

# Utah Retirement Systems

Actuarial Valuation Report

As of January 1, 2022





August 11, 2022

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, 2022**

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, 2022 actuarial valuation will be used by the Board when certifying the employer contribution rates for the 12-month period beginning July 1, 2023 and ending June 30, 2024. If new legislation is enacted between the valuation date and the date the contribution rates become effective, the Board-certified contribution rates will be updated 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.
- Decrease the contribution rates in a gradual and orderly manner as the funded ratio of a fund approaches and exceeds 100%.

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 certified contribution rate may be greater than the actuarially determined rate. However, as the funded ratios of the funds continue to improve, the Board may elect to decrease the contribution rate in an orderly manner as the funded ratio for funds approach and exceed 100%.

#### **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%.

Since the prior year's valuation, the funded ratio on a combined basis increased from 88.8% to 93.2%. Absent unfavorable actuarial experience, we expect the funded ratio to increase and be maintained 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 104.3% compared to 94.5% in the prior year. The increase in the funded ratio on a market value basis is attributable to the 17.2% 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, 2022. 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, and then makes recommendations to the Board. A review of the demographic assumptions was performed as of January 1, 2020 and a review of the economic assumptions was performed as of January 1, 2021. There were no changes in the actuarial assumptions used to prepare this year's actuarial valuation.

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. Also, these assumptions and methods used for funding purposes satisfy the parameters set by the Actuarial Standards of Practice.

This valuation was prepared using our proprietary valuation model and related software which in our professional judgment has the capability to provide results that are consistent with the purposes of the valuation. We performed tests to ensure that the model reasonably represents that which is intended to be modeled.

#### **DATA**

Member data for retired, active and inactive members was supplied as of December 31, 2021 by the URS staff. The staff also supplied asset information as of December 31, 2021. 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, 2022.



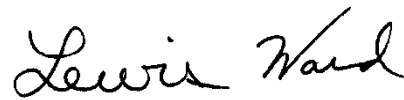
All of our work conforms with generally accepted actuarial principles and practices and with the Actuarial Standards of Practice issued by the Actuarial Standards Board. In our opinion, our calculations also comply with the requirements of Utah state law and, where applicable, the Internal Revenue Code,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

The undersigned are independent actuaries and consultants. Mr. White and Ms. Shaw are Enrolled Actuaries and are Members of the American Academy of Actuaries and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein. All of the undersigned are experienced in performing valuations for large public retirement systems.


Sincerely,



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Senior Consultant



Lewis Ward  
Consultant



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**SECTION A**

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**EXECUTIVE SUMMARY**

## Executive Summary and Contribution Requirements

- Due to the unfavorable investment and inflation conditions that have occurred subsequent to the valuation date, possible reductions in the contribution rates in accordance with the Contribution Rate Management Plan are not being incorporated in the recommended contribution rates for the 2024 fiscal year
  - The certified contribution rate for the Noncontributory State & School Fund (Fund 16) will remain unchanged at 22.19% of pay
  - The certified contribution rate for the Noncontributory Local Government Fund (Fund 15) will remain unchanged at 17.97% of pay
  - Contribution rates for the Tier I Public Safety and Firefighter funds remain unchanged
- The certified contribution rate for the defined benefit portion of the Tier II Public Employee Retirement System will remain unchanged at 9.82% of pay
- The certified contribution rate (including member contributions) for the Tier II Public Safety and Firefighter System remain unchanged at 16.59% of pay
- Due to a decrease in the average court fee receipts relative to payroll, the net employer contribution rates for the Judicial fund increased by 0.39% of pay to 45.15%.
  - 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 \$1.4 billion for fiscal year 2024.
- Exhibits 1(a) and 1(b) show the recommended contribution rates for FY 2024, and compare these to the rates certified for FY 2023 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, 2023 (FY 2024).
  - The rates for FY 2024 may need to be adjusted for the effect of any 2023 legislation.

## Executive Summary and Contribution Requirements (Continued)

- 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 2023 (Col. 3), adjusted for the contribution rate management plan (Col. 4).
  - §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, State appropriations, and 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
  - As the funded ratio for the funds approach and exceed 100%, the Board may gradually decrease contribution rates in an orderly manner
- 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 plan experience, every fund experienced a decrease in the calculated contribution rates from the prior year
- 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 and the Higher Education risk pools, where amortization periods are 12 years and 15 years, respectively)
  - Contributions determined as level percentage of pay (except for Governors and Legislators Plan and the Higher Education risk pools, where minimum amortization is in level dollar payments)
  - Total payroll assumed to increase 2.90% per year
- The return was 17.2%, net of investment and administrative expenses, on a market-value basis during 2021
  - The actual market value as of December 31, 2021 (\$45.053 billion) was \$4.003 billion more than the expected market assets at this date based on a 6.85% return assumption for the prior year
  - Valuation uses a 5-year smoothing of net investment earnings that is different than the expected investment return to develop an actuarial value of assets for purposes of determining contribution rates and the funded status
  - As of January 1, 2022, there is a net \$4.814 billion of deferred investment gains that will be recognized in the next four years and the actuarial value of assets is 89.3% of the market value of assets
- The Governors and Legislative Plan was 89.6% funded as of January 1, 2022. We recommend a \$364,321 appropriation be made to the plan on or before June 30, 2024. 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 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); and
- The offset for fire insurance premium taxes, appropriations, 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 contributions from active members, 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 and the Higher Education funds which are 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 12-year funding period, and the Higher Education funds which have a closed 15-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. Firefighters System receive a portion of the fire insurance premium taxes collected by the state as well as a direct appropriation from the State budget. The monies will be used in determining the offset to the contribution rate for the firefighter funds. 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). However, as the funded ratios for some funds approach and exceed 100%, the Board may elect to decrease the contribution rate for funds in an orderly manner (please see more about this in the section titled Contribution Rate Management Plan).

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 state appropriation and the court fees are applied, as shown in Exhibit 1(a).

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 2024. 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 8 of Table 1(d). This additional amortization payment also includes the payment for the 3% Substantial Substitute if applicable.

# Contribution Rate Management Plan

As the financial condition of the funds in the System are expected to continue improving, it is necessary to have a policy that reduces contribution rates in an orderly manner. The following is a summary of the contribution rate management plan, or policy, that identifies the criteria for there to be a possible reduction in the contribution rate.

As shown in the table below, the contribution rate management plan has multiple measures that each must be fulfilled for the Board to certify a lower contribution rate. Using multiple measures provides a balance of predictability and anticipated lower volatility in the contribution rate such that participating employers can more easily budget for their anticipated pension cost.

**Summary of Contribution Rate Management Plan**

Funded Ratio (FR) on an AVA Basis	Maximum Effective Funding Period <sup>1</sup>	Change in Actuarially Determined Contribution Rate	Margin in Contribution Rate <sup>2</sup>	Decrease in Board Certified Contribution Rate
(1)	(2)	(3)	(4)	(5)
FR < 90%	----- No Reduction in Contribution Rate -----			N/A
90% < FR < 95%	13 Years	Decrease	> 2.00%	Max 0.50%
95% < FR < 105%	10 Years	Decrease	> 1.00%	Max 1.00%
105% < FR < 110%	N/A	May not increase by more than 0.5%	N/A	Max 2.00%
110% < FR	N/A	N/A	N/A	Maintain 110% FR

<sup>1</sup> The maximum effective funding period must be maintained after the contribution rate is reduced.

<sup>2</sup> The contribution rate margin is the difference between the Board certified contribution rate and the actuarially determined contribution rate.

The contribution rate management plan will be reviewed on the Tier 1 noncontributory public employee funds, Tier 1 noncontributory public safety funds, and both Tier 1 firefighter funds. If there is a decrease in the Board certified contribution rate for a noncontributory fund then there will also be a corresponding decrease in the contribution rate for the paired contributory fund.

Due to the different risk profile of the Tier 1 higher education funds, the noncontributory fund must have a funded ratio that is at least 100% before a reduction in the Board certified contribution rate is considered. Also, this contribution rate management plan will not apply to the defined benefit portion of the Tier 2 Public Employee Hybrid System or the Tier 2 Public Safety and Firefighter Hybrid System.

Because the investment and inflation conditions have been unfavorable and volatile subsequent to the valuation date, reductions in the contribution rates in accordance to the Contribution Rate Management Plan are not being incorporated in the recommended contribution rates for the 2024 fiscal year.

## Financial Data and Experience

As of December 31, 2021, the retirement systems that are part of URS have a total market value of \$45.053 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 2021 URS Annual Comprehensive Financial Report, with additional information provided by the URS staff.

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

Exhibit 11(b) provides a reconciliation of the market values between the beginning and end of 2021 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.

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. As of January 1, 2022, the five-year smoothed asset value is \$40.239 billion for all systems combined, or about 89% of the market value of assets.

During 2021, the total investment return on market values was 17.2%, as shown on Exhibit 12(a). This return is net of all investment and administrative expenses. In addition to the market return, Exhibit 12(a) also shows the return on the actuarial value for URS. For 2021, this return was 11.5%. Because this is more than the 6.85% 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. The development of the AVA is shown on Exhibits 13 and 14. URS staff prepared the initial calculation of the AVAs, but these were reviewed and, if necessary, modified by GRS.

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

Exhibits 4(a) and 4(b) 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, 2021. 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 95,767 to 96,664. Similarly, the number of public safety and firefighters increased from 10,914 to 10,982. 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>	48,463	39,173	9,028	96,664
All Public Safety and Firefighter Funds	5,524	4,799	659	10,982

<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 73,400 to 75,876. There are 1.4 employees (including employees covered by the defined contribution plan) 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. 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

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, and then makes recommendations to the Board.

There were no changes in the actuarial assumptions or methods since the prior actuarial valuation. Please see Appendix 1 of this report for a complete description of these assumptions.

## Governors and Legislative Pension Plan

The Governors and Legislative Pension Plan (Leg/Gov Plan) is funded by direct appropriations rather than through pay-period contributions. Since the plan continues to be less than fully funded as of January 1, 2022, we are recommending an appropriation for fiscal year 2024. 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 is 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 2024. 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 2024 is \$364,321. The allocation of this appropriation to the Governor's Office, House, and Senate is \$22,822, \$246,274, and \$95,225, respectively.

The normal cost was allocated to the House and Senate based on their percentage of active positions that are eligible for coverage (75 House members and 29 Senators). Additionally, the liability and amortization charge were determined for the Governor's office based on the percentage of the total liability of the Plan attributable to the former governors' benefits to whom benefits are currently payable. 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, certain 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 at January 1, 2022 included:

- Utah Valley University
- Dixie State College
- Salt Lake Community College
- Snow College
- Dixie Technical College
- Space Dynamics Lab
- University of Utah
- Utah State University
- Weber State University
- University of Utah Hospital
- Mountainland Technical College
- Bridgerland Technical College

These employers are being assigned to these risk pools because they are 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 who are members in URS continue to earn benefits in the Tier I Public Employees Retirement System but their liability, assets, contributions, and benefit payments will be separately tracked in Funds 17 and 18. The liability for URS retirees who retired from one of these entities and former employees of these entities with a vested retirement benefit are also included in these funds. These two 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 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). As of 2022, there are 15 years remaining in the funding period. 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. Based on this funding policy, the contribution rate for the 2024 fiscal year for these funds will be the same contribution rate these employers are currently contributing for the 2023 fiscal year.

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

In 2019, the State began making \$12 million in annual appropriations to the Tier I Firefighters System. In addition, the State made a one-time appropriation \$17.0 million in 2019. This system may also on occasion receive a portion of the fire insurance premium taxes collected by the State of Utah. Similarly, the Judges System regularly receives revenue from a portion of the court fees collected by the state judiciary is contributed to the Judges System. To account for these expected revenue sources, the recommended employer contribution rates for these funds are offset, or reduced.

For purposes of determining the offset for the Firefighter System, it is assumed this System will receive \$12 million in annual appropriations. In general, revenue attributable to Fire insurance premium taxes (if any) will be recognized as they are actually received rather than as an offset to the contribution rates. 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.

Since the \$12 million in annual appropriations is not sufficient to maintain the current offset to the employer contribution rates for this System, it is URS's intention to use the one-time appropriation of \$17 million as a reserve to stabilize the contribution rate offset at the current level until the one-time appropriation has been exhausted. During 2021, the System received approximately \$9.1 million in tax receipts and appropriations that were in excess of the expected \$12 million. We have added this \$9.1 million to the hypothetical reserve account. Additional details of this calculation can be seen in Exhibit 2(b).

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.

Since the portion of court fees that are contributed to the Judges System varies from year to year, a rolling three-year average of the historical court fees is used as a basis for the expected receipts in computing the offset for FY 2024. 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). Since the average court fees slightly decreased from the prior year, the offset for the Judges System will decrease from 7.15% to 6.76%.

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 2021.

## 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 0.42%, 0.43% 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



## 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 2023			Current Year Valuation Recommended Rates for FY 2024			Increase/ (Decrease) in Total (8)
	Member	Employer	Total	Member	Employer	Total	
	(2)	(3)	(4)	(5)	(6)	(7)	
I. Public Employees Contributory							
A. Local Government	6.00%	13.96%	19.96%	6.00%	13.96%	19.96%	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%	17.97%	17.97%	0.00%	17.97%	17.97%	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%	22.79%	35.08%	12.29%	22.79%	35.08%	0.00%
B. Other Division A (4% COLA)	12.29%	24.37%	36.66%	12.29%	24.37%	36.66%	0.00%
C. Other Division B (4% COLA)	10.50%	27.98%	38.48%	10.50%	27.98%	38.48%	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%	46.71%	46.71%	0.00%	46.71%	46.71%	0.00%
E. Ogden	0.00%	48.72%	48.72%	0.00%	48.72%	48.72%	0.00%
F. Provo	0.00%	42.23%	42.23%	0.00%	42.23%	42.23%	0.00%
G. Logan	0.00%	41.97%	41.97%	0.00%	41.97%	41.97%	0.00%
H. Bountiful	0.00%	50.38%	50.38%	0.00%	50.38%	50.38%	0.00%
I. Other Division B (2.5% COLA)	0.00%	32.28%	32.28%	0.00%	32.28%	32.28%	0.00%
J. Other Division B (4% COLA)	0.00%	37.97%	37.97%	0.00%	37.97%	37.97%	0.00%
V. Firefighters							
A. Division A							
1. Gross Rate	15.05%	14.67%	29.72%	15.05%	14.67%	29.72%	0.00%
2. Less Estimated Offset	<u>0.00%</u>	<u>-11.06%</u>	<u>-11.06%</u>	<u>0.00%</u>	<u>-11.06%</u>	<u>-11.06%</u>	<u>0.00%</u>
3. Net Rate	15.05%	3.61%	18.66%	15.05%	3.61%	18.66%	0.00%
B. Division B							
1. Gross Rate	16.71%	17.30%	34.01%	16.71%	17.30%	34.01%	0.00%
2. Less Estimated Offset	<u>0.00%</u>	<u>-11.06%</u>	<u>-11.06%</u>	<u>0.00%</u>	<u>-11.06%</u>	<u>-11.06%</u>	<u>0.00%</u>
3. Net Rate	16.71%	6.24%	22.95%	16.71%	6.24%	22.95%	0.00%
VI. Judges							
A. Gross Rate	0.00%	51.91%	51.91%	0.00%	51.91%	51.91%	0.00%
B. Less Estimated Offset	<u>0.00%</u>	<u>-7.15%</u>	<u>-7.15%</u>	<u>0.00%</u>	<u>-6.76%</u>	<u>-6.76%</u>	<u>0.39%</u>
C. Net Rate	0.00%	44.76%	44.76%	0.00%	45.15%	45.15%	0.39%

Note: Rates reflect 3% Substantial Substitute where applicable.

