221
F. Provo	46,581	0	46,581	47,185	0	47,185
G. Logan	26,172	0	26,172	26,522	0	26,522
H. Bountiful	18,855	0	18,855	19,100	0	19,100
I. Other Division B (2.5% COLA)	305,312	(350)	304,961	308,598	(355)	308,243
J. Other Division B (4% COLA)	40,216	101	40,317	40,629	102	40,731
K. Subtotal	2,988,102	1,692	2,989,794	3,026,397	1,714	3,028,111
V. Firefighters						
A. Division A	193,766	0	193,766	196,338	0	196,338
B. Division B	921,960	0	921,960	933,860	0	933,860
C. Subtotal	1,115,726	0	1,115,726	1,130,198	0	1,130,198
VI. Judges	175,621	0	175,621	177,782	0	177,782
VII. Governors and Legislative	10,351	0	10,351	10,470	0	10,470
VIII. 3% Substantial Substitute	219,611	0	219,611	224,978	0	224,978
IX. Tier II - Hybrid Plans						
A. Public Employees	217,293	0	217,293	219,885	0	219,885
B. Public Safety and Firefighter	25,135	0	25,135	25,388	0	25,388
X. Grand Total	28,544,320	0	28,544,320	28,916,200	0	28,916,200

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

## EXHIBIT 15(a)

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

1. Actuarial accrued liability, all funds combined		
a. Retirees	\$	420,226
b. Inactives		15,040
c. Actives		<u>101,319</u>
d. Total	\$	536,585
2. Actuarial value of assets	\$	224,978
3. Unfunded actuarial accrued liability		311,607
4. Covered compensation of state funds that will pay for benefit	\$	3,556,897
5. Calculated rate (20-year funding period and 3.00% PGR)		0.62%

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

## EXHIBIT 15(b)

### Liabilities for 3% Substantial Substitute

Fund/Division (1)	Retirees and Beneficiaries (2)	Inactive Members (3)	Active Members (4)	Total (5)
I. Public Employees Contributory				
A. Local Government	8,424	838	3,054	12,316
B. State and School	15,382	971	4,371	20,723
C. Higher Education	2,522	396	1,611	4,529
D. Subtotal	<u>26,328</u>	<u>2,205</u>	<u>9,036</u>	<u>37,568</u>
II. Public Employees Noncontributory				
A. Local Government	49,586	2,984	17,057	69,627
B. State and School	264,856	5,937	60,979	331,772
C. Higher Education	14,272	1,443	6,441	22,155
D. Subtotal	<u>328,714</u>	<u>10,364</u>	<u>84,477</u>	<u>423,554</u>
III. Public Safety Contributory				
A. Other Division A (2.5% COLA)	2,865	191	68	3,124
B. Other Division A (4% COLA)	671	16	0	687
C. Other Division B (2.5% COLA)	830	34	20	884
D. Other Division B (4% COLA)	156	4	0	160
E. Subtotal	<u>4,522</u>	<u>245</u>	<u>88</u>	<u>4,855</u>
IV. Public Safety Noncontributory				
A. State	17,352	450	1,597	19,399
B. Other Division A (2.5% COLA)	9,915	1,253	1,299	12,467
C. Other Division A (4% COLA)	2,647	52	319	3,019
D. Salt Lake City	5,219	77	422	5,718
E. Ogden	1,393	10	48	1,451
F. Provo	807	19	150	977
G. Logan	460	30	61	551
H. Bountiful	449	0	0	450
I. Other Division B (2.5% COLA)	2,731	144	589	3,465
J. Other Division B (4% COLA)	524	9	83	616
K. Subtotal	<u>41,497</u>	<u>2,044</u>	<u>4,568</u>	<u>48,113</u>
V. Firefighters				
A. Division A	1,670	108	371	2,148
B. Division B	14,456	54	1,795	16,305
C. Subtotal	<u>16,126</u>	<u>162</u>	<u>2,166</u>	<u>18,453</u>
VI. Judges	2,896	0	980	3,876
VII. Governors and Legislative	142	22	5	169
VIII. Tier II - Hybrid Plans				
A. Public Employees	0	0	0	0
B. Public Safety and Firefighter	0	0	0	0
VIII. Grand Total	420,225	15,042	101,320	536,588

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

## EXHIBIT 16

### Governors and Legislative Pension Plan Determination of Contribution

1. Actuarial Accrued Liability	
a. Retirees	\$ 8,254,061
b. Inactives	2,726,120
c. Actives	<u>2,163,875</u>
d. Total	\$ 13,144,056
2. Actuarial Value of Assets	\$ 10,470,000
3. Unfunded Actuarial Accrued Liability (UAAL) (1d) - (2)	2,674,056
4. Normal Cost	\$ 71,188
5. Total Recommended Appropriation Payable by June 30, 2019	
a. Normal Cost	\$ 71,188
b. Amortization Charge (17-year funding period, level dollar)*	<u>264,616</u>
c. Subtotal	\$ 335,804
d. Interest Adjustment (two years at 6.95%)	<u>48,299</u>
e. Total	\$ 384,103

\* Greater of the current year amortization dollar amount based on the closed 17-year funding period and the amortization amount actually contributed based on the prior year's valuation results.

## EXHIBIT 17(a)

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

Plan Year Beginning January 1st	Participant Counts				Covered Payroll (\$ Thousands)	Average Pay (7)	Retirement Benefits in Force Annual Amount (\$ Thousands)	Average Retiree Monthly Benefit (9)	Market Value of Assets (\$ Thousands)	Actuarial Value of Assets (\$ Thousands)
	Active (2)	Inactive (3)	Retired (4)	Total (5)						
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
1994	10,826	1,733	11,444	24,003	280,655	25,924	57,861	421	929,993	880,979
1995	10,421	1,805	11,115	23,341	284,657	27,316	58,345	437	922,155	935,845
1996	6,954	2,028	10,645	19,627	195,717	28,145	58,238	456	919,007	852,034
1997	4,673	1,906	10,176	16,755	135,083	28,907	57,770	473	859,304	772,977
1998	4,396	1,975	9,724	16,095	134,341	30,560	57,496	493	916,532	809,388
1999	4,144	2,089	9,208	15,441	133,440	32,201	56,599	512	927,169	840,215
2000	3,967	2,134	8,717	14,818	133,615	33,682	55,716	533	974,834	878,190
2001	3,827	2,149	8,264	14,240	134,816	35,228	56,264	567	936,798	924,573
2002	3,703	2,262	7,822	13,787	137,721	37,192	55,569	592	827,741	927,523
2003	3,608	2,269	7,375	13,252	137,743	38,177	54,765	619	749,408	899,290
2004	3,444	2,293	6,916	12,653	134,144	38,950	53,815	648	873,520	913,948
2005	3,318	2,285	6,550	12,153	134,810	40,630	53,630	682	971,242	933,974
2006	3,140	2,321	5,963	11,424	131,437	41,859	51,646	722	1,014,414	951,540
2007	2,964	2,372	5,687	11,023	127,588	43,046	53,059	777	1,105,890	1,004,452
2008	2,821	2,425	5,718	10,964	128,030	45,385	57,596	839	1,142,078	1,102,107
2009	2,701	2,476	5,408	10,585	128,970	47,749	58,318	899	878,169	1,097,711
2010	2,470	2,467	5,171	10,108	120,258	48,687	62,382	1,005	939,905	1,116,735
2011	2,289	2,416	4,947	9,652	110,691	48,358	64,170	1,081	1,046,886	1,132,661
2012	2,110	2,364	4,751	9,225	104,065	49,320	65,688	1,152	1,065,149	1,135,251
2013	1,891	2,306	4,573	8,770	95,985	50,759	68,055	1,240	1,176,614	1,133,433
2014	1,694	2,223	4,411	8,328	88,875	52,464	70,747	1,337	1,251,018	1,165,002
2015	1,476	2,164	4,315	7,955	80,845	54,773	73,475	1,419	1,253,647	1,198,862
2016	911	2,054	4,222	7,187	47,623	58,026	77,219	1,524	1,193,241	1,209,069
2017	738	1,919	4,165	6,822	44,428	60,200	80,399	1,606	1,210,294	1,227,072

## EXHIBIT 17(b)

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

Plan Year Beginning January 1st	Participant Counts				Covered Payroll (\$ Thousands)	Average Pay (7)	Retirement Benefits in Force Annual Amount (\$ Thousands)	Average Retiree Monthly Benefit (9)	Market Value of Assets (\$ Thousands)	Actuarial Value of Assets (\$ Thousands)
	Active (2)	Inactive (3)	Retired (4)	Total (5)						
1994	63,448	9,507	8,025	80,980	1,536,528	24,217	104,731	1,088	4,258,021	4,039,120
1995	67,698	10,131	9,143	86,972	1,688,967	24,949	121,850	1,111	4,312,948	4,372,190
1996	69,922	12,413	10,458	92,793	1,862,940	26,643	142,838	1,138	5,497,373	5,128,203
1997	73,478	13,965	11,841	99,284	2,048,876	27,884	166,432	1,171	6,547,598	5,954,796
1998	76,728	15,383	13,242	105,353	2,231,957	29,089	192,723	1,213	7,711,808	6,896,740
1999	77,360	17,494	14,645	109,499	2,343,986	30,300	220,230	1,253	8,560,909	7,894,249
2000	80,639	18,630	16,163	115,432	2,486,200	30,831	248,366	1,281	10,112,606	9,186,463
2001	81,850	20,357	17,728	119,935	2,611,413	31,905	280,910	1,320	10,367,596	10,294,444
2002	83,690	27,385	19,145	130,220	2,801,564	33,475	314,821	1,370	9,848,682	11,021,828
2003	83,925	26,664	20,623	131,212	2,888,853	34,422	351,690	1,421	8,963,388	10,756,065
2004	84,039	28,673	22,202	134,914	2,915,008	34,686	388,305	1,457	11,191,566	11,551,092
2005	85,502	30,498	23,782	139,782	3,058,487	35,771	426,813	1,496	12,639,732	12,093,408
2006	86,502	33,035	25,446	144,983	3,121,800	36,089	466,287	1,527	13,756,039	12,935,862
2007	87,960	34,820	27,866	150,646	3,284,295	37,339	532,188	1,592	15,664,709	14,295,945
2008	91,342	36,713	30,325	158,380	3,583,525	39,232	596,337	1,639	16,564,574	16,026,629
2009	93,633	38,324	32,104	164,061	3,837,934	40,989	642,434	1,668	12,533,979	15,667,473
2010	92,847	39,583	34,433	166,863	3,888,415	41,847	726,282	1,758	13,992,989	16,434,614
2011	91,871	40,928	36,612	169,411	3,842,855	41,828	778,376	1,772	15,585,991	16,663,090
2012	87,220	42,646	38,708	168,574	3,760,961	43,120	830,698	1,788	15,704,227	16,615,078
2013	80,837	44,655	40,959	166,451	3,610,948	44,669	892,610	1,816	17,392,873	16,777,789
2014	75,381	46,653	43,362	165,396	3,486,507	46,252	959,814	1,845	19,728,833	18,396,476
2015	70,453	48,326	45,921	164,700	3,378,417	47,953	1,024,495	1,859	20,889,367	20,024,686
2016	66,649	49,306	48,739	164,694	3,154,812	50,259	1,098,066	1,877	20,967,157	21,308,181
2017	63,220	49,603	51,355	164,178	3,304,602	52,271	1,154,650	1,907	22,393,742	22,683,206