The recommended contribution rate for the Public Employees Retirement Funds for FY 2023 and FY 2024 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 2023			Current Year Valuation Recommended Rates for FY 2024			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%	17.95%	17.95%	0.00%	17.95%	17.95%	0.00%
II. Public Employees Noncontributory							
A. Local Government	0.00%	16.19%	16.19%	0.00%	16.19%	16.19%	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)	2.59%	25.85%	28.44%	2.59%	25.85%	28.44%	0.00%
B. Other Division A (4% COLA)	2.59%	27.01%	29.60%	2.59%	27.01%	29.60%	0.00%
C. Other Division B (4% COLA)	2.59%	29.02%	31.61%	2.59%	29.02%	31.61%	0.00%
IV. Public Safety Noncontributory							
A. State	2.59%	32.54%	35.13%	2.59%	32.54%	35.13%	0.00%
B. Other Division A (2.5% COLA)	2.59%	25.83%	28.42%	2.59%	25.83%	28.42%	0.00%
C. Other Division A (4% COLA)	2.59%	26.99%	29.58%	2.59%	26.99%	29.58%	0.00%
D. Salt Lake City	2.59%	38.28%	40.87%	2.59%	38.28%	40.87%	0.00%
E. Ogden	2.59%	40.38%	42.97%	2.59%	40.38%	42.97%	0.00%
F. Provo	2.59%	33.69%	36.28%	2.59%	33.69%	36.28%	0.00%
G. Logan	2.59%	33.45%	36.04%	2.59%	33.45%	36.04%	0.00%
H. Bountiful	2.59%	40.97%	43.56%	2.59%	40.97%	43.56%	0.00%
I. Other Division B (2.5% COLA)	2.59%	23.74%	26.33%	2.59%	23.74%	26.33%	0.00%
J. Other Division B (4% COLA)	2.59%	29.02%	31.61%	2.59%	29.02%	31.61%	0.00%
V. Firefighters							
A. Division A	2.59%	14.08%	16.67%	2.59%	14.08%	16.67%	0.00%
B. Division B	2.59%	14.08%	16.67%	2.59%	14.08%	16.67%	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 2023 and FY 2024 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)	Contribution Rate Management Adjustment (4)	Larger of Columns (2 or 3+4)* (5)	Recommended Rates Including 3% Substantial Substitute (6)
I. Public Employees Contributory					
A. Local Government	8.86%	13.96%	0.00%	13.96%	13.96%
B. State and School	12.20%	16.85%	0.00%	16.85%	17.70%
C. Higher Education	9.05%	16.85%	0.00%	16.85%	17.70%
II. Public Employees Noncontributory					
A. Local Government	12.87%	17.97%	0.00%	17.97%	17.97%
B. State and School	16.69%	21.34%	0.00%	21.34%	22.19%
C. Higher Education	13.54%	21.34%	0.00%	21.34%	22.19%
III. Public Safety Contributory					
A. Other Division A (2.5% COLA)	16.81%	22.79%	0.00%	22.79%	22.79%
B. Other Division A (4% COLA)	16.82%	24.37%	0.00%	24.37%	24.37%
C. Other Division B (4% COLA)	9.26%	27.98%	0.00%	27.98%	27.98%
IV. Public Safety Noncontributory					
A. State	28.74%	40.50%	0.00%	40.50%	41.35%
B. Other Division A (2.5% COLA)	28.14%	34.04%	0.00%	34.04%	34.04%
C. Other Division A (4% COLA)	28.40%	35.71%	0.00%	35.71%	35.71%
D. Salt Lake City	36.51%	46.71%	0.00%	46.71%	46.71%
E. Ogden	37.05%	48.72%	0.00%	48.72%	48.72%
F. Provo	34.69%	42.23%	0.00%	42.23%	42.23%
G. Logan	32.39%	41.97%	0.00%	41.97%	41.97%
H. Bountiful	36.52%	50.38%	0.00%	50.38%	50.38%
I. Other Division B (2.5% COLA)	28.90%	32.28%	0.00%	32.28%	32.28%
J. Other Division B (4% COLA)	19.17%	37.97%	0.00%	37.97%	37.97%
V. Firefighters					
A. Division A	7.27%	14.67%	0.00%	14.67%	14.67%
B. Division B	0.00%	17.30%	0.00%	17.30%	17.30%
VI. Judges	44.49%	51.06%	0.00%	51.06%	51.91%
VII. 3% Substantial Substitute	0.42%	0.85%	0.00%	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 (5) reflect application of U.C. Sec. 49-11-301(5).  
 Conditions were met that could have resulted in a contribution rate adjustment for several funds, but contribution rates were maintained for all funds due to current economic conditions.

# EXHIBIT 1(D)

## Development of Recommended Tier II Employer and Member Contribution Rates

Fund/Division	Certified Rates from Prior Year*	Actuarially Calculated Rates for Current Year*	Member Rate Tier II Hybrid Plan	Recommended Employer Rate -- Max(2 and 3) less(4)**	Employer Rate Hybrid Plan DC	Total Employer Tier II Rate	Tier I <i>Certified</i> Amortization %	Total Employer Rate on Behalf of Tier II Members
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
I. Public Employees Contributory								
A. Local Government	9.82%	9.74%	0.00%	9.82%	0.18%	10.00%	7.87%	17.87%
II. Public Employees Noncontributory								
A. Local Government	9.82%	9.74%	0.00%	9.82%	0.18%	10.00%	6.11%	16.11%
B. State and School	9.82%	9.74%	0.00%	9.82%	0.18%	10.00%	9.94%	19.94%
C. Higher Education	9.82%	9.74%	0.00%	9.82%	0.18%	10.00%	9.94%	19.94%
III. Public Safety Contributory								
A. Other Division A (2.5% COLA)	16.59%	16.26%	2.59%	14.00%	0.00%	14.00%	11.77%	25.77%
B. Other Division A (4% COLA)	16.59%	16.26%	2.59%	14.00%	0.00%	14.00%	12.93%	26.93%
C. Other Division B (4% COLA)	16.59%	16.26%	2.59%	14.00%	0.00%	14.00%	14.94%	28.94%
IV. Public Safety Noncontributory								
A. State	16.59%	16.26%	2.59%	14.00%	0.00%	14.00%	18.46%	32.46%
B. Other Division A (2.5% COLA)	16.59%	16.26%	2.59%	14.00%	0.00%	14.00%	11.75%	25.75%
C. Other Division A (4% COLA)	16.59%	16.26%	2.59%	14.00%	0.00%	14.00%	12.91%	26.91%
D. Salt Lake City	16.59%	16.26%	2.59%	14.00%	0.00%	14.00%	24.20%	38.20%
E. Ogden	16.59%	16.26%	2.59%	14.00%	0.00%	14.00%	26.30%	40.30%
F. Provo	16.59%	16.26%	2.59%	14.00%	0.00%	14.00%	19.61%	33.61%
G. Logan	16.59%	16.26%	2.59%	14.00%	0.00%	14.00%	19.37%	33.37%
H. Bountiful	16.59%	16.26%	2.59%	14.00%	0.00%	14.00%	26.89%	40.89%
I. Other Division B (2.5% COLA)	16.59%	16.26%	2.59%	14.00%	0.00%	14.00%	9.66%	23.66%
J. Other Division B (4% COLA)	16.59%	16.26%	2.59%	14.00%	0.00%	14.00%	14.94%	28.94%
V. Firefighters								
A. Division A	16.59%	16.26%	2.59%	14.00%	0.00%	14.00%	0.00%	14.00%
B. Division B	16.59%	16.26%	2.59%	14.00%	0.00%	14.00%	0.00%	14.00%

\* Contribution rate for the Tier II defined benefit plan. The actuarially calculated rate for the current year includes the projected impact due to the delay between the valuation date and the effective date of the higher contribution rate. Rates shown above do not include the cost of the 75% of pay death benefit provided to active members.

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

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	5.88%	2.98%	0.00%	8.86%	0.00%	8.86%
B. State and School	5.75%	6.45%	0.42%	12.62%	0.00%	12.62%
C. Higher Education	5.29%	3.76%	0.42%	9.47%	0.00%	9.47%
<b>II. Public Employees Noncontributory</b>						
A. Local Government	11.74%	1.13%	0.00%	12.87%	0.00%	12.87%
B. State and School	13.22%	3.47%	0.42%	17.11%	0.00%	17.11%
C. Higher Education	12.42%	1.12%	0.42%	13.96%	0.00%	13.96%
<b>III. Public Safety Contributory</b>						
A. Other Division A (2.5% COLA)	12.62%	4.19%	0.00%	16.81%	0.00%	16.81%
B. Other Division A (4% COLA)	12.41%	4.41%	0.00%	16.82%	0.00%	16.82%
C. Other Division B (4% COLA)	14.14%	-4.88%	0.00%	9.26%	0.00%	9.26%
<b>IV. Public Safety Noncontributory</b>						
A. State	24.04%	4.70%	0.42%	29.16%	0.00%	29.16%
B. Other Division A (2.5% COLA)	23.95%	4.19%	0.00%	28.14%	0.00%	28.14%
C. Other Division A (4% COLA)	23.99%	4.41%	0.00%	28.40%	0.00%	28.40%
D. Salt Lake City	24.08%	12.43%	0.00%	36.51%	0.00%	36.51%
E. Ogden	24.09%	12.96%	0.00%	37.05%	0.00%	37.05%
F. Provo	24.24%	10.45%	0.00%	34.69%	0.00%	34.69%
G. Logan	24.34%	8.05%	0.00%	32.39%	0.00%	32.39%
H. Bountiful	24.09%	12.43%	0.00%	36.52%	0.00%	36.52%
I. Other Division B (2.5% COLA)	24.09%	4.81%	0.00%	28.90%	0.00%	28.90%
J. Other Division B (4% COLA)	24.05%	-4.88%	0.00%	19.17%	0.00%	19.17%
<b>V. Firefighters</b>						
A. Division A	11.64%	-4.37%	0.00%	7.27%	11.06%	0.00%
B. Division B	9.68%	-9.68%	0.00%	0.00%	11.06%	0.00%
<b>VI. Judges</b>						
	31.92%	12.57%	0.42%	44.91%	6.76%	38.15%
<b>VII. Tier II - Hybrid Plans<sup>2</sup></b>						
A. Public Employees	9.46%	0.28%	0.00%	9.74%	0.00%	9.74%
B. Public Safety and Firefighter	16.03%	0.23%	0.00%	16.26%	0.00%	16.26%

<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> The actuarially calculated contribution rate before reflecting the maximum employer contribution rate to the hybrid plan. These rates also 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

1.	Remaining reserve from prior year valuation:	\$	24,584,293
2.	Actual tax receipts and appropriations to Tier I received in the prior year that were in excess / (deficient) than expected:		9,136,710
3.	Anticipated annual State appropriations for fiscal year:		<u>12,000,000</u>
4.	Funds available for target contribution rate offset (1. + 2. + 3.):	\$	45,721,003
5.	Expected Tier I amortization payment		10,804,817
6.	Payroll (Tier I + Tier II)		179,825,496
7.	Amortization payment as % of pay (minimum (4. and 5.) / 3.)		6.01%
8.	Total target offset		<b>11.06%</b>
9.	Remaining target offset to be funded as % of Tier I pay (8. - 7.)		5.05%
10.	Tier I payroll	\$	114,701,606
11.	Dollar amount of remaining target offset (9. x 10.)		5,792,431
12.	Remaining reserve for offset in future years (4. - 5. - 11.)	\$	29,123,755

#### B. Judge's Offset

1.		2019	2020	2021
2.	Court fees	\$ 1,535,901	\$ 1,410,494	\$ 1,354,475
3.	3-year average of court fees			\$ 1,433,623
4.	Payroll			21,201,500
5.	Offset: average of court fees as a percent of payroll			6.76%

# EXHIBIT 3(A)

## Schedule of Funding Progress

Fund/Division (1)	Actuarial Value of Assets (2)	Actuarial Accrued Liability (AAL) (3)	Unfunded AAL (UAAL) (3 - 2) (4)	Funded Ratio (2 / 3) (5)	Covered Payroll (6)	UAAL as a Percentage of Covered Payroll (4 / 6) (7)
<b>I. Public Employees Contributory</b>						
A. Local Government	447,675	456,586	8,911	98.0%	11,277	79.0%
B. State and School	625,485	637,188	11,703	98.2%	7,693	152.1%
C. Higher Education	<u>153,874</u>	<u>155,419</u>	<u>1,545</u>	<u>99.0%</u>	<u>3,511</u>	<u>44.0%</u>
D. Subtotal	1,227,034	1,249,193	22,159	98.2%	22,481	98.6%
<b>II. Public Employees Noncontributory</b>						
A. Local Government	6,438,305	6,667,472	229,167	96.6%	760,856	30.1%
B. State and School	22,601,773	24,606,989	2,005,216	91.9%	2,335,821	85.8%
C. Higher Education	<u>2,073,356</u>	<u>2,101,344</u>	<u>27,988</u>	<u>98.7%</u>	<u>197,021</u>	<u>14.2%</u>
D. Subtotal	31,113,434	33,375,805	2,262,371	93.2%	3,293,698	68.7%
<b>III. Public Safety Contributory</b>						
A. Other Division A (2.5% COLA)	112,008	114,218	2,210	98.1%	1,823	121.2%
B. Other Division A (4% COLA)	20,411	20,561	150	99.3%	86	174.4%
C. Other Division B (4% COLA)	<u>9,157</u>	<u>9,087</u>	<u>(70)</u>	<u>100.8%</u>	<u>101</u>	<u>-69.3%</u>
D. Subtotal	141,576	143,866	2,290	98.4%	2,010	113.9%
<b>IV. Public Safety Noncontributory</b>						
A. State	1,514,952	1,615,166	100,214	93.8%	90,397	110.9%
B. Other Division A (2.5% COLA)	1,284,082	1,389,708	105,626	92.4%	96,259	109.7%
C. Other Division A (4% COLA)	397,656	426,461	28,805	93.2%	24,880	115.8%
D. Salt Lake City	371,445	438,996	67,551	84.6%	25,478	265.1%
E. Ogden	78,598	92,206	13,608	85.2%	3,428	397.0%
F. Provo	64,082	74,328	10,246	86.2%	3,876	264.3%
G. Logan	35,793	39,676	3,883	90.2%	1,841	210.9%
H. Bountiful	25,058	29,525	4,467	84.9%	1,694	263.7%
I. Other Division B (2.5% COLA)	581,489	639,605	58,116	90.9%	53,610	108.4%
J. Other Division B (4% COLA)	<u>63,923</u>	<u>60,982</u>	<u>(2,941)</u>	<u>104.8%</u>	<u>4,206</u>	<u>-69.9%</u>
K. Subtotal	4,417,078	4,806,653	389,575	91.9%	305,669	127.4%
<b>V. Firefighters</b>						
A. Division A	312,184	291,786	(20,398)	107.0%	32,615	-62.5%
B. Division B	<u>1,295,194</u>	<u>1,183,344</u>	<u>(111,850)</u>	<u>109.5%</u>	<u>79,829</u>	<u>-140.1%</u>
C. Subtotal	1,607,378	1,475,130	(132,248)	109.0%	112,444	-117.6%
<b>VI. Judges</b>	251,721	289,092	37,371	87.1%	20,869	179.1%
<b>VII. Governors and Legislative</b>	11,915	13,295	1,380	89.6%	564	244.7%
<b>VIII. 3% Substantial Substitute</b>	251,836	519,744	267,908	48.5%	N/A	N/A
<b>IX. Tier II - Hybrid Plans</b>						
A. Public Employees	1,049,866	1,130,355	80,489	92.9%	1,969,408	4.1%
B. Public Safety and Firefighter	167,246	175,585	8,339	95.3%	250,128	3.3%
<b>X. Grand Total</b>	40,239,084	43,178,718	2,939,634	93.2%	5,977,271	49.2%

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



# EXHIBIT 3(B)

## Comparison of Funded Ratios

Fund/Division (1)	Funded Ratios as of January 1		
	2022 (2)	2021 (3)	2020 (4)
I. Public Employees Contributory			
A. Local Government	98.0%	96.6%	95.7%
B. State and School	98.2%	97.4%	97.1%
C. Higher Education	99.0%	97.7%	96.2%
D. Subtotal	98.2%	97.2%	96.5%
II. Public Employees Noncontributory			
A. Local Government	96.6%	91.7%	89.5%
B. State and School	91.9%	87.7%	86.8%
C. Higher Education	98.7%	93.3%	89.7%
D. Subtotal	93.2%	88.8%	87.5%
III. Public Safety Contributory			
A. Other Division A (2.5% COLA)	98.1%	97.2%	97.2%
B. Other Division A (4% COLA)	99.3%	99.2%	99.2%
C. Other Division B (4% COLA)	100.8%	99.8%	99.0%
D. Subtotal	98.4%	98.0%	98.0%
IV. Public Safety Noncontributory			
A. State	93.8%	88.8%	86.3%
B. Other Division A (2.5% COLA)	92.4%	87.4%	85.4%
C. Other Division A (4% COLA)	93.2%	89.0%	87.8%
D. Salt Lake City	84.6%	79.9%	77.0%
E. Ogden	85.2%	80.8%	78.4%
F. Provo	86.2%	80.8%	79.4%
G. Logan	90.2%	84.3%	82.3%
H. Bountiful	84.9%	78.2%	76.2%
I. Other Division B (2.5% COLA)	90.9%	85.0%	82.4%
J. Other Division B (4% COLA)	104.8%	98.7%	92.3%
K. Subtotal	91.9%	86.9%	84.5%
V. Firefighters			
A. Division A	107.0%	102.4%	100.3%
B. Division B	109.5%	103.5%	101.1%
C. Subtotal	109.0%	103.3%	100.9%
VI. Judges	87.1%	82.9%	80.8%
VII. Governors and Legislative	89.6%	84.5%	81.5%
VIII. 3% Substantial Substitute	48.5%	46.5%	42.3%
IX. Tier II - Hybrid Plans			
A. Public Employees	92.9%	90.3%	91.4%
B. Public Safety and Firefighter	95.3%	87.2%	85.6%
X. Grand Total	93.2%	88.8%	87.4%

# EXHIBIT 4(A)

## Analysis of Changes in Calculated Contribution Rates

Fund/Division	Calculated Rate From Jan. 1, 2021 Valuation	Changes in Calculated Rate Due To							Calculated Rate Jan. 1, 2022 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)
I. Public Employees Contributory									
A. Local Government	10.55%	-0.13%	-1.41%	0.19%	0.00%	0.00%	-0.34%	0.00%	8.86%
B. State and School	14.54%	-0.20%	-1.70%	0.32%	0.00%	0.00%	-0.34%	0.00%	12.62%
C. Higher Education	13.53%	-0.07%	-4.01%	0.60%	0.00%	0.00%	-0.58%	0.00%	9.47%
II. Public Employees Noncontributory									
A. Local Government	14.56%	-0.13%	-1.41%	0.19%	0.00%	0.00%	-0.34%	0.00%	12.87%
B. State and School	19.03%	-0.20%	-1.70%	0.32%	0.00%	0.00%	-0.34%	0.00%	17.11%
C. Higher Education	18.02%	-0.07%	-4.01%	0.60%	0.00%	0.00%	-0.58%	0.00%	13.96%
III. Public Safety Contributory									
A. Other Division A (2.5% COLA)	19.66%	-0.16%	-2.30%	-0.02%	0.00%	0.00%	-0.37%	0.00%	16.81%
B. Other Division A (4% COLA)	19.26%	0.23%	-2.69%	0.41%	0.00%	0.00%	-0.39%	0.00%	16.82%
C. Other Division B (4% COLA)	14.91%	0.95%	-5.02%	0.54%	0.00%	0.00%	-2.12%	0.00%	9.26%
IV. Public Safety Noncontributory									
A. State	32.80%	0.09%	-3.03%	0.08%	0.00%	0.00%	-0.78%	0.00%	29.16%
B. Other Division A (2.5% COLA)	30.99%	-0.16%	-2.30%	-0.02%	0.00%	0.00%	-0.37%	0.00%	28.14%
C. Other Division A (4% COLA)	30.79%	0.23%	-2.69%	0.46%	0.00%	0.00%	-0.39%	0.00%	28.40%
D. Salt Lake City	40.84%	-0.53%	-2.90%	-0.31%	0.00%	0.00%	-0.59%	0.00%	36.51%
E. Ogden	41.31%	-0.46%	-3.23%	0.08%	0.00%	0.00%	-0.65%	0.00%	37.05%
F. Provo	38.40%	0.66%	-2.81%	-1.10%	0.00%	0.00%	-0.46%	0.00%	34.69%
G. Logan	37.56%	-0.17%	-3.17%	-1.38%	0.00%	0.00%	-0.45%	0.00%	32.39%
H. Bountiful	43.41%	-0.86%	-3.01%	-2.32%	0.00%	0.00%	-0.70%	0.00%	36.52%
I. Other Division B (2.5% COLA)	31.59%	-0.28%	-1.99%	-0.21%	0.00%	0.00%	-0.21%	0.00%	28.90%
J. Other Division B (4% COLA)	24.82%	0.95%	-5.02%	0.54%	0.00%	0.00%	-2.12%	0.00%	19.17%
V. Firefighters									
A. Division A	10.82%	-0.27%	-2.66%	0.45%	0.00%	0.00%	-1.07%	0.00%	7.27%
B. Division B	7.18%	-1.00%	-4.85%	0.05%	0.00%	0.00%	-1.50%	0.00%	-0.12%
VI. Judges	48.62%	0.14%	-3.62%	-0.01%	0.00%	0.00%	-0.22%	0.00%	44.91%
VII. 3% Substantial Substitute	0.46%	-0.01%	-0.01%	-0.01%	0.00%	0.00%	-0.01%	0.00%	0.42%
VIII. Tier II - Hybrid Plans									
A. Public Employees	9.82%	-0.03%	-0.12%	0.03%	0.00%	0.00%	0.04%	0.00%	9.74%
B. Public Safety and Firefighter	16.59%	-0.04%	-0.13%	-0.18%	0.00%	0.00%	0.02%	0.00%	16.26%

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. Calculated rate will not be less than 0.00%.

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 (1)	Jan. 1, 2021 UAAL (2)	Changes in Unfunded Actuarial Accrued Liability Due To							Jan. 1, 2022 UAAL (10)
		Amortization Payments (3)	Liability (Gain)/Loss (4)	Asset (Gain)/Loss (5)	Change in Benefit Provisions (6)	New Risk Pools (7)	Change in Assumptions (8)	Other Asset Transfers (9)	
I. Public Employees Contributory									
A. Local Government	15,570	(334)	2,177	(30,088)	0	0	0	21,586	8,911
B. State and School	16,624	120	11,133	(40,994)	0	0	0	24,820	11,703
C. Higher Education	3,729	(211)	(395)	(13,558)	0	0	0	11,980	1,545
D. Subtotal	35,923	(425)	12,915	(84,640)	0	0	0	58,386	22,159
II. Public Employees Noncontributory									
A. Local Government	531,457	(70,395)	51,046	(261,355)	0	0	0	(21,586)	229,167
B. State and School	2,913,739	(198,806)	257,295	(942,191)	0	0	0	(24,820)	2,005,216
C. Higher Education	134,501	(18,513)	15,533	(91,554)	0	0	0	(11,980)	27,988
D. Subtotal	3,579,697	(287,714)	323,874	(1,295,100)	0	0	0	(58,386)	2,262,371
III. Public Safety Contributory									
A. Other Division A (2.5% COLA)	3,289	(339)	(1,422)	(8,028)	0	0	0	8,710	2,210
B. Other Division A (4% COLA)	164	(4)	417	(2,038)	0	0	0	1,612	150
C. Other Division B (4% COLA)	16	(19)	158	(681)	0	0	0	460	(66)
D. Subtotal	3,469	(362)	(847)	(10,747)	0	0	0	10,782	2,294
IV. Public Safety Noncontributory									
A. State	174,321	(16,659)	6,869	(64,316)	0	0	0	0	100,214
B. Other Division A (2.5% COLA)	168,778	(9,609)	6,268	(51,100)	0	0	0	(8,710)	105,626
C. Other Division A (4% COLA)	44,435	(2,635)	4,224	(15,609)	0	0	0	(1,612)	28,805
D. Salt Lake City	85,532	(3,493)	1,264	(15,751)	0	0	0	0	67,551
E. Ogden	17,139	(751)	606	(3,386)	0	0	0	0	13,608
F. Provo	14,206	(502)	(703)	(2,754)	0	0	0	0	10,246
G. Logan	6,106	(239)	(457)	(1,527)	0	0	0	0	3,883
H. Bountiful	6,396	(275)	(572)	(1,083)	0	0	0	0	4,467
I. Other Division B (2.5% COLA)	84,893	(2,737)	(84)	(23,956)	0	0	0	0	58,116
J. Other Division B (4% COLA)	737	(1,275)	464	(2,412)	0	0	0	(460)	(2,945)
K. Subtotal	602,543	(38,175)	17,879	(181,894)	0	0	0	(10,782)	389,571
V. Firefighters									
A. Division A	(6,447)	(4,790)	3,248	(12,409)	0	0	0	0	(20,398)
B. Division B	(39,452)	(16,489)	(604)	(55,305)	0	0	0	0	(111,850)
C. Subtotal	(45,899)	(21,279)	2,644	(67,714)	0	0	0	0	(132,248)
VI. Judges	47,287	(746)	1,569	(10,740)	0	0	0	0	37,371
VII. Governors and Legislative	2,070	(189)	47	(547)	0	0	0	0	1,380
VIII. 3% Substantial Substitute	281,500	(2,944)	(1,214)	(9,434)	0	0	0	0	267,908
IX. Tier II - Hybrid Plans									
A. Public Employees	85,223	9,104	19,231	(33,069)	0	0	0	0	80,489
B. Public Safety and Firefighter	16,804	489	(4,164)	(4,790)	0	0	0	0	8,339
X. Grand Total	4,608,617	(342,241)	371,934	(1,698,675)	0	0	0	0	2,939,634

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	359,007	33,214	71,453	463,674
B. State and School	552,401	18,549	68,792	639,741
C. Higher Education	114,401	10,062	32,093	156,555
D. Subtotal	1,025,809	61,825	172,338	1,259,970
II. Public Employees Noncontributory				
A. Local Government	3,143,672	535,029	3,669,654	7,348,355
B. State and School	13,475,259	1,145,414	12,428,564	27,049,237
C. Higher Education	1,002,041	235,399	1,037,438	2,274,879
D. Subtotal	17,620,972	1,915,842	17,135,656	36,672,471
III. Public Safety Contributory				
A. Other Division A (2.5% COLA)	97,396	8,249	12,042	117,687
B. Other Division A (4% COLA)	19,511	493	660	20,665
C. Other Division B (4% COLA)	8,140	151	902	9,193
D. Subtotal	125,047	8,893	13,604	147,545
IV. Public Safety Noncontributory				
A. State	1,023,008	84,496	649,761	1,757,265
B. Other Division A (2.5% COLA)	734,708	129,372	682,944	1,547,023
C. Other Division A (4% COLA)	254,526	29,403	182,917	466,846
D. Salt Lake City	285,867	17,903	177,479	481,249
E. Ogden	69,424	4,456	24,206	98,086
F. Provo	49,219	2,178	29,263	80,659
G. Logan	25,528	2,481	14,502	42,511
H. Bountiful	19,382	1,192	11,590	32,164
I. Other Division B (2.5% COLA)	360,529	29,892	336,396	726,817
J. Other Division B (4% COLA)	39,157	2,582	26,638	68,377
K. Subtotal	2,861,348	303,955	2,135,696	5,300,997
V. Firefighters				
A. Division A	123,833	16,246	224,367	364,446
B. Division B	699,150	26,057	625,527	1,350,734
C. Subtotal	822,983	42,303	849,894	1,715,180
VI. Judges	197,187	3,119	142,423	342,728
VII. Governors and Legislative	9,237	2,323	1,906	13,466
VIII. Tier II - Hybrid Plans				
A. Public Employees	11,567	56,462	3,160,733	3,228,762
B. Public Safety and Firefighter	664	2,912	773,650	777,226
IX. Grand Total	22,674,814	2,397,634	24,385,900	49,458,345

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)
I. Public Employees Contributory				
A. Local Government	322,539	4,161	32,307	359,007
B. State and School	500,211	11,785	40,405	552,401
C. Higher Education	106,850	13	7,538	114,401
D. Subtotal	929,600	15,959	80,250	1,025,809
II. Public Employees Noncontributory				
A. Local Government	2,859,912	48,058	235,701	3,143,672
B. State and School	12,512,501	136,904	825,855	13,475,259
C. Higher Education	935,182	2,336	64,523	1,002,041
D. Subtotal	16,307,595	187,298	1,126,079	17,620,972
III. Public Safety Contributory				
A. Other Division A (2.5% COLA)	77,879	1,263	18,255	97,396
B. Other Division A (4% COLA)	15,089	0	4,423	19,511
C. Other Division B (4% COLA)	6,915	405	820	8,140
D. Subtotal	99,883	1,668	23,498	125,047
IV. Public Safety Noncontributory				
A. State	940,742	8,720	73,546	1,023,008
B. Other Division A (2.5% COLA)	673,431	6,552	54,724	734,708
C. Other Division A (4% COLA)	241,601	1,829	11,097	254,526
D. Salt Lake City	255,141	4,147	26,578	285,867
E. Ogden	62,177	409	6,838	69,424
F. Provo	46,818	0	2,401	49,219
G. Logan	24,217	134	1,177	25,528
H. Bountiful	18,535	295	551	19,382
I. Other Division B (2.5% COLA)	333,904	3,328	23,296	360,529
J. Other Division B (4% COLA)	37,412	442	1,303	39,157
K. Subtotal	2,633,978	25,856	201,511	2,861,348
V. Firefighters				
A. Division A	102,051	10,827	10,955	123,833
B. Division B	591,010	33,641	74,499	699,150
C. Subtotal	693,061	44,468	85,454	822,983
VI. Judges	182,561	0	14,626	197,187
VII. Governors and Legislative	8,163	0	1,074	9,237
VIII. Tier II - Hybrid Plans				
A. Public Employees	11,273	0	294	11,567
B. Public Safety and Firefighter	183	0	481	664
IX. Grand Total	20,866,297	275,249	1,533,267	22,674,814

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	565	30,196	2,453	33,214
B. State and School	0	18,542	7	18,549
C. Higher Education	0	10,010	52	10,062
D. Subtotal	565	58,748	2,512	61,825
II. Public Employees Noncontributory				
A. Local Government	27,150	506,918	961	535,029
B. State and School	64,686	1,077,455	3,272	1,145,414
C. Higher Education	7,640	226,301	1,458	235,399
D. Subtotal	99,476	1,810,674	5,691	1,915,842
III. Public Safety Contributory				
A. Other Division A (2.5% COLA)	0	7,810	439	8,249
B. Other Division A (4% COLA)	0	492	1	493
C. Other Division B (4% COLA)	0	151	0	151
D. Subtotal	0	8,453	440	8,893
IV. Public Safety Noncontributory				
A. State	2,575	81,908	13	84,496
B. Other Division A (2.5% COLA)	2,524	126,801	48	129,372
C. Other Division A (4% COLA)	860	28,543	0	29,403
D. Salt Lake City	440	17,463	0	17,903
E. Ogden	0	4,456	0	4,456
F. Provo	453	1,724	0	2,178
G. Logan	0	2,481	0	2,481
H. Bountiful	0	1,192	0	1,192
I. Other Division B (2.5% COLA)	1,071	28,738	84	29,892
J. Other Division B (4% COLA)	0	2,582	0	2,582
K. Subtotal	7,923	295,888	145	303,955
V. Firefighters				
A. Division A	0	15,991	256	16,246
B. Division B	0	25,791	266	26,057
C. Subtotal	0	41,782	522	42,303
VI. Judges	0	3,119	0	3,119
VII. Governors and Legislative	0	2,321	2	2,323
VIII. Tier II - Hybrid Plans				
A. Public Employees	0	56,462	0	56,462
B. Public Safety and Firefighter	0	2,712	200	2,912
IX. Grand Total	107,964	2,280,159	9,512	2,397,634

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)	Deferred					Total (7)
	Retirement (2)	Termination (3)	Disability (4)	Refunds (5)	Death (6)	
I. Public Employees Contributory						
A. Local Government	68,593	897	361	208	1,393	71,453
B. State and School	67,719	0	0	0	1,073	68,792
C. Higher Education	31,695	0	0	0	398	32,093
D. Subtotal	168,007	897	361	208	2,864	172,338
II. Public Employees Noncontributory						
A. Local Government	3,406,298	121,497	53,618	0	88,242	3,669,654
B. State and School	11,711,598	358,007	149,608	0	209,352	12,428,564
C. Higher Education	979,946	27,263	12,048	0	18,181	1,037,438
D. Subtotal	16,097,842	506,767	215,274	0	315,775	17,135,656
III. Public Safety Contributory						
A. Other Division A (2.5% COLA)	11,700	145	54	50	93	12,042
B. Other Division A (4% COLA)	656	0	0	0	4	660
C. Other Division B (4% COLA)	894	0	0	0	7	902
D. Subtotal	13,250	145	54	50	104	13,604
IV. Public Safety Noncontributory						
A. State	635,625	7,229	2,128	0	4,779	649,761
B. Other Division A (2.5% COLA)	667,149	8,393	2,369	0	5,032	682,944
C. Other Division A (4% COLA)	179,223	1,877	529	0	1,289	182,917
D. Salt Lake City	173,432	1,973	559	0	1,516	177,479
E. Ogden	23,624	290	84	0	209	24,206
F. Provo	28,608	321	94	0	240	29,263
G. Logan	14,213	131	35	0	122	14,502
H. Bountiful	11,348	116	36	0	89	11,590
I. Other Division B (2.5% COLA)	328,619	3,632	1,055	0	3,090	336,396
J. Other Division B (4% COLA)	25,953	332	99	0	254	26,638
K. Subtotal	2,087,794	24,294	6,988	0	16,620	2,135,696
V. Firefighters						
A. Division A	216,129	872	4,425	343	2,598	224,367
B. Division B	608,923	1,611	7,217	516	7,260	625,527
C. Subtotal	825,052	2,483	11,642	859	9,858	849,894
VI. Judges	139,786	0	0	0	2,636	142,423
VII. Governors and Legislative	1,485	407	0	0	14	1,906
VIII. Tier II - Hybrid Plans						
A. Public Employees	2,527,750	476,591	64,140	0	92,252	3,160,733
B. Public Safety and Firefighter	704,154	36,645	16,129	523	16,197	773,650
IX. Grand Total	22,565,120	1,048,229	314,588	1,640	456,320	24,385,900