## EXHIBIT 17(c)

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

Plan Year Beginning January 1st	Participant Counts				Covered Payroll (\$ Thousands)	Average Pay (7)	Retirement Benefits in Force Annual Amount (\$ Thousands)	Average Retiree Monthly Benefit (9)	Market Value of Assets (\$ Thousands)	Actuarial Value of Assets (\$ Thousands)
	Active (2)	Inactive (3)	Retired (4)	Total (5)						
1994	1,601	714	1,273	3,588	46,728	29,187	15,373	1,006	326,536	311,148
1995	1,280	568	1,294	3,142	38,571	30,134	16,087	1,036	284,198	289,572
1996	971	525	1,321	2,817	30,304	31,209	17,323	1,093	310,209	291,478
1997	952	543	1,322	2,817	31,940	33,550	17,735	1,118	335,065	304,699
1998	1,006	531	1,340	2,877	34,262	34,058	18,487	1,150	364,531	324,488
1999	855	498	1,344	2,697	29,704	34,742	19,147	1,187	347,477	316,739
2000	804	486	1,333	2,623	28,957	36,016	19,351	1,210	363,654	327,635
2001	794	479	1,243	2,516	30,021	37,810	18,611	1,248	331,370	326,949
2002	795	503	1,257	2,555	30,783	38,721	19,480	1,291	293,617	328,959
2003	789	502	1,250	2,541	31,501	39,925	20,222	1,348	269,041	322,275
2004	759	519	1,249	2,527	31,688	41,749	20,759	1,385	316,514	331,432
2005	740	522	1,241	2,503	32,446	43,846	21,202	1,424	352,753	339,304
2006	698	526	1,256	2,480	31,443	45,047	22,127	1,468	368,717	345,699
2007	693	534	1,252	2,479	32,291	46,596	23,020	1,532	398,502	361,788
2008	539	505	1,101	2,145	25,700	47,681	20,452	1,548	330,176	318,303
2009	188	431	1,027	1,646	9,507	50,569	19,531	1,585	201,270	267,761
2010	165	404	1,046	1,615	8,398	50,906	21,177	1,687	222,779	271,894
2011	140	408	1,018	1,566	6,933	49,514	21,200	1,735	243,309	269,379
2012	130	398	1,003	1,531	6,475	49,817	21,293	1,769	244,173	263,771
2013	120	386	990	1,496	6,067	50,549	21,448	1,805	271,029	260,591
2014	110	381	968	1,459	5,646	51,320	21,455	1,847	277,988	258,627
2015	62	341	915	1,318	3,215	51,848	20,408	1,859	247,934	236,598
2016	49	305	635	989	2,561	52,266	14,701	1,929	187,613	189,713
2017	45	289	629	963	2,422	53,837	14,558	1,929	186,753	189,110

## EXHIBIT 17(d)

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

Plan Year Beginning January 1st	Participant Counts				Covered Payroll (\$ Thousands)	Average Pay (7)	Retirement Benefits in Force Annual Amount (\$ Thousands)	Average Retiree Monthly Benefit (9)	Market Value of Assets (\$ Thousands)	Actuarial Value of Assets (\$ Thousands)
	Active (2)	Inactive (3)	Retired (4)	Total (5)						
1994	3,289	198	238	3,725	89,839	27,315	4,272	1,496	251,536	236,786
1995	3,899	360	304	4,563	111,292	28,544	5,684	1,558	297,278	300,101
1996	4,455	555	395	5,405	130,552	29,305	7,596	1,603	409,217	379,132
1997	4,720	614	492	5,826	149,086	31,586	9,870	1,672	496,197	450,407
1998	5,033	664	592	6,289	161,826	32,153	12,068	1,699	606,326	542,680
1999	5,427	752	747	6,926	180,904	33,334	15,603	1,741	726,304	672,062
2000	5,735	865	882	7,482	196,271	34,223	18,504	1,748	898,266	818,697
2001	5,974	832	1,118	7,924	212,442	35,561	23,428	1,746	964,708	960,047
2002	6,120	1,464	1,326	8,910	225,760	36,889	28,907	1,817	936,286	1,047,507
2003	6,228	1,733	1,462	9,423	237,192	38,085	33,444	1,906	855,508	1,027,160
2004	6,324	1,915	1,617	9,856	243,745	38,543	38,614	1,990	1,087,654	1,117,457
2005	6,428	2,093	1,808	10,329	257,241	40,019	44,508	2,051	1,241,290	1,185,601
2006	6,556	2,283	2,038	10,877	263,905	40,254	51,112	2,090	1,367,735	1,287,322
2007	6,740	2,481	2,205	11,426	282,955	41,981	57,294	2,165	1,582,989	1,447,411
2008	7,015	2,633	2,612	12,260	311,886	44,460	67,997	2,169	1,776,121	1,720,309
2009	7,642	2,854	2,841	13,337	356,186	46,609	75,602	2,218	1,409,649	1,745,887
2010	7,519	3,066	3,042	13,627	359,978	47,983	84,735	2,321	1,598,416	1,861,644
2011	7,443	3,186	3,207	13,836	355,318	47,739	91,555	2,379	1,809,515	1,919,525
2012	7,495	3,613	3,355	14,463	360,231	48,063	96,988	2,409	1,854,254	1,952,972
2013	7,129	3,877	3,550	14,556	350,623	49,183	104,366	2,450	2,095,022	2,023,320
2014	6,847	4,014	3,743	14,604	346,544	50,612	111,953	2,493	2,434,192	2,272,082
2015	6,551	4,190	3,993	14,734	343,668	52,460	120,426	2,513	2,651,448	2,544,778
2016	6,285	4,320	4,529	15,134	341,997	54,415	135,829	2,499	2,751,226	2,798,714
2017	5,988	4,425	4,783	15,196	340,917	56,933	143,957	2,508	2,989,794	3,028,111

## EXHIBIT 17(e)

### Historical Summary of Statistical Data Firefighters Retirement System

Plan Year Beginning January 1st	Participant Counts				Covered Payroll (\$ Thousands)	Average Pay (7)	Retirement Benefits in Force Annual Amount (\$ Thousands)	Average Retiree Monthly Benefit (9)	Market Value of Assets (\$ Thousands)	Actuarial Value of Assets (\$ Thousands)
	Active (2)	Inactive (3)	Retired (4)	Total (5)						
1994	1,079	100	595	1,774	37,191	34,468	8,678	1,215	247,715	234,501
1995	1,123	103	618	1,844	39,669	35,324	9,811	1,323	249,712	253,304
1996	1,165	116	644	1,925	42,599	36,566	10,397	1,415	315,063	293,816
1997	1,229	123	675	2,027	47,550	38,690	12,049	1,488	362,555	329,475
1998	1,285	130	707	2,122	50,886	39,600	13,747	1,620	421,184	376,178
1999	1,352	156	736	2,244	54,402	40,238	14,940	1,692	460,190	423,405
2000	1,380	160	772	2,312	57,664	41,786	16,112	1,739	532,783	483,373
2001	1,433	173	823	2,429	61,593	42,982	18,163	1,839	540,822	536,503
2002	1,504	179	866	2,549	66,871	44,462	20,008	1,925	508,565	569,151
2003	1,545	197	884	2,626	71,347	46,179	22,246	2,097	461,324	553,589
2004	1,577	222	920	2,719	75,148	47,653	22,859	2,071	570,160	589,502
2005	1,608	237	948	2,793	79,168	49,234	24,242	2,131	637,979	610,688
2006	1,647	294	979	2,920	83,495	50,695	26,064	2,219	686,062	644,496
2007	1,690	315	1,021	3,026	87,089	51,532	28,312	2,311	773,774	705,051
2008	1,786	338	1,098	3,222	94,488	52,905	31,944	2,424	814,674	787,663
2009	1,852	370	1,120	3,342	101,508	54,810	33,985	2,529	612,696	765,871
2010	1,899	396	1,168	3,463	105,341	55,472	37,991	2,711	682,218	802,576
2011	1,890	399	1,199	3,488	105,471	55,805	39,823	2,768	756,256	810,216
2012	1,931	451	1,227	3,609	108,222	56,045	41,291	2,804	765,526	810,764
2013	1,874	463	1,262	3,599	107,495	57,361	43,349	2,862	853,776	824,060
2014	1,834	485	1,271	3,590	108,307	59,055	44,620	2,926	968,661	903,627
2015	1,775	502	1,298	3,575	108,207	60,962	46,405	2,979	1,031,040	988,806
2016	1,722	503	1,333	3,558	109,517	63,599	48,458	3,029	1,043,058	1,060,312
2017	1,664	514	1,372	3,550	110,321	66,299	50,424	3,063	1,115,726	1,130,198

## EXHIBIT 17(f)

### Historical Summary of Statistical Data Judges Retirement System

Plan Year Beginning January 1st	Participant Counts				Covered Payroll (\$ Thousands)	Average Pay (7)	Retirement Benefits in Force Annual Amount (\$ Thousands)	Average Retiree Monthly Benefit (9)	Market Value of Assets (\$ Thousands)	Actuarial Value of Assets (\$ Thousands)
	Active	Inactive	Retired	Total						
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
1994	85	1	68	154	6,897	81,142	1,930	2,365	37,398	35,479
1995	87	0	70	157	7,263	83,488	2,193	2,610	38,220	38,726
1996	98	3	70	171	8,480	86,534	2,309	2,749	47,531	44,304
1997	100	1	69	170	9,202	92,019	2,396	2,894	55,757	50,721
1998	102	1	72	175	9,298	91,158	2,778	3,215	66,299	59,373
1999	103	2	73	178	9,667	93,850	2,970	3,391	73,650	67,998
2000	106	2	73	181	10,150	95,750	3,078	3,514	85,921	78,130
2001	104	4	75	183	10,318	99,208	3,299	3,666	87,731	87,139
2002	106	4	78	188	10,910	102,925	3,608	3,855	82,760	92,649
2003	106	4	77	187	11,095	104,674	3,728	4,035	75,753	90,904
2004	106	5	83	194	11,163	105,311	4,306	4,324	94,467	97,412
2005	108	6	84	198	11,820	109,442	4,431	4,396	105,483	100,814
2006	109	5	85	199	11,721	107,533	4,711	4,618	113,353	106,374
2007	110	5	87	202	12,336	112,143	5,145	4,928	128,300	116,879
2008	110	6	96	212	13,387	121,700	5,931	5,149	134,366	129,847
2009	110	5	97	212	14,347	130,423	6,190	5,318	100,896	126,120
2010	108	4	107	219	14,458	133,873	7,435	5,791	111,727	131,491
2011	110	5	115	230	14,849	134,987	8,555	6,199	123,037	131,869
2012	112	4	118	234	15,061	134,477	8,692	6,138	123,237	130,561
2013	111	4	119	234	14,922	134,432	9,149	6,407	136,129	131,217
2014	111	5	127	243	15,932	142,249	10,244	6,722	155,680	145,121
2015	113	5	132	250	15,568	137,768	11,090	7,001	163,834	156,956
2016	112	4	140	256	16,484	147,175	11,963	7,121	163,748	166,298
2017	115	3	141	259	18,368	159,722	11,956	7,066	175,621	177,782

## EXHIBIT 17(g)

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

Plan Year Beginning January 1st	Participant Counts				Covered Payroll (\$ Thousands)	Average Pay (7)	Retirement Benefits in Force Annual Amount (\$ Thousands)	Average Retiree Monthly Benefit (9)	Market Value of Assets (\$ Thousands)	Actuarial Value of Assets (\$ Thousands)
	Active	Inactive	Retired	Total						
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
1994	93	126	188	407	427	4,593	385	171	8,089	7,683
1995	89	112	196	397	412	4,628	422	180	7,684	7,804
1996	96	111	201	408	439	4,569	445	184	8,788	8,185
1997	75	115	200	390	367	4,892	457	190	9,561	8,636
1998	90	108	208	406	488	5,419	476	191	10,531	9,318
1999	91	99	211	401	495	5,440	504	199	10,976	9,988
2000	94	101	221	416	511	5,437	531	200	12,159	10,946
2001	86	96	218	400	478	5,557	536	205	11,724	11,569
2002	94	107	228	429	601	6,391	562	206	10,448	11,710
2003	94	105	231	430	592	6,297	585	211	8,932	10,719
2004	100	110	223	433	610	6,097	573	214	10,390	10,906
2005	97	103	221	421	521	5,374	577	218	11,066	10,650
2006	88	113	224	425	788	8,955	608	226	11,319	10,587
2007	89	110	216	415	797	8,955	604	233	12,163	10,983
2008	92	118	220	430	538	5,850	596	226	12,195	11,736
2009	91	111	222	424	532	5,850	580	218	8,673	10,841
2010	94	117	223	434	585	6,224	773	289	8,995	10,770
2011	83	119	221	423	547	6,587	778	293	9,337	10,197
2012	96	116	219	431	505	5,256	819	312	8,932	9,565
2013	74	125	224	423	390	5,265	806	300	9,444	9,077
2014	76	113	235	424	854	12,200	867	307	10,165	9,457
2015	73	105	236	414	943	12,923	886	313	10,365	9,908
2016	65	105	241	411	799	12,289	904	313	10,040	10,173
2017	61	98	244	403	722	11,830	942	322	10,351	10,470

## EXHIBIT 17(h)

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

Plan Year Beginning January 1st	Participant Counts				Covered Payroll (\$ Thousands)	Average Pay (7)	Retirement Benefits in Force Annual Amount (\$ Thousands)	Average Retiree Monthly Benefit (9)	Market Value of Assets (\$ Thousands)	Actuarial Value of Assets (\$ Thousands)
	Active	Inactive	Retired	Total						
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
2012	4,342	0	0	4,342	115,876	26,687	0	0	2,799	2,833
2013	9,510	0	0	9,510	269,287	28,316	0	0	17,935	17,817
2014	13,352	0	0	13,352	410,861	30,771	0	0	47,690	46,239
2015	16,786	0	0	16,786	552,585	32,919	0	0	89,289	88,743
2016	21,100	92	1	21,193	662,190	31,383	1	72	140,539	145,518
2017	24,372	401	9	24,782	836,175	34,309	14	130	217,293	219,885

## EXHIBIT 17(i)

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

Plan Year Beginning January 1st	Participant Counts				Covered Payroll (\$ Thousands)	Average Pay (7)	Retirement Benefits in Force Annual Amount (\$ Thousands)	Average Retiree Monthly Benefit (9)	Market Value of Assets (\$ Thousands)	Actuarial Value of Assets (\$ Thousands)
	Active	Inactive	Retired	Total						
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
2012	87	0	0	87	3,146	36,161	0	0	90	90
2013	439	0	0	439	16,152	36,793	0	0	1,172	1,161
2014	843	0	0	843	30,887	36,639	0	0	3,934	3,819
2015	1,280	0	0	1,280	47,707	37,271	0	0	8,706	8,666
2016	1,755	1	0	1,756	67,731	38,593	0	0	15,089	15,618
2017	2,240	26	0	2,266	89,558	39,981	14	0	25,135	25,388

# SUPPLEMENT EXHIBIT 1(A)

## Preliminary Tier I Retirement Contribution Rates as a Percentage of Salary and Wages Fiscal Year July 1, 2018 - June 30, 2019

	Preliminary Tier I 2018-2019 Rates						Increase (Decrease) From Prior Year
	(1)	(2)	(3)	(4)	(5)	(6)	
	Employee	Employer	Normal cost (1) + (2)	Amortization of UAAL*	Net Employer (2) + (4)	Total (3) + (4)	
<b>Public Employees</b>							
<b>Contributory Retirement System</b>							
11- Local Government	6.00%	6.09%	12.09%	8.37%	14.46%	20.46%	0.00%
12- State and School	6.00%	5.45%	11.45%	12.25%	17.70%	23.70%	1,2 0.00%
17- Higher Education	6.00%	5.45%	11.45%	12.25%	17.70%	23.70%	1,2 0.00%
<b>Public Employees</b>							
<b>Noncontributory Retirement System</b>							
15- Local Government	-	11.86%	11.86%	6.61%	18.47%	18.47%	0.00%
16- State and School	-	12.25%	12.25%	9.94%	22.19%	22.19%	1,2 0.00%
18- Higher Education	-	12.25%	12.25%	9.94%	22.19%	22.19%	1,2 0.00%
<b>Public Safety</b>							
<b>Contributory Retirement System</b>							
<b>Division A</b>							
23- Other Division A with 2.5% COLA	12.29%	11.00%	23.29%	11.75%	22.75%	35.04%	0.00%
77- Other Division A with 4% COLA	12.29%	11.42%	23.71%	12.91%	24.33%	36.62%	0.00%
<b>Division B</b>							
29- Other Division B with 2.5% COLA	10.50%	14.07%	24.57%	8.71%	22.78%	33.28%	0.49%
74- Other Division B with 4% COLA	10.50%	13.03%	23.53%	15.92%	28.95%	39.45%	0.00%
<b>Public Safety</b>							
<b>Noncontributory Retirement System</b>							
<b>Division A</b>							
42- State with 4% COLA	-	22.89%	22.89%	18.46%	41.35%	41.35%	1 0.00%
23- Other Division A with 2.5% COLA	-	22.29%	22.29%	11.75%	34.04%	34.04%	0.00%
75- Other Division A with 4% COLA	-	22.80%	22.80%	12.91%	35.71%	35.71%	0.00%
48- Bountiful with 2.5% COLA	-	23.73%	23.73%	26.65%	50.38%	50.38%	0.80%
<b>Division B</b>							
44- Salt Lake City with 2.5% COLA	-	22.50%	22.50%	24.17%	46.67%	46.67%	0.00%
45- Ogden with 2.5% COLA	-	22.41%	22.41%	26.27%	48.68%	48.68%	0.00%
46- Provo with 2.5% COLA	-	22.60%	22.60%	19.56%	42.16%	42.16%	0.00%
47- Logan with 2.5% COLA	-	22.59%	22.59%	19.33%	41.92%	41.92%	0.00%
49- Other Division B with 2.5% COLA	-	23.54%	23.54%	8.71%	32.25%	32.25%	0.05%
76- Other Division B with 4% COLA	-	23.02%	23.02%	15.92%	38.94%	38.94%	0.00%
<b>Firefighters' Retirement System</b>							
<b>Division A</b>							
Gross Rate	15.05%	11.62%	26.67%	3.91%	15.53%	30.58%	0.00%
Insurance Premium Offset	-	<u>-7.15%</u>	<u>-7.15%</u>	<u>-3.91%</u>	<u>-11.06%</u>	<u>-11.06%</u>	<u>0.54%</u>
31- Net Rate	15.05%	4.47%	19.52%	0.00%	4.47%	19.52%	0.54%
<b>Division B</b>							
Gross Rate	16.71%	9.80%	26.51%	8.50%	18.30%	35.01%	0.00%
Insurance Premium Offset	-	<u>-2.56%</u>	<u>-2.56%</u>	<u>-8.50%</u>	<u>-11.06%</u>	<u>-11.06%</u>	<u>0.54%</u>
32- Net Rate	16.71%	7.24%	23.95%	0.00%	7.24%	23.95%	0.54%
<b>Judges' Retirement System</b>							
Gross Rate	-	31.60%	31.60%	20.31%	51.91%	51.91%	1 0.00%
Court Fees Offset	-	-	-	<u>-8.23%</u>	<u>-8.23%</u>	<u>-8.23%</u>	<u>0.99%</u>
37- Net Rate- Noncontributory	-	31.60%	31.60%	12.08%	43.68%	43.68%	1 0.99%
<b>Governors and Legislative</b>							
14- Appropriation Payable by June 30, 2019				\$ 384,103	\$ 384,103	\$ (7,780)	

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

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

2 Does not include 1.5% 401(k).

\* Amortization of Unfunded Actuarial Accrued Liability (UAAL).

# SUPPLEMENT EXHIBIT 1(B)

## Preliminary Tier II Retirement Contribution Rates as a Percentage of Salary and Wages Fiscal Year July 1, 2018 - June 30, 2019

	Tier II Hybrid Retirement System						Tier II Defined Contribution Plan				Increase (Decrease) From Prior Year
	(1) Employer Tier II Rate	(2) Hybrid DB Plan Rate	(3) Hybrid Plan DC Plan Rate (1) - (2)	(4) Death Benefit**	(5) Tier I Amort %	(6) Total (1) + (4) + (5)	(1) Employer Tier II Rate	(2) Death Benefit**	(3) Tier I Amort %	(4) Total (1) + (2) + (3)	
<b>Public Employees</b>											
<b>Contributory Retirement System</b>											
11- Local Government	10.00%	8.85%	1.15%	0.08%	8.37%	18.45%	10.00%	0.08%	8.37%	18.45%	0.00%
<b>Public Employees</b>											
<b>Noncontributory Retirement System</b>											
15- Local Government	10.00%	8.85%	1.15%	0.08%	6.61%	16.69%	10.00%	0.08%	6.61%	16.69%	0.00%
16- State and School	10.00%	8.85%	1.15%	0.08%	9.94%	20.02%	10.00%	0.08%	9.94%	20.02%	0.00%
18- Higher Education	10.00%	8.85%	1.15%	0.08%	9.94%	20.02%	10.00%	0.08%	9.94%	20.02%	0.00%
<b>Public Safety</b>											
<b>Contributory Retirement System</b>											
23- Other Division A (2.5% COLA)	12.00%	11.26%	0.74%	0.08%	11.75%	23.83%	12.00%	0.08%	11.75%	23.83%	0.00%
77- Other Division A (4% COLA)	12.00%	11.26%	0.74%	0.08%	12.91%	24.99%	12.00%	0.08%	12.91%	24.99%	0.00%
29- Other Division B (2.5% COLA)	12.00%	11.26%	0.74%	0.08%	9.75%	21.83%	12.00%	0.08%	9.75%	21.83%	0.00%
74- Other Division B (4% COLA)	12.00%	11.26%	0.74%	0.08%	15.92%	28.00%	12.00%	0.08%	15.92%	28.00%	0.00%
<b>Public Safety</b>											
<b>Noncontributory Retirement System</b>											
42- State	12.00%	11.26%	0.74%	0.08%	18.46%	30.54%	12.00%	0.08%	18.46%	30.54%	0.00%
43- Other Division A (2.5% COLA)	12.00%	11.26%	0.74%	0.08%	11.75%	23.83%	12.00%	0.08%	11.75%	23.83%	0.00%
75- Other Division A (4% COLA)	12.00%	11.26%	0.74%	0.08%	12.91%	24.99%	12.00%	0.08%	12.91%	24.99%	0.00%
44- Salt Lake City	12.00%	11.26%	0.74%	0.08%	24.17%	36.25%	12.00%	0.08%	24.17%	36.25%	0.00%
45- Ogden	12.00%	11.26%	0.74%	0.08%	26.27%	38.35%	12.00%	0.08%	26.27%	38.35%	0.00%
46- Provo	12.00%	11.26%	0.74%	0.08%	19.56%	31.64%	12.00%	0.08%	19.56%	31.64%	0.00%
47- Logan	12.00%	11.26%	0.74%	0.08%	19.33%	31.41%	12.00%	0.08%	19.33%	31.41%	0.00%
48- Bountiful	12.00%	11.26%	0.74%	0.08%	26.89%	38.97%	12.00%	0.08%	26.89%	38.97%	0.00%
49- Other Division B (2.5% COLA)	12.00%	11.26%	0.74%	0.08%	9.64%	21.72%	12.00%	0.08%	9.64%	21.72%	0.00%
76- Other Division B (4% COLA)	12.00%	11.26%	0.74%	0.08%	15.92%	28.00%	12.00%	0.08%	15.92%	28.00%	0.00%
<b>Firefighters</b>											
31- Division A*	12.00%	11.26%	0.74%	0.08%	0.00%	12.08%	12.00%	0.08%	0.00%	12.08%	0.00%
32- Division B*	12.00%	11.26%	0.74%	0.08%	0.00%	12.08%	12.00%	0.08%	0.00%	12.08%	0.00%