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 (1)	Basic Benefit (2)	COLA (3)	Subtotal (2) + (3) (4)	ROPP (5)	Total (4) + (5) (6)
<b>I. Public Employees Contributory</b>					
A. Local Government	260,085	98,905	358,990	17	359,007
B. State and School	395,597	156,755	552,352	49	552,401
C. Higher Education	84,459	29,941	114,400	1	114,401
D. Subtotal	740,141	285,601	1,025,742	67	1,025,809
<b>II. Public Employees Noncontributory</b>					
A. Local Government	2,300,579	843,093	3,143,672	0	3,143,672
B. State and School	9,663,786	3,811,473	13,475,259	0	13,475,259
C. Higher Education	740,362	261,679	1,002,041	0	1,002,041
D. Subtotal	12,704,727	4,916,245	17,620,972	0	17,620,972
<b>III. Public Safety Contributory</b>					
A. Other Division A (2.5% COLA)	60,751	36,447	97,198	199	97,396
B. Other Division A (4% COLA)	11,171	8,226	19,397	114	19,511
C. Other Division B (4% COLA)	5,335	2,805	8,140	0	8,140
D. Subtotal	77,257	47,478	124,735	313	125,047
<b>IV. Public Safety Noncontributory</b>					
A. State	706,888	315,784	1,022,672	336	1,023,008
B. Other Division A (2.5% COLA)	520,465	214,243	734,708	0	734,708
C. Other Division A (4% COLA)	180,765	73,761	254,526	0	254,526
D. Salt Lake City	194,270	91,466	285,736	131	285,867
E. Ogden	46,687	22,726	69,413	11	69,424
F. Provo	34,002	15,197	49,199	20	49,219
G. Logan	17,327	8,198	25,525	3	25,528
H. Bountiful	13,134	6,245	19,379	3	19,382
I. Other Division B (2.5% COLA)	260,093	100,434	360,527	2	360,529
J. Other Division B (4% COLA)	27,675	11,482	39,157	0	39,157
K. Subtotal	2,001,306	859,536	2,860,842	506	2,861,348
<b>V. Firefighters</b>					
A. Division A	86,985	36,798	123,783	50	123,833
B. Division B	473,540	224,961	698,501	649	699,150
C. Subtotal	560,525	261,759	822,284	699	822,983
<b>VI. Judges</b>					
	134,946	62,241	197,187	0	197,187
<b>VII. Governors and Legislative</b>					
	6,264	2,178	8,442	795	9,237
<b>VIII. Tier II - Hybrid Plans</b>					
A. Public Employees	9,363	2,204	11,567	0	11,567
B. Public Safety and Firefighter	504	160	664	0	664
<b>VIII. Grand Total</b>	<b>16,235,033</b>	<b>6,437,402</b>	<b>22,672,435</b>	<b>2,380</b>	<b>22,674,814</b>

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	8.77%	1.10%	0.35%	1.37%	0.29%	11.88%
B. State and School	9.05%	0.81%	0.23%	1.43%	0.23%	11.75%
C. Higher Education	8.49%	0.81%	0.23%	1.58%	0.18%	11.29%
II. Public Employees Noncontributory						
A. Local Government	9.02%	1.98%	0.40%	0.00%	0.34%	11.74%
B. State and School	10.75%	1.85%	0.36%	0.00%	0.26%	13.22%
C. Higher Education	9.76%	2.01%	0.38%	0.00%	0.27%	12.42%
III. Public Safety Contributory						
A. Other Division A (2.5% COLA)	21.93%	0.81%	0.38%	1.51%	0.28%	24.91%
B. Other Division A (4% COLA)	22.11%	0.55%	0.25%	1.56%	0.23%	24.70%
C. Other Division B (4% COLA)	22.24%	0.51%	0.23%	1.33%	0.33%	24.64%
IV. Public Safety Noncontributory						
A. State	21.97%	1.41%	0.39%	0.00%	0.27%	24.04%
B. Other Division A (2.5% COLA)	21.91%	1.39%	0.38%	0.00%	0.27%	23.95%
C. Other Division A (4% COLA)	22.09%	1.29%	0.35%	0.00%	0.26%	23.99%
D. Salt Lake City	22.06%	1.26%	0.36%	0.00%	0.40%	24.08%
E. Ogden	22.00%	1.30%	0.37%	0.00%	0.42%	24.09%
F. Provo	22.17%	1.29%	0.37%	0.00%	0.41%	24.24%
G. Logan	22.21%	1.34%	0.37%	0.00%	0.42%	24.34%
H. Bountiful	21.90%	1.49%	0.41%	0.00%	0.29%	24.09%
I. Other Division B (2.5% COLA)	22.01%	1.30%	0.37%	0.00%	0.41%	24.09%
J. Other Division B (4% COLA)	21.92%	1.33%	0.38%	0.00%	0.42%	24.05%
V. Firefighters						
A. Division A	23.34%	0.37%	1.88%	0.69%	0.41%	26.69%
B. Division B	23.18%	0.33%	1.63%	0.75%	0.50%	26.39%
VI. Judges	30.97%	0.00%	0.00%	0.00%	0.95%	31.92%
VII. Tier II - Hybrid Plans						
A. Public Employees	7.40%	1.65%	0.20%	0.00%	0.21%	9.46%
B. Public Safety and Firefighter	14.45%	0.90%	0.34%	0.06%	0.28%	16.03%

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	11.88%	6.00%	5.88%
B. State and School	11.75%	6.00%	5.75%
C. Higher Education	11.29%	6.00%	5.29%
II. Public Employees Noncontributory			
A. Local Government	11.74%	0.00%	11.74%
B. State and School	13.22%	0.00%	13.22%
C. Higher Education	12.42%	0.00%	12.42%
III. Public Safety Contributory			
A. Other Division A (2.5% COLA)	24.91%	12.29%	12.62%
B. Other Division A (4% COLA)	24.70%	12.29%	12.41%
C. Other Division B (4% COLA)	24.64%	10.50%	14.14%
IV. Public Safety Noncontributory			
A. State	24.04%	0.00%	24.04%
B. Other Division A (2.5% COLA)	23.95%	0.00%	23.95%
C. Other Division A (4% COLA)	23.99%	0.00%	23.99%
D. Salt Lake City	24.08%	0.00%	24.08%
E. Ogden	24.09%	0.00%	24.09%
F. Provo	24.24%	0.00%	24.24%
G. Logan	24.34%	0.00%	24.34%
H. Bountiful	24.09%	0.00%	24.09%
I. Other Division B (2.5% COLA)	24.09%	0.00%	24.09%
J. Other Division B (4% COLA)	24.05%	0.00%	24.05%
V. Firefighters			
A. Division A	26.69%	15.05%	11.64%
B. Division B	26.39%	16.71%	9.68%
VI. Judges	31.92%	0.00%	31.92%
VII. Tier II - Hybrid Plans			
A. Public Employees	9.46%	0.00%	9.46%
B. Public Safety and Firefighter	16.03%	2.03%	14.00%

Note: The member rate for the Tier II Public Safety and Firefighter Hybrid Plan of 2.59% of pay is equal to the difference between the Board certified contribution rate (16.59% of pay) and the employer contribution rate set in Statute (14.00% of pay). 2.03% of pay of the member rate finances the normal cost rate and 0.56% of pay finances the amortization of the unfunded actuarial accrued liability.

# 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)	
<b>I. Public Employees Contributory</b>					
A. Local Government	463,674	3,579	3,508	7,087	456,586
B. State and School	639,741	1,304	1,249	2,553	637,188
C. Higher Education	156,555	604	532	1,136	155,419
D. Subtotal	1,259,970	5,487	5,289	10,776	1,249,193
<b>II. Public Employees Noncontributory</b>					
A. Local Government	7,348,355	0	680,883	680,883	6,667,472
B. State and School	27,049,237	0	2,442,248	2,442,248	24,606,989
C. Higher Education	2,274,879	0	173,536	173,536	2,101,344
D. Subtotal	36,672,471	0	3,296,667	3,296,667	33,375,805
<b>III. Public Safety Contributory</b>					
A. Other Division A (2.5% COLA)	117,687	1,711	1,758	3,469	114,218
B. Other Division A (4% COLA)	20,665	52	52	104	20,561
C. Other Division B (4% COLA)	9,193	45	61	106	9,087
D. Subtotal	147,545	1,808	1,871	3,679	143,866
<b>IV. Public Safety Noncontributory</b>					
A. State	1,757,265	0	142,099	142,099	1,615,166
B. Other Division A (2.5% COLA)	1,547,023	0	157,315	157,315	1,389,708
C. Other Division A (4% COLA)	466,846	0	40,385	40,385	426,461
D. Salt Lake City	481,249	0	42,253	42,253	438,996
E. Ogden	98,086	0	5,880	5,880	92,206
F. Provo	80,659	0	6,331	6,331	74,328
G. Logan	42,511	0	2,835	2,835	39,676
H. Bountiful	32,164	0	2,639	2,639	29,525
I. Other Division B (2.5% COLA)	726,817	0	87,212	87,212	639,605
J. Other Division B (4% COLA)	68,377	0	7,395	7,395	60,982
K. Subtotal	5,300,997	0	494,344	494,344	4,806,653
<b>V. Firefighters</b>					
A. Division A	364,446	40,972	31,688	72,660	291,786
B. Division B	1,350,734	105,990	61,400	167,390	1,183,344
C. Subtotal	1,715,180	146,962	93,088	240,050	1,475,130
<b>VI. Judges</b>	342,728	0	53,637	53,637	289,092
<b>VII. Governors and Legislative</b>	13,466	0	171	171	13,295
<b>VIII. Tier II - Hybrid Plans</b>					
A. Public Employees	3,228,762	0	2,098,406	2,098,406	1,130,355
B. Public Safety and Firefighter	777,226	75,812	525,829	601,641	175,585
<b>IX. Grand Total</b>	49,458,345	230,069	6,569,302	6,799,371	42,658,974

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 (1)	Inactive Members			Active Members		
	Accumulated	Employer	Total	Accumulated	Employer	Total
	Member	Financed		Member	Financed	
Contributions	(2)	(3)	(4)	Contributions	(6)	(7)
I. Public Employees Contributory						
A. Local Government	27,095	6,119	33,214	27,799	36,567	64,366
B. State and School	17,178	1,371	18,549	29,785	36,453	66,238
C. Higher Education	9,429	633	10,062	13,544	17,413	30,957
D. Subtotal	53,702	8,123	61,825	71,128	90,433	161,561
II. Public Employees Noncontributory						
A. Local Government	18,188	516,841	535,029	42,366	2,946,406	2,988,772
B. State and School	35,455	1,109,959	1,145,414	50,196	9,936,120	9,986,316
C. Higher Education	10,922	224,477	235,399	9,067	854,836	863,903
D. Subtotal	64,565	1,851,277	1,915,842	101,629	13,737,362	13,838,991
III. Public Safety Contributory						
A. Other Division A (2.5% COLA)	6,923	1,326	8,249	2,994	5,579	8,573
B. Other Division A (4% COLA)	466	27	493	147	410	557
C. Other Division B (4% COLA)	151	0	151	282	514	796
D. Subtotal	7,540	1,353	8,893	3,423	6,503	9,926
IV. Public Safety Noncontributory						
A. State	1,239	83,257	84,496	988	506,674	507,662
B. Other Division A (2.5% COLA)	4,933	124,439	129,372	7,871	517,757	525,628
C. Other Division A (4% COLA)	904	28,499	29,403	778	141,754	142,532
D. Salt Lake City	173	17,730	17,903	209	135,018	135,227
E. Ogden	25	4,431	4,456	208	18,118	18,326
F. Provo	878	1,300	2,178	3,340	19,592	22,932
G. Logan	881	1,600	2,481	1,629	10,038	11,667
H. Bountiful	0	1,192	1,192	0	8,950	8,950
I. Other Division B (2.5% COLA)	3,062	26,830	29,892	3,932	245,252	249,184
J. Other Division B (4% COLA)	132	2,450	2,582	154	19,088	19,242
K. Subtotal	12,227	291,728	303,955	19,109	1,622,241	1,641,350
V. Firefighters						
A. Division A	7,138	9,108	16,246	46,294	105,413	151,707
B. Division B	10,414	15,643	26,057	144,247	313,890	458,137
C. Subtotal	17,552	24,751	42,303	190,541	419,303	609,844
VI. Judges	61	3,058	3,119	902	87,884	88,786
VII. Governors and Legislative	25	2,298	2,323	0	1,735	1,735
VIII. Tier II - Hybrid Plans						
A. Public Employees	0	56,462	56,462	0	1,062,327	1,062,327
B. Public Safety and Firefighter	615	2,297	2,912	7,492	164,517	172,009
IX. Grand Total	156,287	2,241,347	2,397,634	394,224	17,192,305	17,586,529

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	165	2	682	551	948	22	203	2,573
B. State and School	99	0	147	3	1,654	69	309	2,281
C. Higher Education	50	0	79	2	327	1	49	508
D. Subtotal	314	2	908	556	2,929	92	561	5,362
II. Public Employees Noncontributory								
A. Local Government	10,701	111	12,795	195	10,194	221	1,348	35,565
B. State and School	34,264	284	27,409	360	41,282	692	4,510	108,801
C. Higher Education	3,184	39	6,464	197	4,427	9	431	14,751
D. Subtotal	48,149	434	46,668	752	55,903	922	6,289	159,117
III. Public Safety Contributory								
A. Other Division A (2.5% COLA)	25	0	142	36	223	5	133	564
B. Other Division A (4% COLA)	1	0	11	2	64	0	45	123
C. Other Division B (4% COLA)	1	0	1	0	23	1	8	34
D. Subtotal	27	0	154	38	310	6	186	721
IV. Public Safety Noncontributory								
A. State	1,305	9	1,418	6	2,050	33	405	5,226
B. Other Division A (2.5% COLA)	1,329	7	1,764	2	1,380	23	239	4,744
C. Other Division A (4% COLA)	346	2	448	0	470	5	53	1,324
D. Salt Lake City	291	1	185	0	465	14	129	1,085
E. Ogden	48	0	98	0	133	1	36	316
F. Provo	49	1	28	1	83	0	18	180
G. Logan	26	0	31	0	49	1	7	114
H. Bountiful	21	0	13	0	40	1	3	78
I. Other Division B (2.5% COLA)	669	4	424	12	585	11	94	1,799
J. Other Division B (4% COLA)	55	0	44	0	61	1	6	167
K. Subtotal	4,139	24	4,453	21	5,316	90	990	15,033
V. Firefighters								
A. Division A	418	0	207	32	176	26	46	905
B. Division B	940	0	202	71	980	74	294	2,561
C. Subtotal	1,358	0	409	103	1,156	100	340	3,466
VI. Judges	119	0	4	0	130	0	31	284
VII. Governors and Legislative	44	0	77	1	182	0	62	366
VIII. Tier II - Hybrid Plans								
A. Public Employees	39,173	0	5,375	0	269	0	7	44,824
B. Public Safety and Firefighter	4,799	0	369	378	3	0	2	5,551
IX. Grand Total	98,122	460	58,417	1,849	66,198	1,210	8,468	234,724