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

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

# SUPPLEMENT EXHIBIT 1(C)

## Preliminary Condensed Retirement Contribution Rate Guide Fiscal Year July 1, 2018 - June 30, 2019

	Tier I DB System			Tier I Post Retired		Tier II - DB Hybrid System				Tier II - DC Plan			
	Contribution Reporting Fields Tier I 2018-2019 Rates			Post Retired Employment post 6/30/2010 - No 401(k)	Post Retired Employment prior July 1, 2010	Contribution Reporting Fields Tier II 2018-2019 Rates				Contribution Reporting Fields Tier II 2018-2019 Rates			
	Member	Employer	Total	Amort of UAAL <sup>1</sup>	Optional 401(k) Cap	Tier II Fund	Employer	401(k)	Total	Tier II Fund	Employer	401(k)	Total
<b>Public Employees</b>													
<b>Contributory Retirement System</b>													
11- Local Government	6.00%	14.46%	20.46%	8.37%	12.09%	111	17.30%	1.15%	18.45%	211	8.45%	10.00%	18.45%
12- State and School	6.00%	17.70%	23.70%	12.25%	11.45%								
17- Higher Education	6.00%	17.70%	23.70%	12.25%	11.45%								
<b>Public Employees</b>													
<b>Noncontributory Retirement System</b>													
15- Local Government	-	18.47%	18.47%	6.61%	11.86%	111	15.54%	1.15%	16.69%	211	6.69%	10.00%	16.69%
16- State and School	-	22.19%	22.19%	9.94%	12.25%	112	18.87%	1.15%	20.02%	212	10.02%	10.00%	20.02%
18- Higher Education	-	22.19%	22.19%	9.94%	12.25%	117	18.87%	1.15%	20.02%	217	10.02%	10.00%	20.02%
<b>Public Safety</b>													
<b>Contributory Retirement System</b>													
<b>Division A</b>													
23- Other Division A with 2.5% COLA	12.29%	22.75%	35.04%	11.75%	23.29%	122	23.09%	0.74%	23.83%	222	11.83%	12.00%	23.83%
77- Other Division A with 4% COLA	12.29%	24.33%	36.62%	12.91%	23.71%	122	24.25%	0.74%	24.99%	222	12.99%	12.00%	24.99%
<b>Division B</b>													
29- Other Division B with 2.5% COLA	10.50%	22.78%	33.28%	8.71%	24.57%	122	21.09%	0.74%	21.83%	222	9.83%	12.00%	21.83%
74- Other Division B with 4% COLA	10.50%	28.95%	39.45%	15.92%	23.53%	122	27.26%	0.74%	28.00%	222	16.00%	12.00%	28.00%
<b>Public Safety</b>													
<b>Noncontributory Retirement System</b>													
<b>Division A</b>													
42- State with 4% COLA	-	41.35%	41.35%	18.46%	22.89%	122	29.80%	0.74%	30.54%	222	18.54%	12.00%	30.54%
43- Other Division A with 2.5% COLA	-	34.04%	34.04%	11.75%	22.29%	122	23.09%	0.74%	23.83%	222	11.83%	12.00%	23.83%
75- Other Division A with 4% COLA	-	35.71%	35.71%	12.91%	22.80%	122	24.25%	0.74%	24.99%	222	12.99%	12.00%	24.99%
48- Boutiful with 2.5% COLA	-	50.38%	50.38%	26.65%	23.73%	122	38.23%	0.74%	38.97%	222	26.97%	12.00%	38.97%
<b>Division B</b>													
44- Salt Lake City with 2.5% COLA	-	46.67%	46.67%	24.17%	22.50%	122	35.51%	0.74%	36.25%	222	24.25%	12.00%	36.25%
45- Ogden with 2.5% COLA	-	48.68%	48.68%	26.27%	22.41%	122	37.61%	0.74%	38.35%	222	26.35%	12.00%	38.35%
46- Provo with 2.5% COLA	-	42.16%	42.16%	19.56%	22.60%	122	30.90%	0.74%	31.64%	222	19.64%	12.00%	31.64%
47- Logan with 2.5% COLA	-	41.92%	41.92%	19.33%	22.59%	122	30.67%	0.74%	31.41%	222	19.41%	12.00%	31.41%
49- Other Division B with 2.5% COLA	-	32.25%	32.25%	8.71%	23.54%	122	20.98%	0.74%	21.72%	222	9.72%	12.00%	21.72%
76- Other Division B with 4% COLA	-	38.94%	38.94%	15.92%	23.02%	122	27.26%	0.74%	28.00%	222	16.00%	12.00%	28.00%
<b>Firefighters Retirement System</b>													
<b>Division A</b>													
31- Division A	15.05%	4.47%	19.52%	0.00%	19.52%	132	11.34%	0.74%	12.08%	232	0.08%	12.00%	12.08%
<b>Division B</b>													
32- Division B	16.71%	7.24%	23.95%	0.00%	23.95%	132	11.34%	0.74%	12.08%	232	0.08%	12.00%	12.08%
<b>Judges' Retirement System</b>													
32- Judges' Noncontributory	0.00%	43.68%	43.68%										

Note: <sup>1</sup> Unfunded actuarial accrued liability.

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

# APPENDIX 1

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# APPENDIX 1

## Statement of Actuarial Assumptions and Methods

1. *Investment return rate:*

6.95% per annum, compounded annually, composed of a 2.50% inflation rate and a 4.45% net real rate of return.

2. *Active member mortality rates:*

The base table used for active members is the RP-2014 Employees Mortality Table with White Collar Adjustment. Multipliers were applied to the base active member mortality rates by occupation and were developed based on plan experience. For the Public Safety and Firefighters Systems, 25% of deaths are assumed to be service related. Rates at selected ages are shown:

Active Male Members		
Age	Public Educators	All Public Employees Except Educators
20	0.000228	0.000285
25	0.000271	0.000339
30	0.000254	0.000317
35	0.000294	0.000367
40	0.000352	0.000440
45	0.000546	0.000682
50	0.000946	0.001182
55	0.001564	0.001955
60	0.002630	0.003288
65	0.004644	0.005805
70	0.008223	0.010279

Active Female Members			
Age	Public Educators	Public Safety and Firefighters	All Other Public Employees
20	0.000069	0.000137	0.000110
25	0.000073	0.000146	0.000117
30	0.000092	0.000184	0.000147
35	0.000121	0.000241	0.000193
40	0.000167	0.000334	0.000267
45	0.000277	0.000554	0.000443
50	0.000465	0.000930	0.000744
55	0.000706	0.001412	0.001130
60	0.001030	0.002060	0.001648
65	0.001560	0.003119	0.002495
70	0.002717	0.005433	0.004346

## APPENDIX 1 (Continued)

3. *Disability rates:*

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

<b>Active Male Members</b>					
<b>Age</b>	<b>Local Government</b>	<b>Public Employees</b>	<b>Public Educators</b>	<b>Public Safety</b>	<b>Firefighters</b>
20	0.000200	0.000200	0.000090	0.000240	0.000420
25	0.000300	0.000300	0.000135	0.000360	0.000630
30	0.000600	0.000600	0.000270	0.000720	0.001260
35	0.000900	0.000900	0.000405	0.001080	0.001890
40	0.001200	0.001200	0.000540	0.001440	0.002520
45	0.002000	0.002000	0.000900	0.002400	0.004200
50	0.002600	0.002600	0.001170	0.003120	0.005460
55	0.004100	0.004100	0.001845	0.004920	0.008610
60	0.005600	0.005600	0.002520	0.006720	0.011760

<b>Active Female Members</b>					
<b>Age</b>	<b>Local Government</b>	<b>Public Employees</b>	<b>Public Educators</b>	<b>Public Safety</b>	<b>Firefighters</b>
20	0.000170	0.000170	0.000120	0.000240	0.000420
25	0.000255	0.000255	0.000180	0.000360	0.000630
30	0.000510	0.000510	0.000360	0.000720	0.001260
35	0.000765	0.000765	0.000540	0.001080	0.001890
40	0.001020	0.001020	0.000720	0.001440	0.002520
45	0.001700	0.001700	0.001200	0.002400	0.004200
50	0.002210	0.002210	0.001560	0.003120	0.005460
55	0.003485	0.003485	0.002460	0.004920	0.008610
60	0.004760	0.004760	0.003360	0.006720	0.011760

## APPENDIX 1 (Continued)

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

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

Active Male Members					
Years of Service					
Service	Local Government	Public Employees	Public Educators	Public Safety	Firefighters
0	0.1700	0.2500	0.1400	0.1200	0.0600
1	0.1300	0.2000	0.1100	0.0800	0.0500
2	0.0900	0.1400	0.0800	0.0650	0.0400
3	0.0800	0.1000	0.0700	0.0600	0.0350
4	0.0750	0.1000	0.0650	0.0500	0.0300
5	0.0700	0.1000	0.0600	0.0450	0.0250
6	0.0650	0.0900	0.0550	0.0425	0.0225
7	0.0600	0.0750	0.0400	0.0400	0.0200
8	0.0550	0.0600	0.0350	0.0350	0.0175
9	0.0475	0.0550	0.0300	0.0325	0.0150
10	0.0450	0.0500	0.0275	0.0300	0.0150
11	0.0400	0.0450	0.0250	0.0275	0.0150
12	0.0350	0.0400	0.0250	0.0250	0.0050
13	0.0300	0.0375	0.0225	0.0225	0.0050
14	0.0300	0.0350	0.0200	0.0150	0.0050
15	0.0275	0.0300	0.0200	0.0150	0.0050
16	0.0275	0.0275	0.0175	0.0150	0.0050
17	0.0275	0.0250	0.0175	0.0150	0.0050
18	0.0250	0.0200	0.0175	0.0150	0.0050
19	0.0250	0.0200	0.0150	0.0150	0.0050
20	0.0200	0.0200	0.0100	0.0100	0.0050
21	0.0200	0.0200	0.0100	0.0100	0.0050
22	0.0175	0.0200	0.0100	0.0100	0.0050
23	0.0150	0.0150	0.0100	0.0100	0.0050
24	0.0125	0.0150	0.0100	0.0100	0.0050
25+	0.0100	0.0100	0.0100	0.0100	0.0050

## APPENDIX 1 (Continued)

4. Termination rates (continued):

Active Female Members					
Years of Service					
Service	Local Government	Public Employees	Public Educators	Public Safety	Firefighters
0	0.2200	0.2800	0.1600	0.1200	0.0600
1	0.1800	0.2300	0.1500	0.0800	0.0500
2	0.1300	0.1700	0.1200	0.0650	0.0400
3	0.1100	0.1300	0.1000	0.0600	0.0350
4	0.1050	0.1250	0.0900	0.0500	0.0300
5	0.1000	0.1100	0.0800	0.0450	0.0250
6	0.0950	0.1000	0.0750	0.0425	0.0225
7	0.0900	0.0750	0.0600	0.0400	0.0200
8	0.0750	0.0650	0.0500	0.0350	0.0175
9	0.0700	0.0600	0.0450	0.0325	0.0150
10	0.0600	0.0550	0.0400	0.0300	0.0150
11	0.0550	0.0475	0.0350	0.0275	0.0150
12	0.0525	0.0450	0.0325	0.0250	0.0050
13	0.0500	0.0425	0.0300	0.0225	0.0050
14	0.0450	0.0375	0.0250	0.0150	0.0050
15	0.0400	0.0350	0.0225	0.0150	0.0050
16	0.0375	0.0300	0.0200	0.0150	0.0050
17	0.0350	0.0275	0.0175	0.0150	0.0050
18	0.0300	0.0275	0.0150	0.0150	0.0050
19	0.0300	0.0275	0.0125	0.0150	0.0050
20	0.0250	0.0275	0.0125	0.0100	0.0050
21	0.0250	0.0250	0.0125	0.0100	0.0050
22	0.0225	0.0225	0.0125	0.0100	0.0050
23	0.0200	0.0200	0.0125	0.0100	0.0050
24	0.0200	0.0200	0.0125	0.0100	0.0050
25+	0.0100	0.0100	0.0100	0.0100	0.0050

## APPENDIX 1 (Continued)

5. *Refund rates:*

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

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

<sup>1</sup> Male and female members combined.