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 Years (7)
I. Public Employees Contributory						
A. Local Government	165	11,277	68,346	27,799	57.7	23.9
B. State and School	99	7,693	77,711	29,785	63.4	38.7
C. Higher Education	50	3,511	70,215	13,544	62.7	38.6
D. Subtotal	314	22,481	71,596	71,128	60.3	30.9
II. Public Employees Noncontributory						
A. Local Government	10,701	760,856	71,101	42,366	51.6	17.2
B. State and School	34,264	2,335,821	68,171	50,196	51.6	17.7
C. Higher Education	3,184	197,021	61,879	9,067	53.0	18.1
D. Subtotal	48,149	3,293,698	68,406	101,629	51.7	17.6
III. Public Safety Contributory						
A. Other Division A (2.5% COLA)	25	1,823	72,913	2,994	44.1	12.9
B. Other Division A (4% COLA)	1	86	86,167	147	49.0	18.0
D. Other Division B (4% COLA)	1	101	100,848	282	55.0	24.0
E. Subtotal	27	2,010	74,439	3,423	44.7	13.5
IV. Public Safety Noncontributory						
A. State	1,305	90,397	69,270	988	46.7	15.7
B. Other Division A (2.5% COLA)	1,329	96,259	72,430	7,871	45.5	14.9
C. Other Division A (4% COLA)	346	24,880	71,907	778	44.7	15.7
D. Salt Lake City	291	25,478	87,554	209	45.0	14.6
E. Ogden	48	3,428	71,411	208	44.6	14.5
F. Provo	49	3,876	79,107	3,340	45.4	16.4
G. Logan	26	1,841	70,814	1,629	46.6	17.7
H. Bountiful	21	1,694	80,656	0	46.3	14.3
I. Other Division B (2.5% COLA)	669	53,610	80,134	3,932	45.4	12.3
J. Other Division B (4% COLA)	55	4,206	76,464	154	44.1	11.5
K. Subtotal	4,139	305,669	73,851	19,109	45.7	14.8
V. Firefighters						
A. Division A	418	32,615	78,026	46,294	46.4	13.9
B. Division B	940	79,829	84,925	144,247	46.8	17.8
C. Subtotal	1,358	112,444	82,801	190,541	47.7	16.7
VI. Judges	119	20,869	175,371	902	55.0	8.0
VII. Governors and Legislative	44	564	12,813	0	58.5	8.7
VIII. Tier II - Hybrid Plans						
A. Public Employees	39,173	1,969,408	50,275	0	38.8	3.9
B. Public Safety and Firefighter	4,799	250,128	52,121	7,492	32.1	4.0
IX. Grand Total	98,122	5,977,271	60,917	394,224	45.3	11.4

# 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)
I. Public Employees Contributory			
A. Local Government	1,173	30,542	2,170
B. State and School	2,032	48,997	2,009
C. Higher Education	377	9,816	2,170
D. Subtotal	3,582	89,355	2,079
II. Public Employees Noncontributory			
A. Local Government	11,763	266,815	1,890
B. State and School	46,484	1,177,642	2,111
C. Higher Education	4,867	90,697	1,553
D. Subtotal	63,114	1,535,154	2,027
III. Public Safety Contributory			
A. Other Division A (2.5% COLA)	361	9,049	2,089
B. Other Division A (4% COLA)	109	2,079	1,590
C. Other Division B (4% COLA)	32	633	1,648
D. Subtotal	502	11,761	1,952
IV. Public Safety Noncontributory			
A. State	2,488	78,648	2,634
B. Other Division A (2.5% COLA)	1,642	52,210	2,650
C. Other Division A (4% COLA)	528	16,813	2,654
D. Salt Lake City	608	22,331	3,061
E. Ogden	170	5,213	2,556
F. Provo	101	3,738	3,084
G. Logan	57	1,904	2,784
H. Bountiful	44	1,558	2,950
I. Other Division B (2.5% COLA)	690	23,695	2,862
J. Other Division B (4% COLA)	68	2,631	3,224
K. Subtotal	6,396	208,741	2,720
V. Firefighters			
A. Division A	248	8,744	2,938
B. Division B	1,348	55,475	3,429
C. Subtotal	1,596	64,219	3,353
VI. Judges	161	16,590	8,587
VII. Governors and Legislative	244	1,023	349
VIII. Tier II - Hybrid Plans			
A. Public Employees	276	888	268
B. Public Safety and Firefighter	5	39	645
IX. Grand Total	75,876	1,927,770	2,117

## EXHIBIT 11(A)

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

Item (1)	December 31, 2020 (2)	December 31, 2021 (3)
1. Cash	36	3,801
2. Receivables		
a. Member contributions	820	685
b. Employer contributions	59,542	58,365
c. Fire insurance premium tax & court fees	243	270
d. Investments	413,293	640,594
e. Total	473,898	699,914
3. Investments		
a. Short-term securities	2,631,822	3,370,782
b. Debt securities	5,318,719	5,456,728
c. Equity investments	15,669,072	16,912,685
d. Absolute return	5,920,978	6,875,009
e. Private equity	4,535,107	5,973,612
f. Real assets	5,232,310	6,948,864
g. Total	39,308,008	45,537,680
4. Other	1,154,376	901,741
5. Total Assets	40,936,318	47,143,136
6. Liabilities		
a. Securities lending liability	(1,142,783)	(888,919)
b. Other accounting liabilities and reserves	(797,156)	(1,201,482)
c. Total	(1,939,939)	(2,090,401)
7. Net assets	38,996,379	45,052,735

Note: Assets exclude the defined contribution plans  
Amount shown are in \$ thousands  
Amounts shown are from the December 31, 2021 Annual Comprehensive 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, 2020 (2)	Contributions (3)	Benefits and Refunds (4)	Earnings, Net of Expenses (5)	Transfers (6)	MVA as of Dec. 31, 2021 (7)
I. Public Employees Contributory						
A. Local Government	479,085	2,843	(32,400)	79,895	(1,310)	528,113
B. State and School	673,344	1,945	(50,781)	111,184	(5,218)	730,474
C. Higher Education	183,211	860	(10,155)	28,556	(13,821)	188,651
D. Subtotal	<u>1,335,640</u>	<u>5,648</u>	<u>(93,336)</u>	<u>219,635</u>	<u>(20,349)</u>	<u>1,447,238</u>
II. Public Employees Noncontributory						
A. Local Government	6,200,190	194,026	(275,617)	1,060,714	4,895	7,184,208
B. State and School	21,823,461	692,539	(1,197,133)	3,742,523	220,417	25,281,807
C. Higher Education	2,197,447	51,031	(93,592)	345,896	(177,788)	2,322,994
D. Subtotal	<u>30,221,098</u>	<u>937,596</u>	<u>(1,566,342)</u>	<u>5,149,133</u>	<u>47,524</u>	<u>34,789,009</u>
III. Public Safety Contributory						
A. Other Division A (2.5% COLA)	123,856	983	(9,106)	20,749	(434)	136,048
B. Other Division A (4% COLA)	23,365	33	(2,099)	3,805	(238)	24,866
C. Other Division B (4% COLA)	9,767	40	(630)	1,631	12	10,820
D. Subtotal	<u>156,988</u>	<u>1,056</u>	<u>(11,835)</u>	<u>26,185</u>	<u>(660)</u>	<u>171,734</u>
IV. Public Safety Noncontributory						
A. State	1,475,315	50,210	(82,383)	251,174	2,824	1,697,140
B. Other Division A (2.5% COLA)	1,238,958	44,303	(56,001)	211,276	(10,869)	1,427,667
C. Other Division A (4% COLA)	382,258	12,257	(18,816)	65,408	2,264	443,371
D. Salt Lake City	360,930	15,354	(23,562)	61,524	1,834	416,080
E. Ogden	76,969	2,701	(5,367)	13,080	747	88,130
F. Provo	63,502	2,475	(3,684)	10,765	(1,182)	71,876
G. Logan	34,937	1,077	(1,895)	5,945	41	40,105
H. Bountiful	24,399	1,090	(1,587)	4,154	36	28,092
I. Other Division B (2.5% COLA)	547,589	21,222	(25,885)	94,732	12,499	650,157
J. Other Division B (4% COLA)	60,673	2,203	(2,693)	10,437	419	71,039
K. Subtotal	<u>4,265,530</u>	<u>152,892</u>	<u>(221,873)</u>	<u>728,495</u>	<u>8,613</u>	<u>4,933,657</u>
V. Firefighters						
A. Division A	294,862	12,824	(9,150)	50,615	(1,146)	348,005
B. Division B	1,256,333	34,796	(57,534)	214,881	2,983	1,451,459
C. Subtotal	<u>1,551,195</u>	<u>47,620</u>	<u>(66,684)</u>	<u>265,496</u>	<u>1,837</u>	<u>1,799,464</u>
VI. Judges	244,131	10,304	(18,598)	41,632	4,563	282,032
VII. Governors and Legislative	12,057	361	(1,037)	2,037	7	13,425
VIII. 3% Substantial Substitute	256,972	21,491	(15)	42,613	(41,536)	279,525
IX. Tier II - Hybrid Plans						
A. Public Employees	832,482	168,289	(1,980)	155,227	0	1,154,018
B. Public Safety and Firefighter	120,284	38,739	(36)	23,647	0	182,634
X. Grand Total	<u>38,996,377</u>	<u>1,383,996</u>	<u>(1,981,736)</u>	<u>6,654,100</u>	<u>0</u>	<u>45,052,736</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	38,996,377	36,648,217
2. Contributions to fund during year	1,383,996	1,383,996
3. Benefit payments during year (including refunds of contributions)	(1,981,736)	(1,981,736)
4. Transfers to and (from) URS	0	0
5. Investment income, net of investment and administrative expenses	6,654,100	4,188,607
6. End of year assets	45,052,736	40,239,084
7. Investment rate return	17.2%	11.5%

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%
2017	13.3%	8.3%
2018	-0.4%	6.0%
2019	14.3%	7.1%
2020	12.5%	9.6%
2021	17.2%	11.5%
Average return		
Last 5 years:	11.2%	8.5%
Last 10 years:	10.0%	8.2%
Last 15 years:	7.1%	6.9%
Last 20 years:	7.9%	6.7%
Last 25 years:	7.8%	7.7%

## EXHIBIT 13

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

1. Market value of assets \$ 45,052,736
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.	2021	4,003,316	80%	3,202,653
b.	2020	1,941,480	60%	1,164,888
c.	2019	2,279,187	40%	911,675
d.	2018	(2,327,819)	20%	(465,564)
e.	2017	1,792,944	0%	<u>0</u>
f.	Total			4,813,652

3. Preliminary actuarial value of assets (1-2f) \$ 40,239,084
4. Corridor Limits
  - a. 75% of market value \$ 33,789,552
  - b. 125% of market value 56,315,920
  - c. Actuarial value (Item 3, not more than 4b, not less than 4a) \$ 40,239,084
5. Ratio of actuarial value to market value 89.3%

Note: Amounts shown are in \$ thousands

# EXHIBIT 14

## Transfer Adjustments to Asset Values

Fund/Division (1)	Market Value of Assets (MVA) at January 1, 2022			Actuarial Value of Assets (AVA) at January 1, 2022		
	MVA Before Transfer	Transfer Amount	MVA After Transfer	AVA Before Transfer	Transfer Amount	AVA After Transfer
	(2)	(3)	(4)	(5)	(6)	(7)
I. Public Employees Contributory						
A. Local Government	528,113	(24,293)	503,820	469,261	(21,586)	447,675
B. State and School	730,474	(27,880)	702,594	650,305	(24,820)	625,485
C. Higher Education	188,651	(13,627)	175,024	165,854	(11,980)	153,874
D. Subtotal	<u>1,447,238</u>	<u>(65,800)</u>	<u>1,381,438</u>	<u>1,285,420</u>	<u>(58,386)</u>	<u>1,227,034</u>
II. Public Employees Noncontributory						
A. Local Government	7,184,208	24,293	7,208,501	6,416,719	21,586	6,438,305
B. State and School	25,281,807	27,880	25,309,687	22,576,953	24,820	22,601,773
C. Higher Education	2,322,994	13,627	2,336,621	2,061,376	11,980	2,073,356
D. Subtotal	<u>34,789,009</u>	<u>65,800</u>	<u>34,854,809</u>	<u>31,055,048</u>	<u>58,386</u>	<u>31,113,434</u>
III. Public Safety Contributory						
A. Other Division A (2.5% COLA)	136,048	(9,752)	126,296	120,718	(8,710)	112,008
B. Other Division A (4% COLA)	24,866	(1,805)	23,061	22,023	(1,612)	20,411
C. Other Division B (4% COLA)	10,820	(511)	10,309	9,613	(456)	9,157
D. Subtotal	<u>171,734</u>	<u>(12,067)</u>	<u>159,667</u>	<u>152,354</u>	<u>(10,778)</u>	<u>141,576</u>
IV. Public Safety Noncontributory						
A. State	1,697,140	0	1,697,140	1,514,952	0	1,514,952
B. Other Division A (2.5% COLA)	1,427,667	9,752	1,437,419	1,275,372	8,710	1,284,082
C. Other Division A (4% COLA)	443,371	1,805	445,176	396,044	1,612	397,656
D. Salt Lake City	416,080	0	416,080	371,445	0	371,445
E. Ogden	88,130	0	88,130	78,598	0	78,598
F. Provo	71,876	0	71,876	64,082	0	64,082
G. Logan	40,105	0	40,105	35,793	0	35,793
H. Bountiful	28,092	0	28,092	25,058	0	25,058
I. Other Division B (2.5% COLA)	650,157	0	650,157	581,489	0	581,489
J. Other Division B (4% COLA)	71,039	511	71,550	63,467	456	63,923
K. Subtotal	<u>4,933,657</u>	<u>12,067</u>	<u>4,945,724</u>	<u>4,406,300</u>	<u>10,778</u>	<u>4,417,078</u>
V. Firefighters						
A. Division A	348,005	0	348,005	312,184	0	312,184
B. Division B	1,451,459	0	1,451,459	1,295,194	0	1,295,194
C. Subtotal	<u>1,799,464</u>	<u>0</u>	<u>1,799,464</u>	<u>1,607,378</u>	<u>0</u>	<u>1,607,378</u>
VI. Judges	282,032	0	282,032	251,721	0	251,721
VII. Governors and Legislative	13,425	0	13,425	11,915	0	11,915
VIII. 3% Substantial Substitute	279,525	0	279,525	251,836	0	251,836
IX. Tier II - Hybrid Plans						
A. Public Employees	1,154,018	0	1,154,018	1,049,866	0	1,049,866
B. Public Safety and Firefighter	182,634	0	182,634	167,246	0	167,246
X. Grand Total	<u>45,052,736</u>	<u>0</u>	<u>45,052,736</u>	<u>40,239,084</u>	<u>0</u>	<u>40,239,084</u>

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	\$	465,637
b. Inactives		10,936
c. Actives		<u>43,171</u>
d. Total	\$	519,744
2. Actuarial value of assets	\$	251,836
3. Unfunded actuarial accrued liability		267,908
4. Covered compensation of state funds that will pay for benefit	\$	4,570,569
5. Calculated rate (20-year funding period and 2.90% PGR)		0.42%

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	9,960	523	1,421	11,905
B. State and School	16,548	556	2,064	19,168
C. Higher Education	<u>3,392</u>	<u>300</u>	<u>963</u>	<u>4,655</u>
D. Subtotal	29,900	1,379	4,448	35,728
II. Public Employees Noncontributory				
A. Local Government	58,504	2,219	8,131	68,854
B. State and School	291,850	3,736	24,073	319,659
C. Higher Education	<u>19,115</u>	<u>1,186</u>	<u>3,618</u>	<u>23,918</u>
D. Subtotal	369,469	7,141	35,822	412,431
III. Public Safety Contributory				
A. Other Division A (2.5% COLA)	2,541	114	0	2,656
B. Other Division A (4% COLA)	522	12	0	533
C. Other Division B (4% COLA)	<u>146</u>	<u>5</u>	<u>0</u>	<u>150</u>
D. Subtotal	3,209	131	0	3,339
IV. Public Safety Noncontributory				
A. State	17,434	412	565	18,411
B. Other Division A (2.5% COLA)	10,115	1,071	581	11,767
C. Other Division A (4% COLA)	2,766	110	139	3,015
D. Salt Lake City	5,068	103	170	5,341
E. Ogden	1,257	21	25	1,303
F. Provo	835	12	105	952
G. Logan	507	38	0	545
H. Bountiful	420	17	0	437
I. Other Division B (2.5% COLA)	4,242	175	202	4,620
J. Other Division B (4% COLA)	<u>619</u>	<u>15</u>	<u>0</u>	<u>633</u>
K. Subtotal	43,263	1,974	1,787	47,024
V. Firefighters				
A. Division A	1,763	97	302	2,161
B. Division B	<u>14,240</u>	<u>201</u>	<u>607</u>	<u>15,049</u>
C. Subtotal	16,003	298	909	17,210
VI. Judges	3,677	0	197	3,874
VII. Governors and Legislative	117	14	7	138
VIII. Tier II - Hybrid Plans				
A. Public Employees	0	0	0	0
B. Public Safety and Firefighter	0	0	0	0
VIII. Grand Total	465,637	10,936	43,171	519,744