## APPENDIX 1 (Continued)

5. *Refund rates (continued):*

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

## APPENDIX 1 (Continued)

6. *Retirement rates:*

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

<b>Tier I - Local Government</b>				
<b>Age</b>	<b>Male</b>		<b>Female</b>	
	<b>Reduced</b>	<b>Unreduced</b>	<b>Reduced</b>	<b>Unreduced</b>
50	0.025	0.150	0.040	0.200
51	0.025	0.150	0.040	0.200
52	0.025	0.150	0.040	0.200
53	0.025	0.150	0.040	0.200
54	0.025	0.150	0.040	0.200
55	0.030	0.150	0.040	0.250
56	0.030	0.150	0.040	0.250
57	0.030	0.150	0.040	0.250
58	0.050	0.150	0.060	0.250
59	0.050	0.150	0.060	0.250
60	0.050	0.200	0.100	0.300
61	0.050	0.200	0.130	0.300
62	0.110	0.230	0.130	0.300
63	0.110	0.230	0.130	0.300
64	0.110	0.230	0.130	0.300
65	N/A	0.230	N/A	0.250
66	N/A	0.300	N/A	0.250
67	N/A	0.220	N/A	0.250
68	N/A	0.220	N/A	0.250
69	N/A	0.220	N/A	0.250
70	N/A	0.220	N/A	0.200
71	N/A	0.180	N/A	0.150
72	N/A	0.180	N/A	0.150
73	N/A	0.180	N/A	0.150
74	N/A	0.180	N/A	0.150
75+	N/A	1.000	N/A	1.000

## APPENDIX 1 (Continued)

6. *Retirement rates (continued):*

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

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

## APPENDIX 1 (Continued)

6. *Retirement rates (continued):*

Tier I - Public Employees				
Age	Male		Female	
	Reduced	Unreduced	Reduced	Unreduced
50	0.023	0.150	0.025	0.170
51	0.023	0.150	0.025	0.160
52	0.025	0.150	0.025	0.160
53	0.025	0.150	0.025	0.160
54	0.025	0.150	0.025	0.160
55	0.025	0.160	0.040	0.160
56	0.040	0.160	0.040	0.160
57	0.040	0.160	0.040	0.160
58	0.040	0.160	0.040	0.200
59	0.050	0.160	0.040	0.200
60	0.075	0.200	0.100	0.250
61	0.075	0.200	0.100	0.250
62	0.130	0.300	0.160	0.330
63	0.130	0.300	0.160	0.330
64	0.130	0.300	0.160	0.330
65	N/A	0.220	N/A	0.280
66	N/A	0.220	N/A	0.280
67	N/A	0.220	N/A	0.280
68	N/A	0.220	N/A	0.220
69	N/A	0.220	N/A	0.220
70	N/A	0.220	N/A	0.220
71	N/A	0.220	N/A	0.220
72	N/A	0.220	N/A	0.220
73	N/A	0.220	N/A	0.220
74	N/A	0.220	N/A	0.220
75+	N/A	1.000	N/A	1.000

## APPENDIX 1 (Continued)

6. Retirement rates (continued):

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

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

## APPENDIX 1 (Continued)

6. *Retirement rates (continued):*

Tier I - Public Educators				
Age	Male		Female	
	Reduced	Unreduced	Reduced	Unreduced
50	0.020	0.200	0.020	0.300
51	0.020	0.200	0.020	0.300
52	0.020	0.200	0.030	0.300
53	0.025	0.200	0.030	0.140
54	0.025	0.150	0.030	0.140
55	0.028	0.150	0.040	0.140
56	0.028	0.150	0.040	0.180
57	0.035	0.150	0.070	0.180
58	0.035	0.150	0.070	0.180
59	0.035	0.150	0.070	0.180
60	0.100	0.230	0.110	0.300
61	0.100	0.230	0.110	0.300
62	0.130	0.330	0.180	0.350
63	0.130	0.330	0.180	0.350
64	0.130	0.330	0.180	0.350
65	N/A	0.330	N/A	0.350
66	N/A	0.330	N/A	0.350
67	N/A	0.300	N/A	0.350
68	N/A	0.300	N/A	0.230
69	N/A	0.250	N/A	0.230
70	N/A	0.200	N/A	0.230
71	N/A	0.200	N/A	0.230
72	N/A	0.200	N/A	0.230
73	N/A	0.200	N/A	0.230
74	N/A	0.200	N/A	0.230
75+	N/A	1.000	N/A	1.000

## APPENDIX 1 (Continued)

6. *Retirement rates (continued):*

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

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

## APPENDIX 1 (Continued)

6. *Retirement rates (continued):*

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

## APPENDIX 1 (Continued)

6. Retirement rates (continued):

Tier II - Public Safety (Unisex)				Tier II - Firefighters (Unisex)	
Age	Years of Service			Years of Service	
	0 – 19 <sup>1</sup>	20 - 29 <sup>1</sup>	30+	0 - 29 <sup>1</sup>	30+
40-44	N/A	0.090	N/A	0.060	N/A
45	N/A	0.090	0.120	0.060	0.090
46	N/A	0.090	0.120	0.060	0.090
47	N/A	0.090	0.120	0.030	0.090
48	N/A	0.090	0.120	0.030	0.090
49	N/A	0.090	0.120	0.030	0.090
50	N/A	0.090	0.120	0.030	0.090
51	N/A	0.090	0.120	0.030	0.090
52	N/A	0.090	0.120	0.030	0.090
53	N/A	0.090	0.120	0.060	0.090
54	N/A	0.090	0.120	0.060	0.090
55	N/A	0.090	0.120	0.060	0.120
56	N/A	0.090	0.120	0.060	0.120
57	N/A	0.090	0.120	0.060	0.120
58	N/A	0.090	0.120	0.060	0.120
59	N/A	0.090	0.120	0.060	0.120
60	N/A	0.250	0.250	0.200	0.400
61	N/A	0.300	0.300	0.200	0.400
62	0.120	0.350	0.350	0.300	0.400
63	0.120	0.350	0.350	0.300	0.400
64	0.120	0.350	0.350	0.300	0.400
65	0.250	0.500	0.500	0.600	0.600
66	0.250	0.500	0.500	0.600	0.600
67	0.250	0.500	0.500	0.600	0.600
68	0.250	0.500	0.500	0.600	0.600
69	0.250	0.500	0.500	0.600	0.600
70+	1.000	1.000	1.000	1.000	1.000

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

## APPENDIX 1 (Continued)

6. *Retirement rates (continued):*

<b>Judges - Males and Females</b>			
<b>Age</b>	<b>Years of Service</b>		
	<b>0 - 24</b>	<b>25 - 29</b>	<b>30+</b>
45	N/A	0.100	0.100
46	N/A	0.100	0.100
47	N/A	0.100	0.100
48	N/A	0.100	0.100
49	N/A	0.100	0.100
50	N/A	0.100	0.100
51	N/A	0.100	0.100
52	N/A	0.100	0.100
53	N/A	0.100	0.100
54	N/A	0.100	0.100
55	N/A	0.100	0.100
56	N/A	0.100	0.100
57	N/A	0.100	0.100
58	N/A	0.100	0.100
59	N/A	0.100	0.100
60	N/A	0.100	0.100
61	N/A	0.100	0.100
62	0.200	0.100	0.100
63	0.200	0.100	0.100
64	0.200	0.150	0.150
65	0.200	0.150	0.150
66	0.200	0.200	0.200
67	0.200	0.200	0.200
68	0.200	0.200	0.200
69	0.200	0.200	0.200
70	1.000	1.000	1.000

## APPENDIX 1 (Continued)

7. *Salary increase rates:*

Salaries for individual members are assumed to increase each year, as a function of the member's occupation and service. Rates are composed of a 2.50% inflation rate, a 0.75% general increase rate that applies to all, and a variable promotional/longevity component that is a function of the member's service.

<b>Active Male and Female Members - Local Government</b>		
<b>Years of Service</b>	<b>Annual Promotional/Longevity Rates of Increase</b>	<b>Total Annual Rate of Increase Including 3.25% Wage Inflation</b>
0	5.50%	8.75%
1	4.00	7.25
2	3.25	6.50
3	2.75	6.00
4	2.25	5.50
5	2.00	5.25
6	1.75	5.00
7	1.50	4.75
8	1.25	4.50
9	1.25	4.50
10	1.00	4.25
11	0.75	4.00
12	0.75	4.00
13	0.75	4.00
14	0.75	4.00
15	0.75	4.00
16	0.50	3.75
17	0.50	3.75
18	0.50	3.75
19	0.50	3.75
20	0.25	3.50
21	0.25	3.50
22	0.25	3.50
23	0.00	3.25
24	0.00	3.25
25+	0.00	3.25

## APPENDIX 1 (Continued)

7. *Salary increase rates (continued):*

<b>Active Male and Female Members - Public Employees</b>		
<b>Years of Service</b>	<b>Annual Promotional/Longevity Rates of Increase</b>	<b>Total Annual Rate of Increase Including 3.25% Wage Inflation</b>
0	5.25%	8.50%
1	4.50	7.75
2	3.50	6.75
3	2.75	6.00
4	2.50	5.75
5	2.00	5.25
6	1.75	5.00
7	1.50	4.75
8	1.50	4.75
9	1.25	4.50
10	1.25	4.50
11	1.00	4.25
12	1.00	4.25
13	1.00	4.25
14	0.75	4.00
15	0.50	3.75
16	0.50	3.75
17	0.50	3.75
18	0.50	3.75
19	0.50	3.75
20	0.25	3.50
21	0.25	3.50
22	0.25	3.50
23	0.25	3.50
24	0.00	3.25
25+	0.00	3.25

## APPENDIX 1 (Continued)

7. *Salary increase rates (continued):*

<b>Active Male and Female Members Public Educators</b>		
<b>Years of Service</b>	<b>Annual Promotional/Longevity Rates of Increase</b>	<b>Total Annual Rate of Increase Including 3.25% Wage Inflation</b>
0	6.50%	9.75%
1	5.75	9.00
2	4.75	8.00
3	4.25	7.50
4	4.00	7.25
5	3.75	7.00
6	3.75	7.00
7	3.50	6.75
8	3.50	6.75
9	3.25	6.50
10	2.75	6.00
11	2.25	5.50
12	2.00	5.25
13	1.50	4.75
14	1.25	4.50
15	1.00	4.25
16	0.75	4.00
17	0.50	3.75
18	0.50	3.75
19	0.50	3.75
20	0.50	3.75
21	0.50	3.75
22	0.50	3.75
23	0.50	3.75
24	0.25	3.50
25+	0.00	3.25

## APPENDIX 1 (Continued)

7. *Salary increase rates (continued):*

<b>Active Male and Female Members Public Safety</b>		
<b>Years of Service</b>	<b>Annual Promotional/Longevity Rates of Increase</b>	<b>Total Annual Rate of Increase Including 3.25% Wage Inflation</b>
0	4.00%	7.25%
1	3.00	6.25
2	2.75	6.00
3	2.50	5.75
4	2.50	5.75
5	2.50	5.75
6	2.50	5.75
7	2.25	5.50
8	2.00	5.25
9	2.00	5.25
10	1.75	5.00
11	1.50	4.75
12	1.25	4.50
13	1.25	4.50
14	1.00	4.25
15	1.00	4.25
16	1.00	4.25
17	0.75	4.00
18	0.75	4.00
19	0.75	4.00
20	0.75	4.00
21	0.50	3.75
22	0.50	3.75
23	0.25	3.50
24	0.25	3.50
25+	0.00	3.25

## APPENDIX 1 (Continued)

7. *Salary increase rates (continued):*

<b>Active Male and Female Members Firefighters</b>		
<b>Years of Service</b>	<b>Annual Promotional/Longevity Rates of Increase</b>	<b>Total Annual Rate of Increase Including 3.25% Wage Inflation</b>
0	5.50%	8.75%
1	5.00	8.25
2	4.75	8.00
3	4.50	7.75
4	4.25	7.50
5	4.00	7.25
6	4.00	7.25
7	3.50	6.75
8	3.25	6.50
9	3.00	6.25
10	2.50	5.75
11	1.75	5.00
12	1.75	5.00
13	1.25	4.50
14	1.25	4.50
15	1.25	4.50
16	1.25	4.50
17	1.00	4.25
18	0.75	4.00
19	0.75	4.00
20	0.75	4.00
21	0.50	3.75
22	0.25	3.50
23	0.25	3.50
24	0.25	3.50
25+	0.00	3.25

## APPENDIX 1 (Continued)

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

All non-educator groups except judges:

Male retirees: 110% of 2017 PR UTAH Retiree Mortality Table for males, projected with Scale AA from 2017.

Female retirees: 110% of 2017 PR UTAH Retiree Mortality Table for females, projected with Scale AA from 2017.

Educators and judges:

Male retirees: 90% of 2017 PR UTAH Retiree Mortality Table for males, projected with Scale AA from 2017.

Female retirees: 90% of 2017 PR UTAH Retiree Mortality Table for females, projected with Scale AA from 2017.

<b>Mortality Rates in Base Tables before Projection (Multipliers Applied)</b>				
<b>Age</b>	<b>Non-educators except judges</b>		<b>Educators and judges</b>	
	<b>Males</b>	<b>Females</b>	<b>Males</b>	<b>Females</b>
50	0.001757	0.001152	0.001437	0.000942
55	0.002578	0.001657	0.002110	0.001355
60	0.004168	0.002918	0.003410	0.002388
65	0.007647	0.005546	0.006257	0.004538
70	0.013862	0.010542	0.011342	0.008626
75	0.025332	0.019797	0.020726	0.016197
80	0.046859	0.037778	0.038339	0.030910
85	0.086326	0.072093	0.070630	0.058985
90	0.159026	0.138685	0.130112	0.113469

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

<b>Life Expectancy for an Age 65 Retiree in Years</b>					
<b>Group</b>	<b>Year of Retirement</b>				
	<b>2020</b>	<b>2025</b>	<b>2030</b>	<b>2035</b>	<b>2040</b>
Noneducators - Male	21.0	21.3	21.6	22.0	22.3
Noneducators - Female	22.1	22.3	22.5	22.6	22.8
Educators/Judges - Male	22.4	22.8	23.1	23.4	23.7
Educators/Judges - Female	23.5	23.7	23.9	24.1	24.2

## APPENDIX 1 (Continued)

9. *Disabled annuitant mortality rates:*

Males: 110% of the RP-2014 for Disabled Males with a base year of 2006, projected with Scale AA from 2006.

Females: 120% of the RP-2014 for Disabled Females with a base year of 2006, projected with Scale AA from 2006.

<b>Disabled Mortality Rates in Base Table before Projections (Multipliers Applied)</b>		
<b>Age</b>	<b>Males</b>	<b>Females</b>
20	0.000669	0.000302
25	0.002522	0.001150
30	0.005596	0.002624
35	0.010072	0.005334
40	0.016701	0.009401
45	0.022935	0.012733
50	0.026335	0.014926
55	0.027353	0.018016
60	0.030922	0.023351
65	0.039943	0.030359
70	0.053693	0.041104
75	0.073711	0.058944
80	0.103687	0.087108
85	0.150812	0.130198
90	0.225018	0.190367

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

<b>Life Expectancy for an Age 65 Retiree in Years</b>					
<b>Gender</b>	<b>Year of Retirement</b>				
	<b>2020</b>	<b>2025</b>	<b>2030</b>	<b>2035</b>	<b>2035</b>
<b>Males</b>	13.6	14.1	14.6	15.1	15.6
<b>Females</b>	15.0	15.2	15.5	15.7	16.0

## APPENDIX 1 (Continued)

### 10. *Actuarial cost method:*

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

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

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

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

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

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

All contribution rates are based upon monthly payments of contributions.

### 11. *Actuarial value of assets:*

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

### 12. *Payroll growth rate:*

In determining the level percent of payroll amortization rate (except for the Higher Ed risk pools and the Governors and Legislative Pension Plan), payroll is assumed to grow annually at 3.00%. No allowance is made for future growth in the number of members. The payroll growth

## APPENDIX 1 (Continued)

assumption is 0.00% for the Higher Ed risk pools and the Governors and Legislative Pension Plan.

13. *Marital status:*

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

14. *Administrative and investment expenses:*

The assumed 6.95% investment return rate represents the anticipated net return after payment of all investment and administrative expenses.

15. *Judges System:*

For the Judges System, no disability or withdrawal rates were used. Salaries are assumed to increase at 3.25% per year.

16. *Governors and Legislative Pension Plan:*

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

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

In projecting member contribution account balances, we assume that the rate credited is 6.95% each year. (The actual rate is set by the Board of Trustees annually, based on investment performance.) Interest is not credited to account balances for members of the Firefighters Retirement System.

18. *Mortality Improvement:*

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

## APPENDIX 1 (Continued)

19. *LTD Benefit Protection Contracts:*

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

20. *Cost-of-living increases:*

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

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

# APPENDIX 2

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## APPENDIX 2 - Public Employees

### Summary of Benefit Provisions for Public Employee Retirement Systems (Contributory and Noncontributory)

1. *Effective Date:* Contributory System - July 1, 1961.  
Noncontributory System - July 1, 1986.
2. *Plan Year:* Twelve-month period ending December 31st.
3. *Administration:* The Systems are administered by a Board of Trustees (which also administers the other Utah Retirement Systems). The Board of Trustees is responsible for both administration of the Systems and investment of the fund assets.
4. *Type of Plan:* These are qualified governmental defined benefit retirement plans. Under GASB 25, they are considered to be cost-sharing multiple-employer plans.
5. *Eligibility:* These Systems cover eligible employees of the State of Utah, most local government employees, and most public education employees. Generally all employees are covered, except for those covered by another System--public safety employees, firefighters, judges, legislators, and higher education employees covered under TIAA-CREF. Eligible employees become participants immediately when hired, and are required to participate. The employer-selected plan determines whether new employees participate in the Contributory or Noncontributory System. Employees who were members of the Contributory System at the time their employer selected the Noncontributory System had an option to remain in the Contributory System. These Systems are closed to members hired on and after July 1, 2011.
6. *Employee Contributions:* Members of the Contributory System contribute 6.00% of salary per year. Employers may "pick-up" employee contributions under Section 414(h) of the Internal Revenue Code. No contributions are made by members of the Noncontributory System.
7. *Employer Contributions:* The current contribution rates differ between the Contributory and Noncontributory Systems, and also differ depending on whether the member is employed by a local government (Level B) or the State of Utah or a public school (Level A). Rates are set by the Board of Trustees, based upon the actuarial valuation report for the preceding year. The Funds participating in these systems are:
  - Fund 11 - Local Government Contributory
  - Fund 12 - State and School Contributory
  - Fund 15 - Local Government Noncontributory
  - Fund 16 - State and School Noncontributory
  - Fund 17 - State and School Contributory (Certain Higher Education Entities)
  - Fund 18 - State and School Noncontributory (Certain Higher Education Entities)

## APPENDIX 2 - Public Employees (Continued)

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

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

- c. Payment Form: Life annuity.

## APPENDIX 2 - Public Employees (Continued)

### 11. *Disability Retirement:*

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

### 12. *Vesting and Refunds:*

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

### 13. *Deferred Termination Benefit:*

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

## APPENDIX 2 - Public Employees (Continued)

14. *Death while an Active Member:*

a. Members will receive benefits 1. and 2. described below.

1. Death Benefit Insurance: A lump-sum payment that is equal to 75% of the member's highest annual salary.

2.a. In General: A refund of the member's accumulated contributions (with interest) is paid to the beneficiary of a deceased member.

2.b. Spousal Annuity: If the deceased member was married at the time of death and was either (i) eligible for reduced or unreduced service retirement, or (ii) had 25 years of service (15 years of service in the noncontributory system), the spouse may elect an annuity benefit in lieu of the refund benefit. The annuity is equal to the reduced or unreduced service retirement benefit payable as though Option 3 (a Joint and 100% Survivor annuity) were elected. If the member had 25 years of service or more, no reduction factor is applied in determining the service retirement benefit. If a member of the noncontributory system is not eligible for a retirement benefit and has less than 25 years of service, then the death benefit is equal to 1/3 of Option 3 benefit if the member has at least 15 and less than 20 years of service, and 2/3 of the Option 3 benefit if the member has at least 20 and less than 25 years of service.

15. *Optional Forms of Benefit*: The Systems permit members to elect from six forms of benefit at retirement. In each case the benefit amount is adjusted to be actuarially equivalent to the "Option 1" form. The six optional forms are:

Option 1 - A life annuity with no benefits due following the member's death.

Option 2 - Modified Cash Refund Annuity. A reduced annuity payable for the member's lifetime, plus a death benefit equal to the excess of the member's accumulated contributions (determined at retirement) over the sum of the member's annuity payments from retirement. (The annuity payments are that part of the original benefit derived from the member's own accumulated contributions.)

Option 3 - Joint and 100% Survivor Annuity. An annuity payable as long as either the member or his/her spouse is living.

Option 4 - Joint and 50% Survivor Annuity. An annuity payable during the member's lifetime, and after the member's death if the member's spouse is still living, an annuity to the spouse of 50% of the original benefit.

Option 5 - Joint and 100% Pop-up Annuity. Same as Option 3, except that the benefit amount reverts to the Option 1 (life annuity) amount if the member's spouse predeceases the member.

## APPENDIX 2 - Public Employees (Continued)

Option 6 - Joint and 50% Pop-up Annuity. Same as Option 4, except that the benefit amount reverts to the Option 1 (life annuity) amount if the member's spouse predeceases the member.