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	\$ 9,237,055
b. Inactives	2,322,939
c. Actives	<u>1,735,287</u>
d. Total	\$ 13,295,281
2. Actuarial Value of Assets	\$ 11,915,000
3. Unfunded Actuarial Accrued Liability (UAAL) (1d) - (2)	1,380,281
4. Normal Cost	\$ 44,567
5. Total Recommended Appropriation Payable by June 30, 2024	
a. Normal Cost	\$ 44,567
b. Amortization Charge (12-year funding period, level dollar)*	<u>274,539</u>
c. Subtotal	\$ 319,106
d. Interest Adjustment (two years at 6.85%)	<u>45,215</u>
e. Total	\$ 364,321

\* Greater of the current year amortization dollar amount based on the closed 12-year funding 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)						
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
2018	620	1,822	4,042	6,484	38,631	62,307	82,534	1,702	1,261,473	1,228,311
2019	519	1,726	3,917	6,162	33,750	65,029	84,544	1,799	1,185,120	1,222,340
2020	450	1,644	3,790	5,884	30,241	67,202	86,773	1,908	1,276,101	1,230,688
2021	379	1,553	3,679	5,611	26,338	69,493	88,167	1,997	1,309,773	1,227,721
2022	314	1,466	3,582	5,362	22,481	71,596	89,355	2,079	1,381,438	1,227,034



## 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)						
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
2018	59,494	49,983	53,898	163,375	3,261,711	54,824	1,223,333	1,891	24,992,931	24,200,612
2019	56,237	49,840	56,404	162,481	3,260,398	57,976	1,299,595	1,920	24,435,888	25,183,796
2020	53,069	49,896	58,649	161,614	3,240,185	61,056	1,379,322	1,960	27,393,228	26,447,311
2021	51,140	48,236	61,026	160,402	3,295,447	64,440	1,465,393	2,001	30,246,965	28,416,195
2022	48,149	47,854	63,114	159,117	3,293,698	68,406	1,535,154	2,027	34,854,809	31,113,434



## 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	Inactive	Retired	Total						
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
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
2018	37	280	619	936	2,094	56,595	14,430	1,943	192,327	185,215
2019	30	269	611	910	1,772	59,112	14,415	1,966	174,803	180,241
2020	29	256	603	888	1,897	65,445	14,390	1,989	184,890	178,218
2021	28	244	591	863	1,972	70,458	14,266	2,012	188,315	176,394
2022	27	192	502	721	2,010	74,439	11,761	1,952	159,667	141,576



## 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)						
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
2018	5,666	4,465	5,019	15,150	339,112	59,850	152,444	2,531	3,384,186	3,277,704
2019	5,271	4,477	5,356	15,104	330,952	62,787	166,193	2,586	3,353,263	3,455,584
2020	4,953	4,490	5,649	15,092	330,104	66,647	179,992	2,655	3,799,292	3,669,098
2021	4,568	4,475	5,960	15,003	317,072	69,412	192,737	2,695	4,234,203	3,979,478
2022	4,139	4,498	6,396	15,033	305,669	73,851	208,741	2,720	4,945,724	4,417,078



## 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)						
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
2018	1,603	516	1,423	3,542	111,002	69,246	53,137	3,112	1,234,406	1,195,358
2019	1,541	520	1,464	3,525	110,823	71,916	55,698	3,170	1,207,892	1,244,696
2020	1,490	511	1,499	3,500	112,075	75,218	58,762	3,267	1,391,551	1,343,400
2021	1,427	506	1,543	3,476	112,316	78,708	61,685	3,331	1,551,195	1,457,692
2022	1,358	512	1,596	3,466	112,444	82,801	64,219	3,353	1,799,464	1,607,378



## 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 (2)	Inactive (3)	Retired (4)	Total (5)						
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
2018	114	4	148	266	18,507	162,345	13,122	7,389	198,486	192,037
2019	116	3	155	274	19,288	166,280	14,558	7,827	195,568	201,325
2020	116	4	153	273	19,757	170,318	14,868	8,098	220,293	212,550
2021	119	4	155	278	20,475	172,055	15,541	8,356	244,131	229,290
2022	119	4	161	284	20,869	175,371	16,590	8,587	282,032	251,721



## 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 (2)	Inactive (3)	Retired (4)	Total (5)						
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
2018	52	99	253	404	639	12,285	975	321	11,220	10,856
2019	52	91	250	393	639	12,285	974	325	10,537	10,852
2020	48	93	248	389	757	15,777	988	332	11,344	10,926
2021	42	84	249	375	719	17,128	998	334	12,057	11,287
2022	44	78	244	366	564	12,813	1,023	349	13,425	11,915



## 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 (2)	Inactive (3)	Retired (4)	Total (5)						
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
2018	27,150	1,073	26	28,249	1,009,865	37,196	50	161	329,217	318,755
2019	30,290	1,878	64	32,232	1,267,301	41,839	160	209	424,635	438,366
2020	33,684	2,869	113	36,666	1,493,445	44,337	301	222	611,583	594,273
2021	35,896	3,954	193	40,043	1,688,861	47,049	563	243	832,482	790,633
2022	39,173	5,375	276	44,824	1,969,408	50,275	888	268	1,154,018	1,049,866



## 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 (2)	Inactive (3)	Retired (4)	Total (5)						
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	0	0	25,135	25,388
2018	2,699	63	0	2,762	113,162	41,927	0	0	40,181	38,872
2019	3,301	111	0	3,412	145,332	44,027	0	0	54,335	56,073
2020	3,767	159	1	3,927	175,713	46,645	12	1,041	81,382	79,067
2021	4,301	358	4	4,663	209,765	48,771	33	697	120,284	114,579
2022	4,799	747	5	5,551	250,128	52,121	39	645	182,634	167,246

# SUPPLEMENT EXHIBIT 1(A)

## Preliminary Tier I Retirement Contribution Rates as a Percentage of Salary and Wages Fiscal Year July 1, 2023 - June 30, 2024

	Preliminary Tier I 2023-2024 Rates						Increase (Decrease) From Prior Year
	(1)	(2)	(3)	(4)	(5)	(6)	
	Employee	Employer	Normal cost* (6) - (4)	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%	7.87%	13.96%	19.96%	0.00%
12- State and School***	6.00%	5.45%	11.45%	12.25%	17.70%	23.70% <sup>1</sup>	0.00%
17- Higher Education	6.00%	5.45%	11.45%	12.25%	17.70%	23.70% <sup>1</sup>	0.00%
<b>Public Employees</b>							
<b>Noncontributory Retirement System</b>							
15- Local Government	-	11.86%	11.86%	6.11%	17.97%	17.97%	0.00%
16- State and School***	-	12.25%	12.25%	9.94%	22.19%	22.19% <sup>1,2</sup>	0.00%
18- Higher Education	-	12.25%	12.25%	9.94%	22.19%	22.19% <sup>1,2</sup>	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%	11.02%	23.31%	11.77%	22.79%	35.08%	0.00%
77- Other Division A with 4% COLA	12.29%	11.44%	23.73%	12.93%	24.37%	36.66%	0.00%
<b>Division B</b>							
74- Other Division B with 4% COLA	10.50%	13.04%	23.54%	14.94%	27.98%	38.48%	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% <sup>1</sup>	0.00%
43- 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	-	23.49%	23.49%	26.89%	50.38%	50.38%	0.00%
<b>Division B</b>							
44- Salt Lake City with 2.5% COLA	-	22.51%	22.51%	24.20%	46.71%	46.71%	0.00%
45- Ogden with 2.5% COLA	-	22.42%	22.42%	26.30%	48.72%	48.72%	0.00%
46- Provo with 2.5% COLA	-	22.62%	22.62%	19.61%	42.23%	42.23%	0.00%
47- Logan with 2.5% COLA	-	22.60%	22.60%	19.37%	41.97%	41.97%	0.00%
49- Other Division B with 2.5% COLA	-	22.62%	22.62%	9.66%	32.28%	32.28%	0.00%
76- Other Division B with 4% COLA	-	23.03%	23.03%	14.94%	37.97%	37.97%	0.00%
<b>Firefighters' Retirement System</b>							
<b>Division A</b>							
Gross Rate	15.05%	11.68%	26.73%	2.99%	14.67%	29.72%	0.00%
Insurance Premium Offset	-	<u>-8.07%</u>	<u>-8.07%</u>	<u>-2.99%</u>	<u>-11.06%</u>	<u>-11.06%</u>	<u>0.00%</u>
31- Net Rate	15.05%	3.61%	18.66%	0.00%	3.61%	18.66%	0.00%
<b>Division B</b>							
Gross Rate	16.71%	9.80%	26.51%	7.50%	17.30%	34.01%	0.00%
Insurance Premium Offset	-	<u>-3.56%</u>	<u>-3.56%</u>	<u>-7.50%</u>	<u>-11.06%</u>	<u>-11.06%</u>	<u>0.00%</u>
32- Net Rate	16.71%	6.24%	22.95%	0.00%	6.24%	22.95%	0.00%
<b>Judges' Retirement System</b>							
Gross Rate	-	31.60%	31.60%	20.31%	51.91%	51.91% <sup>1</sup>	0.00%
Court Fees Offset	-	-	-	<u>-6.76%</u>	<u>-6.76%</u>	<u>-6.76%</u>	<u>0.39%</u>
37- Net Rate- Noncontributory	-	31.60%	31.60%	13.55%	45.15%	45.15% <sup>1</sup>	0.39%
<b>Governors and Legislative</b>							
14- Appropriation Payable by June 30, 2024					\$ 364,321	\$ 364,321	\$ 4,382

Note: The net employer contribution rate and amortization rates shown above are certified and maintained by the Board. The net employer contribution rates for Judges and Public Safety Funds 37, 44, 45, 46, and 47 are maintained at the 2014-15 levels. The net employer contribution rates for Funds 29, 48, and 49 are established by the 2017 actuarial valuation. The net employer contribution rates for the Firefighters and Judges changed (due to the offset) in accordance with Utah Code Subsection 49-11-301(5)(a). The contribution rates for certain Tier I public safety and firefighter funds were increased in FY 2019 due to the modification to certain line of duty death benefits (2018 SB 21).

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

2 Does not include 1.5% 401(k).

\* The difference between the Board certified employer contribution rate and the Board certified amortization rate.

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

\*\*\* Public School Districts and Charter School rates are effective September 1, 2023 - August 31, 2024.



# SUPPLEMENT EXHIBIT 1(B)

**Preliminary Tier II Retirement Contribution Rates as a Percentage of Salary and Wages  
Fiscal Year July 1, 2023 - June 30, 2024**

	Tier II Hybrid Retirement System							Tier II Defined Contribution Plan					Employee Increase (Decrease) From Prior Year	Employee Increase (Decrease) From Prior Year
	(1) Employee Tier II Rate	(2) Employer Hybrid DB Rate	(3) Employer Hybrid Plan DC Rate	(4) Death Benefit*	(5) Tier I Amort %	(6) Total Employer Contribution Rate (2)+(3)+(4)+(5)	(7) Total Required Contribution Rate (1)+(6)	(1) Employee Tier II Rate	(2) Employer Tier II Rate	(3) Death Benefit*	(4) Tier I Amort %	(5) Total Required Contribution Rate (1)+(2)+(3)+(4)		
<b>Public Employees</b>														
<b>Contributory Retirement System</b>														
11- Local Government	0.00%	9.82%	0.18%	0.08%	7.87%	17.95%	17.95%	0.00%	10.00%	0.08%	7.87%	17.95%	0.00%	0.00%
<b>Public Employees</b>														
<b>Noncontributory Retirement System</b>														
15- Local Government	0.00%	9.82%	0.18%	0.08%	6.11%	16.19%	16.19%	0.00%	10.00%	0.08%	6.11%	16.19%	0.00%	0.00%
16- State and School <sup>1</sup>	0.00%	9.82%	0.18%	0.08%	9.94%	20.02%	20.02%	0.00%	10.00%	0.08%	9.94%	20.02%	0.00%	0.00%
18- Higher Education	0.00%	9.82%	0.18%	0.08%	9.94%	20.02%	20.02%	0.00%	10.00%	0.08%	9.94%	20.02%	0.00%	0.00%
<b>Public Safety</b>														
<b>Contributory Retirement System</b>														
23- Other Division A (2.5% COLA)	2.59%	14.00%	0.00%	0.08%	11.77%	25.85%	28.44%	0.00%	14.00%	0.08%	11.77%	25.85%	0.00%	0.00%
77- Other Division A (4% COLA)	2.59%	14.00%	0.00%	0.08%	12.93%	27.01%	29.60%	0.00%	14.00%	0.08%	12.93%	27.01%	0.00%	0.00%
74- Other Division B (4% COLA)	2.59%	14.00%	0.00%	0.08%	14.94%	29.02%	31.61%	0.00%	14.00%	0.08%	14.94%	29.02%	0.00%	0.00%
<b>Public Safety</b>														
<b>Noncontributory Retirement System</b>														
42- State	2.59%	14.00%	0.00%	0.08%	18.46%	32.54%	35.13%	0.00%	14.00%	0.08%	18.46%	32.54%	0.00%	0.00%
43- Other Division A (2.5% COLA)	2.59%	14.00%	0.00%	0.08%	11.75%	25.83%	28.42%	0.00%	14.00%	0.08%	11.75%	25.83%	0.00%	0.00%
75- Other Division A (4% COLA)	2.59%	14.00%	0.00%	0.08%	12.91%	26.99%	29.58%	0.00%	14.00%	0.08%	12.91%	26.99%	0.00%	0.00%
44- Salt Lake City	2.59%	14.00%	0.00%	0.08%	24.20%	38.28%	40.87%	0.00%	14.00%	0.08%	24.20%	38.28%	0.00%	0.00%
45- Ogden	2.59%	14.00%	0.00%	0.08%	26.30%	40.38%	42.97%	0.00%	14.00%	0.08%	26.30%	40.38%	0.00%	0.00%
46- Provo	2.59%	14.00%	0.00%	0.08%	19.61%	33.69%	36.28%	0.00%	14.00%	0.08%	19.61%	33.69%	0.00%	0.00%
47- Logan	2.59%	14.00%	0.00%	0.08%	19.37%	33.45%	36.04%	0.00%	14.00%	0.08%	19.37%	33.45%	0.00%	0.00%
48- Bountiful	2.59%	14.00%	0.00%	0.08%	26.89%	40.97%	43.56%	0.00%	14.00%	0.08%	26.89%	40.97%	0.00%	0.00%
49- Other Division B (2.5% COLA)	2.59%	14.00%	0.00%	0.08%	9.66%	23.74%	26.33%	0.00%	14.00%	0.08%	9.66%	23.74%	0.00%	0.00%
76- Other Division B (4% COLA)	2.59%	14.00%	0.00%	0.08%	14.94%	29.02%	31.61%	0.00%	14.00%	0.08%	14.94%	29.02%	0.00%	0.00%
<b>Firefighters</b>														
31- Division A**	2.59%	14.00%	0.00%	0.08%	0.00%	14.08%	16.67%	0.00%	14.00%	0.08%	0.00%	14.08%	0.00%	0.00%
32- Division B**	2.59%	14.00%	0.00%	0.08%	0.00%	14.08%	16.67%	0.00%	14.00%	0.08%	0.00%	14.08%	0.00%	0.00%

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

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

<sup>1</sup> Public School Districts and Charter School rates are effective September 1, 2023 - August 31, 2024.



# SUPPLEMENT EXHIBIT 1(C)

## Preliminary Condensed Retirement Contribution Rate Guide Fiscal Year July 1, 2023 - June 30, 2024

	Tier I DB System			Tier I Post Retired		Tier II - DB Hybrid System					Tier II - DC Plan				
	Contribution Reporting Fields			Post Retired Employment post 6/30/2010 - No 401(k)	Post Retired Employment prior July 1, 2010	Contribution Reporting Fields					Contribution Reporting Fields				
	Member	Employer	Total	Amort of UAAL <sup>1</sup>	Optional 401(k) Cap	Tier II Fund	Employee	Employer	401(k)	Total	Tier II Fund	Employee	Employer	401(k)	Total
<b>Public Employees</b>															
<b>Contributory Retirement System</b>															
11- Local Government	6.00%	13.96%	19.96%	7.87%	12.09%	111	0.00%	17.77%	0.18%	17.95%	211	0.00%	7.95%	10.00%	17.95%
12- State and School <sup>3</sup>	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	-	17.97%	17.97%	6.11%	11.86%	111	0.00%	16.01%	0.18%	16.19%	211	0.00%	6.19%	10.00%	16.19%
16- State and School <sup>3</sup>	-	22.19%	22.19% <sup>2</sup>	9.94%	12.25%	112	0.00%	19.84%	0.18%	20.02%	212	0.00%	10.02%	10.00%	20.02%
18- Higher Education	-	22.19%	22.19% <sup>2</sup>	9.94%	12.25%	117	0.00%	19.84%	0.18%	20.02%	217	0.00%	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%	22.79%	35.08%	11.77%	23.31%	122	2.59%	25.85%	0.00%	28.44%	222	0.00%	11.85%	14.00%	25.85%
77- Other Division A with 4% COLA	12.29%	24.37%	36.66%	12.93%	23.73%	122	2.59%	27.01%	0.00%	29.60%	222	0.00%	13.01%	14.00%	27.01%
<b>Division B</b>															
74- Other Division B with 4% COLA	10.50%	27.98%	38.48%	14.94%	23.54%	122	2.59%	29.02%	0.00%	31.61%	222	0.00%	15.02%	14.00%	29.02%
<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	2.59%	32.54%	0.00%	35.13%	222	0.00%	18.54%	14.00%	32.54%
43- Other Division A with 2.5% COLA	-	34.04%	34.04%	11.75%	22.29%	122	2.59%	25.83%	0.00%	28.42%	222	0.00%	11.83%	14.00%	25.83%
75- Other Division A with 4% COLA	-	35.71%	35.71%	12.91%	22.80%	122	2.59%	26.99%	0.00%	29.58%	222	0.00%	12.99%	14.00%	26.99%
48- Bountiful with 2.5% COLA	-	50.38%	50.38%	26.89%	23.49%	122	2.59%	40.97%	0.00%	43.56%	222	0.00%	26.97%	14.00%	40.97%
<b>Division B</b>															
44- Salt Lake City with 2.5% COLA	-	46.71%	46.71%	24.20%	22.51%	122	2.59%	38.28%	0.00%	40.87%	222	0.00%	24.28%	14.00%	38.28%
45- Ogden with 2.5% COLA	-	48.72%	48.72%	26.30%	22.42%	122	2.59%	40.38%	0.00%	42.97%	222	0.00%	26.38%	14.00%	40.38%
46- Provo with 2.5% COLA	-	42.23%	42.23%	19.61%	22.62%	122	2.59%	33.69%	0.00%	36.28%	222	0.00%	19.69%	14.00%	33.69%
47- Logan with 2.5% COLA	-	41.97%	41.97%	19.37%	22.60%	122	2.59%	33.45%	0.00%	36.04%	222	0.00%	19.45%	14.00%	33.45%
49- Other Division B with 2.5% COLA	-	32.28%	32.28%	9.66%	22.62%	122	2.59%	23.74%	0.00%	26.33%	222	0.00%	9.74%	14.00%	23.74%
76- Other Division B with 4% COLA	-	37.97%	37.97%	14.94%	23.03%	122	2.59%	29.02%	0.00%	31.61%	222	0.00%	15.02%	14.00%	29.02%
<b>Firefighters Retirement System</b>															
<b>Division A</b>															
31- Division A	15.05%	3.61%	18.66%	0.00%	18.66%	132	2.59%	14.08%	0.00%	16.67%	232	0.00%	0.08%	14.00%	14.08%
<b>Division B</b>															
32- Division B	16.71%	6.24%	22.95%	0.00%	22.95%	132	2.59%	14.08%	0.00%	16.67%	232	0.00%	0.08%	14.00%	14.08%
<b>Judges' Retirement System</b>															
37- Judges' Noncontributory	0.00%	45.15%	45.15%												

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

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

<sup>3</sup> Public School Districts and Charter School rates are effective September 1, 2023 - August 31, 2024.



**SECTION D**

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**ASSESSMENT AND DISCLOSURE OF RISK**

# Risks Associated with Measuring the Accrued Liability And Actuarially Determined Contribution

(As Required by ASOP No. 51)

The determination of URS's accrued liability and actuarially determined contributions requires the use of assumptions regarding future economic and demographic experience. The risk measures illustrated in this section are intended to aid stakeholders in understanding the effects when future experience differs from the assumptions used in performing an actuarial valuation. These risk measures may also help with illustrating the potential volatility in the funded status and actuarially determined contributions that result from differences between actual experience and the expected experience based on the actuarial assumptions.

Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience (economic and demographic) differing from the assumptions, changes in assumptions due to changing conditions, changes in contribution requirements due to modifications to the funding policy, and changes in the liability and cost due to changes in plan provisions or applicable law. The scope of an actuarial valuation does not include an analysis of the potential range of such future measurements.

Examples of risk that may reasonably be anticipated to significantly affect the Systems' future financial condition include:

- Investment risk – actual investment returns may differ from expected returns;
- Longevity risk – members may live longer or shorter than expected and receive pensions for a time period different than assumed;
- Other demographic risks – members may terminate, retire or become disabled at times or with benefits other than assumed resulting in actual future accrued liabilities and contributions differing from expected;
- Salary and payroll risk – actual salaries and total payroll may differ from expected, resulting in actual future accrued liabilities and contributions differing from expected;
- Asset/Liability mismatch – changes in assets may be inconsistent with changes in liabilities, thereby altering the relative difference between the assets and liabilities which may alter the funded status and contribution requirements;
- Contribution risk – actual contributions may differ from expected future contributions. For example, actual contributions are not made in accordance with the System's funding policy, withdrawal liability assessments or other anticipated payments to the plan are not made, or material changes occur in the anticipated number of covered employees, covered payroll, or another relevant contribution base.

Effects of certain experience can generally be anticipated. For example, if the investment return since the most recent actuarial valuation is less (or more) than the assumed rate of return, the funded status of the plan can be expected to decrease (or increase) more than anticipated.

The Board certified contribution rates shown in this report comply with the Board's funding policy, but stakeholders should be aware that contributions made at the current Board certified rate do not necessarily guarantee that the contribution requirements will not increase in a future year.

## Employer Risk with Contribution Rates

URS's Board policy is intended to finance the unfunded actuarial accrued liability over a reasonable time period and provide stability in the employer contribution rates so employers are better able to budget their pension cost in future years. For the Tier 1 funds, the Board certified contribution rate is equal to the greater of: (1) the prior year Board certified contribution rate, and (2) an actuarially determined contribution rate based on a 20-year funding period. The contribution rates for a majority of the funds have been relatively stable since the fiscal year ending in 2015. The greater the margin, or difference between the prior year's Board certified rate and the actuarially determined contribution rate, the greater ability for the fund to incur some adverse experience without requiring an increase in the Board certified contribution rate. However, providing stability in the contribution rates means that projecting the year the fund actually attains a 100% funded ratio becomes less certain. If actual experience is more favorable than assumed then the year the fund attains a 100% funded ratio will be earlier than projected, but the projected year the fund attains a 100% funded ratio will be later than projected if actual experience is less favorable than assumed.

The Tier 2 Retirement Systems (Hybrid and Defined Contribution) were created to provide retirement benefits to members who joined URS on an after July 1, 2011. A key feature of this plan design was to try to eliminate the contribution rate risk for employers with respect to the benefits provided to Tier 2 members. Specifically, the employer contribution rate is set at 10% of pay for the Tier 2 Public Employee Systems and 14% of pay (beginning July 1, 2020) for the Tier 2 Public Safety and Firefighter Systems, (ignoring the amortization cost to finance the unfunded actuarial accrued liability in the Tier 1 System). Since the employer contribution rate is a fixed rate, the benefits provided to Tier 2 members are less certain, as are the member contribution requirements in the Tier 2 Hybrid Systems.

## Plan Maturity Measures

Risks faced by a pension plan evolve over time. A relatively new plan with virtually no assets and paying few benefits will experience lower investment risk than a mature plan with a significant amount of assets and large number of members receiving benefits. There are a few measures that can assist stakeholders in understanding and comparing the maturity of a plan to other systems, which include:

- Ratio of market value of assets to payroll: The relationship between assets and payroll is a useful indicator of the potential volatility of contributions. If assets are approximately the same as covered payroll, an investment return that is 5% different than assumed would equal 5% of payroll. In another example, if the assets are approximately twice as large as covered payroll, an investment return that is 5% different than assumed would equal 10% of payroll. A ratio that increases over time generally indicates the potential of an increasing volatility in employer contribution rates as a percentage of payroll. For the Tier 1 Systems this measure includes the Tier 2 payroll on which the Tier 1 funds receive amortization contributions to finance the unfunded actuarial accrued liability.

- Ratio of actuarial accrued liability to payroll: The ratio of actuarial accrued liability to payroll can be used as a measure to indicate the potential volatility of contributions due to volatility in the liability experience. For instance, if the actuarial accrued liability is 5 times the size of the covered payroll, then a change in the liability that is 2% different than expected would be a change in magnitude that is 10% of payroll. A ratio that increases over time generally indicates the potential of an increasing volatility in employer contribution rates as a percentage of payroll. Generally, this ratio will be greater for the public safety and firefighter funds than the public employee funds because the benefits provided to public safety members and firefighters are more generous compared to those provided to public employees. For the Tier 1 Systems this measure includes the Tier 2 payroll on which the Tier 1 funds receive amortization contributions.
- Ratio of active to retired members: A relatively new plan will have a high ratio of active to retired members. A relatively mature open plan is likely to have close to the same number of actives to retirees resulting in a ratio that is around 1.0. On the other hand, a super-mature plan, or a plan that is closed to new entrants will have more retirees than active members resulting in a ratio below 1.0. As you will see on the table below, most of the Tier 1 funds have ratios at or below 1. As this ratio declines, a larger portion of the liability in the system is attributable to retirees (versus actives). This metric also typically moves in tandem with the liability to payroll metric, which provides an indication of potential contribution volatility. Finally, a low ratio active to retiree ratio can be an indicator of the relative cost impact for COLA type benefit changes (improvements or reductions).
- Ratio of net cash flow to market value of assets: A negative net cash flow means that benefit payments exceed contributions and the plan is depending on investment earnings and possibly existing funds to make payments to retirees. A certain amount of negative net cash flow is expected to occur when benefits are prefunded and the plan has matured. A large negative net cash flow as a percent of assets may be an indication of the need for additional contributions for a plan with a low funded ratio.



The following exhibit provides a comparison of these measures for each fund maintained by URS. Only the Tier II Hybrid and Defined Contribution Retirement Systems are open to new members. Both are considered relatively new funds. On the other hand, the Tier I Public Employee and Tier I Public Safety and Firefighter Systems are mature funds that are closed to new members. As a result, the maturity measures for these type funds will be very different.

### Certain Risk and Maturity Measures by Fund

Fund/Division (1)	MVA / Payroll <sup>1</sup> (2)	AAL / Payroll <sup>1</sup> (3)	Active / Retiree Member Ratio (4)	Net Cash Flow / MVA (5)
I. Tier I Public Employees				
A. Local Government	5.3	4.9	0.8	-1.4%
B. State and School	6.3	6.1	0.7	-2.1%
C. Higher Education	9.4	8.4	0.6	-2.1%
II. Tier I Public Safety				
A. State	11.2	10.6	0.5	-1.9%
B. Other Division A (2.5% COLA)	8.5	8.2	0.7	-1.3%
C. Other Division A (4% COLA)	10.0	9.6	0.5	-1.8%
D. Salt Lake City	10.7	11.3	0.5	-2.0%
E. Ogden	11.8	12.3	0.3	-3.0%
F. Provo	10.3	10.6	0.5	-1.7%
G. Logan	11.7	11.5	0.5	-2.0%
H. Bountiful	11.0	11.5	0.5	-1.8%
I. Other Division B (2.5% COLA)	7.6	7.4	1.0	-0.7%
J. Other Division B (4% COLA)	10.5	9.0	0.6	-1.3%
III. Tier I Firefighters				
A. Division A	5.5	4.6	1.7	1.1%
B. Division B	12.4	10.1	0.7	-1.6%
IV. Judges	13.3	13.6	0.7	-2.9%
V. Governors and Legislative	23.8	23.6	0.2	-5.0%
VI. 3% Substantial Substitute	0.1	0.1	N/A	-7.2%
VII. Tier II - Hybrid Plans				
A. Public Employees	0.6	0.6	141.9	14.4%
B. Public Safety and Firefighter	0.7	0.7	959.8	21.2%
VIII. Grand Total	5.1	4.9	1.3	-1.4%

<sup>1</sup> Payroll for the Tier 1 funds is based on contributing payroll, which includes Tier II pay which provides a mortization payments the Tier I funds to finance the unfunded actuarial accrued liability.

# APPENDIX 1

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# APPENDIX 1

## Statement of Actuarial Assumptions and Methods

1. *Investment return rate:*

6.85% per annum, compounded annually, composed of a 2.50% inflation rate and a 4.35% net real rate of return.

2. *Active member mortality rates:*

The mortality assumption for active members is the PUB-2010 Employees Mortality Table for public employees, teachers, and public safety members, respectively. Rates at selected ages are shown:

Active Male Members			
Age	Public Educators	All Public Employees Except Educators	Public Safety and Firefighters
20	0.000340	0.000370	0.000410
25	0.000160	0.000280	0.000370
30	0.000220	0.000360	0.000410
35	0.000300	0.000470	0.000470
40	0.000420	0.000660	0.000590
45	0.000670	0.000980	0.000820
50	0.001110	0.001490	0.001200
55	0.001720	0.002190	0.001750
60	0.002640	0.003190	0.002640

Active Female Members			
Age	Public Educators	All Public Employees Except Educators	Public Safety and Firefighters
20	0.000130	0.000130	0.000160
25	0.000090	0.000090	0.000200
30	0.000140	0.000150	0.000270
35	0.000200	0.000230	0.000360
40	0.000310	0.000360	0.000490
45	0.000480	0.000560	0.000670
50	0.000730	0.000830	0.000910
55	0.001070	0.001230	0.001230
60	0.001610	0.001860	0.001680

## 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. For the Public Safety and 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	0.000130	0.000130	0.000090	0.000150	0.000470
25	0.000195	0.000195	0.000135	0.000225	0.000705
30	0.000390	0.000390	0.000270	0.000450	0.001410
35	0.000585	0.000585	0.000405	0.000675	0.002115
40	0.000780	0.000780	0.000540	0.000900	0.002820
45	0.001300	0.001300	0.000900	0.001500	0.004700
50	0.001690	0.001690	0.001170	0.001950	0.006110
55	0.002665	0.002665	0.001845	0.003075	0.009635
60	0.003640	0.003640	0.002520	0.004200	0.013160

<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	0.000130	0.000130	0.000100	0.000150	0.000470
25	0.000195	0.000195	0.000150	0.000225	0.000705
30	0.000390	0.000390	0.000300	0.000450	0.001410
35	0.000585	0.000585	0.000450	0.000675	0.002115
40	0.000780	0.000780	0.000600	0.000900	0.002820
45	0.001300	0.001300	0.001000	0.001500	0.004700
50	0.001690	0.001690	0.001300	0.001950	0.006110
55	0.002665	0.002665	0.002050	0.003075	0.009635
60	0.003640	0.003640	0.002800	0.004200	0.013160

## 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	0.1800	0.2700	0.1600	0.1500	0.0700
1	0.1300	0.2000	0.1200	0.0800	0.0550
2	0.0900	0.1200	0.0850	0.0650	0.0400
3	0.0850	0.1000	0.0700	0.0600	0.0350
4	0.0750	0.0900	0.0650	0.0500	0.0300
5	0.0700	0.0800	0.0600	0.0450	0.0250
6	0.0650	0.0700	0.0550	0.0400	0.0200
7	0.0550	0.0600	0.0450	0.0400	0.0175
8	0.0500	0.0500	0.0400	0.0350	0.0150
9	0.0450	0.0500	0.0350	0.0300	0.0150
10	0.0400	0.0450	0.0300	0.0250	0.0150
11	0.0350	0.0450	0.0275	0.0250	0.0150
12	0.0325	0.0400	0.0275	0.0200	0.0100
13	0.0300	0.0375	0.0225	0.0200	0.0050
14	0.0300	0.0350	0.0200	0.0175	0.0050
15	0.0275	0.0300	0.0200	0.0175	0.0050
16	0.0275	0.0275	0.0200	0.01500	0.0050
17	0.0250	0.0250	0.0200	0.01500	0.0050
18	0.0250	0.0200	0.0200	0.01500	0.0050
19	0.0250	0.0200	0.0150	0.01500	0.0050
20	0.0200	0.0200	0.0150	0.0100	0.0050
21	0.0200	0.0200	0.0150	0.0100	0.0050
22	0.0175	0.0200	0.0150	0.0100	0.0050
23	0.0150	0.0150	0.0150	0.0100	0.0050
24	0.0125	0.0150	0.0150	0.0100	0.0050
25+	0.0100	0.0100	0.0100	N/A	N/A