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

## APPENDIX 2 (Public Safety)

### Summary of Benefit Provisions for Public Safety Retirement Systems (Contributory and Noncontributory)

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

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

## APPENDIX 2 - Public Safety (Continued)

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

### Contributory System

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

### Noncontributory System

Fund 42 - State of Utah (Div A)  
Fund 43 - Other Division A (2.5% COLA)  
Fund 75 - Other Division A (4.0% COLA)  
Fund 44 - Salt Lake City (Div B)  
Fund 45 - Ogden (Div B)  
Fund 46 - Provo (Div B)  
Fund 47 - Logan (Div B)  
Fund 48 - Bountiful (Div A)  
Fund 49 - Other Division B (2.5% COLA)  
Fund 76 - Other Division B (4.0% COLA)

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

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

## APPENDIX 2 - Public Safety (Continued)

### 10. *Disability Retirement:*

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

### 11. *Vesting and Refunds:*

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

### 12. *Deferred Termination Benefit:*

- a. Eligibility: Member must be vested (4 years of service) and must elect to leave his/her contributions on deposit.
- b. Monthly Benefit: Same as the service retirement benefit, based on service and FAMS at retirement, and commencing once the member is eligible.
- c. Payment Form: Same as for service retirement.
- d. Death Benefit: The beneficiary of an inactive member who dies is entitled to receive a refund benefit (or \$500 if larger). The spouse of an inactive member with 20 years of service receives a monthly annuity equal to 50% of the service retirement benefit that

## APPENDIX 2 - Public Safety (Continued)

would have been paid had the member died immediately prior to retirement. (An actuarial reduction factor is applied if the member was under age 50 at death.)

13. *Death while an Active Member (On Duty)*: If death occurs in the line of duty, the lump-sum and annuity benefits described below will be paid to the spouse. (The benefits are not applicable to unmarried members, although children's benefits may be due.)
  - a. Lump-sum (Division A members): \$1,500.
  - b. Annuity (Division A members): 30% of member's FAMS.\*
  - c. Lump-sum (Division B members): \$1,500.
  - d. Annuity (Division B members): 37.5% of member's FAMS.
  
14. *Death of an Active Member (Off Duty)*: If death occurs from a cause not related to the member's duties, the lump-sum and annuity benefits described below will be paid to the spouse. (The benefits are not applicable to unmarried members, although children's benefits may be due.)
  - a. Lump-sum (Division A members): If the member has less than 10 years of service, the benefit is \$1,000 or a refund benefit, whichever is larger. If the member has 10 or more years of service, the benefit is \$500.
  - b. Annuity (Division A members): If the member has less than 10 years of service, no annuity is due. For members with 10 or more years of service, the benefit is 2% of FAMS per year of service, to a maximum of 30% of FAMS.\*
  - c. Lump-sum (Division B members): If the member does not have two years of service, the benefit is the sum of 50% of the member's salary plus a refund benefit. If the member has two or more years of service, the benefit is \$1,500.
  - d. Annuity (Division B members): If the member has fewer than two years of service, no annuity is due. If the member has two or more years of service, the annuity is 37.5% of the member's FAMS.

\*(For members of the Noncontributory System, not less than the benefit payable to the surviving spouse if the member had retired the day before the member's date of death.)
  
15. *Optional Forms of Benefit*: Married members may elect an optional Joint & 75% Survivor option in lieu of the standard Joint & 65% option. The amount of the Joint & 75% Survivor option is determined actuarially.
  
16. *Postretirement Death Benefit*: None, except for survivor benefit applicable to married members.

## APPENDIX 2 - Public Safety (Continued)

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

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

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

### 2.50% Maximum COLA

Funds 23 & 43 - Other Division A  
Fund 44 - Salt Lake City (Div B)  
Fund 45 - Ogden (Div B)  
Fund 46 - Provo (Div B)  
Funds 27 & 47 - Logan (Div B)  
Fund 48 - Bountiful (Div A)  
Funds 29 & 49 - Other Division B

### 4.00% Maximum COLA

Funds 22 & 42 - State of Utah (Div A)  
Funds 75 & 77 - Other Division A  
Funds 74 & 76 - Other Division B

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

## APPENDIX 2 –Firefighters

### Summary of Benefit Provisions for Firefighters Retirement System

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

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

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

7. *Employer Contributions:* The current employer contribution rates depend on the Fund. Division A covers employers covered by Social Security and Division B covers other employers. The contribution rates are set by the Board of Trustees, based on the actuarial valuation for the preceding year. Contribution rates are reduced by expected income from a tax on fire insurance premiums. The Funds in this System are:  
  
Fund 31 - Division A  
Fund 32 - Division B
8. *Final Average Monthly Salary (FAMS):* The monthly average of the member's highest three salaries preceding retirement.

## APPENDIX 2 –Firefighters (Continued)

### 9. *Service Retirement:*

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

### 10. *Disability Retirement:*

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

### 11. *Vesting and Refunds:*

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

### 12. *Deferred Termination Benefit:*

- a. Eligibility: Member must be vested (4 years of service) and must elect to leave his/her contributions on deposit.
- b. Monthly Benefit: Same as the service retirement benefit, based on service and FAMS at termination, and commencing once the member is eligible.
- c. Payment Form: Same as for service retirement.
- d. Death Benefit: The beneficiary of an unmarried inactive member who dies with 20 or more years of service prior to retirement is entitled to receive a refund benefit (or \$500 if larger). The spouse of an inactive member with 20 years of service receives a monthly

## APPENDIX 2 –Firefighters (Continued)

annuity equal to 50% of the service retirement benefit that would have been paid had the member died immediately prior to retirement. (An actuarial reduction factor is applied if the member was under age 50 at death.) If the inactive member had less than 20 years of service, no death benefit is due.

13. *Death while an Active Member (On Duty)*: If death occurs in the line of duty, the lump-sum and annuity benefits described below will be paid to the spouse. (The benefits are not applicable to unmarried members, although children's benefits may be due.)
  - a. Lump-sum (Division A members): \$1,500.
  - b. Annuity (Division A members): 30% of member's FAMS. For members with more than 20 years of service, the annuity is 75% of the retirement benefit earned by the member as of his/her date of death.
  - c. Lump-sum (Division B members): \$1,500.
  - d. Annuity (Division B members): 37.5% of member's FAMS. For members with more than 20 years of service, the annuity is 75% of the retirement benefit earned by the member as of his/her date of death.
  
14. *Death of an Active Member (Off Duty)*: If death occurs from a cause not related to the member's duties, the lump-sum and annuity benefits described below will be paid to the spouse. (The benefits are not applicable to unmarried members, although children's benefits may be due.)
  - a. Lump-sum (Division A members): If the member has less than 10 years of service, the benefit is \$1,000 or a refund benefit, whichever is larger. If the member has 10 or more years of service, the benefit is \$500.
  - b. Annuity (Division A members): If the member has less than 10 years of service, no annuity is due. For members with 10 or more years of service, the benefit is 2% of FAMS per year of service, to a maximum of 30% of FAMS.
  - c. Lump-sum (Division B members): If the member does not have five years of service, the benefit is the sum of 50% of the member's salary plus a refund benefit. If the member has five or more years of service, the benefit is \$1,500.
  - d. Annuity (Division B members): If the member has fewer than five years of service, no annuity is due. If the member has five or more years of service, the annuity is 37.5% of the member's FAMS. For members with more than 20 years of service, the annuity is 75% of the retirement benefit earned by the member as of his/her date of death.
  
15. *Optional Forms of Benefit*: None.
  
16. *Postretirement Death Benefit*: None, except for survivor benefit applicable to married members.
  
17. *Postretirement Benefit Increases*: Benefits are increased annually to take into account changes in the cost of living, with a maximum annual increase of 4% of the original benefit (i.e., a

## APPENDIX 2 –Firefighters (Continued)

maximum 4% simple interest increase). In years in which the cost of living increases more than 4%, the excess increase is accumulated and used in later years in which the cost-of-living increase is less than 4%. This calculation is made separately for each individual. In addition, a closed group of retirees also receives a second special increase amount paid as a level annuity under whichever form of payment is applicable. This is the Restoration of Purchasing Power (ROPP) payment.

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

## APPENDIX 2 – Judges

### Summary of Benefit Provisions for Judges' Noncontributory Retirement System

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

## APPENDIX 2 – Judges (Continued)

10. *Service Retirement (Reduced):*

- a. Eligibility: A member may retire with a reduced benefit upon attaining age 55 with 20 years of service.
- b. Reduction: An actuarial reduction from age 65. The reduction factors are shown in the following table:

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

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

11. *Disability Retirement:*

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

12. *Vesting and Refunds:*

- a. Eligibility: All members who are not vested are eligible for a refund when they terminate service. Members are vested after six years of service. Vested members may also elect to receive a refund in lieu of the deferred termination benefit described below. (Although all judges are now members in the noncontributory system, some retain member contribution accounts from their participation in the Judges' Contributory Retirement System.)

## APPENDIX 2 – Judges (Continued)

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

## APPENDIX 2 – Legislative

### Summary of Benefit Provisions for the Governors and Legislative Pension Plan

1. *Effective Date:* July 1, 1967.
2. *Plan Year:* Twelve-month period ending December 31st.
3. *Administration:* The System is administered by a Board of Trustees (which also administers the other Utah Retirement Systems). The Board of Trustees is responsible for both administration of the System and investment of the fund assets.
4. *Type of Plan:* This is a qualified governmental defined benefit retirement plan. Under GASB 25, it is considered to be a single-employer plan.
5. *Eligibility:* This System covers state legislators with four or more years of service, and governors of the state who enter office before July 1, 2011, or accrued service credit in a Tier I system before July 1, 2011.
6. *Employee Contributions:* None.
7. *Employer Contributions:* The state annually appropriates an actuarially determined contribution.
8. *Benefit base:* The benefit base is used to determine the benefits payable at retirement.
  - a. Legislators: The base was \$10.00 per month per year of service as of July 1, 1967. The base is increased 2% each six months after that date. As of July 1, 2017, the benefit base is therefore \$30.00.
  - b. Governors: The base was \$500.00 per month per term as of July 1, 1973. The base is increased 2% each six months after that date. As of July 1, 2017, the benefit base is therefore \$1,380.00.
  - c. Supplemental Benefit: An additional benefit of \$3.50 per month per year of service. This benefit is not indexed nor are COLAs granted on it. This benefit only applies to members of the System on March 1, 2000 and is effective March 1, 2000.
9. *Service Retirement (Unreduced):*
  - a. Eligibility: Age 65 with 4 years of service.
  - b. Monthly Benefit: Legislators receive the benefit base (see above) per year of service, while former governors receive the benefit base (see above) for each term served (maximum of two terms).
  - c. Payment Form: For married members, a Joint and 50% Survivor annuity. For unmarried members, a life annuity.

## APPENDIX 2 – Legislative (Continued)

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

## APPENDIX 2 – Legislative (Continued)

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

## APPENDIX 2 – Tier II Public Employees

### Summary of Benefit Provisions for Tier II Public Employee Hybrid Retirement System

1. *Effective Date:* July 1, 2011.
2. *Plan Year:* Twelve-month period ending December 31st.
3. *Administration:* The Systems are administered by a Board of Trustees (which also administers the other Utah Retirement Systems). The Board of Trustees is responsible for both administration of the Systems and investment of the fund assets.
4. *Type of Plan:* This is a qualified governmental defined benefit retirement plan. Under GASB 25, it is considered to be a cost-sharing multiple-employer plan.
5. *Eligibility:* This System covers eligible employees (i.e. those employees first hired after June 30, 2011) of the State of Utah, most local government employees, and most public education employees. Generally all employees are covered, except for those covered by another System—public safety employees, firefighters, judges, legislators, and higher education employees covered under TIAA-CREF.

Eligible employees are required to make an election within their first 30 days after employment to participate in this Plan or to participate in the Tier II Defined Contribution System. This election is irrevocable beginning 1 year after employment.