## APPENDIX 1 (Continued)

4. *Termination rates (continued):*

Active Female Members					
Years of Service					
Service	Local Government	Public Employees	Public Educators	Public Safety	Firefighters
0	0.2400	0.2800	0.1700	0.1500	0.0700
1	0.1800	0.2100	0.1400	0.0800	0.0550
2	0.1400	0.1500	0.1100	0.0650	0.0400
3	0.1200	0.1300	0.1000	0.0600	0.0350
4	0.1100	0.1100	0.0900	0.0500	0.0300
5	0.0950	0.1000	0.0800	0.0450	0.0250
6	0.0900	0.0850	0.0700	0.0400	0.0200
7	0.0800	0.0725	0.0550	0.0400	0.0175
8	0.0650	0.0625	0.0475	0.0350	0.0150
9	0.0650	0.0575	0.0425	0.0300	0.0150
10	0.0550	0.0525	0.0400	0.0250	0.0150
11	0.0500	0.0450	0.0350	0.0250	0.0150
12	0.0475	0.0425	0.0300	0.0200	0.0100
13	0.0450	0.0400	0.0250	0.0200	0.0050
14	0.0400	0.0375	0.0200	0.0175	0.0050
15	0.0400	0.0350	0.0200	0.0175	0.0050
16	0.0375	0.0300	0.0175	0.0150	0.0050
17	0.0350	0.0275	0.0175	0.0150	0.0050
18	0.0300	0.0275	0.0175	0.0150	0.0050
19	0.0300	0.0275	0.0150	0.0150	0.0050
20	0.0250	0.0275	0.0150	0.0100	0.0050
21	0.0250	0.0250	0.0150	0.0100	0.0050
22	0.0225	0.0225	0.0150	0.0100	0.0050
23	0.0200	0.0200	0.0150	0.0100	0.0050
24	0.0200	0.0200	0.0150	0.0100	0.0050
25+	0.0100	0.0100	0.0100	N/A	N/A

## 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.

Tier 1 - 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):*

<b>Tier 1 - Females</b>			
<b>Service</b>	<b>Local Government</b>	<b>Public Employees</b>	<b>Public Educators</b>
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%

Members in the Tier 2 Hybrid Systems (public employee and public safety and firefighter system) are assumed to elect a refund at their termination of employment if the value of their employee contribution balance (with interest) is greater than the value of their pension benefit.



## 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	0.120
51	0.025	0.150	0.040	0.120
52	0.025	0.150	0.040	0.120
53	0.025	0.150	0.040	0.120
54	0.025	0.150	0.040	0.120
55	0.030	0.150	0.040	0.150
56	0.030	0.150	0.040	0.150
57	0.030	0.150	0.040	0.150
58	0.040	0.150	0.060	0.150
59	0.040	0.150	0.060	0.200
60	0.040	0.200	0.100	0.200
61	0.040	0.200	0.130	0.200
62	0.100	0.230	0.130	0.280
63	0.100	0.230	0.130	0.280
64	0.100	0.230	0.130	0.280
65	N/A	0.230	N/A	0.280
66	N/A	0.230	N/A	0.280
67	N/A	0.220	N/A	0.280
68	N/A	0.220	N/A	0.280
69	N/A	0.220	N/A	0.280
70	N/A	0.220	N/A	0.300
71	N/A	0.220	N/A	0.300
72	N/A	0.220	N/A	0.300
73	N/A	0.220	N/A	0.250
74	N/A	0.220	N/A	0.250
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	0.120
51	N/A	0.150	N/A	0.120
52	N/A	0.150	N/A	0.120
53	N/A	0.150	N/A	0.120
54	N/A	0.150	N/A	0.120
55	N/A	0.150	N/A	0.150
56	N/A	0.150	N/A	0.150
57	N/A	0.150	N/A	0.150
58	N/A	0.150	N/A	0.150
59	N/A	0.150	N/A	0.200
60	0.020	0.200	0.020	0.200
61	0.040	0.200	0.040	0.200
62	0.060	0.230	0.060	0.280
63	0.080	0.230	0.080	0.280
64	0.100	0.230	0.100	0.280
65	N/A	0.230	N/A	0.280
66	N/A	0.230	N/A	0.280
67	N/A	0.220	N/A	0.280
68	N/A	0.220	N/A	0.280
69	N/A	0.220	N/A	0.280
70	N/A	0.220	N/A	0.300
71	N/A	0.220	N/A	0.300
72	N/A	0.220	N/A	0.300
73	N/A	0.220	N/A	0.250
74	N/A	0.220	N/A	0.250
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 prior to the age of 65.

## APPENDIX 1 (Continued)

6. *Retirement rates (continued):*

Tier I - Public Employees				
Age	Male		Female	
	Reduced	Unreduced	Reduced	Unreduced
50	0.023	0.150	0.020	0.170
51	0.023	0.150	0.020	0.160
52	0.025	0.150	0.020	0.160
53	0.025	0.150	0.020	0.160
54	0.025	0.150	0.020	0.160
55	0.025	0.160	0.040	0.160
56	0.025	0.160	0.040	0.160
57	0.025	0.160	0.040	0.160
58	0.025	0.160	0.040	0.200
59	0.040	0.160	0.040	0.200
60	0.050	0.200	0.090	0.250
61	0.050	0.200	0.090	0.250
62	0.110	0.300	0.140	0.330
63	0.110	0.300	0.140	0.330
64	0.110	0.300	0.140	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	0.250
61	0.040	0.200	0.040	0.250
62	0.060	0.300	0.060	0.330
63	0.080	0.300	0.080	0.330
64	0.100	0.300	0.100	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

<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	0.020	0.300
53	0.020	0.200	0.020	0.140
54	0.020	0.150	0.020	0.140
55	0.020	0.150	0.030	0.140
56	0.025	0.150	0.030	0.180
57	0.030	0.150	0.060	0.180
58	0.030	0.150	0.060	0.180
59	0.030	0.150	0.060	0.180
60	0.080	0.230	0.110	0.300
61	0.080	0.230	0.110	0.300
62	0.130	0.330	0.160	0.350
63	0.130	0.330	0.160	0.350
64	0.130	0.330	0.160	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	0.280
69	N/A	0.250	N/A	0.280
70	N/A	0.200	N/A	0.280
71	N/A	0.200	N/A	0.280
72	N/A	0.200	N/A	0.280
73	N/A	0.200	N/A	0.280
74	N/A	0.200	N/A	0.280
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	0.150	N/A	0.140
55	N/A	0.150	N/A	0.140
56	N/A	0.150	N/A	0.180
57	N/A	0.150	N/A	0.180
58	N/A	0.150	N/A	0.180
59	N/A	0.150	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	0.330	0.060	0.350
63	0.080	0.330	0.080	0.350
64	0.100	0.330	0.100	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	0.280
69	N/A	0.250	N/A	0.280
70	N/A	0.200	N/A	0.280
71	N/A	0.200	N/A	0.280
72	N/A	0.200	N/A	0.280
73	N/A	0.200	N/A	0.280
74	N/A	0.200	N/A	0.280
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	0.075	0.150
45	0.000	0.150	0.150	0.075	0.150
46	0.000	0.150	0.150	0.075	0.150
47	0.000	0.150	0.150	0.075	0.150
48	0.000	0.150	0.150	0.075	0.150
49	0.000	0.150	0.150	0.075	0.150
50	0.000	0.150	0.150	0.075	0.150
51	0.000	0.150	0.150	0.075	0.150
52	0.000	0.150	0.150	0.075	0.150
53	0.000	0.150	0.150	0.075	0.150
54	0.000	0.150	0.150	0.075	0.150
55	0.000	0.150	0.150	0.075	0.150
56	0.000	0.150	0.150	0.075	0.150
57	0.000	0.150	0.150	0.150	0.150
58	0.000	0.150	0.150	0.150	0.200
59	0.000	0.150	0.200	0.150	0.200
60	0.140	0.200	0.200	0.150	0.200
61	0.140	0.200	0.200	0.150	0.200
62	0.140	0.300	0.300	0.250	0.250
63	0.140	0.300	0.300	0.250	0.250
64	0.140	0.300	0.300	0.250	0.250
65	0.280	0.300	0.300	0.500	0.500
66	0.280	0.300	0.400	0.500	0.500
67	0.280	0.300	0.500	0.500	0.500
68	0.280	0.300	0.500	0.500	0.500
69	0.280	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 – 25	25 – 29 <sup>1</sup>	30+ <sup>1</sup>	0 – 25	25 - 29 <sup>1</sup>	30+ <sup>1</sup>
40-44	N/A	0.150	N/A	N/A	0.075	N/A
45	N/A	0.150	0.150	N/A	0.075	0.150
46	N/A	0.150	0.150	N/A	0.075	0.150
47	N/A	0.150	0.150	N/A	0.075	0.150
48	N/A	0.150	0.150	N/A	0.075	0.150
49	N/A	0.150	0.150	N/A	0.075	0.150
50	N/A	0.150	0.150	N/A	0.075	0.150
51	N/A	0.150	0.150	N/A	0.075	0.150
52	N/A	0.150	0.150	N/A	0.075	0.150
53	N/A	0.150	0.150	N/A	0.075	0.150
54	N/A	0.150	0.150	N/A	0.075	0.150
55	N/A	0.150	0.150	N/A	0.075	0.150
56	N/A	0.150	0.150	N/A	0.075	0.150
57	N/A	0.150	0.150	N/A	0.150	0.150
58	N/A	0.150	0.150	N/A	0.150	0.200
59	N/A	0.150	0.200	N/A	0.150	0.200
60	0.050	0.200	0.200	0.050	0.150	0.200
61	0.050	0.200	0.200	0.050	0.150	0.200
62	0.050	0.300	0.300	0.050	0.250	0.250
63	0.100	0.300	0.300	0.100	0.250	0.250
64	0.100	0.300	0.300	0.100	0.250	0.250
65	0.300	0.300	0.300	0.500	0.500	0.500
66	0.300	0.300	0.400	0.500	0.500	0.500
67	0.300	0.300	0.500	0.500	0.500	0.500
68	0.300	0.300	0.500	0.500	0.500	0.500
69	0.300	0.300	0.500	0.500	0.500	0.500
70+	1.000	1.000	1.000	1.000	1.000	1.000

<sup>1</sup> There is a 10% increase (i.e. plus 10%) to the retirement rate upon first eligibility (if under age 65) for an unreduced retirement benefit.



## 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	0.150	0.100	0.100
63	0.150	0.100	0.100
64	0.150	0.200	0.200
65	0.150	0.200	0.200
66	0.150	0.250	0.250
67	0.150	0.250	0.250
68	0.150	0.250	0.250
69	0.150	0.250	0.250
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	5.00%	8.25%
1	3.75	7.00
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	0.25	3.50
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 or more	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	5.00%	8.25%
1	4.25	7.50
2	3.25	6.50
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 or more	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	6.00%	9.25%
1	5.25	8.50
2	4.25	7.50
3	4.00	7.25
4	3.75	7.00
5	3.50	6.75
6	3.50	6.75
7	3.25	6.50
8	3.25	6.50
9	3.00	6.25
10	2.50	5.75
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	0.25	3.50
24	0.25	3.50
25 or more	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%	6.75%
1	3.00	6.00
2	2.75	6.00
3	2.50	6.00
4	2.50	6.00
5	2.50	6.00
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	4.50
15	1.00	4.50
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	5.25%	8.50%
1	4.75	8.00
2	4.50	7.75
3	4.25	7.50
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	2.75	6.00
10	2.25	5.50
11	1.75	5.00
12	1.50	4.75
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	0.50	3.75
19	0.50	3.75
20	0.50	3.75
21	0.25	3.50
22	0.25	3.50
23	0.25	3.50
24	0.00	3.25
25 or more	0.00	3.25

## APPENDIX 1 (Continued)

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

All non-educator groups except judges:

Male retirees: 110% of 2020 PR UTAH Retiree Mortality Table for males, projected with 80% of the ultimate rates from the MP-2019 mortality improvement scale using a base year of 2020.

Female retirees: 110% of 2020 PR UTAH Retiree Mortality Table for females, projected with 80% of the ultimate rates from the MP-2019 mortality improvement scale using a base year of 2020.

Educators and judges:

Male retirees: 90% of 2020 PR UTAH Retiree Mortality Table for males, projected with 80% of the ultimate rates from the MP-2019 mortality improvement scale using a base year of 2020.

Female retirees: 90% of 2020 PR UTAH Retiree Mortality Table for females, projected with 80% of the ultimate rates from the MP-2019 mortality improvement scale using a base year of 2020.

<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	0.003025	0.002254	0.002475	0.001844
55	0.004355	0.004018	0.003563	0.003288
60	0.007073	0.006557	0.005787	0.005365
65	0.008903	0.007696	0.007285	0.006296
70	0.013176	0.009556	0.010780	0.007818
75	0.022862	0.017380	0.018706	0.014220
80	0.046980	0.035345	0.038438	0.028919
85	0.086607	0.067895	0.070861	0.055551
90	0.147313	0.147706	0.120529	0.120850

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	21.9	22.2
Noneducators - Female	22.7	23.0	23.3	23.6	23.9
Educators/Judges - Male	22.6	22.9	23.2	23.5	23.8
Educators/Judges - Female	24.3	24.6	24.9	25.2	25.5

## APPENDIX 1 (Continued)

9. *Disabled annuitant mortality rates:*

Males: 115% of the PUB-2010 for Disabled Males (General Employees), projected with 80% of the ultimate rates from the MP-2019 mortality improvement scale using a base year of 2010.

Females: 125% of the PUB-2010 for Disabled Females (General Employees), projected with 80% of the ultimate rates from the MP-2019 mortality improvement scale using a base year of 2010.

<b>Disabled Mortality Rates in Base Table before Projections (Multipliers Applied)</b>		
<b>Age</b>	<b>Males</b>	<b>Females</b>
20	0.004738	0.002913
25	0.003197	0.002050
30	0.004071	0.003213
35	0.005267	0.005013
40	0.007418	0.007863
45	0.011581	0.012313
50	0.018458	0.018538
55	0.024311	0.021775
60	0.028785	0.024450
65	0.035006	0.028200

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>2040</b>
<b>Males</b>	15.4	15.8	16.2	16.5	16.9
<b>Females</b>	16.9	17.2	17.6	18.0	18.3



## 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 (except for the Higher Education Risk pool and the Legislators and Governors plan). The development of the amortization cost for the Tier 2 Public Safety and Firefighter Hybrid System includes the projected increase in cost due to an 18 month delay in the effective date of the contribution rate determined by this actuarial valuation.

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.

## APPENDIX 1 (Continued)

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 2.90%. No allowance is made for future growth in the number of members. The payroll growth 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 6.85% 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 6.85% 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 using 80% of the ultimate rates from the MP-2019 mortality improvement scale. 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 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 23 - Other Division A (2.5% COLA)  
Fund 77 - Other Division A (4.0% 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): 50% of FAMS.
  - b. Annuity (Division A members): 30% of member's FAMS.\*
  - c. Lump-sum (Division B members): 50% of FAMS.
  - d. Annuity (Division B members): 37.5% of member's FAMS.\*

\* The annuity will not be less than the benefit payable to the surviving spouse if the member had retired the day before the member's 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 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.\*

\* The annuity will not be 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): 50% of FAMS.
  - 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): 50% of FAMS.
  - 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.\*

\* The annuity will not be less than the benefit payable to the surviving spouse if the member had retired the day before the member's 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.\*

\* The annuity will not be less than the benefit payable to the surviving spouse if the member had retired the day before the member's date of death.

## APPENDIX 2 –Firefighters (Continued)

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 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, 2019, the benefit base is therefore \$30.80.
  - 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, 2019, the benefit base is therefore \$1,420.00.
  - 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 one-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.
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 one-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 14% in which case they must pay the excess.
  - Beginning July 1, 2022 members will contribute 2.59% of payroll.
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 earned prior to July 1, 2020, plus 2.00% of FAMS times years of service earned on and after July 1, 2020.
  - 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  $\frac{2}{3}$  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  $\frac{1}{3}$  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.