6. *Employee Contributions:* Member contributions are required only when the certified contribution rate of the defined benefit portion of the Plan exceeds 10% in which case they must pay the excess. Employers may not elect to pay all or part of any required employee contributions.
7. *Employer Contributions:* Contribution rates are set by the Board of Trustees, based upon the actuarial valuation report for this preceding year, and the employers must pay up to 10% of employee compensation towards this rate. If the certified contribution rate is less than 10%, they must make a contribution to the member's 401(k) account equal to the difference. Finally, employers must pay the corresponding Tier I amortization rate on Tier II employees' compensation to be applied to the employer's corresponding Tier I System liability.
8. *Final Average Monthly Salary (FAMS):* The monthly average of the member's five highest years of annual compensation preceding retirement.
9. *Service Retirement (Unreduced):*
  - a. Eligibility: A member may retire with an unreduced benefit at age 65 with four years of service or after 35 years of service if earlier.
  - b. Monthly Benefit (Contributory): 1.50% times Final Average Monthly Salary (FAMS) times years of service.

## APPENDIX 2 – Tier II Public Employees (Continued)

c. Payment Form: Life annuity.

10. *Service Retirement (Reduced)*:

a. Eligibility: A member may retire with a reduced benefit upon attaining age 62 with 10 years of service or age 60 with 20 years of service.

b. Reduction: A full actuarial reduction is applied for each year of retirement prior to age 65 if a member has less than 35 years of service. The early retirement reduction factors are shown below:

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

c. Payment Form: Life annuity.

11. *Disability Retirement*:

a. Eligibility: Member must be eligible for retirement under the Disability Act and must not be eligible for a 35-year service retirement at time of disability. Note that not all political subdivisions cover their members under a disability program or provide LTD benefit protection contracts covering their Tier II members.

b. Monthly Benefits Payable Prior to Retirement: A separate fund established under the Disability Act provides benefits from the time of disability until the age specified in 49-21-403. Benefits from this separate fund are not covered by these Systems.

c. Monthly Benefits Payable after Retirement:

1. Member is covered by an LTD benefit protection contract: An unreduced service retirement benefit is payable at eligibility for an unreduced retirement benefit. The member receives service credit for time while disabled (both for computing the benefit amount and for determining whether the member is eligible for an unreduced service retirement benefit). Final Average Monthly Salary is increased by the same factors used for automatic cost-of-living benefit increases. I.e., the FAMS is adjusted by a cost-of-living increase up to 2.5% per year (simple interest). Employers are required to contribute the full contribution rate on the imputed pay of the disabled member to the Retirement System while the member is disabled.
2. Member is not covered by an LTD benefit protection contract: An unreduced service retirement benefit is payable at eligibility for an unreduced retirement benefit. The benefit is determined using the member's service and Final Average Monthly Salary as of the date of their disability. Employers do not make contributions to the retirement system on the imputed pay of their disabled members.

d. Payment Form: Life annuity.

## APPENDIX 2 – Tier II Public Employees (Continued)

- e. Death while Disabled: A disabled member is treated as an active member for purposes of determining a death benefit for the period prior to retirement.
12. *Vesting and Refunds*:
- a. Eligibility: All members who are not vested are eligible for a refund when they terminate service. Members are vested after four years of service. Vested members may also elect to receive a refund in lieu of the deferred termination benefit described below.
  - b. Amount: The refund benefit is the accumulated value of the member's contributions plus interest credited by the fund. The amount of interest credited each year is set annually by the Board of Trustees.
13. *Deferred Termination Benefit*:
- a. Eligibility: Member must be vested (4 years of service) and must elect to leave his/her contributions on deposit.
  - b. Monthly Benefit: Same as the unreduced or reduced service retirement benefit, based on service and FAMS at termination, and commencing once the member is eligible.
  - c. Payment Form: Life annuity.
  - d. Death Benefit: The beneficiary of an inactive member who dies is entitled to receive a benefit as described in 14.2.a or 14.2.b below.
14. *Death while an Active Member*:
- a. Members will receive benefits 1. and 2. described below.
    - 1. Death Benefit Insurance: A lump-sum payment that is equal to 75% of the member's highest annual salary.
    - 2.a. In General: A refund of the member's accumulated contributions (with interest) is paid to the beneficiary of a deceased member.
    - 2.b. Spousal Annuity: If the deceased member was married at the time of death and was either (i) eligible for reduced or unreduced service retirement, or (ii) had 25 years of service (15 years of service in the noncontributory system), the spouse may elect an annuity benefit in lieu of the refund benefit. The annuity is equal to the reduced or unreduced service retirement benefit payable as though Option 3 (a Joint and 100% Survivor annuity) were elected. If the member had 25 years of service or more, no reduction factor is applied in determining the service retirement benefit. If a member of the noncontributory system is not eligible for a retirement benefit and has less than 25 years of service, then the death benefit is equal to 1/3 of Option 3 benefit if the member has at least 15 and less than 20 years of service, and 2/3 of the Option 3 benefit if the member has at least 20 and less than 25 years of service.

## APPENDIX 2 – Tier II Public Employees (Continued)

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

## APPENDIX 2 – Tier II Public Safety and Firefighters

### Summary of Benefit Provisions for Tier II Public Safety and Firefighters Hybrid Retirement System

1. *Effective Date:* July 1, 2011.
2. *Plan Year:* Twelve-month period ending December 31st.
3. *Administration:* The Systems are administered by a Board of Trustees (which also administers the other Utah Retirement Systems). The Board of Trustees is responsible for both administration of the Systems and investment of the fund assets.
4. *Type of Plan:* These are qualified governmental defined benefit retirement plans. Under GASB 25, it is considered to be a cost-sharing multiple-employer plan.
5. *Eligibility:* This System covers eligible public safety employees (i.e. those employees first hired after June 30, 2011) of the State of Utah as well as eligible public safety employees and firefighters employed by participating local governments.

Eligible employees are required to make an election within their first 30 days after employment to participate in this Plan or to participate in the Tier II Defined Contribution System. This election is irrevocable beginning 1 year after employment.

6. *Employee Contributions:* Member contributions are required only when the certified contribution rate of the defined benefit portion of the Plan exceeds 12% in which case they must pay the excess. Employers may not elect to pay all or part of required employee contributions.
7. *Employer Contributions:* Contribution rates are set by the Board of Trustees, based upon the actuarial valuation report for this preceding year, and the employers must pay up to 12% of employee compensation towards this rate. If the certified contribution rate is less than 12%, they must make a contribution to the member's 401(k) account equal to the difference. Finally, employers must pay the corresponding Tier I amortization rate on Tier II employees' compensation to be applied to the employer's corresponding Tier I System liability.
8. *Final Average Monthly Salary (FAMS):* The monthly average of the member's highest five salaries preceding retirement.
9. *Service Retirement:*
  - a. Eligibility: A member may retire with an unreduced benefit at age 65 with four years of service or at any age with 25 years of service.
  - b. Monthly Benefit: 1.50% of Final Average Monthly Salary (FAMS) times years of service.
  - c. Payment Form: Life annuity

## APPENDIX 2 – Tier II Public Safety and Firefighters (Continued)

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

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

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

### 11. *Disability Retirement:*

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

## APPENDIX 2 – Tier II Public Safety and Firefighters (Continued)

- e. Death while Disabled: A disabled member is treated as an active member for purposes of determining a death benefit for the period prior to retirement.
12. *Vesting and Refunds*:
- a. Eligibility: All members who are not vested are eligible for a refund when they terminate service. Members are vested after four years of service. Vested members may also elect to receive a refund in lieu of the deferred termination benefit described below.
  - b. Amount: The refund benefit is the accumulated value of the member's contributions credited by the fund. Interest is credited on the member's contribution account, and the amount of interest credited each year is set annually by the Board of Trustees.
13. *Deferred Termination Benefit*:
- a. Eligibility: Member must be vested (4 years of service) and must elect to leave his/her contributions on deposit.
  - b. Monthly Benefit: Same as the service retirement benefit, based on service and FAMS at retirement, and commencing once the member is eligible.
  - c. Payment Form: Life annuity.
  - d. Death Benefit: The beneficiary of an inactive member who dies is entitled to receive a benefit as described in 14.2.a or 14.2.b below.
14. *Death while an Active Member*: All members who die while an active member receive a lump-sum payment that is equal to 75% of the member's highest annual salary. Members also receive death benefits described below depending on whether their death was duty related or non-duty related.
- a. *Death while an Active Member (On Duty)*: If death occurs in the line of duty, the lump-sum and annuity benefits described below will be paid to the spouse. (The benefits are not applicable to unmarried members)
    - 1. Less than 20 years of service: \$1,000 lump sum payment plus an annuity equal to 30% of FAMS.
    - 2. 20 or more years of service: The option 1 benefit (life annuity) is calculated and paid to the spouse with no actuarial reduction.
  - b. *Death of an Active Member (Off Duty)*: If the deceased member was married at the time of death and had (i) 15 or more years of service or (ii) attained age 62 with 10 or more years of service or (iii) attained age 65 with 4 or more years of service, the spouse may elect an annuity benefit in lieu of the refund benefit. The annuity is equal to the reduced or unreduced service retirement benefit payable as though Option 3 (a Joint and 100% Survivor annuity) were elected. If the member had 25 years of service or more, no reduction factor is applied in determining the service retirement benefit (the "full

## APPENDIX 2 – Tier II Public Safety and Firefighters (Continued)

allowance”). If a member has 20 to 24 years of service but is not 60 or older, then the death benefit is equal to 2/3 of the “full allowance”. If the member has at least 15 but less than 20 years of service and is below age 62, the benefit is 1/3 of the “full allowance”. If the member is age 60 or older with at least 20 years of service, age 62 or older with at least 10 years of service, or age 65 with 4 or more years of service, the spouse will receive the Option 3 benefit with actuarial reductions.

15. *Optional Forms of Benefit:* The Systems permit members to elect from six forms of benefit at retirement. In each case the benefit amount is adjusted to be actuarially equivalent to the "Option 1" form. The six optional forms are:

Option 1 - A life annuity with no benefits due following the member's death.

Option 2 - Modified Cash Refund Annuity. A reduced annuity payable for the member's lifetime, plus a death benefit equal to the excess of the member's accumulated contributions (determined at retirement) over the sum of the member's annuity payments from retirement. (The annuity payments are that part of the original benefit derived from the member's own accumulated contributions.)

Option 3 - Joint and 100% Survivor Annuity. An annuity payable as long as either the member or his/her spouse is living.

Option 4 - Joint and 50% Survivor Annuity. An annuity payable during the member's lifetime, and after the member's death if the member's spouse is still living, an annuity to the spouse of 50% of the original benefit.

Option 5 - Joint and 100% Pop-up Annuity. Same as Option 3, except that the benefit amount reverts to the Option 1 (life annuity) amount if the member's spouse predeceases the member.

Option 6 - Joint and 50% Pop-up Annuity. Same as Option 4, except that the benefit amount reverts to the Option 1 (life annuity) amount if the member's spouse predeceases the member.

16. *Postretirement Death Benefit:* None, except as elected by the member. See Optional Forms of Benefit above.
17. *Postretirement Benefit Increases:* Benefits are increased annually to take into account changes in the cost of living. The maximum annual increase is 2.50% of the original benefit (i.e., a maximum 2.50% simple interest increase). However, in years in which the cost of living increases more than the maximum COLA, the excess increase is accumulated and used in later years in which the cost-of-living increase is less than the maximum COLA. This calculation is made separately for each individual.

# APPENDIX 3

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## Glossary

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

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

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

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

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

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

## Glossary (Continued)

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

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

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

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

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

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

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

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

## Glossary (Continued)

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

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

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

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

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

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

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

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

**GASB:** Governmental Accounting Standards Board.

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

## Glossary (Continued)

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

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

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